



HYDE PARK CAPITAL BUSINESS SERVICES NEWSLETTER

Security Technology & Services

HYDE PARK CAPITAL ADVISORS, LLC · JANUARY 2010

NEWS & TRENDS

Q3 2009 was the slowest period for the Security Technology & Services M&A market (by dollar value) since Q3 2004, despite popular sentiment that improvement in the capital markets is slowly leading to a resurgence of activity. The value of U.S. deals fell 43% from the previous quarter with an average deal size of \$116.7 million. Overall Enterprise Value/EBITDA multiples also continued to decline, with the average market valuation multiple standing at 7.5x.

Q3 also proved to be a quiet quarter for the alarm security and services sector in comparison to Q2, as total announced transaction value dropped 72%, which is likely due to the lack of large transactions that dominated the previous quarter.

However, encouraging signs of sustained recovery were experienced in a couple sectors of the Security Technology & Services industry. The volume of announced security information technology M&A transactions doubled in Q3 versus Q2 2009, and increased 20% over Q3 2008. The heat continued to rise for the aerospace and defense sector as Q3 had a relative increase of 21% over Q1 and 38% over Q2 2009, in terms of total transaction value.

Investment opportunities are plentiful in the industry. In response to a year dominated by Cybersecurity threats, the federal government's IT security spending is expected to increase at a compounded annual growth rate of 8.1% from 2009 to 2014, reaching up to \$11.7 billion. Another channel through which the industry is accessing funds is The US Defense Advanced Research Projects Agency (DARPA); for example, a team led by Lockheed Martin was awarded a \$31 million contract to develop a network protocol to improve the confidentiality, integrity, and security of US military networks.

Although it continues to underperform the NASDAQ, the HPC security technology index has been closing the spread on the S&P500; an indication the security sector is making a strong comeback. Moving forward, expect a shift in the security industry to focus on security software, defense technologies and support services as homeland Cybersecurity takes on an increasing importance.

RECENT HYDE PARK CAPITAL TRANSACTION

September 4, 2009



(NASDAQ:SVUL)

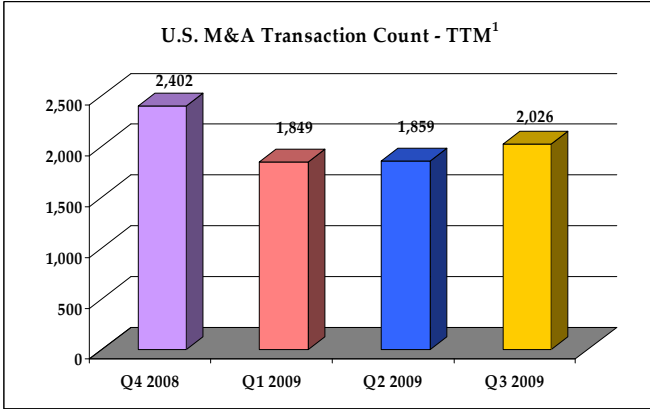
Identity Security
Solutions Company

Deerfield Beach, FL
Merger with Verichip (CHIP)
Fairness Opinion

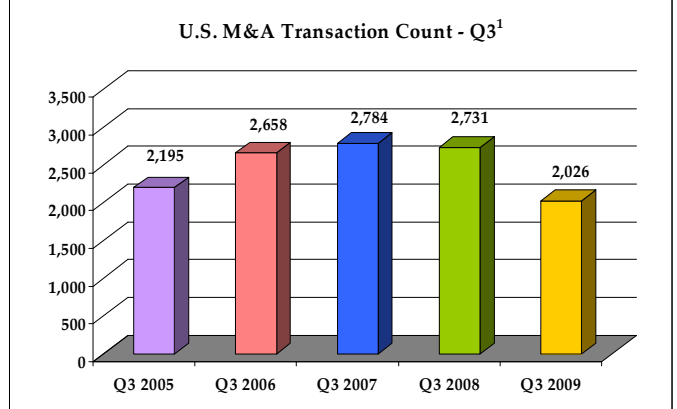
Overview: Steel Vault Corp (NASDAQ:SVUL), through its subsidiary, National Credit Report.com, LLC provides identity security products and services primarily on a subscription basis. The Company's products and services include credit monitoring, credit reports, and other identity theft protection services. These services help consumers protect themselves against identity theft or fraud, and understand and monitor their credit profiles and other personal information.

Transaction: Hyde Park Capital rendered a fairness opinion in connection with the stock for stock merger between Steel Vault Corp and VeriChip Corp. (NASDAQ:CHIP). VeriChip provides radio frequency identification (RFID) systems for healthcare and patient-related needs in the United States. The Company also focuses on the development of the glucose-sensing microchip. The combined entity will be renamed PositiveID is listed on the NASDAQ Stock Exchange (NASDAQ:PSID).

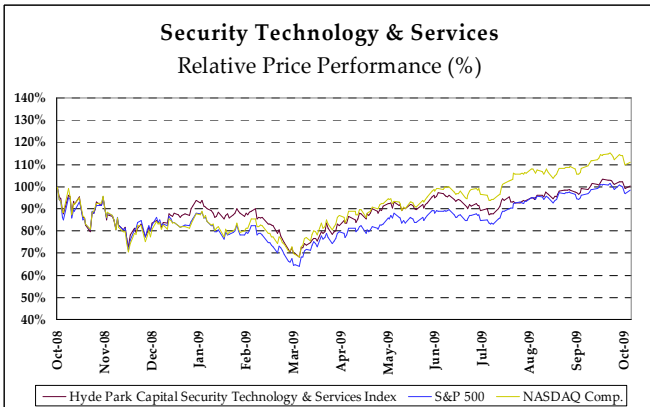
SECURITY TECHNOLOGY & SERVICES: MARKET TRENDS & STATISTICS



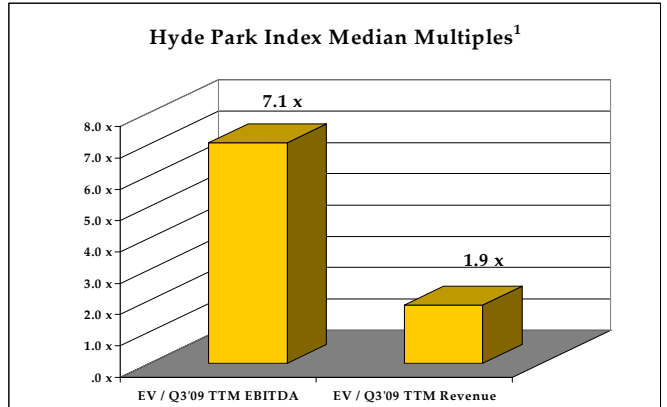
(1) Transaction count is based on per quarter results for all U.S.-based closed merger or acquisition transactions.
Source: Capital IQ.



(1) Transaction count is based on Q3 results for all U.S.-based closed merger or acquisition transactions.
Source: Capital IQ.



Hyde Park Capital Security Technology & Services Index includes: BCO, CA, CHKP, CXW, LLL, LMT, MFE, COL, SYMC, UTX.



(1) LTM revenue and EBITDA data is as of Q3 2009 for public companies in the Hyde Park Capital Security Technology & Services Index.

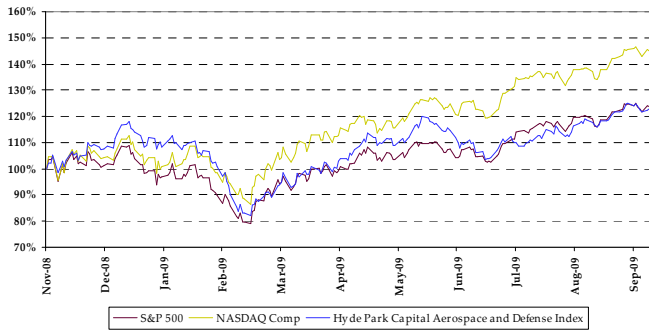
STRATEGIC BUYERS SEEKING ACQUISITIONS IN SECURITY TECHNOLOGY & SERVICES¹

Company	Specifics	Company	Specifics
AAR Corp. (NYSE:AIR)	Defense & Government Services	Fortinet Inc. (NasdaqGM:FTNT)	Systems Software
Esterline Technologies Corp. (NYSE:ESL)	Technology Products	ITT Corporation (NYSE:ITT)	Security Technology & Services
General Dynamics Corp. (NYSE:GD)	Aerospace and Defense	Triumph Group Inc. (NYSE:TGI)	Security Technology
United Technologies Corp. (NYSE:UTX)	Technology Products and Services	Rockwell Collins Inc. (NYSE:COL)	Security Systems
HEICO Corp. (NYSE:HEI)	Aerospace and Defense	Northrop Grumman Corporation (NYSE:NOC)	Security Services
Triumph Group Inc. (NYSE:TGI)	Aerospace Security Technology	Lockheed Martin Corporation (NYSE:LMT)	Defense Technology & Services

(1) Announced during Q3 2009.
Source: Capital IQ.

SECURITY TECHNOLOGY & SERVICES MARKET TRENDS & STATISTICS

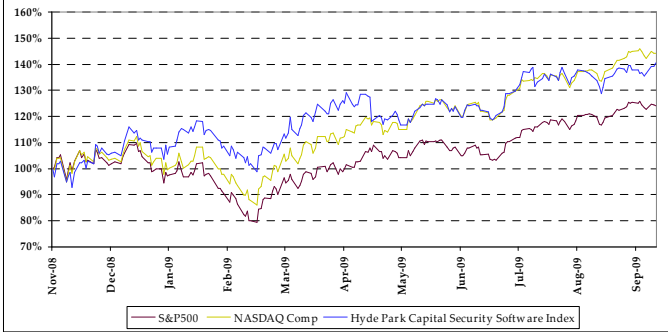
Aerospace and Defense Index
Relative Price Performance (%)



For the nine months ending September 30, 2009, the Aerospace and Defense Index averaged a 3% gain over the S&P 500, and a 8% loss against the NASDAQ Composite.

Aerospace and Defense Index: LMT, BA, HON, UTX, RTN, LSE:BA, CACI, COL, SAI.

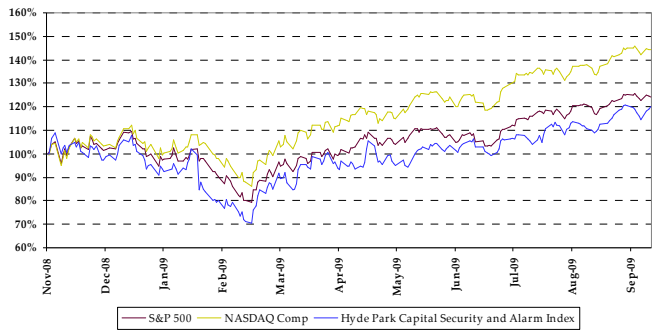
Security Software Index
Relative Price Performance (%)



For the nine months ending September 30, 2009, the Security Software Index outperformed the S&P 500 and the NASDAQ Composite by an average of 14% and 3%, respectively.

Security Software Index: SYMC, CA, CHKP, MFE, NOVL, ARST, VDSI, FIRE, PTEC, ACTI, WAVX, PTEC, ACTI, WAVX, EXBX, CLXS, CIC.

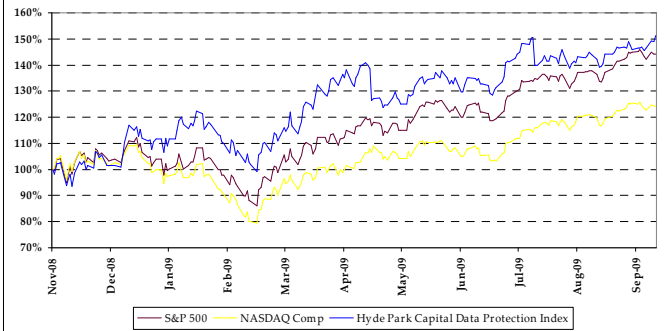
Security and Alarm Index
Relative Price Performance (%)



For the nine months ending September 30, 2009, the Security and Alarm Index underperformed the S&P 500 and NASDAQ Composite by 5% and 14%, respectively.

Security and Alarm Index: CXW, BCO, GEO, SONE, GEOY, CRN, PONE, DYMC, FOUR, MOC.

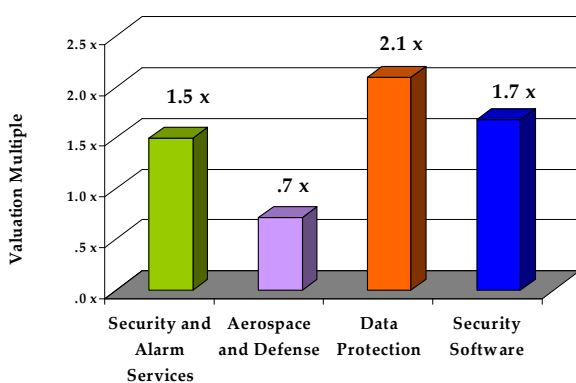
Data Protection Index
Relative Price Performance (%)



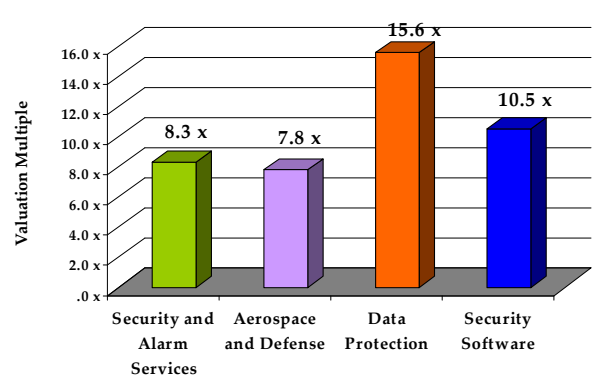
For the nine months ending September 30, 2009, the Data Protection Index outperformed the S&P 500 and NASDAQ Composite by 8% and 19%, respectively.

Data Protection Index: SYMC, NTAP, CHKP, IRM, CVLT, ADPT, SNWL, DBTK, FALC, ABT, BKBO

Total Enterprise Value / LTM Revenue¹



Total Enterprise Value / LTM EBITDA¹



(1) LTM data is as of Q3 2009 for public companies with market capitalizations greater than \$20 million. Source: Capital IQ.

SELECT SECURITY TECHNOLOGY & SERVICES M&A / PRIVATE PLACEMENT DEALS—Q3 2009

SECURITY TECHNOLOGY AND SERVICES M&A TRANSACTIONS AND PRIVATE PLACEMENTS - Q3 2009

Date	Target	Target Description	Buyer / Investor	Private Placement / M&A	Transaction Price (\$MM)	EV / Revenue	EV / EBITDA
30-Sep-09	AVG Technologies CZ, s.r.o.	Develops Internet security software for home and small office users.	TA Associates, Inc.	Merger/Acquisition	\$200	5.7 x	NA
29-Sep-09	L-3 Communications Corp.	Provides defense contractor services in intelligence, surveillance and reconnaissance.	NA	Private Placement	\$1,000	NA	NA
23-Sep-09	China-Vision Intelligent Card Reader Co., Ltd.	Develops and manufactures smart ID card readers & access control systems.	Long Union, Ltd.	Merger/Acquisition	\$13	NA	NA
18-Sep-09	Guardforce, Ltd.	Provides security personnel and cash transport services.	Securitas AB	Merger/Acquisition	NA	NA	NA
17-Sep-09	GeoEye, Inc.	Provides imagery information products and solutions to the national security community.	NA	Private Placement	\$389	NA	NA
16-Sep-09	Hi-Shear Technology Corp.	Designs and manufactures pyrotechnic, mechanical, and electronic products for aerospace and national defense.	Chemring Group plc	Merger/Acquisition	\$132	5.1 x	11.3x
7-Sep-09	Vigilan S.R.L.	Provides guarding services and alarm monitoring services.	Securitas AB	Merger/Acquisition	\$92	0.9 x	NA
4-Sep-09	ICD, Ltd.	Designs, installs, maintains, and manages commercial security systems.	Brinks Co.	Merger/Acquisition	NA	NA	NA
4-Sep-09	Steel Vault Corp.	Provides identity security products and services.	Verichip	Merger/Acquisition	\$3	6.7 x	NM
3-Sep-09	Central Security Group, Inc.	Provides alarm monitoring services to business and residential customers.	Ascent Equity Capital	Private Placement	\$10	NA	NA
17-Aug-09	Bromford Industries Limited	manufactures and supplies engineered and performance-critical components for security and defense markets.	Darwin Private Equity LLP	Merger/Acquisition	\$24	0.8 x	NA
5-Aug-09	Aeronautics Defense Systems, Ltd.	Provides defense solutions.	Viola Private Equity, L.P.	Private Placement	\$25	NA	NA
5-Aug-09	LifeLock, Inc.	Offers identity theft protection services.	Symantec Corp.	Private Placement	\$20	NA	NA
5-Aug-09	Barco Security Services, Inc.	Provides protection products and services.	Guardian Alarm Company Of Michigan, Inc.	Merger/Acquisition	NA	NA	NA
31-Jul-09	Skorpion Julgestusteenistuse AS	Provides security services.	Pristis AS	Merger/Acquisition	NA	NA	NA
29-Jul-09	MKB Tactical	Provide mobile, alarm monitoring and guarding services.	Securitas AB	Merger/Acquisition	\$6	0.6 x	NA
28-Jul-09	Hitachi Software Engineering Co. Ltd.	Develops software for government agencies, financial, insurance, and securities industries.	Hitachi Ltd.	Merger/Acquisition	\$826	0.9 x	7.5 x
21-Jul-09	RSight Investigations, Inc.	Provides investigative services.	Litigation Solutions, LLC	Merger/Acquisition	NA	NA	NA
16-Jul-09	Federal Security Solutions, Ltd.	Offers corporate security and investigation services.	Noonan Services Ltd.	Merger/Acquisition	\$15	0.2 x	NA
8-Jul-09	Interlabora SA	Offers commercial security services.	Securitas AB	Merger/Acquisition	NA	NA	NA
7-Jul-09	Regional Protective Services, LLC	Provides private security services to business owners.	Allegiance Security Group	Merger/Acquisition	NA	NA	NA
6-Jul-09	Vought Aircraft Industries Inc.	Manufactures and supplies aerostructures for commercial, military, and business jet aircraft manufacturers.	Boeing Co.	Merger/Acquisition	\$1,003	NA	NA
6-Jul-09	Abacus Security Pty., Ltd.	Provides installation, monitoring and maintenance of security systems.	Mark Sensing, Ltd.	Merger/Acquisition	NA	NA	NA
6-Jul-09	Eagle Eye Security, Inc.	Installs security and fire alarms.	Select Security, Inc.	Merger/Acquisition	NA	NA	NA
3-Jul-09	Suretrack Monitoring, plc	Provides asset protection, tracking, and recovery services.	Hoodless Brennan & Partners	Private Placement	NA	NA	NA
1-Jul-09	Norsergel Vigilância e Transporte de Valores Ltda	Provides services of guarding, electronic security, cash-in-transit and cash logistics.	Prosegur Compania de Seguridad SA	Merger/Acquisition	\$87	0.7 x	NA

"EV" = Enterprise Value. "EBITDA" = Earnings Before Interest, Taxes, Depreciation and Amortization.

Source: Capital IQ.

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HYDE PARK CAPITAL RECENT BUSINESS SERVICES TRANSACTIONS



Value Added
Reseller

*Delray Beach, FL
Sale to
Presidio, Inc.*



Property & Casualty
Insurance Company

*Lauderdale Lakes, FL
Financial Advisory to
Board of Directors*



Identity Security
Company

*Delray Beach, FL
Merger with VeriChip
Fairness Opinion*



Lawn & Pest Control
Company

*Deerfield Beach, FL
Sale to Massey Services
Fairness Opinion*



HR Software &
Services

*Orlando, FL
Recapitalization by
Atlanta Equity Investors*



HR Software &
Services

*Orlando, FL
Purchase of Sage
Compliance Services, Inc.*



Top 25 U.S.
Professional Employer
Organization

*Bradenton, FL
Sale to CoAdvantage, Inc.*



Permanent Placement
Agency Specializing in
Military Veterans

*Raleigh, NC
Sale to Centre Partners
Management, LLC*

HYDE PARK CAPITAL ADVISORS, LLC is an institutionally focused investment banking firm serving the corporate finance needs of companies typically operating in the business services and healthcare industries and most often located in Florida and the Southeastern United States. Our principals have extensive investment banking experience executing merger & acquisition engagements, including purchase and sale of company assignments, recapitalizations, financial advisory, fairness opinions and raising growth capital and acquisition financing for companies, including equity, mezzanine and senior debt. We pride ourselves on our professional representation of both middle market public companies and family owned and entrepreneurial driven large private companies. As one of the most active investment banking firms in the Southeast, our professionals have advised on more than 300 corporate investment banking transactions totaling more than \$10 billion in transaction value. We are headquartered in Tampa, Florida and are a member of FINRA and SIPC.

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