

Attention: To whom it may concern

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Subject: Allied Universal

1. **Summary:** Allied Universal also known as Allied Barton & Universal Protection Services merged in 2016. Allied Barton was based in Pittsburgh, PA and Universal Protection was based in California from there Allied Universal has aggressively taking control of the security industry. As of now Allied Universal has taken over 193 private security companies worldwide. Allied Universal threatens other competitors and bribes the executives of the competition, and they have favoritism in the company. The merger of Allied Barton and universal protection produced this company one which has lost its standards and morals and it has lost its care for people and have let down the communities it works in. Both companies were better off the way they were two individual entities when the merger of these two companies began there was a lot of uncertainty, and the actions of this company now proves that it was a mistake to merge the two.

We base our assessment on the following factors:

- *The Executives of the competition are bribed by Allied Universal to take over the other competition for \$24 million.*
- *Allied runs its operations in more than 50,000 sites around the world and is divided into several divisions such as Allied Universal Technology Services, Allied Universal Event Services, Allied Universal Security Services and Allied Universal Risk Advisory and Consulting Services.*
- *Caisse de Depot et Placement du Quebec is a Canadian fund management company focused on retirement plans and insurance policies.*
- *On March 24, 2021, allied announced the newly hired Global CFO, Tim Brandt, who will focus on the integration of G4S, as well as get Allied prepared for the eventual IPO. Tim comes to Allied with a vast amount of experience in mergers and acquisitions and IPOs in his 30 years spent with Deloitte where he was the managing partner in the Orange County, Calif., office.*
- *Edward Silverman, the founder, and CEO of SOS Security will serve as an advisor to the board of directors and co-chairman at Allied.*
- *The Denver City Council won't give a multinational security company, whose employees gave a Denver artist brain damage after beating him up in a Union Station bathroom, a government contract worth up to \$25 million.*
- *Allied Universal Service Honolulu is now terrible and bad company and bad management. from the managers and staffs are all lazy and non-accommodating. Managers and staffs are just waiting for their paychecks, but they don't care about their employees.*

- *Caro, MI Allied Branch drug dealing at the office*
 - *Allied Universal is funded by Caisse de Depot et Placement du Quebec.*
 - *The real question becomes: what does this monumental deal mean for the other roughly 8,000 companies in the U.S. private security industry?*
2. **On April 9, 2021**, we found out that allied lost the contract at the site. Steve Wasyl told us that we would be paid for unused vacation time since we couldn't take it because we didn't have enough people. Then he said the state of Pennsylvania says they don't have to. Also, they put out an ad hiring with sign on bonus and when hired 2 people said oh that not for your site and they had a referral bonus that they refused to pay. Also, there is a lot more unfairness.
 3. **On February 5th**, as part of the merger agreement, AS Solution will be shutting down its website, as well as social media channels. The company is now part of the Allied Universal brand, and all their operations will go through AU. So, what does this all mean for the Allied Universal and SOS Security merger? How does the company intend to keep its biggest clients from leaving? And more importantly, will Allied be able to bounce back from losing so many accounts?
 4. **Acquisitions included the purchase of U.S. Security Associates**, which closed in October 2018 and brought on 50,000 employees, and the addition of 1,900 employees with the acquisition of Covenant Security Services in February 2018.
 5. **New acquisition of Securadyne Systems** supports our long-term strategy to become the leader in the security technology market,” Allied Universal CEO Steve Jones said in a statement. “As security needs change and evolve, Allied Universal will offer clients cutting-edge technology and service that will help make their security programs more effective and efficient to better protect their employees and assets. The acquisition of Securadyne adds more than 300 employees, \$73 million in annual revenue and tech expertise in the security consulting, design, engineering and installation spaces. employees will join what will now become a 500 employee-strong unit based in Dallas with more than 27 locations. Once the deal is complete, Allied Universal Technology Services will offer services including access control, video surveillance, fire safety, alarm monitoring, emergency communications, cyber threat management and hosted and managed services.
 6. **Since the beating in Denver**, Allied has changed how it trains guards, company representatives said. The firm upped its training requirement, from 24 hours to 40 hours, and added 24 hours for armed guards. Allied also hired an equity consultant to audit the company’s practices and agreed to take part in a new “community advisory group” aimed at bridging gaps between private security companies and the public.

Jones and a partner, who also worked at the company, convinced the owners to sell to them—even though they didn't have any money. "We said to the owners, 'Give us seven years. We will not only pay you the \$12 million, but we will pay you \$24 million.

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7. **It's obvious that the creation of this mega company** will be a game changer for the global security industry, especially its smaller competitors. Many of the competitors are already talking about the possibility of growing their company through the fall out of some of Allied's and G4S's customers that just don't want to be a part of such a large company where largeness usually means a diminishing of service levels. This will be true to a certain extent, but we're talking with owners that are also losing customers to the larger provider like Allied who can offer the service at lesser rates per hour since their service delivery cost is less in most instances, or they are offering integrated guarding services to include technology, resulting in the larger company making more money on a lesser bill rate than the smaller competitors in many cases. Some customers had rather sacrifice some personal attention (provided by the smaller competitor) in exchange for a break in the total cost for their security.
8. **Back on November 21st, 2019, Allied Universal announced its merger with SOS Security**, a parent company of AS Solution. The merger will make Allied Universal the biggest protection company today, as it'll have a force of over 230,000 professionals. Also, with SOS Security now in-toe, the projected revenue of Allied is over \$10 billion.
9. **Canadian pension fund Caisse de dépôt et placement du Québec (CDPQ)** has recently made significant investments in two controversial companies: defense company CAE Inc. and security company and private prison operator G4S. in 2019, Norges Bank, the central bank of Norway, decided to exclude UK security services company G4S from its Government Pension Fund Global (GPF) because of the "unacceptable risk that the company contributes to or is responsible for serious systematic human rights violations." The pension giant's Council on Ethics said its investigations of GS4 found that employees of the company in the Middle East were required to pay recruitment fees to work for the company, among other violations.
10. **In December 2015, Wendel acquired AlliedBarton Security Services for approximately \$1.68 billion.** As part of the transaction, Wendel made an investment of approximately \$687 million, for approximately 95% ownership in the Company, alongside AlliedBarton's management team. In 2016, AlliedBarton merged with Universal Services of America, owned by Warburg Pincus, creating Allied Universal, the leading security company in North America. Following completion of the merger, in exchange for its contribution of its shareholding in AlliedBarton, Wendel received approximately 33% of the shares of Allied Universal and a cash payment of \$388 million. In October 2018, Wendel invested an additional \$78 million to support Allied Universal's acquisition of U.S. Security Associates. On February 20, 2019, Allied Universal's

shareholders announced they entered into an agreement to sell an approximately 40% stake in Allied Universal to CDPQ at an enterprise value of more than \$7 billion.

11. **Allied hired Mike Beregovsky** as Chief Merger & Acquisition Officer and Co-Head of Strategy & Investor Relations. Danette Perkins, previously VP of Acquisitions, was promoted to President of Mergers & Acquisitions for North America. Mike, who comes from Warburg Pincus, one of Allied's major shareholders, will also be leading Allied's global mergers and acquisition activities.
12. **A former airport security employee** for Allied Universal Security Services (Allied) recently filed a lawsuit against the company and several of its employees. The complaint, filed in federal court in Manhattan, contains shocking descriptions of serious sexual harassment and racial discrimination that allegedly occurred during LaDonna Powell's (Powell) employment post at John F. Kennedy Airport. New York and New Jersey Port Authority contracts with Allied for their services at various transportation centers.
13. **As with all large acquisitions**, most of the price being paid comes from debt instruments. In the case of this transactions, unverified sources have estimated that over \$4 billion of the price is coming from borrowed money rather than outright cash from the equity group owners. This additional debt added to Allied's existing debt load makes the company highly leveraged. But the two majority financial group owners are used to running leveraged companies and are no strangers to the public markets. Allied Universal is 80% owned by Caisse de dépôt et placement du Québec, which manages over \$350 Billion of investor funds and Warburg Pincus, which manages over \$70 billion of investor funds and has Tim Geithner, the former U.S. Treasury secretary under the Obama administration, as its president.
14. **For small business security companies** who can sell themselves as having a more "personal touch." Smaller guard companies should also look for opportunities to take on any additional contracts Allied Universal might be looking to outsource. it will be more important than ever for the rest of the industry to remain competitive in every area except bill rates. Smaller guard companies should continue to focus on things like quality of service, accountability, and transparency to continue winning security contracts without being the lowest bid.