

## Allied Universal Renews Focus on LA Market Special Report: Big Employers

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*Keeping the Peace: Allied Universal staff at a Black Lives Matter demonstration in Sacramento. Photo by Justin Sullivan/Getty Images*

The past year marked a homecoming of sorts for Allied Universal, the nation's biggest security firm and the seventh largest employer in L.A. County, according to the Business Journal's annual list of biggest employers.

Although Allied Universal's headquarters are in Orange County and Pennsylvania, the security giant traces its roots to Los Angeles.

"It's one of the original markets for Universal Protection Service, which was what's now called Allied Universal, the original company that I personally built," said Chief

Executive Steve Jones, adding that L.A. is an “incredibly important” market for the company. “It’s one of the largest markets in the country for us.”

Today, Allied Universal protects more than 42,000 locations for Fortune 500 companies in the higher education, health care, retail and corporate sectors, including the City of Los Angeles and local operations of Brookfield Asset Management, CBRE Group Inc., Cushman & Wakefield Inc. and Jones Lang LaSalle Inc.

Its armed and unarmed guards provide protection for major assets and executives, as well as access control and incident management services, video surveillance monitoring and intrusion detection devices, and management of loss prevention programs.

The security firm, which now tracks \$7.3 billion in annual revenue, posted a sizeable percentage increase in local employment in the past 12 months — an 8.5% jump to 13,972, after adding 1,093 employees in L.A. County.

Companywide, the number of employees increased 7% during the first half of 2019 to more than 215,000.

### **A winding path to dominance**

Jones, who played football while obtaining a political science degree at Cal Poly San Luis Obispo, joined Universal Protection Services in 1996 and became chief executive and co-owner in 2007.

Partners Group of Switzerland began investing in Universal in 2009 and in 2013 became the majority shareholder. Two years later, Partners sold its stake to New York-based private equity firm Warburg Pincus. The security company then merged with competitor AlliedBarton Security Services, which is owned by French investment firm Wendel. Wendel and Warburg Pincus each owned 33% while Partners retained a smaller stake.

That 2016 deal produced Allied Universal, with \$4.5 billion in annual sales, 140,000 employees and Jones at the helm.

In February, Caisse de dépôt et placement du Québec, Canada’s second-biggest pension fund with about \$235 billion in assets under management, agreed to buy 40% of Allied Universal. The deal made Caisse de dépôt Allied’s largest shareholder, while Wendel and Warburg Pincus each kept an 18% stake.

## **Still growing**

Allied Universal has acquired more than 60 companies since 2011, including U.S. Security Associates Inc. for \$1 billion in 2018.

“We continue to grow not only in Southern California and Los Angeles but across the country, both organically and through some strategic acquisitions,” Jones said. “We made a handful of acquisitions this year, three of which had some additional personnel joining our company in the L.A. area.”

The three purchases boosting Allied Universal’s L.A. employee count were

Dallas-based Point 2 Point Global Security Inc., which has \$50 million in annual sales and 2,500 employees; San Francisco-based

Cypress Private Security, with more than \$40 million in annual sales and 1,300 employees; and Phoenix-based Shetler Security Services, with an annual revenue of more than \$22 million and 525 employees.

Allied Universal’s Conshohocken, Pa., office manages finance, payroll and billing while its Santa Ana office operations include human resources, sales and marketing.

The next step for Allied Universal might be going public — last fall the firm hired Andrew Vollero as chief financial officer, a Wall Street veteran whose experience includes leading Snap Inc. through an initial public offering.

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