

Auxo Management Supercharges Portfolio Company by Closing Strategic U.S. Investment

Partnership Creates North American Video Surveillance Conglomerate

November 08, 2016, Toronto, ON – Auxo Management LP (“Auxo”), a privately-held investment firm led by Robert Cherun and Erik Mikkelsen, announced today that it has closed on an investment in Stealth Monitoring Inc. (“Stealth”).

Stealth is a Dallas-based video surveillance business focused on designing, installing and providing pro-active remote video monitoring solutions to multi-family residential, commercial and industrial businesses across the United States.

Stealth will work in partnership with Auxo’s portfolio company UCIT Online Security (“UCIT”), pronounced “you-see-it”, a Toronto-based video monitoring company focused on construction and industrial remote video monitoring solutions with offices across Canada and Washington. Auxo invested in UCIT in 2011 and has since grown the business from 55 to 180 employees and 2 to 8 offices.

Stealth was founded in 2006 by Norm Charney, who will continue to run the company in Dallas together with his two sons, David and Rick. The Charneys will join Sidney Sommer, who founded UCIT in 2003, along with the UCIT team to continue growing both businesses across North America.

The combination of Stealth and UCIT will include 300+ employees, 9 offices, and the ability to provide a full suite of security services across North America. The companies will have 3 video monitoring command centers across 3 countries, monitoring over 15,000 cameras.

Norm Charney commented, “We are very excited to partner with Auxo and UCIT. Our company has experienced immense organic growth and never considered a partner, but after seeing what Auxo has achieved with UCIT, we felt that joining forces would enable us to take the business to the next level.” David Charney added “UCIT has been investing heavily into people, technology and growth for years; they see the big picture – that video surveillance is still in its infancy and that it’s an increasingly important element in the safety of our country’s businesses and people”.

Mikkelsen commented “Both Stealth and UCIT have grown substantially driven by customer referrals, sharing an aligned focus on understanding specific industry and customer needs and objectives; not only for security but for managing risk and operations as well.” Cherun added “Our partnership will enable us to share resources to serve our clients even better. Recent innovations in machine learning, communications technology, and robotics have entered us into an unprecedented time in our industry. We plan on making a significant investment in technology, both internally and at our client sites to ensure we continue to offer best-in-class solutions for each of our customer segments”.

In addition to selling direct to businesses, Auxo plans on expanding their channel partnership program, whereby selected top-tier security integrators and guard companies resell video monitoring and other managed services within select markets. UCIT currently has channel partnerships across 20+ locations.

For the transaction, Auxo was advised by Imperial Capital LLC, Ernst & Young, Benchmark Performance Partners, Mitchell Silberberg & Knupp LLP, Stikeman Elliott LLP, and Perkins Coie LLP. Stealth was advised by Andrews Kurth Kenyon LLP. Lending for the deal was provided by CapitalSource, a division of Pacific Western Bank.

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