

THE PROTECTION CONNECTION

VOLUME 2, ISSUE 1

WINTER 2002

SLATE OF OFFICERS NAMED Election Wednesday January 15, 2003

Get ready to mark your ballots. The Nominating Committee of the Illinois Electronic Security Association presents the following slate of officers:

President — Tony Calderone — Illinois Alarm Service

Vice President — Arnold Miller — Sentry Alarms One

Treasurer — Paul Hester — Sentry Security, Inc.

Secretary — Joe Nollinger — ADT

Director — Don Safford — Father & Sons Home Services (2 year term)

Remaining on the Board for the second year of his two year term is Bill Maturno of LaCrosse Electric.

Appointed as **Associate Director** for this term is Gene Marks — Precision Power Products / P3

The Associate Members will also be voting on an **Associate Committee Director** who will sit ex officio on the Board. Stepping to the plate for this position is Mike Witchie of ADI



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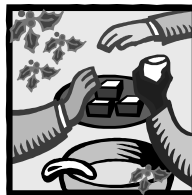
Don't Miss the 2003 IESA Holiday Party

Combined with a brief business meeting to elect the new officers of the IESA, the 2003 Holiday Party is expected to be a grand event.

The date is Wednesday, January 15, 2003 starting at 5:30pm. There will be an open bar sponsored by:

System Sensor
Genesis Cable
Ademco
Firelite

Event sponsorship opportunities are still available. ADI and Cornerstone Funding will be sponsoring the evening's entertainment which promises to be loads of laughs.



Guests will enjoy an excellent dinner at the LaMirage in Rolling Meadows.

If you haven't reserved your space for the event do it today.

The deadline to register for the reduced rate or to get a table rate is January 3, 2003.



The President's Comments

By Robert Strom

Over the past few years I have come to know many of you as good friends.

I want to wish Tony and the new Board best wishes as they reset the future for the IESA and you, its members.

Now that I'm getting ready to pass the gavel to Tony Calderone I want you to know that my experiences as President of the IESA have been most rewarding.

Over the next few months the new Board of Directors will be getting acclimated to running the IESA and getting out to meet all of you.



You will be called upon to participate in IESA events. You may even be asked to volunteer for a committee or a special project.

I hope you will respond positively to the call to action as I know that you will find the experience very rewarding.

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"A dinner lubricates business" Be sure to attend all IESA meetings!

The IESA Needs YOU

The IESA is your Association. You need to support its projects for the betterment of the alarm industry. If you can help on a Committee, now's the time to step forward.

Please call the office if you are available to help on the Bylaw Committee, Ordinance Committee, Grievance Committee, Nominating Committee, Membership Committee, Education Committee and Public Relations Committee.



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ELIMINATING COUNTERCLAIMS by Kenneth Kirschenbaum, Esq.

Counterclaims, meritorious or frivolous, continue to be used as a strategic device to defend against collection actions brought by alarm companies against subscribers who have breached their contract.

More often than not counterclaims, interposed by subscribers who are now defendants in lawsuits brought by you, are without merit. Often these counterclaims are poorly drafted and typically have no factual support.

Counterclaims typically allege that the equipment never worked, that monitoring response was too slow, that repair service was too slow or ineffectual, that false alarms annoyed the police resulting in fines, or annoyed the subscribers at all times of the day and night. It is not unusual for these counterclaims to fail to plead any loss by the subscriber which the alarm system was designed to detect.

So why are counterclaims so often interposed in collection actions?

Defendants and their attorneys reason that collection actions are often handled on a contingency basis, therefore the alarm company has little or no legal

fees in commencing the collection action. However, alarm companies typically have to pay for legal professional services in the defense of counterclaims.

Counterclaims also complicate the issues in a lawsuit, cause more legal work to be done, thus resulting in additional expense and fees. The subscriber hopes the counterclaim will cause the alarm company to withdraw the collection action.

So what can you do to reduce or eliminate counterclaims?

Hot off the press is a decision which we just achieved in my office.



Are collection actions causing a legal headache?

The order granted our motion dismissing a counterclaim.

The Court held as follows:

"A party may move for judgment dismissing one or more causes of action asserted against him on the ground that...with respect to a counterclaim, it may not properly be interposed in the action." [statute omitted] At paragraph number thirteen of the contract signed by the parties, the document states that: "In any action commenced by [alarm company] against lessee, lessee shall not be permitted to interpose any counterclaim." —

"A waiver of the right to assert a setoff or counterclaim is not against public policy and has been enforced by this Court." [citations omitted]

A provision prohibiting counterclaims in actions brought by you is easily inserted into your contract. You should find it effective in deterring counterclaims, and you should be successful in having courts dismiss counterclaims (see my order form at www.alarmcontracts.com).

Of course, the provision does not eliminate lawsuits against you, but your subscribers will be compelled to bring separate actions for their meritorious claims.

IESA Benefits

MBNA - 800-523-7666 - NBF AA Logo Credit Card with low initial interest rate and other financial investment products. Why not replace a credit card in your pocket with one that supports your Association!

National Credit Systems - 800-569-1901, Ext 7075 - Call Gary

Winston or email winston@nationalcredit.com. NCS is an Accounts Receivable Management firm, with over 15,000 companies, institutions, and medical practices as clients. They offer a collection system that increases recovery rate, lowers collection costs, and

improves cash flow. Unlike most collection agencies, NCS does not charge a percentage of the money collected, only a fee of less than \$20.00 per account; and also unlike other agencies, the recovered money is sent directly to you, not to the collection agency.

IESA NEWS

The IESA is pleased to announce new members:

Regular Members

**Sound Incorporated
Sentinel Security, Inc.**

Associate Member

Cornerstone Funding

As always, editorial comments are always welcome for The Protection Connection.

Advertising and classified ads may be placed in this publication.

Call the IESA office for more information at (630)305-8800.

Send your editorials via fax to (877) 230-5110 or mail to IESA, 4238 N. Arlington Heights Rd, #107, Arlington Heights, IL 60004.

**Do you have a website? Your competitors do.
Part IV**

We will devote this issue to how your website relates to the internet in reference to search engines and directories.

There are several major search engines and directories. Since those of us in the alarm industry are, for the very most part, very regional, ranking in the search engines and directories isn't as important as it would be if we sold widgets online.

However, you do want to make sure that when someone enters "security systems Illinois" in their browser that you are somewhere on the first page of the listings.

Getting ranked in search engines and directories is where the wording of your content and the words running in the background (meta tags) becomes crucially important.

To get into the first page of listings in search categories your home page must read like consumers think. That

is, what search words will a consumer enter in their browser to find alarm companies.

The text content of your site and the meta tags must have these keywords used explicitly.

To verify the point of this article go to your favorite browser and enter the words "security system Illinois" or "burglar alarms Illinois" or even "alarm system Illinois" At the present time there are incredibly few security dealers listed under this term in two browsers that I used. Using just 3 keyword searches that would be used most commonly, where are you? Where is your website?

Call me. I can help! Marsha Kopan (414)453-0030.



**TWIN
TOWERS
FUND SM**

September 20, 2002
To Members of the ILLINOIS ELECTRONIC SECURITY ASSOCIATION
4238 N Arlington Heights Rd #107
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Dear Members:

Please accept our heartfelt thanks for your generous contribution to the Twin Towers Fund. We have been deeply touched by the overwhelming and exceptionally generous outpouring of support for the families of the uniformed services personnel who gave their lives on September 11th and greatly appreciate your gift of \$250 deposited to the fund as of December 31, 2001.

Thanks to the hundreds of thousands of people across the nation—like the little girl in Utah who sent us her savings, over \$150,000,000 has been donated and distributed to families.

Janna Roberts Utah

IESA CALENDAR OF EVENTS

DATE	LOCATION	TIME	EVENT
Wednesday January 15, 2003	LaMirage — Rolling Meadows	5:30pm	Elections, Holiday Party
Watch this section for 2003 Events			



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Your licensure law will be repealed as of Dec. 31, 2003 — unless the Legislature re-enacts it before that time.

From the Desk of Dick Lockhart
 28 E. Jackson, Room 910
 Chicago, IL 60604
 (312) 939-4987

Will there be any serious problems in that effort? The answer is “yes,” any one of them could defeat our legislation.

On the basis of past experiences, we can expect efforts to:

1. Create more exemptions to the Act.
2. Change training requirements
3. Allow municipal licensure in addition to State licensure.
4. Make the PERC requirements more stringent.
5. Expand the law to include “in-house” security personnel.

WHAT MUST WE DO AND WHEN MUST WE DO IT?


1. We must be unified. We cannot take any differences to the Legislature and expect it to resolve them.
2. The individual licenses must contact State legislators and secure their commitment to support our position.
3. We must have the support of DPR (Department of Professional Regulation)
4. We must have strong bipartisan sponsorship of our legislation.
5. We must not try to advance our interests to so as to arouse strong opposition, resulting in our defeat.
 Example: #5 above
6. We must respond quickly to any request made by our lobbyist.

THE TIMETABLE

<u>Jan 8, 2003</u>	The General Assembly convenes. New Governor takes office.
<u>May 15-30, 2003</u>	Likely adjournment date of General Assembly
<u>December 31, 2003</u>	Current Licensure Act repealed.

THE LEGISLATION

Our objective is to re-enact the basic provisions of the current law before the May adjournment. However, the law should be re-structured so that each licensed group has their own sections, rather than being mixed



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What types of Bonds do I need to bid on federal, state and municipal contracts?

By Rick Janis

As many alarm companies have already discovered, there is a very excellent and profitable business venture waiting for them to get involved in. However, that work requires that the job be Bonded.

Typically these types of jobs involve the federal or state governments, municipalities and school districts although it is not unusual to see corporations requiring that jobs be Bonded as well. The reason this can turn out as a lucrative opportunity for many alarm dealers is the fact that once the owner stipulates that the job to be bid requires a Surety Bond, that substantially reduces the number of alarm of alarm companies that qualify to obtain a Bond and bid a Bonded job.

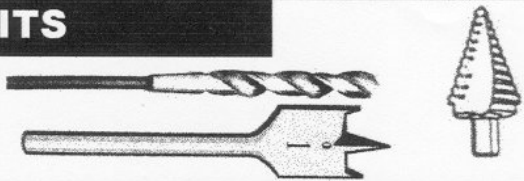

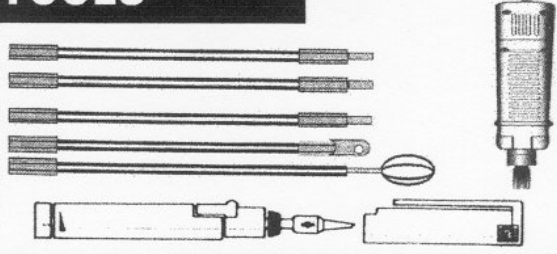
By reducing the number of competitors, you set yourself as being unique and apart from the majority of alarm companies who are not Bonded.

In addition, the work performed for state and federal governments (and sometimes

municipalities and school districts), requires that the bonding company be what they call a "T" Listed Bonding or Surety Company. The terms Surety and Bonding are somewhat interchangeable. However, Surety denotes specifically within the realm of Bonds those that are Construction Bonds.

"T" Listed Surety companies are those listed under the U.S. Treasury list of approved bonding companies that are allowed to provide those Surety Bonds for any federal, state or municipal governments contracts. Again, along with that requirement, the field is further narrowed because not every bonding company is on the "T" list.

There are two parts to the Surety Bond and the bidding process. Usually the owner specifies that a job will be bid on a certain date and subject to specific specifications that the owner requires. Accompanying your bid, which details that you are complying with their specifications for installation and equipment components, should be a Bid Bond. (continued on Page 9)

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**Call the IESA office for details!
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Bond types

Continued from Page 8

Having been awarded the job as the lowest bidder, the owner will then set a date for the Contract to be signed and the alarm company will be required to bring a Performance and Payment Bond equal in amount to the contract cost.

The Performance and Payment Bond is a financial instrument that guarantees to the owner that the job will be completed per the contract specifications and within the completed timeframe and for the exact price of the contract.

All of these bonds come under the umbrella term, "Surety Bond." Usually, obtaining a bond requires submitting several years of business financial statements prepared on a review basis by a CPA. The good news for alarm companies is that there is now one company that will issue Surety Bonds without your financial statements. That willingness opens up a real opportunity for alarm dealers to compete in an arena that they normally would not have access to due to the stringent financial documentation requirements of most Surety Insurance Companies.



Rick Janis is a Certified Insurance Counselor and president of the Alarm Insurance Agency. With over 7 years of experience in the security industry, he has been responsible for developing and managing comprehensive insurance and bonding programs for alarm dealers and monitoring companies. Rick is CEU certified by NBFAA and teaches CEU courses to the alarm industry on General Liability/Errors and Omissions and Worker's Compensation. He can be reached at 800-474-0933 or by fax at 800-240-0631. You may also e-mail him at rjanis@alarmins.com.



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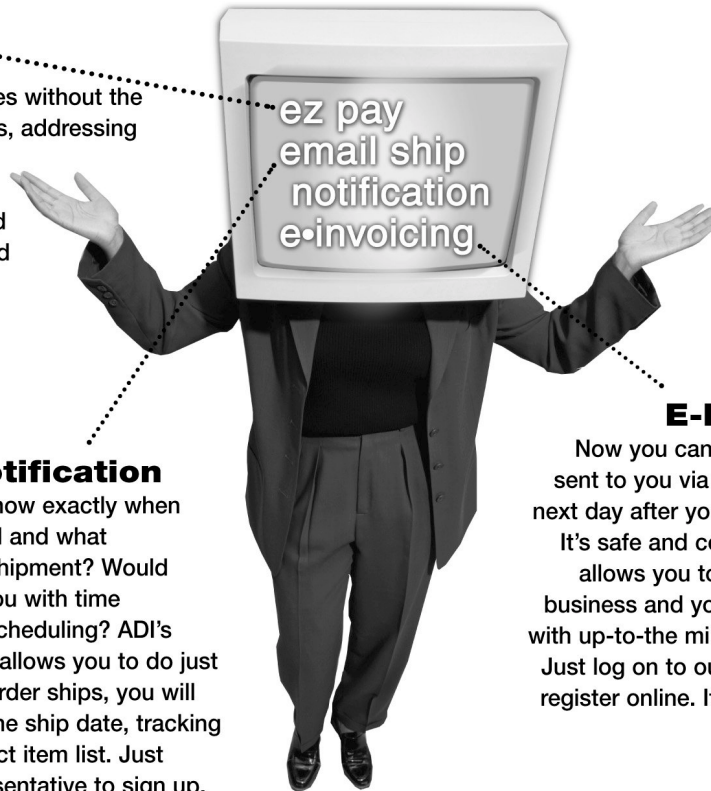
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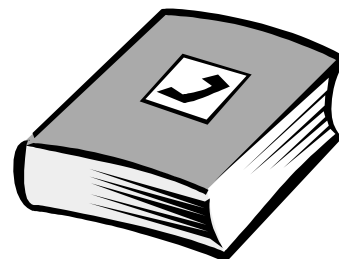
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#107

Arlington Heights, IL 60004

Phone: (630) 305-8800

Toll Free Voice Mail/Fax
(877) 230-5110



We're on the web at
<http://www.iesa.net>

The objectives of the IESA are:

1. To promote mutual interests of the electrical protection industry.
2. To foster cordial relations among the members.
3. To use all lawful means as a medium for exchange and dissemination to members and the public, of information applicable to the field of Burglar and Fire Alarms, closed circuit TV and all other electronic security services.
4. To be guided always by a spirit of justice and honor in all business activities and that all members observe the Association code of ethics at all times.
5. Through cooperative effort, to engage in or conduct lawful activities which benefit the interests of the Electronic Security Industry.

**For Membership Information or
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contact the IESA at**

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