

Allen-Vanguard Completes Recapitalization; Installs New Board of Directors

OTTAWA: December 18, 2009: Allen-Vanguard Corporation (“Allen-Vanguard” or the “Company”) of Ottawa, Canada today announced that it has completed its recapitalization transaction and implemented its Plan of Arrangement and Reorganization. Contego AV Investments LLC, an affiliate of Versa Capital Management, Inc., is the plan sponsor and the new owner of the Company. The Company will continue as a private enterprise.

As part of the recapitalization, the Company is installing a new board of directors consisting of David E. Luxton, president and chief executive officer of the Company and representatives of Versa Capital Management, Inc.

“The Company recognises the extraordinary effort and diligence of the outgoing directors in steering the company successfully through this necessary recapitalization transaction” said David Luxton.

"We are very pleased to have consummated the acquisition of Allen-Vanguard. Allen-Vanguard possesses the world's leading technologies in the counter-terrorism market and we are, ourselves, deeply committed to the provision of these mission-critical technologies," said Gregory L. Segall, Managing Partner of Versa Capital Management, Inc. "This recapitalization is a substantial accomplishment for Allen-Vanguard and, we look forward to working with members of the management team as they return their full focus to executing their business plan in concert with key partners, customers and other stakeholders."

About Allen-Vanguard

Allen-Vanguard Corporation supports the mission of military and homeland security forces around the world with leading proprietary solutions for protection and counter-measures against hazardous devices of all kinds, whether chemical, biological, radiological or explosive (CBRNE), including improvised explosive devices (IEDs) and remotely controlled IEDs (“RCIED”s). Allen-Vanguard equipment is in service in more than 120 countries. Products include Electronic Counter-Measures (ECM) equipment for jamming remote detonation of terrorist devices, specialty security equipment for Explosive Ordnance Disposal (EOD), remote intervention robots for hazardous applications, and personal protective wear for use in dealing with explosive and bio-chemical agents. Allen-Vanguard is the developer and/or sole, worldwide licensee of proprietary technologies such as the Med-Eng bomb suit, the Defender™ and Vanguard™ Mk2 bomb disposal robots, and the Universal Containment System and CASCAD Foam system for blast mitigation and decontamination of bio-chemical warfare agents. Professional services encompass counter-IED intelligence, training and advisory services, including the Triton™ Report on terrorist incidents around the world. The Company operates globally through its wholly-owned subsidiaries under the names “Allen-Vanguard”, “Med-Eng” and “Hazard Management Solutions.”

Head office operations are located in Ottawa, Ontario, Canada, with manufacturing operations in Pembroke, Ontario; Ogdensburg, New York; and Tewkesbury, U.K. The Company has professional services operations in Shrivenham, UK, Canada and in the U.S. in Arlington, Virginia, plus sales offices in Canada, the U.S., the U.K. and Asia. The Company employs more than 500 people, of which approximately 300 are in Canada. Additional information is available online at www.allenvanguard.com.

About Versa Capital Management

Versa Capital Management, Inc. is a private equity investment firm with over \$900 million of committed capital focused on control investments in special situations involving middle market companies in a wide variety of industries throughout North America. More information can be found at www.versa.com.

Forward looking statements

This press release may contain forward-looking statements, which reflect Allen-Vanguard's current expectations regarding future events, its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "plans," "believes," "estimates" or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future investments, acquisitions or dispositions, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company and economic factors. Forward-looking statements are not promises or guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made about the Company. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events. We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decision and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware that the Company disclaims any obligation to publicly update or revise any such forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Discussion and Analysis to be released by the Company or except as required by law .

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