Zacks Small-Cap Research

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Command Center Inc. (CCNI-OTCBB)

CCNI: Uncertainty about Obamacare provides an opportunity to staffing companies.

Current Recommendation	**Neutral**
Prior Recommendation	Outperform
Date of Last Change	04/24/2013
Current Price (09/23/13)	$0.40
Six- Month Target Price	**$0.45**

OUTLOOK

Command Center is a fast growing company in the on-demand labor industry. Founded by the leading veterans in the industry the company has positive cash flow and a good balance sheet.

The company has a significant presence in the Williston Basin with services tailored to the unique requirements of the oil industry.

Our rating is Neutral with a price target of $0.45 a share.

SUMMARY DATA

52-Week High	**$0.46**
52-Week Low	**$0.17**
One-Year Return (%)	**61.2**
Beta	**0.3**
Average Daily Volume (sh)	**66,777**
Shares Outstanding (mil)	**59.6**
Market Capitalization ($mil)	**$23.7**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**3**
Insider Ownership (%)	**23.6**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**9.8**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**37.1**
P/E using 2013 Estimate	**16.1**
P/E using 2014 Estimate	**12.9**

Risk Level	**High,**
Type of Stock	**Small-Growth**
Industry	**Business Svcs**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2011	**$16.4 A**	**$20.3 A**	**$25.0 A**	**$20.3 A**	**$81.9 A**
2012	**$19.1 A**	**$24.3 A**	**$28.4 A**	**$26.7 A**	**$98.4 A**
2013	**$19.9 A**	**$23.3 A**	**$27.0 E**	**$27.0 E**	**$97.2 E**
2014	**$21.0 E**	**$28.0 E**	**$32.0 E**	**$28.0 E**	**$109.0 E**

Earnings per Share
(EPS is operating earnings before non recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2011	**-$0.03A**	**$0.00A**	**$0.02A**	**$0.02A**	**$0.01A**
2012	**$0.00A**	**$0.01A**	**$0.01A**	**$0.00A**	**$0.01A**
2013	**$0.00A**	**$0.01A**	**$0.01E**	**$0.01E**	**$0.02E**
2014	**$0.00E**	**$0.01E**	**$0.02E**	**$0.01E**	**$0.03E**

Zacks Projected EPS Growth Rate - Next 5 Years % **15**

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RECENT NEWS

The impact of the new health care regulations on employment is unknown. Polls that have been taken, and the results published, suggest that over 60% of respondents do not know how the regulations will impact them and what the cost of health care will be. It is no longer health insurance, it is health care, which has always been more expensive than insurance.

In a recent article published by CNBC (authored by Matt Belvedere) Bob Funk, CEO and Chairman of Express Employment Professionals, the fifth largest staffing company in the USA, was quoted as saying that "Obamacare is a boon for his industry". Mr. Funk is a former chairman of the Kansas City Federal Reserve.

In his opinion, small and medium sized companies are not hiring due to the uncertainty surrounding the implementation of the law. Many of these companies are using temporary staffing agencies instead of direct hiring. Although companies like Express Employment Professionals are not involved in the temporary labor segment, Command Center is is involved through its Command Staffing Division.

Some of these positions will be filled by full time employees when the laws become better understood. But even then some companies will choose to continue to use staffing agencies if they do not have to pay the healthcare costs and can avoid the penalty.

Command Center reported its second quarter results on August 9, 2013. Revenue was below expectations and declined by 4% from year ago levels but the emphasis on working with more profitable accounts caused an improvement in gross margins as compared to our forecast. Second quarter gross margins were slightly better than first quarter levels and very close to year ago levels.

Operating income was $0.55 million as compared to our estimate of $0.35 million. Earnings were flat unchanged from year ago levels.

The company will no longer report monthly data, contrary to the usual industry practice. We will use a provisional number based the monthly relationships for the prior year's data. Store count is based on the data on the company's web site by counting locations.

Command Center, Inc									
Fiscal Year Dec 31.									
$ Millions									
Monthly revenue and store count									
2012A					**2013E**				
	Revenue	Stores	R/Store	% change		Revenue	Stores	R/Store	% change
January	$5.21	52	$0.101	16.28%	January	$5.61A	58	$0.096	-5.21%
February	$5.63	52	$0.108	8.48%	February	$6.25A	58	$0.108	-0.47%
March	$8.25	51	$0.160	19.19%	March	$8.04A	58	$0.139	-13.47%
April	$7.19	51	$0.141	28.16%	April	$7.50A	58	$0.129	-8.28%
May	$7.67	52	$0.149	19.78%	May	$7.0 P	58	$0.121	-18.96%
June	$9.41	53	$0.179	21.71%	June	$9.5 P	58	$0.164	-8.62%
July	$8.34	55	$0.154	16.32%	July	$8.0 P	58	$0.138	-10.69%
August	$8.85	57	$0.158	11.70%	August	$8.20E	58	$0.141	-10.54%
September	$11.16	58	$0.194	3.16%	September	$10.00E	60	$0.169	-12.67%
October	$9.35A	58	$0.161	17.18%	October	$9.00E	60	$0.150	-6.95%
November	$8.34A	59	$0.143	23.71%	November	$8.50E	60	$0.142	-0.63%
December	$8.90A	59	$0.151	13.25%	December	$9.00E	60	$0.150	-0.56%
P: provisional data based on qtly data									

Todd Welstad's employment as COO and CTO was terminated by the Board of Directors on July 11, 2013. Todd remains as a Director.
On May 17, 2013 Dan Jackson resigned as CFO and as an employee
Glenn Welstad, President, CEO and Director resigned on February 19, 2013

Command Center reported first quarter 2013 results on May 8, 2013. Revenue was reported previously (see below) and the other numbers were in line with our forecasts. The gross profit margin (GAAP) was 26.2% as compared to 24.3% a year ago. Before workman's compensation expense the margins were 29.0% versus 27.8%. However, operating margins declined to 0.9% from 1.1% and operating income was $0.177 million as compared to $0.202 million. EBITDA-D dropped from $0.322 to $0.266.Cash flow before financing and investments improved Y/Y and the company made payments of $2.4 million to the account purchase agreement facility.

Overall the results were in line with our expectations. We are not changing our estimates going forward. However, we would like to see the margin improvement drop down to the bottom line.

On April 24, 2013 the company announced its store revenue for the 1Q13 2013. Total revenue declined Y/Y and revenue per store dropped by 13.5% on 58 stores. Command Center will no longer report monthly data, contrary to the usual industry practice. We will use a provisional number based the monthly relationships for prior years data.

The company also announced a change in strategic direction, to focus on gross margins rather than top line growth. In this and prior reports we have mentioned that the key to profit growth was to improve gross margins before workman's comp. expense. In 2012 the company had steadily improved gross margins on a GAAP basis each quarter, from 24.3% to 26.4%. For the 1Q13 the company expects a gross margin of 25%, a slight improvement over 1Q12, but both quarters are likely to be below the 4Q12.

Improving margins on lower revenue suggests that the company has stopped doing business with low margined accounts. The follow through of this move will impact second quarter revenue as well, which will moderate the seasonal pick-up in business. The 4Q13 will (hopefully) not include a major disaster like hurricane Sandy.

The company has decided not to report the monthly revenue numbers but to only report the standard SEC filings on a quarterly basis. This will probably increase the range of our estimates for each quarter (we use the midpoint of a number of estimates) thereby effecting the margin of error. In our experience this has increased the volatility of the stock price.

Given the new strategy and its uncertain effect on net income, together with the loss of important information, we have decide to change the rating from Outperform to Neutral. We have reduced our target price from $1.00 to $0.45 a share.

In 2012 Command Center provided employment for 35,500 Field Team Members with an average of over 10 Field Team Members per client. Command Center provided 5.5 million hours of work for its members and 3,400 clients.

Command Center has appointed Frederick Sandford as CEO.

Glenn Welstad has resigned as president, CEO and Director to pursue other interests. As far as we know there are no financial or operational problems that caused the change.

KEY POINTS

- The on-demand labor industry is a well established business that serves the need for flexible short term staffing options.
- Employers can fill positions that become vacant in a speedy and cost effective manner.
- Command Center provides several industries with labor that is focused on the needs of that industry.
- The company has experienced management that founded the largest company in its industry.

COMPANY BACKGROUND

We do it all so you can keep command of your business.

It's not unusual for an employer to be left short-handed. Finding a quick, reliable solution to the problem can often be time consuming and expensive. Command Center provides on-demand, dependable and cost-effective solutions to a client's everyday employment challenges. Their needs are met with a single phone call. No administrative hassles. No payroll or tax complications. No unemployment forms or worker's compensation issues.

In 2011 Command Center issued 33,000 W-2s and the average temporary employment was 3,000 workers a day.

The largest company in the semi-skilled and unskilled on demand labor industry is TrueBlue Inc., which was started in 1989 as Labor Ready by Glenn Welstad in Kent, WA. After retiring from Labor Ready in 2000 Mr. Welstad formed Command Staffing LLC in 2003 as a franchising operation, and this grew too close to 70 franchisees. However, this did not work out, so Mr. Welstad bought back the franchised operations, closed many of them, and repositioned the company as Command Center. Inc.

Technical skills, prior work history, duration of assignment, and background check requirements vary among industries and employers. Command Center operates primarily within the short-term, semi-skilled and unskilled segments of the on-demand labor industry. Management oversees the operation of multiple locations from a single corporate office striving to customize services according to the unique opportunities and assets presented by each of the locations while leveraging the company's overall size. This approach reduces overhead costs, improves economies of scale, establishes procedural uniformity and internal controls, and creates a predictable internal environment for temporary staff members, referred to as Field Team Members.

The company has segmented its operations into a number of verticals and a comprehensive division in the Williston Basin.

Command Labor

Construction • Manufacturing • Production Warehouse • Assembly • Moving • Maintenance • Demolition

Command Staffing

Administrative • Clerical • Mail Services • Filing •Front Office Accounting • Telemarketing •Personal Assistance

Command Hospitality

Banquet Staff • Servers • Server Assistants • Bartenders •Cooks • Front

Desk Staff • Hosts/Hostesses • Housekeepers

Staffing positions can range from basic clerical to advanced accounting professionals. Command Center can provide professional employees for each project in front of the client.

Command is committed to learning about the client's needs and business before selecting the right candidates and will provide the client with the most qualified personnel based on the type of job and skill level needed. Developing a trusting relationship is always an important first step at Command.

Command Center began with mostly labor-related positions. Today, the company still prides itself in providing clients with hardworking people to get the job done right.

As Command has grown, the labor division continues to be the foundation on which the company was built. This division accounts for about 75% of total revenue.

The company knows these positions are just as important as any other. The workers are paid a competitive wage and are properly skilled for every job they are sent out on.

Businesses focused on hospitality have to be devoted to providing excellent service to their guests. They must present the right image of their brand at all times. Restaurants and catering companies need experienced servers who make their customers feel welcome. Hotels and resorts always need housekeeping and banquet staff who are reliable and consistent.

In an industry where many businesses are constantly under-staffed, Command Center provides a reliable selection of candidates for positions within the hospitality industry. Providing the right people to present a specific image can still be difficult. Command is willing to work with training personnel to ensure the staff is fully qualified.

Command Event Services.

Ushers • Security • Ticket Takers • Checkers
Breakdown • Setup • Vending • Cleanup

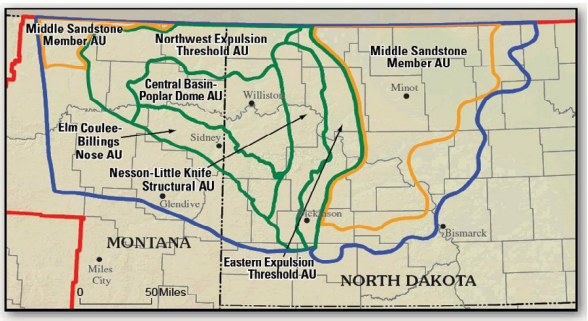
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Command Center knows that preparation, execution and precise timing are the hallmarks of a smooth-running event and that it requires a staff who can work as a team.

Command's Event Services Division is known for reliability and quality. It makes sure that it takes all measures to be prepared and make sure the Field Team Members are informed of every detail, before they arrive at the event.

Bakken Staffing℠

- **Nation-Wide Workforce Recruiting**
- **Williston Basin Housing Options**
- **Direct Hire**

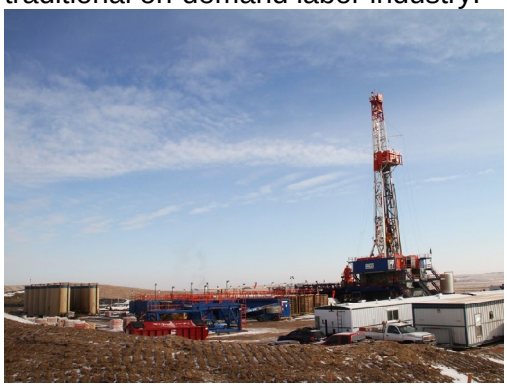
- **Temp-to-Hire**
- **Temporary and Day Labor**
- **Candidate Evaluation**
- **Testing, Training and Other Service**
- **Employer Portal**
- **Customized Training**
- **Safety Training**
- **Payroll**
- **On Site Management**
- **Job Match Assessments**
- **Skills Testing**
- **Personality Testing**
- **Background Checks**
- **Drug Screening**



Williston, North Dakota is the center of the large Bakken oil formation — 640 square miles holding up to 34 billion barrels or more of oil.

Bakken Staffing℠ was created to address the unique workforce and staffing challenges in the Williston Basin and Bakken Shale play. The significant investment of the energy (and other industries) and the in staffing challenges in this area has led to the lowest unemployment rate in the country, a shortage of local infrastructure and a shortage of workers and employees.

The rapid growth in areas that lack infrastructure requires a different approach from those of the traditional on-demand labor industry.



Disaster Recovery Services, Inc.

- **Nation-wide coverage on disasters.**
- **Rapid response model.**
- **Uses labor tied into Command Center's access to on-demand labor.**
- **Handles projects of all sizes.**

In January 2012 Command Center acquired DR Services of Louisiana, LLC., which will operated by Disaster Recovery Services, Inc., a newly formed wholly owned subsidiary of Command Center.

Command Labor

Historically, temporary and on-demand employees were treated as second class workers. Command Center has focused on changing this by addressing the real needs of such individuals. The company has put in place a program for Field Team Members (the part time employees) whereby they can obtain the benefits of full time employees. This program also provides the company with the potential benefits of a more stable, more motivated and more productive work force that will deliver a better service to the customer.

The program provides employees with a number of benefits. The member can obtain health insurance and benefits at a low cost for themselves and their families. This makes Command Center a preferred employer when compared to other on-demand labor companies.

Command Center provides team members with pay cards, either an ATM card or debit MasterCard. The workers compensation can be directly deposited into an account that can be immediately, at no cost, accessed by the member, or used to buy goods and pay for services. The team member can obtain cash through a variety of institutions. This reduces the need for paper checks and cuts the payroll cost of the company.

A loyalty bonus program is in place that rewards the team member for working through Command Center. After 1,500 hours (37.5 weeks at 40 hours per week) of work in a given year a team member a bonus equivalent to 40 hours of work, based on the team members average wage earnings over the 1,500 hours, is paid into the members account. This is an incentive to the worker to work for Command Center and increases the size of the available workforce.

Team members are rated by the companies they work at. After each assignment the customer rates each worker on their performance. These ratings are updated and used to determine the hiring order in future assignments. Good customer ratings mean the team member does not have to stand in line at five am for a job starting at seven or eight. This ensures that the better employees get better jobs and increases the satisfaction of the customer, which increases the market share of Command Center.

Employees can earn safety points at the rate of one point per hour worked. These points can be used to acquire merchandise such as safe work boots, sportswear and power tools. If the team member is seen or reported as working in an unsafe manner they will lose all of their safety points. Fewer work accidents lowers the cost of workers' compensation to Command Center.

Bakken Staffing℠

The Bakken operating area presents a unique set of workforce challenges. Bakken Staffing℠ offers solutions to these challenges. With access to over 55 markets in the US Command Center, can leverage its presence to recruit for Bakken Staffing with a wide variety of services from a nationwide workforce. The potential employee, temporary or otherwise can be evaluated, screened, tested and even trained for a large number of jobs without having to move to Montana or North Dakota at the expense of a prospective employer.

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The shortage of basic infrastructure discourages potential employees, especially a lack of housing throughout the region. Bakken Staffing provides access to housing options through relationships with local housing and lodging providers. The marriage of housing options and recruiting services is a strong positive for Command Center. This applies not only to part-time or day labor, who are employees of Bakken Staffing, but also potential full time employees, where Bakken Staffing acts as a full service employment agency.

Many companies worldwide hire such firms a PayChex Inc. and Insperity, Inc to provide payroll and HR services. Command Center offers, on a contract basis, payroll processing, W-2 handling and other payroll tasks at a lower cost than the competition

Bakken Staffing also offers the usual Command Center services, such as temporary staffing (including temp-to-hire), on-demand labor and the full range of hospitality and event staffing services. It has an Employer Portal where the employer can access balances, invoices, time sheets on an easy to navigate bill pay website.

Disaster Recovery Inc.

In January 2012 Command Center acquired the operating assets of DR Services LLC which ran a disaster recovery service. DR Services had worked with Command Center as a customer for labor on several disaster recovery projects. In 2011 DR Services generated more the $5 million in revenue. Existing senior management (co-founders) will be retained under contract to manage the new company.

DR Services specializes in providing disaster relief and recovery solutions in the lower 48 states following such disasters as floods and wind damage, fires, oil spills and earthquakes. It employs a rapid response "Branch in a Box" business model whereby it can immediately open a branch office at any remote location in or near the disaster area.

OVERVIEW

The on-demand labor industry developed based on the business need for flexible staffing options. Many businesses operate in a cyclical production environment and find it difficult to staff according to their changing production cycles. Companies also desire a way to temporarily replace full-time employees when absent due to illness, vacation, or unplanned termination. On-demand labor offers employers the opportunity to immediately respond to changes in staffing needs, reduce the costs associated with recruitment and interviewing, eliminate unemployment and workers' compensation exposure, and draw from a larger employment pool of tried and tested temporary staff members.

The on-demand labor industry continues to develop specialized market segments that reflect the diverse needs of the businesses it serves.

INDUSTRY OUTLOOK

The on-demand labor industry is a growth industry as it offers employers outsourcing capabilities without the expenses of finding and training employees. The larger companies will increase market share as the cost of meeting federal, state and local regulations are spread over a larger base of clients and available services. The overall staffing market is estimated to be close to $122 billion, up from $113.5 in 2010. About 33% of the gains in employment in 2010 was in the temporary services industry and the penetration of temporary services into total employment grew from 1.47% to 1.69%, the largest gain in history.

INDUSTRY POSITION

Command Center is probably the second largest public company with close to 60 locations.

The temp and casual employment industry is highly fragmented with many privately owned small family run agencies. The largest company in the semi-skilled and unskilled on-demand labor industry is TrueBlue Inc. that was started in 1989 as Labor Ready by Glen Welstad in Kent, WA. The company grew and expanded into Canada in 1994 and acquired other companies. The name was changed to TrueBlue Inc. in 2007, and it currently has over 600 locations.

VALUATION

COMPARISON TABLE	Ticker	Price	Mkt	ROE	P/E	P/E	P/B	P/S	EV/Sales	EV/EBITD	PEG	Inst.
(Source: Yahoo Finance)		9/24/13	Cap	(%)	L4Q	N4Q	LQ	L4Q	L4Q	L4Q		Ownership
			(in million)									
Command Center Inc.	**CCNI**	**$0.40**	**$24**	**14.66%**	**37.06**	**N/M**	**5.43**	**0.24**	**0.24**	**6.96**	**N/M**	**NA**
On Assignment Inc.	ASGN	$33.60	$1,800	9.38	29.32	23.83	3.08	1.09	1.32	2.85	1.87	85.6
Kelly Services Inc.	KELYA	$19.98	$946	6.52	15.76	12.81	0.97	0.14	0.14	8.97	1.47	72.2
Labor Smart Inc.	LTNC	$0.30	$6	N/A	N/A	N/A	N/A	0.47	0.56	N/A	N/A	N/A
Manpower Group	MAN	$72.97	$5,710	8.27	27.69	17.13	2.22	0.28	0.30	10.35	1.60	97.8
Insperity Inc.	NSP	$37.13	$951	15.21	25.41	19.96	3.90	0.43	0.32	7.96	1.55	70.8
TrueBlue Inc.	TBI	$24.50	$964	10.05	29.91	17.88	2.74	0.65	0.59	12.56	2.30	87.4
Data from Yahoo Finance and Zacks Investment Research												
Mean				8.26	27.52	18.32	3.06	0.47	0.50	8.27	1.76	
Median				8.83	28.51	17.88	2.91	0.43	0.32	8.47	1.60	

The most consistent measure of value is t he Enterprise Value to EBITDA ratio, although the sample size is small. On the basis of our estimates for 2013 and 2014 and a EV/EBITDA ratio of 7, our price target is $0.45.

The leverage in earnings for Command Center is a reduction in cost of staffing expenses as a proportion of revenue. As shown below, S.G.& A. for Command Center and TrueBlue (Command Centers closest competitor) are similar so the leverage would appear to be in the cost of revenue. The leverage in the operating margins is significant.

TrueBlue Inc.	2009	2010	2011	2012		Command Center	2010	2011	2012A
Cost of Revenue	71.4%	73.6%	73.6%	73.2%		Cost of Revenue	70.3%	77.8%	75.1%
S.G.& A.	25.7%	22.5%	21.5%	21.6%		S.G.& A.	21.6%	21.1%	22.4%
Operating income	1.2%	2.5%	3.6%	3.8%		Operating inc.	2.2%	1.1%	2.5%

RISKS

- The on-demand market is subject to economic conditions and the availability of labor. The construction industries are significant users of casual labor. Business cycles are lengthy. At the peaks reliable labor is in short supply and at the troughs clients are not hiring.
- Command Center is capital constrained and may need financing to meet Zack's projections. At the current stock price this could result in significant dilution of the current stockholders. Without sufficient capital the company may not be able to open new stores.
- The growth of the company depends on relatively few senior executives and the company's ability to recruit and retain good management at the local and regional level.
- Worker's compensation insurance is required by law in most states. Very few insurance carriers will cover staffing companies in the manual labor market. Without insurance on reasonable terms Command Center would not be able to be profitable or, at the extreme, could not do business.
- The temporary staffing industry is highly fragmented, with many local firms that have less than five locations and a few very large firms. Price competition is intense. These competitive factors are unlikely to change. Competitive pricing in local markets could have a significant impact on profitability and the ability to increase prices.
- Health care reform may impose significant cost on the corporation that cannot be passed onto the customer or be paid for by the labor.
- Companies in the part-time and casual labor industries have a higher risk of employment related claims related to discrimination, harassment, immigration status and undocumented workers and workers' compensation. The risk is increased because Command Center does not have control of its clients workplace.

INSIDER TRADING AND OWNERSHIP

No transactions over the past 12 months

PROJECTED INCOME STATEMENT & BALANCE SHEET

Command Center, Inc																	
Consolidated Statements of Operations																	
$ Millions																	
Fiscal Year Dec 31.	**2010A**	**2011A**	**1Q12**	**2Q12**	**3Q12**	**4Q12**	**2012A**	**1Q13**	**2Q13**	**3Q13**	**4Q13**	**2013 E**	**1Q14**	**2Q14**	**3Q14**	**4Q14**	**2014 E**
Average number of stores			51.7	52.0	56.7	58.7		58.0	58.7	60.0	60.0		61.0	62.0	63.0	64.0	
Revenue per store			$0.37	$0.47	$0.50	$0.45		$0.34	$0.40	$0.45	$0.44		$0.34	$0.42	$0.47	$0.45	
				Act.	Est.												
Net sales	**$69.44**	**$81.92**	**$19.09**	**$24.27**	**$28.39**	**$26.67**	**$98.43**	**$19.91**	**$23.30**	**$27.00**	**$27.00**	**$97.20**	**$22.50**	**$28.00**	**$32.00**	**$29.00**	**$111.50**
% Change		17.98%	16.57%	19.56%	13.67%	31.56%	20.15%	4.25%	-4.02%	-4.88%	1.24%	-1.25%	13.04%	20.20%	18.52%	7.41%	14.71%
Cost Goods ex Workmans Comp.	48.21	59.11	13.79	17.02	19.85	18.63	69.45	14.13	16.32	19.17	19.17	68.78	15.75	19.60	22.40	20.30	78.05
G & A	15.02	17.31	4.27	5.04	6.28	6.46	22.04	4.95	5.20	5.40	5.50	21.06	5.50	5.70	5.90	6.00	23.10
Workmans Comp Exp.	4.08	4.18	0.66	1.23	1.20	1.00	4.09	0.56	1.10	1.15	1.26	4.07	1.00	1.30	1.50	1.30	5.10
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depr. & Amort.	0.57	0.44	0.12	0.08	0.08	0.09	0.37	0.09	0.13	0.15	0.15	0.52	0.15	0.20	0.30	0.30	0.95
Op Income GAAP	1.56	0.88	0.25	0.90	0.98	0.35	2.48	0.18	0.55	1.13	0.92	2.78	0.10	1.20	1.90	1.10	4.30
Interest Expenses	1.01	1.12	0.20	0.19	0.22	0.20	0.80	0.22	0.12	0.20	0.20	0.74	0.20	0.25	0.25	0.30	1.00
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Op Income	(0.84)	0.18	(0.62)	0.43	0.37	0.65	0.84	0.06	0.04	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.00
Other	(1.26)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Calc.Pretax	(1.56)	(0.06)	(0.56)	1.14	1.13	0.81	2.52	0.01	0.47	0.93	0.72	2.14	(0.10)	0.95	1.65	0.80	3.30
Taxes	0.00	(0.91)	0.00	0.29	0.41	0.26	0.96	0.00	0.00	0.23	0.18	0.34	(0.03)	0.33	0.58	0.28	0.53
Tax Rate	0.00	0.00	0.00	25.53	36.11	32.13	38.06	0.00	0.00	25.00	25.00	16.00	35.00	35.00	35.00	35.00	16.00
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pro-forma adj.	2.77	(0.18)	0.62	(0.43)	(0.37)	(0.65)	(0.84)	0.00	(0.04)	0.00	0.00	(0.04)	0.00	0.00	0.00	0.00	0.00
Net Income	(1.56)	0.85	(0.56)	0.85	0.72	0.55	1.56	0.01	0.47	0.70	0.54	1.72	(0.06)	0.62	1.07	0.52	2.15
Costs and expenses are on a pro-forma basis																	
Net For Common	(1.56)	0.85	(0.56)	0.85	0.72	0.55	1.56	0.01	0.47	0.70	0.54	1.72	(0.06)	0.62	1.07	0.52	2.15
Shares Used, millions	45.49	61.37	59.04	63.99	64.00	59.24	63.13	59.61	62.48	68.00	68.00	67.50	69.00	69.00	69.00	69.00	69.00
Earnings Per Share																	
EPS	**(0.03)**	**0.01**	**(0.01)**	**0.01**	**0.01**	**0.01**	**0.02**	**0.00**	**0.01**	**0.01**	**0.01**	**0.03**	**(0.00)**	**0.01**	**0.02**	**0.01**	**0.03**
Pro Forma EPS	**0.03**	**0.01**	**0.00**	**0.01**	**0.01**	**(0.00)**	**0.01**	**0.00**	**0.01**	**0.01**	**0.01**	**0.02**	**(0.00)**	**0.01**	**0.02**	**0.01**	**0.03**
EBITDA in $ millions	2.13	1.32	0.37	0.98	1.06	0.43	2.85	0.27	0.68	1.28	1.07	3.30	0.25	1.40	2.20	1.40	5.25
Gross margins	30.57%	27.85%	27.77%	29.87%	30.08%	30.15%	29.44%	29.04%	29.95%	29.00%	29.00%	29.24%	30.00%	30.00%	30.00%	30.00%	30.00%

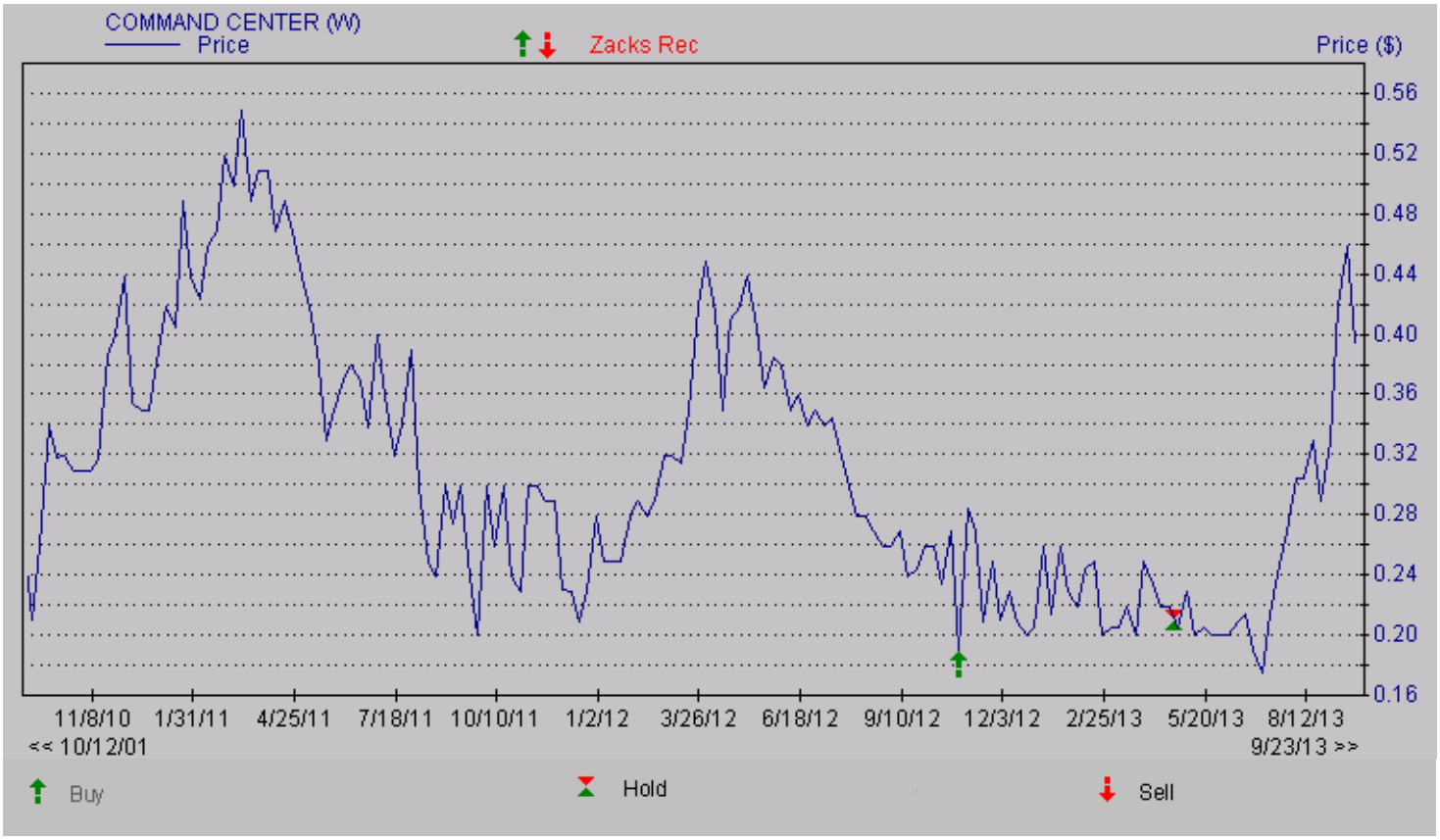
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Command Center, Inc						
Consolidated Balance Sheet (in $ millions)						
Fiscal Year Dec 31.						
	2010A	2011A	2Q12	3Q12	4Q12	1Q13
ASSETS						
Cash & Equiv.	1.82	1.13	0.41	1.38	1.65	0.87
A/R	1.89	2.16	4.34	5.06	13.72	10.92
Workmens comp	1.43	0.03	0.87	1.04	1.22	1.00
Other	0.36	2.12	1.19	0.78	0.41	0.34
Total current assets	5.49	5.44	6.81	8.25	17.01	13.13
Gross Plant	0.41	0.38	0.47	0.52	0.61	0.56
Workmens comp.	0.72	0.13	0.57	0.76	0.51	0.86
Investments	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	2.68	2.55	3.89	3.31	3.83	3.79
Other	0.00	0.26	1.15		0.00	0.00
All Assets	9.30	8.50	11.75	12.83	21.95	18.35
LIABILITIES AND NET WORTH						
Debt Due 1 Yr	0.00	0.00	0.03	0.00	0.00	0.00
Notes Payable	0.07	0.17	0.35	0.41	0.51	0.58
A/P	2.08	0.90	0.60	0.52	0.72	0.51
Workmans Comp Claims	1.68	1.19	1.79	2.15	2.01	1.20
Other	0.94	1.34	2.57	3.49	11.60	8.62
Total current liabilities	4.76	3.60	5.33	6.57	14.83	10.90
Conv. Debt	0.00	0.00	0.00	0.00	0.00	0.00
L.T.Debt	0.00	0.00	0.01	0.09	0.00	0.00
Other LT	1.84	0.98	1.17	0.79	0.60	0.54
Workmans Comp claims	2.88	2.15	2.39	2.58	2.51	2.51
Other	0.00	0.00	0.32	0.00	0.00	0.00
All Liabilities	9.47	6.73	9.21	10.03	17.94	13.96
Pref.Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.06	0.06	0.06	0.06	0.06	0.06
Surplus	53.87	54.95	55.44	55.54	55.63	56.01
Retained Earnings	-54.10	-53.25	-52.97	-52.24	-51.69	-51.67
Other	0.00	0.00	0.00	0.00	0.00	0.00
Treasury Stock	0.00	0.00	0.00	0.00	0.00	0.00
Net Worth	-0.18	1.77	2.54	3.36	4.01	4.39
Total liabilities & stockholders' equity	9.30	8.50	11.75	13.39	21.95	18.35

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Command Center, Inc				
Condensed Consolidated Statements of Cash Flows				
$ Millions				
Fiscal Year Dec 31.	**2010A**	**2011A**	**2012A**	**2013 E**
Cash flow from operations:				3m
Net (Loss) Income	-1.56	0.85	1.56	0.01
Depreciation & amortization	0.57	0.43	0.37	0.09
Amortization of goodwill				
Stock issued for services	0.16	0.07	0.08	
Stock based compensation	0.15	0.11	0.14	0.05
Impairment of machinery				
Misc.				
Other	3.32	-2.08	-3.98	1.45
Net cash provided by (used in) operating activites	**$2.64**	**($0.63)**	**($1.83)**	**$1.60**
Acquisitions				
Purchase of PP&E	(0.08)	(0.28)	(0.29)	(0.01)
Proceeds from disposal of PP&E	0.16			
Other	(0.16)	0.15	(0.15)	
Net cash provided by (used in) investing activities	**($0.08)**	**($0.13)**	**($0.44)**	**($0.01)**
Cash flow from financing activities:				
Proceeds from issuance of common stock	0.41	0.22		
Proceeds (payment) on lines of credit, net	(1.38)			
Proceeds from debt - related parties				
Proceeds from debt			(0.15)	
Payment on debt - related parties				
Payment on debt			(0.01)	(2.37)
Other	0.01	0.01	2.93	
Net cash provided by (used in) financing activities	**($0.97)**	**$0.23**	**$2.77**	**($2.37)**
Increase (decrease) in cash and equivalents	**$1.59**	**($0.53)**	**$0.50**	**($0.78)**
Cash & equivalents at beginning of period	**$0.07**	**$1.66**	**$1.13**	**$1.63**
Cash & equivalents at end of period	**$1.66**	**$1.13**	**$1.63**	**$0.85**

HISTORICAL ZACKS RECOMMENDATIONS



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