

INTRADEPARTMENTAL CORRESPONDENCE

December 29, 2011

1.0

TO: The Honorable Board of Police Commissioners

FROM: Executive Director, Board of Police Commissioners

SUBJECT: PROPOSED CHANGE IN THE CORPORATE OWNERSHIP OF ROSS BAKER TOWING, INC., OFFICIAL POLICE GARAGE FOR SERVICE AREA 17 OF LOS ANGELES POLICE DEPARTMENT CONTRACT NO. C-107454 TO UNITED ROAD TOWING, INC., PURSUANT TO LOS ANGELES MUNICIPAL CODE SECTION 80.77.4(E)(2)

RECOMMENDED ACTIONS:

1. That the Board APPROVE and TRANSMIT to the Office of the Mayor, and the City Council, the Executive Director's report recommending approval of the proposed change in corporate ownership of Ross Baker Towing, Inc., the Official Police Garage for Service Area 17 of the Los Angeles Police Department, Contract No. C-107454 to United Road Towing, Inc.

BACKGROUND

On December 22, 2011, Commission Investigation Division received a letter from Ross Baker Towing, Inc., the Official Police Garage for Service Area 17, of the Los Angeles Police Department seeking permission to transfer ownership of the corporation to United Road Towing, Inc., DBA: Keystone Towing. United Road Towing is an existing Official Police Garage, in good standing, serving Service Area 9 of the Los Angeles Police Department.

Los Angeles Municipal Code (LAMC) Section 80.77.4(E)(2) states that any sale or transfer of a majority of either the ownership interest, or stock, except public share stocks, of any Official Police Garage shall be subject to the approval of the City Council which shall consider any recommendation of the Board.

Under the proposed transfer, United Road Towing, Inc. would acquire Ross Baker Towing, Inc. The local management of Ross Baker Towing, Inc. would not change and all current facilities, equipment, and employees would be retrained.

The Honorable Board of Police Commissioners

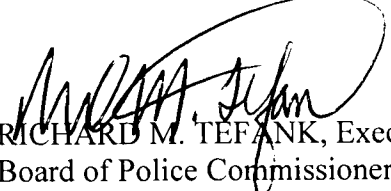
December 29, 2011

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The only apparent change in structure would be at the corporate level. Staff does not believe the change of corporate ownership would negatively affect the day to day operations of the Ross Baker Towing. In January 2011, the Commission undertook a comprehensive review of United Road Towing's operations as part of the contract renewal process. There was no adverse history discovered. Staff has reviewed the company's financial statements and the company appears solvent. Additionally, all remittances due to the city are current.

Approval of this transfer would not affect the expiration date of the current contract which is April 5, 2015. Attached to this correspondence is a copy of United Road Towing's Business Plan.

Should you have any questions, please contact Detective Benjamin Jones, Commission Investigation Division, at (213) 996-1270.



RICHARD M. TEFANK, Executive Director
Board of Police Commissioners

ROSS BAKER TOWING, INC.

December 22, 2011

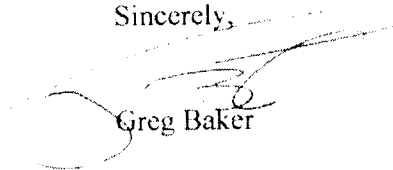
Mr. Richard Tefank, Executive Director
Los Angeles Police Department
Police Commission
100 West 1st Street, 1st Floor
Los Angeles, Ca. 90012

I request permission to transfer ownership of Ross Baker Towing, Inc. to United Road Towing.

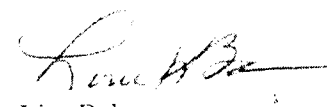
As submission United Road Towing indicates, both companies have collaborated for several years and as a result, we discovered we shared the same values and a vision for the future. The sale of my company will bring together many longstanding relationships with employees, business partners, customers, distributors, collaborators and the community.

With your approval, we would like to complete the transaction and receive City Council approval by January 31, 2011.

Sincerely,



Greg Baker



Lisa Baker

Cc: Detective Ben Jones



United Road Towing (URT) is led by a strong executive management team that has more than 140 years of industry and operating experience. The following highlights URT's principals:

CEO (Chief Executive Officer) - Gerald Corcoran

- CEO of United Road Towing since November 2005
- President of United Road Towing and operations since February of 2003.
- Active in improving United Road Towing diverse towing operations.
- Served as President of E&R Towing Consolidated since August 1998. While assuming the role of President of United Road Towing.
- E&R Towing is the nation's largest volume tower performing an average of 850 tows per day and serving the city of Chicago.
- Over ten years experience running one of the nation's largest volume towing company.
- Prior to 1999, served as President of Environmental Auto Removal in Chicago
- Prior to 1988, Mr. Corcoran spent twenty years in the U.S. Marine Corps, retiring at the rank of Captain.

CFO (Chief Financial Officer) - Michael Mahar CPA

- CFO of United Road Towing since November 2005
- 2000 – 2005 held the position of Corporate Controller for United Road Towing's Division
- 1999 – 2000 held a position of Divisional Vice President of Gourmet Awards Foods
- 1995 – 1999 held a position of Corporate Controller for Taft Furniture Warehouse and Showroom
- 1990 – 1995 worked as a certified public accountant with Mahar and Company's CPA's P.C.

Senior Vice President of Corporate Development - Thomas A. Tedford

- Since March of 2003, Senior Vice President of Operations for United Road Towing.
- Currently serves as the Vice President of the Towing and Recovery Association of America.
- Over nineteen years of experience serving the towing industry at various levels.
- From October 2001 to March of 2003 served as the East Region Operating Manager focused on improving efficiencies and returns for URS Towing locations in the Eastern USA.
- From May 1997 until October 1999 served as a General Manager for United Road Towing overseeing the towing operations based in Connecticut.
- From December 1990 to April 1997 served as the Vice President of Operations for Caron Towing and Caron Transport in Hartford, CT until their acquisition by URS as one of the founding companies.

Senior Vice President of Western Operations - Edward Arensdorf

- Mr. Arensdorf has over seventeen years experience serving the towing industry at various levels.
- Since March 2003, Senior Vice President of Operations for United Road Towing, Inc
- Since July 2001 through Feb 2003 as the West Region Manager.
- From March 1997 to June 2001, served as the General Manager of Keystone Towing in Van Nuys, CA, a position held since 1991; prior to their acquisition by URS as a founding company.
- Extensive experience in establishing, upgrading and managing operating procedures for Official Police Garages.

Senior Vice President of Central Operations – Joe Braverman

- Mr. Braverman joined E&R Towing, Inc. in 1991 serving as its General Manager until 2008 when he transitioned into his current sales and marketing role.
- While at E&R Towing Mr. Braverman was instrumental in managing day to day towing operations as well as growing the existing customer base.
- Mr. Braverman has served on the Board of Directors of the Professional Towing and Recovery Association of Illinois and has worked extensively with URT locations to improve both operations and sales and marketing functions.
- Prior to joining E&R Towing, Mr. Braverman served for twenty years in the United States Marine Corps retiring at the rank of Master Gunnery Sergeant.

Senior Vice President of Eastern Operations – George Bergeron

- Over twenty years of experience in the towing, impound, and vehicle sales/disposal industry
- In 1986 Mr. Bergeron established his first towing enterprise in Boston and in 1996 he established a second towing operation in Atlanta, GA.
- While operating his Boston towing operation, Mr. Bergeron also formed and exited a vehicle salvage operation in nearby Framingham, MA.
- In 1997, Mr. Bergeron sold his towing operations to Road One and began a waste transfer business, in addition to entering various real estate development deals.
- In 2003, Road One sold the Boston towing operation, which was in need of a turnaround, back to Mr. Bergeron.
- Within two years, Mr. Bergeron has returned the Boston operation to strong profitability and in 2006, sold the company to United Road Towing. After selling his company to URT, Mr. Bergeron accepted his current position.

Vice President of Business Development – Ryan Davids, MBA, CPA

- Joined United Road Towing in April of 2006 to analyze and pursue various growth opportunities
- From 2004 to 2006, served KPMG by leading global audits during the Sarbanes Oxley 404 transition period
- In 2003, served Best Buy in Minneapolis by implementing a Balance Scorecard Approach to Managerial Reporting and John Deere in Saran, France by determining a cost allocation system between their external and internal engine markets segments
- Received MBA in Finance and BS in Accounting from the Kelley School of Business at Indiana University Bloomington

Vice President of Human Resources – Kevin Corcoran

- Overseen URT's HR functions which operates in over 10 states and possesses 1000 employees for 7 years
- Integrated new HRIS/Payroll systems, policy and handbook revisions, as well as negotiated employee benefit platforms with ADP, Fidelity, and Blue Cross Blue Shield
- Enhanced reporting needs by implementing a site HR reporting tool that allows for all HR representatives to communicate HR issues nationally

URT's private equity partner and predominate shareholder is Milestone Partners (Milestone Fund II). Milestone is a lower middle market private equity firm that specializes in making control equity investments in established operating businesses in a wide variety of industries with valuations of up to \$150 million. Milestone Partners has been consistently focused on lower middle market private equity investing since 1995. The following senior investment professionals from Milestone work with URT's executive management:

Managing Partner - John Shoemaker

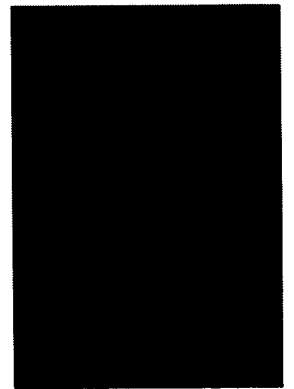
- Possesses over 16 years of private equity experience
- Sits on multiple corporate and charity boards
- Possesses B.A. from University of Pennsylvania and a J.D. from Boston College Law School

Partner - Brooke Hayes

- Possesses over 11 years of private equity experience
- Sits on multiple corporate boards
- Possesses B.S. from University of Pennsylvania and a MBA from the Wharton School at the University of Pennsylvania

Principal - Adam Curtin

- Possesses over 7 years of private equity experience
- Sits on multiple corporate boards
- Possesses B.S. from Pennsylvania State University



2012 EMPLOYEE BENEFITS GUIDE



**Medical and Prescription Drug Benefits are insured by:
Blue Cross and Blue Shield of Illinois**



PPO Plan	
Calendar Year Plan Deductible	
\$200 Individual \$600 Family	\$250 Individual \$750 Family
Coinsurance	
You Pay 10%; Plan 90%	You Pay 40%; Plan 60%
Calendar Year Out-of-Pocket Maximum	
<i>Includes deductible</i>	
\$800 Individual \$1,600 Family	\$2,500 Individual \$5,000 Family
Well Care	
<i>includes annual physical exam, child immunizations and routine diagnostic tests</i>	
\$20 copay then 100%	60% after deductible
Doctor Office Visits	
Primary Care Physician - \$20 copay then 100%	60% after deductible
Specialist - \$30 copay then 100%	
Medical/Surgical Services	
<i>coverage for surgical procedures, inpatient visits, therapies, and certain diagnostic procedures as well as other physician services</i>	
90% after deductible	60% after deductible
Emergency Room Services	
\$200 copay, then 90%	
Inpatient Hospital Services	
\$250 inpatient copay, then 90% after deductible	60% after deductible
Outpatient Hospital Services	
90% after deductible	60% after deductible
Prescription Drug Card	
Retail	
Generic: \$10 copay Formulary: \$30 copay Non - Formulary: \$60 copay	75% minus applicable copay
Mail Order (90 day Supply)	
Generic: \$20 copay Formulary: \$60 copay Non - Formulary: \$120 copay	N/A
<i>Specialty Medications are only offered through Triessent</i>	
Log on and Discover	
BCBS Home Page: www.bcbsil.com	
Blue Access for Members: www.bcbsil.com/member	
BCBS Provider Finder: www.bcbsil.com/providers	
Important Phone Numbers	
PPO Customer Service: (800) 458-6024	
Prime Therapeutics: (800) 423-1973	
Triessent: (888) 216-6710	

This Benefit Guide only highlights the benefits available. For a more complete description, see the Plan Certificates. If any conflict should arise between this Guide and the Plan Document, the Plan Document will govern in all cases.

YOUR EMPLOYEE BENEFITS

United Road Towing is pleased to offer to you and your family our comprehensive benefits program. Our benefits program contains a variety of plans intended to enhance your life and those of your family members now and in the future. As part of this benefits program you will be asked to make choices about the benefits described in this booklet. Please study the information about each plan carefully, then, promptly complete the enrollment forms provided so that you can begin to enjoy the features of your benefits program as soon as they become effective.

Highlights of Your Benefits

- Medical PPO plan
- Prescription drug plan
- Dental PPO Plan
- Basic Life insurance and Accidental Death & Dismemberment (AD&D)
- Dependent Life insurance
- Voluntary life/AD&D insurance
- Long Term Disability
- Voluntary Short Term Disability
- Voluntary Accident Coverage

Eligibility

All full-time employees are eligible to participate in our benefits program. Your benefits will become effective on the first day of the month following 90 days of employment. In addition to covering yourself, you may also choose to cover eligible dependents including your spouse and children. For medical and dental insurance, children can be covered until they reach age 26.

MEDICAL

Choosing a Medical Plan

The Company's medical coverage is provided by Blue Cross Blue Shield.

BCBS PPO Preferred Provider Organization (PPO) offers an extensive national network of physicians and hospitals that have agreed to provide services at discounted rates. You may visit any doctor in any practice or specialty without a referral, but you are covered at a higher level if you receive care from a provider in the BCBS network rather than outside of the network.

www.bcbsil.com



FMLA ADMINISTRATION

Family Medical Leave Act (FMLA) Administration is handled through the Reed Group.

www.reedgroup.com



DENTAL

Choosing a Dental Plan

Our dental plan is provided by Blue Cross Blue Shield.

Dental PPO The dental PPO works in the same way as the medical PPO in that you will receive the maximum benefits if you receive care from a PPO in-network dentist. While you may still be covered if you choose an out-of-network dentist, those benefits may be reduced.

www.bcbsil.com



LIFE / AD&D

Life/AD&D To assist your family financially in the unfortunate event of your loss of life, United Road Towing provides you with basic term life insurance, at no cost to you. An additional benefit may be payable for accidental death or non-work-related dismemberment. Additionally, dependent life insurance is available for your spouse and dependent children. Should you desire more coverage, voluntary "buy-up" life/ad&d insurance also is available.

Life/AD&D, Dependent Life and Voluntary Life/AD&D coverages are carried through Lincoln Financial.

www.lfg.com



LONG-TERM DISABILITY

If you become disabled due to a non-work-related illness or injury, Long Term disability benefits may be payable. For periods of disability lasting longer than 90 days, the benefit pays you up to 60% of your pre-disability earnings; to a maximum of \$15,000 per month.

www.lfg.com



VOLUNTARY SHORT-TERM DISABILITY

Voluntary Short Term disability is available to all employees and replaces a portion of your pre-disability earnings. The benefit duration is 13 weeks. This benefit pays up to 60% of pre-disability earnings to a maximum of \$1,000 for all employees outside of California. For employees in California, the benefit pays 20% to \$1,000 and will not be offset by California state disability. Voluntary Short-Term Disability is carried through Lincoln Financial.

www.lfg.com



VOLUNTARY ACCIDENT COVERAGE

Voluntary Accident Coverage is available to all employees and provides cash directly to you to help offset out of pocket costs in the event of an accident. Voluntary Accident Coverage is carried through Lincoln Financial.

www.lfg.com





Redefining The Towing Experience

Mr. Richard Tefank, Executive Director
Los Angeles Police Department
Police Commission
100 West 1st Street, 1st floor
Los Angeles, CA 90012

Dear Mr. Tefank,

On behalf of United Road Towing, we are writing you today to formally request permission to purchase Ross Baker Towing.

The companies have collaborated for several years and as a result, we discovered we shared the same values and a vision for the future. The purchase of Ross Baker Towing will bring together many long-standing relationships with employees, business partners, customers, distributors, collaborators and local communities. Both companies recognize the value of these relationships and are committed to continuing them, and whenever possible, identifying new opportunities for mutual growth and development.

The following pages detail our business plan. With your approval, we would like to complete the transaction and receive City Council approval within the next thirty days. Combining the two companies will create a world-class organization to provide quality towing service to residents of Los Angeles.

Sincerely,

Ryan Davids
VP of Business Development
United Road Towing, Inc.

Cc: Det. Ben Jones

I. Background on Keystone Towing, a United Road Towing Company

United Road Towing (URT) is the leading provider of optimized, developed and managed municipal towing programs from Los Angeles to Boston. Specifically, United Road Towing dispatches over 500,000 tows annually, manages over 300,000 impounds annually, and sells over 60,000 abandoned vehicles a year for municipalities across the country. URT currently serves 60 percent of the top ten municipalities in the U.S.

URT prides itself in the length of relationships with municipalities. The following is just an excerpt of URT's large municipal contracts in which URT provides dispatch, towing, impound, and/or auction services and length of service related to these customers:

Chicago, IL	Dispatch, Towing, Impound, & Auction	20+ years
Phoenix, AZ	Dispatch, Towing, Impound, & Auction	15 years
Chicago Heights, IL	Dispatch, Towing, Impound, & Auction	20+ years
Los Angeles - Van Nuys Division	Dispatch, Towing, Impound, & Auction	16 years
Ontario, CA	Dispatch, Towing, Impound, & Auction	20+ years
Redlands, CA	Dispatch, Towing, Impound, & Auction	18 years
Pomona, CA	Dispatch, Towing, Impound, & Auction	18 years
Nashville, TN	Dispatch, Towing, Impound, & Auction (certain zones)	18 years
Medford, MA		18 years
Somerville, MA	Dispatch, Towing, Impound, & Auction	20+ years
Cambridge, MA	Dispatch, Towing, Impound, & Auction (rotational provider)	20+ years
Dallas County - Sheriff	Dispatch and towing management	5 years
San Antonio, TX	Impound Management and Auction	3 years
Las Vegas, NV	Dispatch, Towing, Impound, & Auction (rotational provider)	20+ years
North Las Vegas, NV	Dispatch, Towing, Impound, & Auction (rotational provider)	20+ years

URT's Chicago location has serviced the City of Chicago for over 20 years. In 1989, the City of Chicago posted an RFP for the management and towing of abandoned vehicles for the entire city. At that time, an estimated backlog of over 100,000 abandoned vehicles was littering the streets. This problem was not only an eyesore for its residents, it also posed serious health/safety factors. Once awarded the contract, facilities were swiftly set up, specific subcontractors were hired, and processes and procedures were established to ensure an efficient operation. The program was a huge success. It was so successful that an article was written by Newsweek which highlighted both the cost reduction and net increase of revenue to the city of \$3 million. Due to impressive success with this program, another RFP was issued by the City of Chicago to take over the entire police towing and management of their impound lots for these vehicles in 1997. Once again, URT was awarded the contract based on our expertise and proven track record. URT PARTNERED with the City of Chicago and established the policies for the operation in order to meet the city's needs.

URT's commitment to exceptional service and transparency has led it to be the sole service provider of towing and vehicle storage and disposal management for both the City of Chicago and the City of

Phoenix. URT has taken many of the headaches out of the towing and impound program for the City of Phoenix as well.

In 2008, URT was selected by the City of San Antonio to manage its vehicle storage facility. Within the first year of the contract, URT exceeded the expectations of city management by focusing on profitability, transparency, and service.

Because of our background and experience in towing services, impound management, and vehicle sales, URT was able to transform the San Antonio's Vehicle Storage Facility from a loss leader into a **profit center for the city of San Antonio**.

- URT improved the San Antonio Vehicle Storage facility by adding over \$900K in improvements in year one of the contract to secure the yard and enhance the city-owned yard and facilities
 - Added a state-of-the-art surveillance system
 - Improved pavement quality
 - Destroyed an old building to create the necessary dual gate structure needed to operate a secure, and efficient vehicle intake system
- URT compensates the City a contractual set sum annually which is paid monthly to the City

The City of San Antonio was unable to get the needed reports from other vendors who were contracting with the city and the city feared it was getting short-changed. URT stresses transparency in all aspects of business and exceeding the needs of municipalities. Specifically, URT tailored its systems' reports to meet or exceed the required reporting requirements outlined within the RFP to ensure all information and funds are accounted for correctly. URT employs a team of accounting personnel including licensed Certified Public Accountants in order to ensure quality and accurate data collection and reporting.

- URT reconciles daily monies collected to daily vehicle release activities, daily towing activities, as well as provide daily reporting to city management
- URT gave the city access to URT's proprietary systems
- URT employed armored transport service to ensure safe and secure cash handling
- URT created a separate bank account for all revenue related to the performance of the scope of services to ensure no commingling
- URT provides the city with annually audited financial statements as well as provides the city an annual agreed-upon procedures audit specifically related to contractual compliance

The city was plagued with complaints from its constituents regarding service and efficiency at the facility. As a result, URT redesigned the intake process using proprietary software and a wireless inventory intake solution to increase the efficiency and accuracy of the process.

As URT hopes to expand its relationship with the City of Los Angeles, it wants to reemphasize its commitment to service and transparency.

II. Operational Plan – Two Great Companies with One Mission

Ross Baker has a longstanding record of providing quality service to the City of Los Angeles and portions of the San Fernando Valley. URT is committed to maintaining the Ross Baker tradition of providing excellent service to LAPD and the citizens of Los Angeles. URT will focus on service and transparency throughout its operations.

Ross Baker Operating Plan

Ross Baker Towing has been providing exemplary service to the San Fernando Valley for over 20 years. With the proposed transaction, minimal operational changes will take place. The following depicts the key changes associated with the transaction, all of which are designed to create more transparency for LAPD and the citizens of Los Angeles:

- Update to Ross Baker's software program to an enterprise solution (See *Dispatch/Call Center*)
- Enhance technology in the trucks by updating each truck with Mobile Data Terminals that wirelessly feed information into URT's enterprise towing software (See *Dispatch/Call Center*)
- Centralize billing and accounting support in order to ensure data integrity and accurate reporting (See *Back Office/Cash Management*)

Management

In order to continue the excellent service that Ross Baker Towing currently provides, URT has entered into an agreement with Greg Baker to become the General Manager over both Keystone Towing and Ross Baker Towing upon consummation of the acquisition. Mr. Baker has not only owned an Official Police Garage for over 20 years, he has been an outstanding leader in the community. Mr. Baker will oversee all day-to-day operations of the two OPGs.

Greg Baker will report to Ed Arensdorf, Senior Vice President of URT. Mr. Arensdorf is also well known in the community and has been involved with the OPG Association for over 20 years.

Dispatch/Call Center

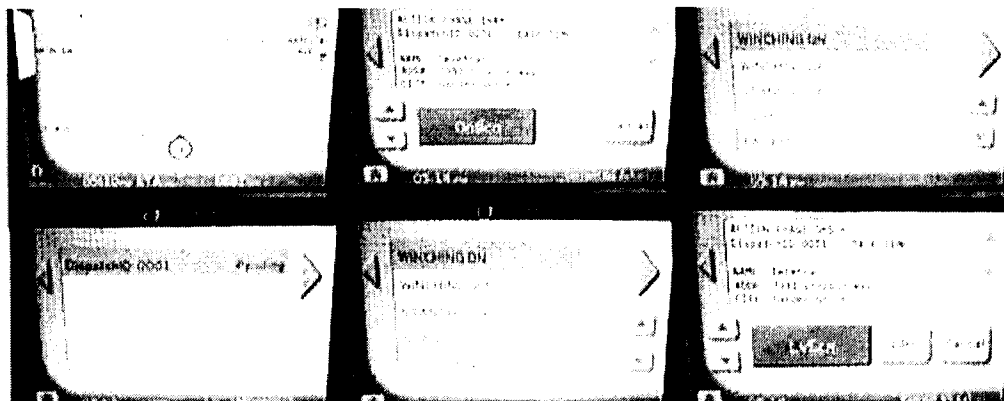
URT plans to keep the two local brands in place, Ross Baker and Keystone, as well as their respective phone numbers. However, URT plans to consolidate the dispatch function so that even though there might be two distinct phone numbers, the phone will ring in one central location at 7817 Woodley Avenue. Via an innovative phone system, URT plans to have the system identify whether the call was to Ross Baker or Keystone and the call taker will note this as he or she answers the call.

As we looked at our complementary core competencies, we realized there was tremendous value in a combined company. Having a centralized call center will allow URT to control the quality of the first initial customer touch point to ensure speedy response times and accurate information is given to all customers.

URT also plans on equipping all Ross Baker trucks with URT's existing technology. URT utilizes a customized towing dispatch software, integrated GPS technology and mobile data terminals in each

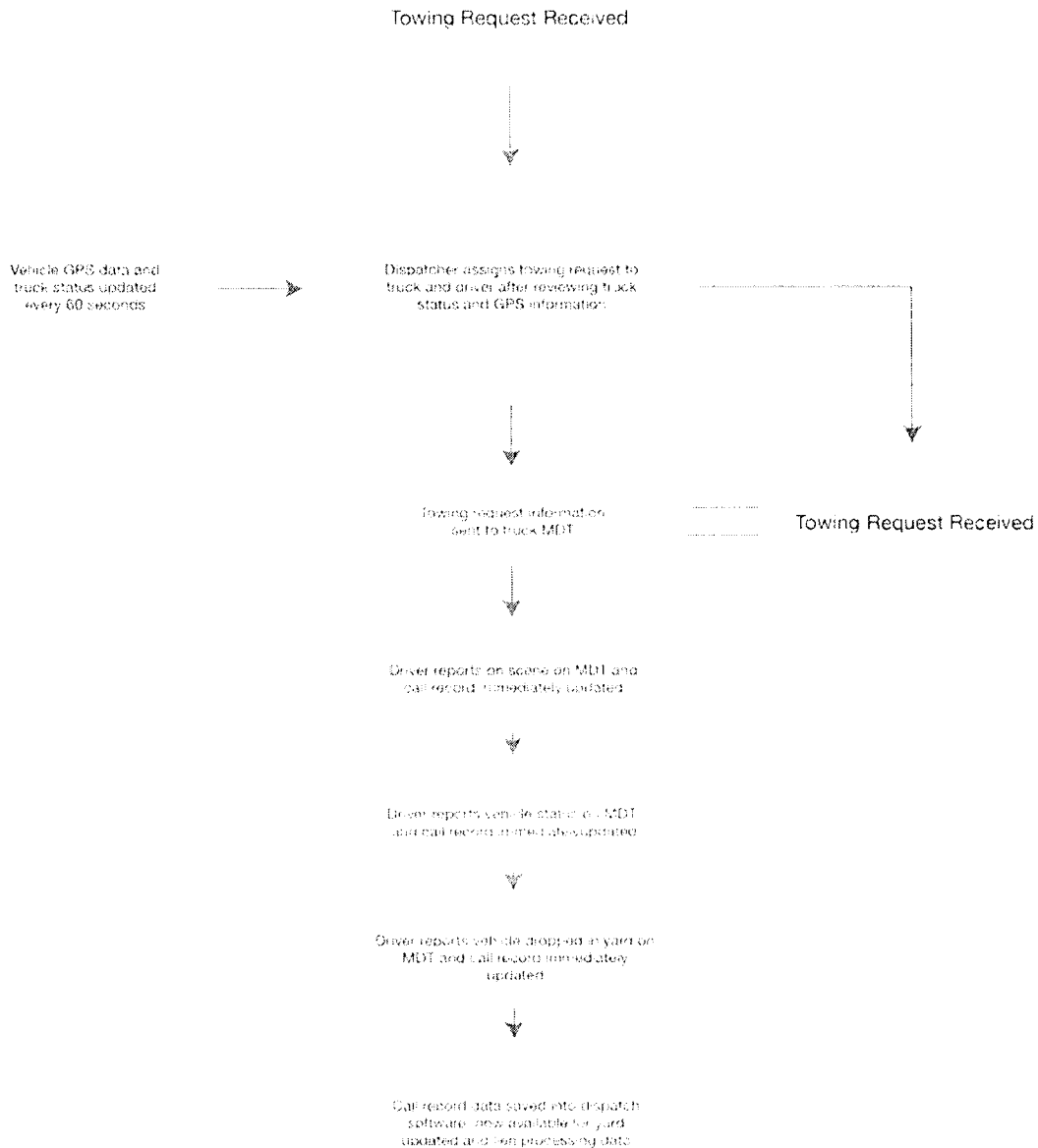
There are three main technological and communicative components to URT's towing dispatch process which Ross Baker will adapt. The first is URT's customized software which is a highly customized version of the TowXChange version of TOPS. URT's software is an enterprise solution, meaning it manages the entire lifecycle of the tow and all other ancillary devices (Mobile Data Terminals,

Next, URT uses Mobile Data Terminals which are basically minicomputers in each tow truck. Via the Mobile Data Terminals (MDTs) equipped with GPS technology, URT can get updates on the status of the tow (on scene, winching on, etc.) as well as where the tow is occurring. The MDTs are two way communicative devices, meaning data can be sent to the device and from the device to the software which URT dispatches from. URT is currently using Teletrac to administer the MDTs and the MDT model number is D3-43MD-02. The following shows the various screens of the MDTs:



Finally, in addition to the MDTs, URT and Ross Baker possesses two-way Sprint phones with the Nextel Direct Connect® feature to aid in the dispatching of vehicles. These devices allow greater communication between dispatch and the driver to ensure no misunderstandings with the data being delivered via the MDT. The Sprint phones are dependable radio communications for the Los Angeles Valley.

A visual overview of the integration of the activities discussed above is outlined below:



Via this process, URT takes great pride on delivering expedient service by meeting or exceeding the requirements of our municipal partners. These updates to the Ross Baker operations should allow the entity to operate more efficiently.

Towing Equipment and Personnel

All towing equipment of both Ross Baker and Keystone Towing will keep their existing identities. All new vehicle purchased will jointly market both Ross Baker and Keystone Towing. No changes will be made associated with the brand names on the existing trucks. All Keystone OPG calls will be responded with by a Keystone truck and Ross Baker calls with a Ross Baker truck. All towing personnel will adapt the Keystone policy on drug testing and professional appearance. The following excerpt from Keystone's Handbook details our stance on employee appearance and professionalism:

Appearance

Employee dress and appearance should be appropriate to the position and in compliance with safety regulations. Drivers and Safety-Sensitive personnel should also refer to the Driver Safety Policy and Procedures Handbook. In general, a clean, neat, and well groomed appearance shows professionalism on the job. As a general rule, the following guidelines should be followed:

- 1. Appropriate dress is business casual or a defined uniform/outfit. Footwear should be appropriate to the job duties; no open toe styles are permitted.*
- 2. Hair must be clean and neat; men should be clean-shaven; beards and mustaches should be neatly trimmed.*
- 3. Personal hygiene should be such that fellow workers or guests are not offended.*
- 4. No more than one earring per ear. No other visible body rings or piercings are permitted.*
- 5. Shorts and skirts must be of a professional fashion and length; tops and blouses should be appropriate for a business workplace and worn accordingly.*

Additionally, all existing Ross Baker employees will undergo URT's industry leading training program including the Smith System driver training program.

Maintenance of Vehicles

Maintenance of both the Keystone and Ross Baker fleet will be consolidated to operations at Keystone's current maintenance facility. There will be no elimination of mechanics as Ross Baker's existing mechanic will be relocated to the facility on Stag Street.

Lien Process & Lien Sales

URT plans to centralize the lien process; however, the lien process will be conducted under each corporations respective name. Weekly lien sales will be combined to one location at 12025 Branford Avenue, Sun Valley, CA (Ross Baker's current weekly sale location). At this location both Keystone and Ross Baker lien sales will be conducted. Using the following advances in technology and marketing techniques, URT plans to broaden the base of buyers for these affordable vehicles:

- Online, internet bidding as well as live bidding
- All vehicles will be displayed on the web a few days prior to the auction
- Bilingual services
- Implement disciplined advertisement strategies to key market segments and demographics
- Conduct night auctions

Back Office/Cash Management

URT will centralize the cash management function of the two businesses to the location at 7817 Woodley Avenue. URT's enterprise towing software solution will ensure proper segregation of duties as well as accurate reporting. Releases will still be performed at all the existing locations. However, the related reconciliation and confirmation associated with these transactions will be performed at the centralized location. URT utilizes armored car services and has a team of CPAs to ensure data integrity.

III. URT Benefit Package

All Ross Baker employees will be allowed to participate in URT's benefit plan. URT's benefit program contains a variety of plans intended to enhance the life of our employees and their family members. The highlights of URT's benefits are as follows:

- Medical PPO Plan
- Prescription drug plan
- Dental PPO Plan
- Basic life insurance and Accidental Death & Dismemberment (AD&D)
- Dependent Life insurance
- Voluntary life/AD&D insurance
- Long Term Disability
- Voluntary Short Term Disability
- Voluntary Accident Coverage

URT will offer eligibility of these benefits upon the consummation of the transaction. URT also offers 401(k) plan to employees with a discretionary company match.

URT has attached the following Exhibit to this Business Plan which describes the benefits in more depth.

IV. Continued & Enhanced Community Involvement

URT is passionate about our customers, our communities, and towing. This is why we are driven to make a difference in the communities we serve and advance the image of towing service. Towing is a valuable public safety and transportation management service which is too often commoditized by others around us. Our commitment to the community supports our business in many ways. It strengthens our brand and reputation, helps our communities view towing companies positively, and inspires our team members who want to work for a socially responsible company.

Ross Baker Towing shares our commitment to community engagement and public service and we will be proud to welcome them into the URT family. Moreover, Mr. Baker's record of volunteerism is consistent with our corporate values and commitment to community engagement and charitable giving.

The following is a brief excerpt of Greg's history:

- 1986 to 1994 Northridge Rotary - Held several different position or committee chair
- 1989 Parthenia Property Owners and Tenant Association – President who established, designed, and raised over \$100,000 for a community face lift in the Vanalden and Parthenia area.
- 1992-1994 Northridge Chamber of Commerce - Board of Director who was involved in numerous committees
- 1986-1996 Official Police Garages Association - Board of Director who helped design and implement policies and contracts that are still used to date
- 1988–Current LAPD Devonshire Police Activity League Supporters - Greg has

volunteered for PALS for over 22 years and was of the leaders in creating the new Greig Smith Devonshire Youth Center

- 2004-2005 President of Northridge Neighborhood Council
- 2004-Current Mission Community Police Council - Founding Board Member
- 2001-Current North Valley YMCA – Board Member
- 2008-Current Community projects through Cornerstone Church
- 2011-Current Board Member of North Valley Regional Chamber
- 2011-Current Granada Hills Rotary

Greg has also received the following awards for community involvement:

- 1989 Outstanding Performance Award- LA Public Works
- 1990 Special Business and Community award- Assembly Member Marian La Fallette
- 1996 Light the Night Award - Northridge Fashion Center
- 2001 Life Saver Award - Northridge Chamber of Commerce
- 2007 Devonshire PALS President Award
- 2008 Justice Armand Arabian Award
- 2008 Spirit of Hope Award / Corporate Partnership- New Direction for Youth
- 2009 Community Champion Award- Southern California Committee for the Olympic Games
- 2009 Devonshire PALS Leadership Award
- 2010 CK Tseng Award – North Valley Regional Chamber
- 2011 Nominated for the Fernando Award, Top 5 qualifier

Through Greg's leadership and URT's financial resources, our goal is to create even stronger communities in which we operate.

Ed Arensdorf, from URT, has also devoted significant time to community involvement. Ed is the President of VTAC (Valley Traffic Advisory Council) which is a booster organization for the LAPD's Valley Traffic Division (VTD). The VTD is committed to the education of approximately 12,500 school age children and approximately 20,000 residents and community members in order to improve traffic conditions and hopefully save lives.

Each company brings veterans with unique towing expertise. Combining these quality-driven talents from both companies will set the stage for a stronger, more progressive OPG.