SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Command Center, Inc.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-QSB/ AMENDMENT NO. 1

(Mark One)
☑ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 29, 2006**

❑ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____________ to ___________.

Commission File Number: **333-60326**

COMMAND CENTER, INC.
(Exact name of small business issuer as specified in its charter)

Washington	91-2079472
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

3773 West Fifth Avenue, Post Falls, Idaho 83854
(Address of principal executive offices)

(208) 773-7450
(Issuer's telephone number)

N.A.
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all documents and reports required to be filed by Section 13, or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period as the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety days.

Yes x No ❑

The number of shares of common stock outstanding on November 14, 2006 was:

23,493,648

Transitional Small Business Disclosure Format. Yes o No ☑

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12(b)-2 of the Exchange Act). Yes o No ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12(b)-2 of the Exchange Act). Yes o No ☑

Contents

FORM 10-QSB/A1

PART I

Item 1. Financial Statements.

MANAGEMENT STATEMENT

The accompanying balance sheet of Command Center, Inc. as of September 29, 2006 (unaudited) and the related statements of operations for the thirteen and thirty nine week periods ended September 29, 2006, and the three and nine month periods ended September 30, 2005, and the related statements of cash flows for the thirty-nine week period ended September 29, 2006 and the nine month period ended September 30, 2005 were prepared by Management of the Company.

The accompanying financial statements should be read in conjunction with the audited financial statements of Command Center, Inc. (the “Company”) as of and for the year ended December 31, 2005, as restated, and the notes thereto contained in the Company’s annual report on Form 10-KSB/ Amendment No. 1 for the year ended December 31, 2005, filed with the Securities and Exchange Commission.

Management
Command Center, Inc.
September 12, 2007

Command Center, Inc.

Balance Sheet (Unaudited)

	Restated September 29, 2006
Assets	
CURRENT ASSETS:	
Acquisition accounts receivable - affiliates	$ 552,683
Accounts receivable - trade, net of allowance for bad debts of $800,108	11,305,968
Notes receivable	137,919
Prepaid expenses, deposits, and other	1,601,094
Worker's compensation risk pool deposits - current	329,083
Total current assets	13,926,747
PROPERTY AND EQUIPMENT, NET:	2,796,761
OTHER ASSETS:	
Worker's compensation risk pool deposits - non-current	1,975,917
Goodwill	31,308,820
Amortizable intangibles - net	754,000
Total other assets	34,038,737
	$ 50,762,245
Liabilities and Stockholders' Equity	
CURRENT LIABILITIES:	
Accounts payable - trade	1,262,650
Checks issued and outstanding	495,729
Acquisition accounts payable - affiliates	515,080
Accrued payroll, benefits and taxes	1,216,410
Current portion of long term liabilities	8,320
Receivable factoring payable	5,962,946
Advances payable	1,025,440
Accrued new store surcharge fees - affiliate	175,000
Worker's compensation insurance and reserves payable	2,024,167
Worker's compensation claims liability -current	329,083
Total liabilities	13,014,825
LONG TERM LIABILITIES:	
Notes payable, net of current portion	96,781
Finanace obligation	1,125,000
Worker's compensation claims liability - non-current	493,626
Total other assets	1,715,407
STOCKHOLDERS' EQUITY:	
Preferred stock - 5,000,000 shares, $0.001 par value, authorized; no shares issued and outstanding	-
Common stock - 100,000,000 shares, $0.001 par value, authorized; 23,336,648 shares issued and outstanding	23,337
Additional paid-in capital	36,910,341
Accumulated deficit	(901,665)
Total stockholders' equity	36,032,013
	$ 50,762,245

See accompanying notes to unaudited financial statements.

Command Center, Inc.

Statements of Operations (Unaudited)

	Restated Thirteen Weeks Ended September 29, 2006	Three Months Ended September 30, 2005	Restated Thirty-Nine Weeks Ended September 29, 2006	Nine Months Ended Spetember 30, 2005
REVENUE:				
Staffing services revenue	$ 27,747,156	$ -	$ 45,431,317	$ -
Franchise fee revenues	-	521,247	535,745	1,320,203
Other income	15,667	336,723	30,343	336,723
Total revenue	27,762,823	857,970	45,997,405	1,656,926
COST OF STAFFING SERVICES	19,624,124	-	32,719,116	-
GROSS PROFIT	8,138,699	857,970	13,278,289	1,656,926
OPERATING EXPENSES:	7,166,227	435,635	13,866,027	1,093,781
INCOME (LOSS) FROM OPERATIONS	972,472	422,335	(587,738)	563,145
OTHER INCOME				
Interest and dividend income	9,098	-	44,430	-
Interest expense	(286,526)		(365,994)	
NET INCOME (LOSS)	$ 695,044	$ 422,335	$ (909,302)	$ 563,145
BASIC INCOME (LOSS) PER SHARE	$ 0.03	$ 0.11	$ (0.05)	$ 0.15
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	23,048,555	3,745,493	16,541,304	3,745,493

See accompanying notes to unaudited financial statements.

Command Center, Inc.

Statements of Cash Flows (Unaudited)

Increase (Decrease) in Cash	Restated Thirty-Nine Weeks Ended September 30, 2006	Nine Months Ended September 30, 2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (909,302)	$ 563,145
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	261,880	38,677
Amortization of note receivable discount	14,003	-
Stock issued for rent	90,000	-
Changes in assets and liabilities		
Accounts receivable - affiliates	(4,472,497)	(120,783)
Acquisition accounts receivable - affiliates	123,418	-
Accounts receivable - trade, net	-	83,392
Notes receivable	-	(353,214)
Prepaid expenses	(1,553,880)	-
Workers' compensation risk pool deposits	(2,305,000)	-
Accounts payable - trade	1,126,974	70,489
Accounts payable - affiliates	55,564	8,750
Accrued expenses	1,216,410	-
Workers' compensation insurance and risk pool deposits payable	2,024,167	-
Workers' compensation claims liability	822,709	-
Total adjustments	(2,596,252)	(272,689)
Net cash provided by (used in) operating activities	(3,505,554)	290,456
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(820,204)	(125,000)
Advances to affiliates	-	(291,565)
Collections on note receivable	131,586	-
Sale of investments	404,000	-
Net cash provided by (used in) investing activities	(284,618)	(416,565)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Financing from factoring accounts receivable	1,195,684	-
Checks issued and outstanding	495,729	-
Advances payable	673,915	-
Sales of preferred stock	585,000	-
Sales of common stock	470,000	-
Proceeds from long-term debt - affiliates	-	85,000
Net cash provided by financing activities	3,420,328	85,000
NET DECREASE IN CASH	(369,844)	(41,109)
CASH, BEGINNING OF PERIOD	369,844	41,268
CASH, END OF PERIOD	$ -	$ 159
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Common stock issued on conversion of preferred stock	$ 470,000	-
Common stock issued for acquisition of:		
Accounts receivable, net	$ 6,477,104	$ -
Property, plant and equipment	603,184	-

Financing liability assumed	(4,767,262)	-
Due to affiliates	(529,516)	-
Long-term debt assumed	(105,101)	-
Goodwill and amortizable intangibles, net	30,565,248	-
Total	$ 32,243,657	$ -

See accompanying notes to unaudited financial statements.

NOTE 1 — BASIS OF PRESENTATION:

The accompanying unaudited financial statements have been prepared in conformity with generally accepted accounting principles and reflect all normal recurring adjustments which, in the opinion of Management of the Company, are necessary to a fair presentation of the results for the periods presented. The results of operations for such periods are not necessarily indicative of the results expected for the full fiscal year or any future period. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ significantly from these estimates.

The accompanying unaudited financial statements should be read in conjunction with the audited financial statements of the Company as of and for the year ended December 31, 2005, and the notes thereto contained in the Company's annual report on Form 10-KSB for the year ended December 31, 2005, filed with the Securities and Exchange Commission. In 2005 we changed our business from that of a financing company to a franchisor of temporary labor businesses (See Part I, Item 2). In May, 2006, we changed our business from a franchisor of temporary labor businesses to operator of temporary labor businesses. Accordingly, information presented for the period ended September 30, 2005 is not relevant to our current business activities. Certain items previously reported in specific financial statement captions have been reclassified to conform to the 2006 presentation.

Commencing with the acquisition of the operating assets of 48 temporary staffing stores and intangible rights to eight additional temporary staffing stores on May 12, 2006, the Company has elected to report its financial results of operations on a 52/53 week fiscal year ending on the last Friday in December. Our 2006 fiscal year will end on December 29, 2006. Prior to May 12, 2006, we reported our financial results on a calendar year basis with our year ending on December 31 of each year. As noted above, 2006 results are not comparable to 2005 results due to the change in our business operatiosn, so the change to a 52/53 week fiscal year had no affect on comparability.

Restatements

The Company's financial statements have been restated from those previously reported. The Restatement corrects an error in the Company's presentation of the recapitalization transaction that took place November 9, 2005, a real estate financing transaction, and various accounting misstatements that occurred in connection with the acquisition transactions which were completed on May 12, 2006 and June 30, 2006. Details of each restatement category follow.

Recapitalization transaction

For the quarter ended September 29, 2006, the Company presented balance sheet information reflecting the acquisitions of Command Staffing LLC ("Command Staffing") and Harborview Software, Inc. ("Harborview") by Temporary Financial Services, Inc. ("TFS") which occurred on November 9, 2005.

Upon our review of the accounting guidance and consultation with other experts we determined that Command Staffing was the accounting acquirer in the transaction. The balance sheet of Command Center, Inc. has been restated to include the purchase of the 50% interest in Harborview not owned by Glenn Welstad. This purchase was recorded as an increase in goodwill in the period ended December 31, 2005 and flows through to the current quarter.

Real estate financing transaction

In November 2005, the Company purchased a building for $1,125,000 in Post Falls, Idaho to serve as its corporate headquarters. In December 2005, the Company entered into transaction in which it sold the building to John Coghlan, a director and major shareholder for $1,125,000 and leased the property back for a period of three years with an option to renew for an additional two year term. The transaction was originally accounted for as a lease. Upon further review of the applicable accounting guidance related to the sale, management concluded that the transaction should have been properly accounted for as a financing transaction because of the Company's option to purchase the building back from Mr. Coghlan. Accordingly, the Company has restated its 2005 financial statements to reflect the building and a corresponding finance obligation. The restatement has no affect on net income as previously reported. The financing transaction was recorded in the year ended December 31, 2005 and flows through to the current quarter.

Accounting Misstatements

In connection with the acquisitions of the operating assets of 48 temporary staffing stores and intangible rights to eight additional temporary staffing stores on May 12, 2006 and June 30, 2006, the company recorded operating assets and liabilities, and began operating as a temporary staffing store. In the course of reorganizing, certain accounting misstatements and errors occurred that resulted in inaccurate financial information. Upon review of theses transactions and consultation with other experts, we determined that two categories of errors had occurred that required restatement. These errors were the result of material weaknesses in internal controls over financial reporting that were discovered in connection with the audit as of and for the year ended December 29, 2006.

First, the assets acquired in the acquisition transaction were not properly recorded. This category of errors resulted from timing differences between the asset valuation dates and the dates on which the assets were actually acquired.

Second, the company did not properly account for its workers' compensation insurance policy obtained on May 12, 2006. The workers compensation policy included substantial deposits and required an analysis of incurred but not reported claims during the policy period.

The following is the summary of the effects of the above corrections:

September 29, 2006	As Originally Filed	As Restated	Change
Financial position			
Accounts receivable	$ 12,392,444	$ 12,101,563	$ (290,881)
Allowance for bad debts	$ (1,402,719)	$ (795,595)	$ 607,124
Accounts receivable, net	$ 10,989,725	$ 11,305,968	$ 316,243
Prepaid expenses and deposits	$ 574,003	$ 1,601,094	$ 1,027,091
Workers' compensation risk pool deposits - current	$ -	$ 329,083	$ 329,083
Property and equipment	$ 1,152,761	$ 2,796,761	$ 1,644,000
Goodwill	$ 32,908,887	$ 31,308,820	$ (1,600,067)
Amortizable intangibles, net	$ -	$ 754,000	$ 754,000
Total assets	$ 46,315,978	$ 50,762,245	$ 4,446,267
Checks issued and outstanding	$ 515,729	$ 495,729	$ (20,000)
Line of credit facility	$ 5,962,946	$ 5,962,946	$ -
Accrued liabilities	$ 1,056,410	$ 1,216,410	$ 160,000
Workers' compensation insurance and reserves payable	$ -	$ 2,024,167	$ 2,024,167
Workers' compensation claims liability - current	$ -	$ 329,083	$ 329,083
Total current liabilities	$ 10,521,575	$ 13,014,825	$ 2,493,250
Workers' compensation claims liability - long-term	$ -	$ 493,626	$ 493,626
Finance obligation	$ -	$ 1,125,000	$ 1,125,000
Total long-term liabilities	$ 96,781	$ 1,715,407	$ 1,618,626
Total stockholders' equity	$ 35,697,622	$ 36,032,013	$ 334,391
Total liabilities and equity	$ 46,315,978	$ 50,762,245	$ 4,446,267
Operating Results			
Revenue	$ 46,066,398	$ 45,997,405	$ (68,993)
Cost of services	$ 33,224,331	$ 32,719,116	$ (505,215)
Operating expenses	$ 14,130,190	$ 13,866,027	$ (264,163)
Interest (income) expense	$ (44,430)	$ 321,564	$ 365,994
Net loss	$ 1,243,693	$ 909,302	$ (334,391)

NOTE 2 —ACQUISITIONS:

In the thirty-nine weeks ended September 29, 2006, the Company acquired the operating assets of a number of temporary staffing stores located throughout the United States. These store acquisitions were undertaken pursuant to an Asset Purchase Agreement dated November 9, 2005 (the “APA”) between the Company, Command Staffing, LLC (Command Staffing), Harborview Software, Inc. (Harborview), and 45 companies (collectively the “Operations Entities”) collectively owning approximately 70 temporary staffing stores. The transactions contemplated by the Asset Purchase Agreement are collectively referred to as the “Command Transaction.” The Command Transaction was undertaken in two phases. Phase I involved the acquisition of Command Staffing and Harborview and was completed on November 9, 2005. The shareholders of Command Staffing and Harborview after the Phase I Closing controlled the Company following the acquisition and this Phase was accounted for as a recapitalization.

On May 12, 2006 we acquired the operating assets and certain liabilities of 48 temporary staffing stores and intangible rights to eight additional temporary staffing stores from 35 operations entities. On June 30, 2006, we acquired the operating assets and certain liabilities of an additional 9 temporary staffing stores from 4 operations entities. The acquisitions were in exchange for an aggregate of 12,897,463 shares of restricted common stock. These acquisitions were accounted for using the purchase method of accounting. Under the purchase method of accounting, the total estimated purchase price is allocated to the net tangible and intangible assets of the acquired entity based on their estimated fair values as of the completion of the transaction. To the extent that the consideration given exceeded the fair value of the assets acquired, the difference was recorded as goodwill. As of the Closing dates of the acquisitions, management estimated that the fair value of the restricted stock given in the purchases at $2.50 per share. After deducting the fair value of the tangible and intangible assets acquired, management has estimated that the goodwill in the acquisitions amounted to $29,288,752. The acquisitions were principally between and among related parties with pre-existing relationships (see Note 6).

As a result of the acquisitions and the opening of 17 temporary staffing stores as company owned, the Company now operates 74 temporary staffing stores located in 21 states.

NOTE 3 —STOCK BASED COMPENSATION:

On January 1, 2006, the Company adopted the fair value recognition provisions of Statement of Financial Accounting Standards No. 123(R), “Share-Based Payments” (“SFAS 123R”), using the modified prospective transition method. In accordance with the modified prospective transition method, the Company will recognize compensation expense for all share-based awards granted after January 1, 2006, plus unvested awards granted prior to January 1, 2006. Under this method of implementation, no restatement of prior periods has been made. The cumulative effect of adopting SFAS 123R does not affect the Company.

NOTE 4 —EARNINGS PER SHARE:

Statement of Financial Accounting Standards No. 128, “Earnings per Share,” requires dual presentation of basic earnings per share (“EPS”) and diluted EPS on the face of all income statements issued after December 15, 1997, for all entities with complex capital structures. Basic EPS is computed as net income divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options, warrants, and other convertible securities. At September 29, 2006, the Company had no common stock equivalents outstanding only common stock outstanding. Accordingly, only basic EPS is presented.

For the three and nine month periods ended September 30, 2005, total shares outstanding for purposes of computing earnings per share are based on the shares issued to Command Staffing by TFS in the acquisition. As Command Staffing is deemed the accounting acquirer in the acquisition, the Company has presented historical financial information for Command Staffing, as though the number of shares issued to Command Staffing were outstanding as of January 1, 2005. Consequently, the weighted average shares outstanding is calculated as such.

NOTE 5 - FINANCING ARRANGEMENTS:

On May 12, 2006, the Company entered into an agreement with its principal lender for the factoring of eligible accounts receivable. Eligible accounts receivable are generally defined to include accounts that are not more than sixty days past due. The loan agreement includes limitations on customer concentrations, accounts receivable with affiliated parties, accounts receivable from governmental agencies in excess of 5% of the Company's accounts receivable balance, and where a customer's aggregate past due accounts exceed 50% of that customer's aggregate balance due. The lender will advance 85% of the invoiced amount for eligible recievables. The credit facility includes a 1% facility fee payable annually, and a $1,500 monthly administrative fee. The financing bears interest at the greater of the prime rate plus three percent (prime +3%) or 6.25% per annum. Prime is defined by the Wall Street Journal, Money Rates Section, and the rate is adjusted to the rate applicable on the last day of each month. The loan agreement further provides that interest is due at the applicable rate on the greater of the outstanding balance or $2,000,000. The credit facility expires on April 7, 2008. The Company has negotiated an increase in the maximum credit facility and expects to finalize the increase to $12,000,000 from $8,000,000 on or before December 1, 2006. When finalized, the increased credit facility will expire on April 7, 2009.

NOTE 6 — RELATED-PARTY TRANSACTIONS:

New store surcharge fee. As part of the acquisition of the franchise operations of Command Staffing and Harborview, the Board agreed to assume an obligation of Command Staffing to pay Glenn Welstad, the CEO and Chairman, $5,000 for each additional temporary staffing store opened on behalf of the Company. Included in the Company's accounts at September 29, 2006 is $175,000 payable to Mr. Welstad in new store surcharge fees. This amount includes $70,000 from opening 14 new stores in the thirteen weeks ended September 29, 2006.

Acquisition accounts receivable and acquisition accounts payable. During the period ended September 29, 2006 the Company paid $160,000 to Viken Management, Inc. as an offset of acquisition payables properly owed to Viken in connection with the acquisition of the group of stores previously owned or managed by Viken. The Company is continuing to settle the acquisition accounts payable and acquisition accounts receivable and expects to have these amounts collected or paid prior to the March 31, 2007.

Lease obligations. The Company has leased a building in Post Falls, Idaho to serve as its corporate headquarters. The building is owned by John Coghlan, a director and significant shareholder of the Company. The Company makes rental payments of $10,000 per month, triple net. The Company may pay the rent, at its option, in cash or by issuance of shares of common stock. If rent is paid in common stock, the price per share is adjusted monthly to 80% of the bid price as quoted in the Over-The-Counter Bulletin Board market operated by NASDAQ, or such other securities market on which the Company's common stock is traded. For the three and nine month periods ended September 29, 2006, the Company accrued $90,000 in rent expense due to Mr. Coghlan. This amount was paid through issuance of 21,504 shares of restricted common stock. 11,195 shares of common stock were issued in July, 2006 and an additional 10,309 shares were issued in September. At September 29, 2006, no amounts were due for rent to Mr. Coghlan.

Concentrations. In the nine months ended September 29, 2006, substantially all of the Company's royalty income was earned from affiliates. Royalty income consists of franchise fees and software license and support fees derived from temporary staffing stores owned by the Company's franchisees. The franchisees were owned in whole or in part by various officers and directors of the Company. As a result, the Company's franchise business was concentrated among a small number of affiliated parties and was subject to business concentration risks. On May 12, 2006, the Company acquired a substantial majority of the franchisees' operations, and on June 30, 2006, acquired the remaining franchisee operations. In future periods, the Company does not expect to generate any revenues from royalty income. Instead, future revenues will be derived from temporary staffing store operations and franchisee concentration risk will be substantially eliminated.

NOTE 8 - SEGMENT REPORTING:

During the thirty-nine weeks ended September 29, 2006, the Company operated a franchise business and also acquired and operated a number of temporary staffing stores. Financial information on each segment is summarized below. On June 30, 2006, the Company completed acquisition of the remaining franchised temporary staffing stores and is no longer operating as a franchisor. All revenues generated in the thirteen weeks ended September 29, 2006 were generated from temporary staffing store operations. The Company expects that new stores will be operated as company owned, although the Company will continue to evaluate qualified franchisees on a case by case basis as opportunities are presented.

	Franchise Business	Store Operations	Combined
Revenue	$ 535,745	$ 45,530,653	$ 45,997,405
Cost of sales	--	33,224,331	32,719,116
Gross profit	535,745	12,306,322	13,278,289
Operating expenses	205,032	13,925,158	13,866,027
Income (Loss) from operations	$ 330,713	$ (1,618,836)	(587,738)
Other income	--	44,430	(321,564)
Net income (loss)	$ 330,713	$ (1,574,406)	$ (909,302)

Net assets of $45,492,387 were added during the thirty-nine weeks ended September 29, 2006 in connection with the acquisition of temporary staffing stores.

NOTE 9 - STOCK TRANSACTIONS:

On July 5, 2006, the Company commenced a private offering of 2,000,000 shares of common stock at $3.00 per share. As part of this offering, the Company also offered each holder of Series A Preferred Stock, holding in the aggregate 4,700 shares, an opportunity to exchange their Series A shares for Common Stock at an exchange ratio equivalent to $3.00 per common share. In the thirteen weeks ended September 29, 2006, all of the holders of Series A Preferred Shares exchanged their shares for common stock under this program and all Series A Preferred Stock has been retired. In addition to the common shares issued in exchange of the Series A Preferred Stock, the Company has issued 195,001 shares of common stock in the private placement for an aggregate of $585,000.

NOTE 9 - SUBSEQUENT EVENTS:

In October, 2006, the Company sold 157,000 additional shares of Common Stock in the offering dated July 5, 2006, for an aggregate of $471,000. The offering was terminated on October 31, 2006.

Part I, Item 2. Management's Discussion and Analysis or Plan of Operations.

The Company

We were incorporated on October 11, 2000 as Temporary Financial Services, Inc. ("TFS") under the laws of the State of Washington. We were originally organized to provide accounts receivable financing to temporary labor businesses. We commenced our lending activities in 2001 and continued providing accounts receivable financing to temporary labor businesses through 2004. In 2004, we reassessed our lending activities and elected to change our business focus. As a result, we considered other lending operations, provided financing to an affiliated financial services firm, and also began looking for other business opportunities.

On October 6, 2005, TFS entered into a letter of intent to acquire the assets of Command Staffing, Harborview, and 45 companies (collectively, the "Operations Entities") that collectively owned approximately 70 temporary staffing stores then operating as either Command Staffing franchisees or independently owned businesses located throughout the United States. The acquisitions of Command Staffing, Harborview, and the Operations Entities pursuant to the APA by and among TFS, Command Staffing, Harborview, and the Operations Entities are collectively referred to herein as the "Command Transaction."

The Command Transaction has now been completed. The acquisition of Command Staffing and Harborview was completed in Phase I of the Command Transaction on November 9, 2005. At that time, we amended our articles of incorporation to change our name from Temporary Financial Services, Inc. to Command Center, Inc. effective as of November 14, 2005. The acquisition of the Operations Entities was completed in two stages of Phase II of the Command Transaction with closings on May 12, 2006 and June 30, 2006.

We now own and operate 76 temporary staffing stores located in 21 states. We acquired the operating assets of 48 stores and intangible rights to eight additional stores acquired from 35 Operations Entities on May 12, 2006. We acquired 9 additional stores from four Operations Entities on June 30, 2006, and we have opened 19 company owned stores (including eight stores opened after acquiring intangible rights from the prior franchisees) since November 9, 2005. We plan to open a small number of new company owned stores in 2006 and we are pursuing additional expansion through acquisitions from unaffiliated operators. We intend to operate our temporary staffing stores as company owned although we will evaluate franchising opportunities on a case by case basis should we be approached by a qualified franchisee.

Our principal offices are located at 3773 West Fifth Avenue, Post Falls, Idaho, 83854 and our telephone number is (208) 773-7450. Our web site is located at www.commandonline.com. Information contained on our web site is not part of this Memorandum.

Results of Operations.

Thirteen and Thirty-Nine Weeks ended September 29, 2006.

Revenues. As described above, the Company acquired a number of temporary staffing stores in the thirty-nine weeks ended September 29, 2006. For the thirteen and thirty-nine week periods ended September 29, 2006 revenues were $27,762,823 and $45,997,405, respectively. For the comparable periods in 2005, the Company was involved in franchising operations and the results of operations are not comparable. Franchising revenues in the three and nine month periods ended September 30, 2005 amounted to $857,970 and $1,656,926 respectively.

Staffing services revenues for the third quarter 2006 are not indicative of the revenues the Company expects to generate in future periods. The Company acquired the operating assets of 48 stores and intangible rights to eight additional stores on May 12, 2006, nine additional stores on June 30, and we have opened 19 new company owned stores (including eight stores opened after acquiring intangible rights from the prior franchisees) since November 9, 2005. As of September 29, 2006, we are operating 76 temporary staffing stores located in 21 states.

Revenues for the third quarter 2006 are consistent with expectations of management taking into account the acquisitions that occurred in the prior periods. Now that the acquisitions have been completed, the Company will report aggregated results from all 76 stores in future periods. In coming periods, management intends to focus on store operations and growth and anticipates that the rate of acquisitions will slow considerably.

Our business is cyclical. As we head into the colder winter months, we expect to see a moderate decline in revenues that will continue through the fourth quarter and into the first quarter of 2007. Operations will also be affected by business closures resulting from the Thanksgiving, Christmas and New Years holidays.

Cost of Staffing Services. In thirteen and thirty-nine week periods ended September 29, 2006, the company incurred staffing services costs of $19,624,124 and $32,719,116, respectively. The amounts represent 72.7% and 71.1% of revenues for the three and nine month periods respectively, resulting gross margins of 27.3% and 28.9% respectively. With the completion of the acquisitions in the second quarter, management will focus on the operations side of the business and expects that cost of staffing services as a percentage of revenues will decrease in the coming periods. The Company is also focused on bringing in higher margin business which will also increase gross profit margins in future periods if successful.

In the three and nine month periods ended September 29, 2005, the Company operated as a franchisor of temporary staffing businesses and did not incur any costs of staffing services.

Operating Expenses. Operating expenses in the thirteen and thirty-nine week periods ending September 29, 2006 were $7,166,227 and $13,866,027, respectively. Acquisition of the operations and/or intangible rights of 65 temporary staffing stores in the second quarter required significant investment in personnel, facilities, and infrastructure. The Company entered into the agreement for acquisition of the temporary staffing stores on November 9, 2006 and since that date management has been focused on establishing the corporate administrative functions that would be needed when the store acquisitions were completed. The corporate infrastructure now in place is considered adequate for current operational levels. Management will continue to monitor operating expenses as a percentage of revenues with the continuing objective of profitable operations as a guiding principle.

Operating expenses in the three and nine month periods ended September 29, 2005 were $435,635 and $1,093,781, respectively. These amounts reflect operations as a franchisor of temporary staffing stores and are not comparable to the current periods.

Income (*Loss) from Operations.* The Company generated income from operations of $972,472 in the thirteen week period ended September 29, 2006. For the thirty-nine weeks ended September 29, 2006, the Company incurred a loss of $587,738 from operations. Income from operations in the current quarter is consistent with management expectations. During prior periods, the Company acquired and/or opened a total of 76 temporary staffing stores. In the current quarter, the combined temporary staffing store operations were sufficient to support the corporate infrastructure that the Company had been building for the prior eight months.

For the thirty-nine weeks ended September 29, 2006, the losses are largely attributable to the Company's efforts to build corporate infrastructure in anticipation of the temporary staffing store acquisitions, and the expenses of acquisition, including professional and accounting fees. In future periods, management expects that operating expenses will normalize and operating margins will yield profitable results in the near term.

Income in the three and nine months ended September 30, 2005 amounted to $422,335 and $563,145, respectively. As noted above, 2005 operations consisted of franchising activities and are not comparable to current operations.

Liquidity and Capital Resources

At September 29, 2006, we had no cash and approximately $2,000,000 available for accounts receivable funding under the Company's primary credit facility. The temporary staffing business is capital intensive. Management must proactively manage cash flows, particularly in periods when seasonal business is peaking and accounts receivable balances are rising. Late summer and early fall are peak business periods, with the level of temporary staffing placements tapering off as the weather cools in the winter months, particularly in the Northern United States. The Company is not currently borrowing to the fullest extent allowed under its credit facility, but capital is expected to be tight through the winter. In anticipation of operating cash requirements, the Company commenced a private offering of common stock at $3.00 per share and through September 29, 2006, had received $585,000 in new investment funding. The offering has been continued into the fourth quarter. In addition, we increased our credit facility to $8,000,000 from $7,000,000 in the quarter ended September 29, 2006 and we are currently finalizing an increase in our credit facility to $12,000,000 from $8,000,000. These steps will help our liquidity in 2007, but with our expected cash requirements to open approximately forty new stores in 2007, and our intended staffing requirements for the year, we are likely to continue to experience limited liquidity for the foreseeable future.

In order to improve liquidity and reduce the risk of unexpected cash requirements, the Company is considering several alternative funding sources for back-up financing availability. In the meantime, management will maintain a close watch on available resources and cash requirements. As the Company moves from periods of peak activity to slower periods in the late fall and winter, accounts receivable collections are expected to outpace the requirement for payments to temporary personnel and other operating expenses. This source of cash will be offset by expected requirements for further infrastructure enhancements including the need to create and equip a sales force during the fourth quarter of 2006 and the first quarter of 2007.

In future periods, management intends to pursue other sources of liquidity to assure that growth prospects are not hampered by availability of funds.

No assurances can be given at this time that adequate funding sources will be available as needed or that the terms of any funding arrangements will be acceptable to the Company. To the extent that funding sources are not available to meet our needs, we may be forced to scale back operations.

Item 3. Controls and Procedures.

An evaluation was performed by the Company's president and principal financial officer of the effectiveness of the design and operation of disclosure controls and procedures. On the basis of that evaluation, the Company's president and principal financial officer concluded that disclosure controls and procedures were effective as of September 29, 2006, ensuring that all material information required to be filed in this quarterly report was made known to them in a timely fashion.

As referenced elsewhere in this report, our financial statement presentation in connection with business combinations occurring in November 2005 required restatement. This occurrence evidenced an internal control weakness in the way complex business transactions are reported. In the future, we will consult with outside experts on complex transactions to address this weakness.

Critical Accounting Policies.

Management's Discussion and Analysis of Financial Condition and Results of Operations provides a review of our financial statements which have been prepared in conformity with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting periods. On an ongoing basis, management evaluates its estimates and judgments, including those related to workers compensation claims, bad debts, goodwill, and contingencies. Management bases its estimates and judgments on historical experience and on various other factors which we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies, among others, reflect the more significant judgments and estimates used in the preparation of our financial statements.

Workers' Compensation. We insure our workers' compensation liabilities through state insurance programs when such coverage is mandatory and in all other instances, we insure our potential workers' compensation liabilities through AIG. Our premium payments to AIG are based on estimates of the future cost of claims and related expenses. The relatively short time that we have been operating as a combined entity limits the amount of information from which workers' compensation cost estimates can be made. We believe that our payments to AIG are adequate to cover expected costs. We evaluate our workers' compensation insurance and expected cost experience throughout the year and make adjustments as necessary. If actual costs incurred for workers' compensation claims exceed our current coverages, additional premiums may be owed.

Allowance for Doubtful Accounts. We establish an allowance for doubtful accounts to cover instances where customers fail to pay amounts properly due for staffing services rendered. We evaluate this allowance regularly throughout the year and adjust it to reflect expected bad debts based on accounts receivable aging, customer evaluations, and general economic conditions. If our actual bad debt experience exceeds amounts reserved, additional allowances could be required.

Goodwill. As a result of our recent acquisitions, we have recorded goodwill at estimated value. Goodwill is the amount of the purchase price in excess of the fair value of the tangible assets acquired. We test for impairment of goodwill on an annual basis in conjunction with the preparation of our Form 10-KSB. Goodwill impairment is tested at the reporting unit level. For this purpose, we consider the Company to currently have only one reporting unit engaged in providing temporary staffing services. Our impairment analysis is based on discounted cash flows, market multiples, appraisals if appropriate, and other facts and circumstances that bear on value at the time the impairment analysis is made.

PART II

Item 6. Exhibits and Reports on Form 8-K.

During the quarter ended September 29, 2006, the Company filed the following Current Reports on Form 8-K.

- Current report on Form 8-K dated June 30, 2006 reporting acquisitions of temporary staffing stores, including: Item 1.01 - Entry into a Material Definitive Agreement, and Item 2.01 - Completion of Acquisition or Disposition of Assets.
- Current report on Form 8-K dated July 5, 2006 reporting Item 3.02 - Unregistered Sale of Equity Securities.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMMAND CENTER, INC.

/s/Glenn Welstad	President and CEO	Glenn Welstad	November 9, 2007
Signature	Title	Printed Name	Date
/s/Brad E. Herr	CFO, Principal Financial Officer	Brad E. Herr	November 9, 2007
Signature	Title	Printed Name	Date

Exhibit 31.1

CERTIFICATIONS

I, Glenn Welstad, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB/A1 of Command Center, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Not required.

   (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 9, 2007

/s/Glenn Welstad

Glenn Welstad, President and CEO

Exhibit 31.2

CERTIFICATIONS

I, Brad E. Herr, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB/A1 of Command Center, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Not required.

   (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 9, 2007

/s/Brad E. Herr
Brad E. Herr, Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO THE SARBANES-OXLEY ACT
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Glenn Welstad, President, and Chief Executive Officer of Command Center, Inc. (the "Company") do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

This Quarterly Report on Form 10-QSB/A1 of the Company for the fiscal quarter ended September 29, 2006, as filed with the Securities and Exchange Commission (the "report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2007

/s/ Glenn Welstad
Glenn Welstad
President and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO THE SARBANES-OXLEY ACT
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Brad E. Herr, Chief Financial Officer of Command Center, Inc. (the "Company") do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

This Quarterly Report on Form 10-QSB/A1 of the Company for the fiscal quarter ended September 29, 2006, as filed with the Securities and Exchange Commission (the "report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2007

/s/Brad E. Herr____________________
Brad E. Herr
Chief Financial Officer