# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

## Command Center, Inc.

### Form: 10-Q

### Date Filed: 2014-11-06

| | |
|---|---|
| Corporate Issuer CIK: | 1140102 |
| Symbol: | CCNI |
| SIC Code: | 7363 |
| Fiscal Year End: | 12/26 |

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**FORM 10-Q**

**☑QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 26, 2014**

**OR**

**❑TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from_____to**

**Commission file number: 000-53088**

# COMMAND CENTER, INC.

(Exact Name of Registrant as Specified in its Charter)

| **Washington** | **91-2079472** |
|---|---|
| (State of other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

| **3901 N. Schreiber Way, Coeur d'Alene, ID** | **83815** |
|---|---|
| (Address of Principal Executive Offices) | (Zip Code) |

**(208) 773-7450**
(Registrant's Telephone Number, including Area Code).

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

Indicate by check mark whether the Registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑No ❑

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑No ❑

Indicate by check mark whether the Registrant is a large accelerated filer ❑, an accelerated file ❑, a non-accelerated filer ❑, or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act) ☑

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

**APPLICABLE ONLY TO CORPORATE ISSUERS:**

Number of shares of issuer's common stock outstanding at November 5, 2014: 65,472,868

**FORM 10-Q**
**TABLE OF CONTENTS**


| PART I. FINANCIAL INFORMATION | | Page |
|---|---|---|
| Item 1. | Financial Statements | |
| | Consolidated Condensed Balance Sheets as of September 26, 2014 and December 27, 2013 | 3 |
| | Consolidated Condensed Statements of Income for the Thirty-nine weeks ended September 26, 2014 and September 27, 2013 | 4 |
| | Consolidated Condensed Statements of Cash Flows for the Thirty-nine weeks ended September 26, 2014 and September 27, 2013 | 5 |
| | Notes to Consolidated Condensed Financial Statements | 6 |
| Item 2. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 12 |
| Item 3. | Quantitative and Qualitative Disclosures about Market Risk | 15 |
| Item 4. | Controls and Procedures | 15 |
| **PART II. OTHER INFORMATION** | | |
| Item 1. | Legal Proceedings | 15 |
| Item 1A. | Risk Factors | 15 |
| Item 2. | Unregistered Sales of Equity Securities and Use of Proceeds | 16 |
| Item 3. | Default on Senior Securities | 16 |
| Item 4. | Mine Safety Disclosure | 16 |
| Item 5. | Other Information | 16 |
| Item 6. | Exhibits | 16 |
| Signatures | | 17 |

## PART I. FINANCIAL INFORMATION

**Command Center, Inc.**
**Consolidated Condensed Balance Sheets**

| ASSETS | September 26, 2014 (unaudited) | December 27, 2013 |
|---|---|---|
| **Current Assets** | | |
| Cash | $ 6,036,208 | $ 5,820,309 |
| Restricted cash | 49,144 | 25,619 |
| Accounts receivable, net of allowance for doubtful accounts | 11,727,116 | 10,577,250 |
| Prepaid expenses, deposits and other | 348,171 | 328,920 |
| Prepaid workers' compensation | 813,111 | 28,044 |
| Other receivables | 1,550 | 27,933 |
| Current portion of deferred tax asset | 1,268,000 | - |
| Current portion of workers' compensation deposits | 1,098,000 | 1,113,000 |
| Total Current Assets | 21,341,300 | 17,921,075 |
| Property and equipment - net | 459,574 | 350,767 |
| Deferred tax asset, less current portion | 3,049,000 | - |
| Workers' compensation risk pool deposit, less current portion | 1,811,286 | 1,783,112 |
| Goodwill | 2,500,000 | 3,306,786 |
| Intangible assets - net | - | 386,956 |
| Total Assets | $ 29,161,160 | $ 23,748,696 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Current Liabilities** | | |
| Accounts payable | $ 431,897 | $ 402,672 |
| Checks issued and payable | 395,379 | 189,830 |
| Account purchase agreement facility | 4,670,770 | 8,050,633 |
| Other current liabilities | 284,000 | 326,319 |
| Accrued wages and benefits | 1,900,184 | 1,717,235 |
| Current portion of workers' compensation premiums and claims liability | 1,295,792 | 1,648,058 |
| Total Current Liabilities | 8,978,022 | 12,334,747 |
| **Long-Term Liabilities** | | |
| Warrant liabilities | - | 1,386,088 |
| Workers' compensation claims liability, less current portion | 2,863,189 | 2,613,871 |
| Total Liabilities | 11,841,211 | 16,334,706 |
| Commitments and contingencies | | |
| **Stockholders' Equity** | | |
| Preferred stock - $0.001 par value, 5,000,000 shares authorized; none issued | - | - |
| Common stock - 100,000,000 shares, $0.001 par value, authorized 65,472,868 and 59,711,242 shares issued and outstanding, respectively | 65,473 | 59,711 |
| Additional paid-in capital | 57,992,811 | 56,099,875 |
| Accumulated deficit | (40,738,335) | (48,745,596) |
| Total Stockholders' Equity | 17,319,949 | 7,413,990 |
| Total Liabilities and Stockholders' Equity | $ 29,161,160 | $ 23,748,696 |

## Command Center, Inc.
## Consolidated Condensed Statements of Income
## (unaudited)

| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
|---|---|---|---|---|
| | September 26, 2014 | September 27, 2013 | September 26, 2014 | September 27, 2013 |
| Revenue | $ 27,698,843 | $ 25,910,195 | $ 67,819,186 | $ 69,109,474 |
| Cost of staffing services | 20,020,317 | 19,226,068 | 49,424,797 | 51,323,507 |
| Gross profit | 7,678,526 | 6,684,127 | 18,394,389 | 17,785,967 |
| Selling, general and administrative expenses | 4,767,840 | 4,415,906 | 13,117,834 | 14,573,936 |
| Depreciation and amortization | 364,809 | 66,812 | 498,614 | 283,861 |
| Income from operations | 2,545,877 | 2,201,409 | 4,777,941 | 2,928,170 |
| Interest expense and other financing expense | (46,237) | (89,367) | (209,592) | (428,753) |
| Impairment of goodwill | (806,786) | - | (806,786) | - |
| Change in fair value of derivative liabilities | - | (884,099) | 87 | (786,695) |
| Net income before income taxes | 1,692,854 | 1,227,943 | 3,761,650 | 1,712,722 |
| Benefit for income taxes | 4,307,642 | - | 4,245,611 | - |
| Net income | $ 6,000,496 | $ 1,227,943 | $ 8,007,261 | $ 1,712,722 |
| | | | | |
| **Earnings per share:** | | | | |
| Basic | $ 0.09 | $ 0.02 | $ 0.13 | $ 0.03 |
| Diluted | $ 0.09 | $ 0.02 | $ 0.12 | $ 0.03 |
| | | | | |
| **Weighted average shares outstanding:** | | | | |
| Basic | 65,365,148 | 59,611,242 | 63,282,191 | 59,611,242 |
| Diluted | 67,101,779 | 61,458,761 | 64,895,172 | 61,275,207 |

# Command Center, Inc.
## Consolidated Condensed Statements of Cash Flows
## (unaudited)

| | Thirty-Nine Weeks Ended | |
|---|---|---|
| | September 26, 2014 | September 27, 2013 |
| **Cash flows from operating activities** | | |
| Net income | $ 8,007,261 | $ 1,712,722 |
| Adjustments to reconcile net loss to net cash used by operations: | | |
| Depreciation and amortization | 498,614 | 283,861 |
| Change in allowance for doubtful accounts | (203,849) | 292,184 |
| Change in fair value of derivative liabilities | (87) | 786,695 |
| Stock based compensation | 121,863 | 112,264 |
| Impairment of goodwill | 806,786 | - |
| Deferred tax benefit | (4,317,000) | - |
| Changes in assets and liabilities: | | |
| Accounts receivable - trade | (946,018) | 1,119,420 |
| Restricted cash | (23,525) | 21,295 |
| Prepaid workers' compensation | (785,067) | (82,951) |
| Other receivables | 26,383 | (3,578) |
| Prepaid expenses, deposits and other | (19,251) | (16,280) |
| Loss on disposition of property and equipment | 11,698 | 61,940 |
| Workers' compensation risk pool deposits | (13,173) | (1,170,806) |
| Accounts payable | 29,225 | 167,345 |
| Checks issued and payable | 205,549 | (262,530) |
| Other current liabilities | (42,319) | 80,030 |
| Accrued wages and benefits | 182,949 | (208,834) |
| Workers' compensation premiums and claims liability | (102,947) | (588,929) |
| Net cash provided by operating activities | 3,437,092 | 2,303,848 |
| **Cash flows from investing activities** | | |
| Purchase of property and equipment | (232,164) | (37,843) |
| Sale of property and equipment | - | 40,300 |
| Net cash (used) provided by investing activities | (232,164) | 2,457 |
| **Cash flows from financing activities** | | |
| Net repayment of account purchase agreement facility | (3,379,864) | (883,499) |
| Proceeds from the conversion of common stock warrants | 336,000 | - |
| Proceeds from the conversion of stock options | 54,835 | - |
| Net cash used by financing activities | (2,989,029) | (883,499) |
| **Net increase in cash** | 215,899 | 1,422,806 |
| **Cash, beginning of period** | 5,820,309 | 1,632,993 |
| **Cash, end of period** | $ 6,036,208 | $ 3,055,799 |
| **Non-cash investing and financing activities** | | |
| Shares to be issued for contingent consideration | $ - | $ 322,874 |
| **Supplemental disclosure of cash flow information** | | |
| Interest paid | $ 107,488 | $ 267,543 |
| Income taxes paid | $ 164,951 | $ - |

## NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited consolidated condensed financial statements have been prepared by Command Center, Inc. (“Command,” “us,” “we,” or “our”) in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial reporting and rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. In the opinion of our management, all adjustments, consisting of only normal recurring accruals, necessary for a fair presentation of the financial position, results of operations, and cash flows for the fiscal periods presented have been included.

These financial statements should be read in conjunction with the audited financial statements and related notes included in our Annual Report filed on Form 10-K for the year ended December 27, 2013. The results of operations for the thirty-nine weeks ended September 26, 2014 are not necessarily indicative of the results expected for the full fiscal year, or for any other fiscal period.

***Consolidation:*** The consolidated financial statements include the accounts of Command and all of its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

***Reclassifications:*** Certain financial statement amounts for the prior period have been reclassified to conform to the current period presentation. These reclassifications had no effect on the net income or loss, or accumulated deficit as previously reported.

***Cash and Cash Equivalents:*** Cash and cash equivalents consist of demand deposits, including interest-bearing accounts with original maturities of three months or less, held in banking institutions and a trust account. These accounts are guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) up to $250,000 per institution. As of September 26, 2014 and December 27, 2013, we held deposits in excess of FDIC insured limits of approximately $5.0 million and $5.3 million, respectively.

***Concentrations:*** At September 26, 2014 we had a concentration in accounts receivable where 17.1% of our total balance was due from a single customer.

***Fair Value Measures:*** Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in the principal or most advantageous market for the asset or liability in an ordinary transaction between market participants on the measurement date. Our policy on fair value measures requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The policy establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The policy prioritizes the inputs into three levels that may be used to measure fair value:

Level 1: Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2: Applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3: Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Our financial instruments consist principally of stock warrants.

The following table sets forth our assets and liabilities measured at fair value, whether recurring or non-recurring, at September 26, 2014 and December 27, 2013, and the fair value calculation input hierarchy level that we have determined applies to each asset and liability category.

| | September 26, 2014 | December 27, 2013 | Input Hierarchy Level |
|---|---|---|---|
| Recurring: | | | |
| Warrant liabilities | - | 1,386,088 | Level 2 |
| Nonrecurring: | | | |
| Goodwill | 2,500,000 | 3,306,786 | Level 3 |

***Recent Accounting Pronouncements:*** Other accounting standards that have been issued by the Financial Accounting Standards Board or other standards-setting bodies are not expected to have a material impact on our financial position, results of operations and cash flows. For period ended September 26, 2014, the adoption of other accounting standards had no material impact on our financial positions, results of operations or cash flows.

**NOTE 2 – EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding, and does not include the impact of any potentially dilutive common stock equivalents. Diluted earnings per share reflect the potential dilution of securities that could share in our earnings through the conversion of common shares issuable via outstanding stock options and stock warrants, except where its inclusion would be anti-dilutive. Total outstanding common stock equivalents at September 26, 2014 and September 27, 2013 were 4,995,000 and 8,431,876, respectively.

Diluted common shares outstanding were calculated using the Treasury Stock Method and are as follows:

| | Thirteen Weeks Ended | | Thirty-nine Weeks Ended | |
|---|---|---|---|---|
| | September 26, 2014 | September 27, 2013 | September 26, 2014 | September 27, 2013 |
| Weighted average number of common shares used in basic net income per common share | 65,365,148 | 59,611,242 | 63,282,191 | 59,611,242 |
| Dilutive effects of stock options | 1,736,631 | 559,393 | 1,612,981 | 375,839 |
| Dilutive effects of contingent shares to be issued | - | 1,288,126 | - | 1,288,126 |
| Weighted average number of common shares used in diluted net income per common share | 67,101,779 | 61,458,761 | 64,895,172 | 61,275,207 |

**NOTE 3 – ACCOUNT PURCHASE AGREEMENT**

We have an account purchase agreement in place which allows us to sell eligible accounts receivable for 90% of the invoiced amount on a full recourse basis up to the facility maximum, $15 million, at September 26, 2014. When the receivable is collected, the remaining 10% is paid to us, less applicable fees and interest. Net outstanding accounts receivable sold pursuant to this agreement at September 26, 2014 were approximately $4.7 million. The term of the agreement is through April 7, 2016. The agreement bears interest at the London Interbank Offered Rate plus 3.0% per annum. At September 26, 2014 the effective interest rate was 3.15%. Interest is payable on the actual amount advanced. Additional charges include an annual facility fee equal to 0.75% of the facility threshold in place and lockbox fees. As collateral for repayment of any and all obligations, we granted Wells Fargo Bank, N.A. a security interest in all of our property including, but not limited to, accounts receivable, intangible assets, contract rights, investment property, deposit accounts, and other such asset.

At September 26, 2014, we had an outstanding letter of credit in the amount of $3.6 million issued under this agreement which we used as a collateral deposit with our workers' compensation insurance provider. The letter of credit reduces the amounts of funds available under this agreement.

The agreement requires that the sum of our unrestricted cash plus net accounts receivable must at all times be greater than the sum of the amount outstanding under the agreement plus accrued payroll and accrued payroll taxes. At September 26, 2014, we were in compliance with this covenant.

**NOTE 4 – WORKERS' COMPENSATION INSURANCE AND RESERVES**

On April 1, 2014 we changed our workers' compensation carrier to ACE American Insurance Company ("ACE") in all states in which we operate other than Washington and North Dakota. The ACE insurance policy is a large deductible policy where we have primary responsibility for all claims made. ACE provides insurance for covered losses and expenses in excess of $500,000 per incident. Under this high deductible program, we are largely self-insured. Per our contractual agreements with ACE, we must provide a collateral deposit of $3.6 million, which is accomplished through a letter of credit under our account purchase agreement.

As part of our large deductible workers' compensation programs, our carriers require that we collateralize a portion of our future workers' compensation obligations in order to secure future payments which become due. This collateral is typically in the form of cash and cash equivalents. At September 26, 2014 and December 27, 2013 we had cash collateral deposits of approximately $2.9 million. With the addition of the $3.6 million letter of credit in April 2014, our cash and non-cash collateral totaled approximately $6.5 million.

Workers' compensation expense for temporary workers is recorded as a component of our cost of staffing services and totaled approximately $2.8 million and $3.0 million for the thirty-nine week periods ended September 26, 2014 and September 27, 2013, respectively.

**NOTE 5 – STOCKHOLDERS EQUITY**

***Issuance of Common Stock:*** In April 2014, we issued 4.2 million shares of common stock pursuant to the exercise of 4.2 million common stock warrants at an exercise price of $0.08 per share for a total purchase price of $336,000.

In April 2014, we issued 1,288,126 shares of our common stock to DR Services of Louisiana, LLC, as required by: (i) the related Asset Purchase Agreement ("APA") dated January 4, 2012 wherein our wholly owned subsidiary, Disaster Recovery Services, Inc. ("Buyer"), acquired substantially all the assets of DR Services of Louisiana, LLC and Environmental Resource Group, LLC, ("Sellers") and (ii) the Agreement for Settlement and Release of Claims between Buyer and Sellers, along with Sellers' respective members, and joined in by Command. The 1,288,126 shares issued represent the remaining balance of the contingent earn-out fee under the APA. When combined with the 1,500,000 shares previously issued to the Seller at the closing of the transaction on January 4, 2012 and an additional 211,874 shares issued in 2012, the total number of shares issued in the acquisition transaction totals 3,000,000.

In June 2014, we issued 53,500 shares of common stock pursuant to the exercise of 53,500 common stock options, 52,500 at an exercise price of $0.17 per share and 1,000 at an exercise price of $0.41 per share, for a total combined purchase price of $9,335. These options were issued to employees as stock based compensation under our 2008 Stock Incentive Plan.

In July 2014, we issued 95,000 shares of common stock pursuant to the exercise of 95,000 common stock options, 42,500 at an exercise price of $0.17 per share, 50,000 at an exercise price of $0.32 per share, and 2,500 at an exercise price of $0.41 per share, for a total combined purchase price of $24,250. These options were issued to employees as stock based compensation under our 2008 Stock Incentive Plan.

In August 2014, we issued 125,000 shares of common stock pursuant to the exercise of 125,000 common stock options, all at an exercise price of $0.17 per share for a purchase price of $21,250. These options were issued to employees as stock based compensation under our 2008 Stock Incentive Plan.

***Stock Warrants:*** The following warrants for our common stock were issued and outstanding on September 26, 2014 and December 27, 2013, respectively:

| | September 26, 2014 | December 27, 2013 |
|---|---|---|
| Warrants outstanding at beginning of period | 5,575,000 | 11,887,803 |
| Exercises | (4,200,000) | - |
| Expired | - | (6,312,803) |
| Warrants outstanding at end of period | 1,375,000 | 5,575,000 |

All of the warrants outstanding at September 26, 2014 have an exercise price of $1.00 and expire on April 15, 2015.

Of the warrants outstanding at December 27, 2013, 4.2 million were defined as a derivative instrument and the fair value of these warrants is estimated each period using the Black-Scholes pricing model. Expected volatility is based on historical annualized volatility of our stock. The expected term of warrants issued represents the period of time that warrants issued are expected to be outstanding. The risk-free rate is based upon the U.S. Treasury yield curve in effect at the time of issuance. The assumptions used to calculate the fair value are as follows:

| | **December 27, 2013** |
|---|---|
| Expected terms (years) | 0.26 |
| Expected volatility | 93.2% |
| Dividend yield | 0.0% |
| Risk-free rate | 0.07% |

The change in fair value amounted to approximately $-0- and $(787,000) for the thirty-nine weeks ended September 26, 2014 and September 27, 2013, respectively. These changes are included in the line item Change in fair value of derivative liabilities in our Statement of Income.

**NOTE 6 – STOCK BASED COMPENSATION**

Our 2008 Stock Incentive Plan permits the grant of up to 6.4 million stock options in order to motivate, attract and retain the services of employees, officers and directors and to provide an incentive for outstanding performance. Pursuant to awards under this plan, there were 1,728,375 and 1,568,750 options vested at September 26, 2014 and September 27, 2013, respectively.

The following table summarizes our stock options outstanding at December 27, 2013 and changes during the period ended September 26, 2014:

| | Number of Shares Under Options | Weighted Average Exercise Price per Share | Weighted Average Grant Date Fair Value |
|---|---|---|---|
| Outstanding, December 27, 2013 | 3,950,500 | $ 0.26 | $ 0.21 |
| Granted | 500,000 | 0.70 | 0.39 |
| Forfeited | (537,125) | 0.40 | 0.33 |
| Expired | (19,875) | 0.17 | 0.24 |
| Exercised | (273,500) | 0.20 | 0.17 |
| Outstanding, September 26, 2014 | 3,620,000 | 0.30 | 0.22 |

The following table summarizes our nonvested stock options outstanding at December 27, 2013, and changes during the period ended September 26, 2014:

| | Number of Options | Weighted Average Exercise Price per Share | Weighted Average Grant Date Fair Value |
|---|---|---|---|
| Nonvested, December 27, 2013 | 2,646,375 | $ 0.27 | $ 0.22 |
| Granted | 500,000 | 0.70 | 0.39 |
| Vested | (717,625) | 0.23 | 0.19 |
| Forfeited | (537,125) | 0.40 | 0.33 |
| Nonvested, September 26, 2014 | 1,891,625 | 0.36 | 0.25 |

The following table summarizes information about our stock options outstanding, and reflects the intrinsic value recalculated based on the closing price of our common stock at September 26, 2014:

| | Number of Options | Weighted Average Exercise Price Per Share | Weighted Average Remaining Contractual Life (years) | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding | 3,620,000 | $ 0.30 | 2.73 | $ 2,087,336 |
| Exercisable | 1,728,375 | 0.24 | 1.67 | 782,115 |

We recognized share-based compensation expense relating to the vesting of issued stock options of approximately $86,000 and $90,000 for the periods ended September 26, 2014 and September 27, 2013, respectively. As of September 26, 2014, there was unrecognized share-based compensation expense totaling approximately $344,000 relating to non-vested options that will be recognized over the next 2.7 years.

## NOTE 7 – INCOME TAX

As of September 26, 2014, management has determined that the company has a sufficient history of earnings and supporting information to fully reduce the valuation allowance based upon the more likely than not test of future utilization of these deferred tax attributes. Accordingly, we recognized a change in our net deferred tax asset of approximately $4.3 million during the thirteen week period ended September 26, 2014.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of our deferred taxes are as follows:

| | September 26, 2014 | December 27, 2013 |
|---|---|---|
| **Current deferred tax assets and liabilities** | | |
| Net operating loss (NOL) | $ 1,205,000 | $ - |
| Accrued Bonus | - | 220,000 |
| Accrued Vacation | 63,000 | 62,000 |
| Total current deferred tax asset | 1,268,000 | 282,000 |
| **Long-term deferred tax assets and liabilities** | | |
| Workers' compensation claims liability | 1,562,000 | 1,401,000 |
| Depreciation | 123,000 | 252,000 |
| Bad debt reserve | 170,000 | 239,000 |
| Deferred Rent | 11,000 | 12,000 |
| Charitable contributions | 7,000 | 5,000 |
| NOL | 949,000 | 3,486,000 |
| AMT Credit | 227,000 | 151,000 |
| Total long-term deferred tax asset | 3,049,000 | 5,546,000 |
| Total deferred tax asset | 4,317, 000 | 5,828,000 |
| Valuation allowance | - | (5,828,000) |
| Net deferred tax asset | $ 4,317,000 | $ - |

Our federal and state net operating loss carryover of approximately $5.4 million will expire in the years 2028 through 2031. Our charitable contribution carryover will expire in the years 2013 through 2018. The net change in the valuation allowance account from December 27, 2013 to September 26, 2014 was a decrease of approximately $5.8 million.

The provision for deferred income taxes is comprised of the following:

| | September 26, 2014 | December 27, 2013 |
|---|---|---|
| Current: | | |
| Federal | $ 72,000 | $ 96,000 |
| State | - | 41,000 |
| Deferred: | | |
| Federal | 1,532,000 | 1,239,000 |
| State | (22,000) | 395,000 |
| Change in valuation allowance | (5,828,000) | (1,634,000) |
| Provision for income taxes | $ (4,246,000) | $ 137,000 |

Management estimates that our combined federal and state tax rates will be approximately 39%. The items accounting for the difference between income taxes computed at the statutory federal income tax rate and the income taxes reported on the statements of income are as follows:

| | September 26, 2014 | | December 27, 2013 | |
|---|---|---|---|---|
| Income tax expense (benefit) based on statutory rate | $ 1,279,000 | 34% | $ 1,036,000 | 34% |
| Permanent differences | 330,000 | 9% | 48,000 | -8% |
| State income taxes expense net of federal taxes | (22,000) | -1% | 422,000 | 9% |
| Change in valuation allowance | (5,828,000) | -1550% | (1,634,000) | 29% |
| Change in fair value of derivatives | - | 0% | 267,000 | -11% |
| Other | (5,000) | 0% | (2,000) | -15% |
| Total taxes (benefits) on income | $ (4,246,000) | -113% | 137,000 | 38% |

We have analyzed our filing positions in all jurisdictions where we are required to file income tax returns and found no positions that would require a liability for unrecognized income tax benefits to be recognized. We are subject to possible tax examinations for the years 2010 through 2013. We deduct interest and penalties as interest expense on the consolidated financial statements. Our quarterly tax provision, and our quarterly estimate of our annual effective tax rate, are subject to variation due to several factors, including variability in accurately predicting our pre-tax and taxable income and the mix of jurisdictions to which they relate, changes in law, and relative changes of expenses or losses for which tax benefits are not recognized.

## NOTE 8 - GOODWILL

At least annually, or whenever events or circumstances arise indicating an impairment may exist, we review goodwill for impairment. Our goodwill represents the consideration given for acquisitions in excess of the fair value of identifiable assets received.

In 2012, we recorded an increase in goodwill of approximately $807,000 related to the acquisition of DR Services, LLC. Since then, operating results related to this acquisition have declined to the point we have suspended these operations. As such, we recognized an impairment in the related goodwill for the full amount originally recognized, approximately $807,000.

## NOTE 9 – COMMITMENTS AND CONTINGENCIES

***Legal Proceedings:*** From time to time we are involved in various legal proceedings. We believe that the outcome of these proceedings, even if determined adversely, will not have a material adverse effect on our business, financial condition or results of operations.

## NOTE 10 – SUBSEQUENT EVENTS

In October, 2014 we granted 370,000 stock options to key employees. These options have a term of seven years from the date of grant and vest over a period of four years. Also in October, 2014, we granted unvested rights to 825,000 shares of common stock to employees. These rights vest one year from the date of grant and the shares are issuable to employees who are still employed by us at that time.

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

***Forward Looking Statements:*** This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding industry trends, our future financial position and performance, business strategy, revenues and expenses in future periods, projected levels of growth and other matters that do not relate strictly to historical facts. These statements are often identified by words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "projects," "forecasts," "plans," "intends," "continue," "could," "should" or similar expressions or variations. These statements are based on the beliefs and expectations of our management based on information currently available. Such forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by forward-looking statements. Important factors currently known to our management that could cause or contribute to such differences include, but are not limited to, those referenced in our Annual Report on Form 10-K for the year ended December 27, 2013 under Item 1A "Risk Factors." We undertake no obligation to update any forward-looking statements as a result of new information, future events or otherwise.

**Overview**

Command Center, Inc. ("Command," the "Company," "we," "us," and "our") is a staffing company operating primarily in the manual labor segment of the staffing industry. Our customers range in size from small businesses to large corporate enterprises. All of our temporary workers (our "Field Team Members" or "FTMs") are employed by us. Most of our work assignments are short term, and many are filled on little notice from our customers. In addition to short and longer term temporary work assignments, we recruit and place workers in temp-to-hire positions.

As of September 26, 2014, we owned and operated 54 on-demand labor stores in 22 states. We operate as Command Center, Inc., and through our wholly owned subsidiary, Disaster Recovery Services, Inc. ("DR Services").

**Results of Operations**

The following table reflects operating results for the thirteen and thirty-nine week periods ended September 26, 2014 compared to the thirteen and thirty-nine week periods ended September 27, 2013 (in thousands, except per share amounts and percentages) and serves as the basis for the narrative that follows. Percentages indicate line items as a percentage of total revenue.

| | Thirteen Weeks Ended | | | | Thirty-Nine Weeks Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | September 26, 2014 | | September 27, 2013 | | September 26, 2014 | | September 27, 2013 | |
| Total Operating Revenue | $ 27,699 | | $ 25,910 | | $ 67,819 | | $ 69,109 | |
| Cost of Staffing Services | 20,020 | 72.3% | 19,226 | 74.2% | 49,425 | 72.9% | 51,323 | 74.3% |
| Gross profit | 7,679 | 27.7% | 6,684 | 25.8% | 18,394 | 27.1% | 17,786 | 25.7% |
| Selling, general and administrative expenses | 4,768 | 17.2% | 4,416 | 17.0% | 13,118 | 19.3% | 14,574 | 21.1% |
| Depreciation and amortization | 365 | 1.3% | 67 | 0.3% | 499 | 0.7% | 284 | 0.4% |
| Income from operations | 2,546 | 9.2% | 2,201 | 8.5% | 4,777 | 7.0% | 2,928 | 4.2% |
| Interest expense and other financing expense | (46) | -0.2% | (89) | -0.3% | (210) | -0.3% | (428) | -0.6% |
| Impairment of goodwill | (807) | -2.9% | - | 0.0% | (806) | -1.2% | - | 0.0% |
| Change in fair value of warrant liability | - | 0.0% | (884) | -3.4% | - | 0.0% | (787) | -1.1% |
| Net income before income taxes | 1,693 | 6.1% | 1,228 | 4.7% | 3,761 | 5.5% | 1,713 | 2.5% |
| Benefit for income taxes | 4,308 | 15.6% | - | 0.0% | 4,246 | 6.3% | - | 0.0% |
| Net income | $ 6,001 | 21.7% | $ 1,228 | 4.7% | $ 8,007 | 11.8% | $ 1,713 | 2.5% |
| Non-GAAP Data | | | | | | | | |
| EBITDA-D | $ 2,911 | 10.5% | $ 2,268 | 8.8% | $ 5,277 | 7.8% | $ 3,212 | 4.6% |

Earnings before interest, taxes, depreciation and amortization, and the change in fair value of our derivative liabilities (EBITDA-D) is a non-GAAP measure that represents net income attributable to Command before interest expense, income tax benefit (expense), depreciation and amortization (including any impairment of goodwill), and the change in fair value of our derivative liabilities. We utilize EBITDA-D as a financial measure as management believes investors find it a useful tool to perform more meaningful comparisons of past, present and future operating results and as a means to evaluate our results of operations. We believe it is a complement to net income and other financial performance measures. EBITDA-D is not intended to represent net income as defined by U.S. generally accepted accounting principles ("GAAP"), and such information should not be considered as an alternative to net income or any other measure of performance prescribed by GAAP.

We use EBITDA-D to measure our financial performance because we believe interest, taxes, depreciation and amortization, and the change in fair value of our derivative liabilities bear little or no relationship to our operating performance. By excluding interest expense, EBITDA-D measures our financial performance irrespective of our capital structure or how we finance our operations. By excluding taxes on income, we believe EBITDA-D provides a basis for measuring the financial performance of our operations excluding factors that our branches cannot control. By excluding depreciation and amortization expense, EBITDA-D measures the financial performance of our operations without regard to their historical cost. By excluding the change in fair value of our derivative liabilities, EBITDA-D provides a basis for measuring the financial performance of our operations excluding factors that are beyond our control. For all of these reasons, we believe that EBITDA-D provides us and investors with information that is relevant and useful in evaluating our business. However, because EBITDA-D excludes depreciation and amortization, it does not measure the capital we require to maintain or preserve our fixed assets. In addition, because EBITDA-D does not reflect interest expense, it does not take into account the total amount of interest we pay on outstanding debt, nor does it show trends in interest costs due to changes in our financing or changes in interest rates. EBITDA-D, as defined by us, may not be comparable to EBITDA-D as reported by other companies that do not define EBITDA-D exactly as we define the term. Because we use EBITDA-D to evaluate our financial performance, we reconcile it to net income, which is the most comparable financial measure calculated and presented in accordance with GAAP.

The following is a reconciliation of EBITDA-D to net income for the periods presented:

| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
|---|---|---|---|---|
| | September 26, 2014 | September 27, 2013 | September 26, 2014 | September 27, 2013 |
| EBITDA-D | $ 2,911 | $ 2,268 | $ 5,277 | $ 3,212 |
| Interest expense and other financing expense | (46) | (89) | (210) | (428) |
| Depreciation and amortization | (1,172) | (67) | (1,305) | (284) |
| Change in fair value of derivative liability | - | (884) | - | (787) |
| Benefit for income taxes | 4,308 | - | 4,246 | - |
| Net income | $ 6,001 | $ 1,228 | $ 8,007 | $ 1,713 |

***Thirteen Weeks Ended September 26, 2014***

***Summary of Operations:*** Revenue for the thirteen weeks ended September 26, 2014 was $27.7 million, an increase of approximately $1.8 million, or 7.0%, when compared to the third quarter of 2013. This increase in revenue is due to increases in same store sales. Improving same stores has been an operating objective for us this year as a way to increase revenue and profitability without the cost of additional branches.

***Cost of Staffing Services:*** Cost of staffing services was 72.3% and 74.2% of revenue for the thirteen weeks ended September 26, 2014 and September 27, 2013, respectively. Cost of staffing services decreased due to a decrease in our workers' compensation expense and a relative decrease in FTM wages and related payroll taxes due to an increased focus on gross margin. As part of our overall effort to improve profitability we have taken steps to improve our customer satisfaction and gross margins on the assignments we undertake.

Workers' compensation expense was 4.0% and 5.3% of revenue for the thirteen weeks ended September 26, 2014 and September 27, 2013, respectively. This decrease is attributable to more effective claims management and increased control over job selection. In addition, we have taken steps to reduce our accident claims such as enhanced safety training and education, and clearer guidelines on the work our employees perform in order to reduce our workers' compensation claims.

***Selling, General and Administrative Expenses ("SG&A"):*** SG&A expenses were 17.2% and 17.0% of revenue for the thirteen weeks ended September 26, 2014 and September 27, 2013, respectively. We continue to aggressively manage our SG&A costs. As we add people to support growth we expect SG&A costs on an absolute basis will increase in future quarters.

***Thirty-nine Weeks Ended September 26, 2014***

***Summary of Operations:*** Revenue for the thirty-nine weeks ended September 26, 2014 was $67.8 million, a decrease of approximately $1.3 million, or 1.9%, compared to 2013. This decrease in revenue is related primarily to the closure of unprofitable branches and the closure of a vendor on premise job site. This decrease was partially offset by a 7%, or approximately $4.4 million, increase in same store sales.

***Cost of Staffing Services:*** Cost of staffing services was 72.9% and 74.3% of revenue for the thirty-nine weeks ended September 26, 2014 and September 27, 2013, respectively. Cost of staffing services decreased due to a decrease in our per diem expenses due to less participation in disaster work in 2014 than 2013, and a relative decrease in FTM wages and related payroll taxes due to an increased focus on gross margin.

Workers' compensation expense was 4.1% and 4.4% of revenue for the thirty-nine weeks ended September 26, 2014 and September 27, 2013, respectively. This decrease is attributable to more effective claims management and increased control over job selection. In the second quarter of this year we changed our workers' compensation policy carrier resulting in an approximate $400,000 reduction in our policy cost. In addition we have taken steps to reduce our accident claims such as enhanced safety training and education, and clearer guidelines on the work our employees perform in order to reduce our workers' compensation claims.

***Selling, General and Administrative Expenses ("SG&A"):*** SG&A expenses were 19.3% and 21.1% of revenue for the thirty-nine weeks ended September 26, 2014 and September 27, 2013, respectively. This decrease is related to a change in our organizational structure, recoveries of accounts receivable previously reserved, and a reduction of other controllable fixed costs. These decreases were offset by an increase in bonus expense paid to our branch employees.

**Liquidity and Capital Resources**

Cash provided by operating activities totaled approximately $3.4 million during the thirty-nine weeks ended September 26, 2014, as compared to approximately $2.3 in 2013. The significant changes in working capital include a $946,000 increase in accounts receivable due to the increase in revenue during the third quarter, and approximately a $785,000 increase in prepaid workers' compensation.

Cash used by investing activities totaled approximately $232,000 for the period ended September 26, 2014 compared to cash provided by investing activities in 2013 of approximately $2,000. In 2014, cash was used to purchase equipment while in 2013 cash was provided due to the sale of property and equipment.

Cash used by financing activities totaled approximately $3.0 million and approximately $883,000 during 2014 and 2013, respectively, and in both periods these uses of cash relate to a reduction in the amount outstanding in our account purchase agreement with Wells Fargo. The increase in cash used by financing activities we experienced in 2014 was primarily related to a decrease in our factoring liability as it related to the $3.6 million letter of credit issued as part of our current workers' compensation insurance policy. This was offset by approximately $391,000 of cash receipts related to the conversion of common stock warrants and options.

***Accounts Receivable:*** At September 26, 2014 we had total current assets of approximately $21.3 million. Included in current assets are trade accounts receivable of approximately $11.7 million (net of allowance for bad debts of approximately $433,000). Weighted average aging on our trade accounts receivable at September 26, 2014 was 28 days. Bad debt expense was approximately $108,000 for the thirty-nine weeks ended September 26, 2014 compared to approximately $743,000 during the same time period in 2013.

Accounts receivable are recorded at the invoiced amounts. We regularly review our accounts receivable for collectability. Our allowance for doubtful accounts is determined based on historical write-off experience and current economic data and represents our best estimate of the amount of probable losses on our accounts receivable. We typically refer overdue balances to a collection agency at 120 days and the collection agent pursues collection for another 60 days. Most balances over 120 days past due are written off as it is probable the receivable will not be collected. We will continue to monitor and seek to improve our historical collection ratio and aging experience with respect to trade accounts receivable as these are important factors affecting our liquidity.

***Financing:*** We have an account purchase agreement in place which allows us to sell eligible accounts receivable for 90% of the invoiced amount on a full recourse basis up to the facility maximum, $15 million, at September 26, 2014. When the receivable is collected, the remaining 10% is paid to us, less applicable fees and interest. Net outstanding accounts receivable sold pursuant to this agreement at September, 2014 were approximately $4.7 million. The term of the agreement is through April 7, 2016. The agreement bears interest at the London Interbank Offered Rate plus 3.0% per annum. At September 26, 2014 the effective interest rate was 3.15%. Interest is payable on the actual amount advanced. Additional charges include an annual facility fee equal to 0.75% of the facility threshold in place and lockbox fees. As collateral for repayment of any and all obligations, we granted Wells Fargo Bank, N.A. a security interest in all of our property including, but not limited to, accounts receivable, intangible assets, contract rights, investment property, deposit accounts, and other such asset. We also have an outstanding letter of credit under this agreement in the amount of $3.6 million which reduces the amount of funds otherwise made available to us under this agreement.

***Workers' Compensation:*** On April 1, 2014 we changed our workers' compensation carrier to ACE American Insurance Company ("ACE") in all states in which we operate other than Washington and North Dakota. The ACE insurance policy is a large deductible policy where we have primary responsibility for all claims made. ACE provides insurance for covered losses and expenses in excess of $500,000 per incident. Under this high deductible policy, we are largely self-insured. Per our contractual agreements with ACE, we must provide a collateral deposit of $3.6 million, which is accomplished through a letter of credit under our account purchase agreement.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

There is no established market for trading our common stock. The market for our common stock is limited, and as such, shareholders may have difficulty reselling their shares when desired or at attractive market prices. The common stock is not regularly quoted in the automated quotation system of a registered securities system or association. Our common stock, par value $0.001 per share, is quoted on the OTC Markets Group QB (OTCQB) under the symbol "CCNI". The OTCQB is a network of security dealers who buy and sell stock. The dealers are connected by a computer network which provides information on current "bids" and "asks" as well as volume information. The OTCQB is not considered a "national exchange". The "over-the-counter" quotations do not reflect inter-dealer prices, retail mark-ups, commissions or actual transactions. Our common stock has continued to trade in low volumes and at low prices. Some investors view low-priced stocks as unduly speculative and therefore not appropriate candidates for investment. Many institutional investors have internal policies prohibiting the purchase or maintenance of positions in low-priced stocks.

**Item 4. Controls and Procedures**

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1937, as amended, which we refer to as the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer, we have concluded that, as of the end of such period, these controls and procedures are not effective to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

From time to time we are involved in various legal proceedings. We believe that the outcome of these proceedings, even if determined adversely, will not have a material adverse effect on our business, financial condition or results of operations.

**Item 1A. Risk Factors**

There have been no material changes from the Risk Factors we previously disclosed in our Annual Report on Form 10-K for the year ended December 27, 2013 filed with the Securities and Exchange Commission on March 21, 2014.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

In July 2014, we issued 95,000 shares of common stock pursuant to the exercise of 95,000 common stock options, 42,500 at an exercise price of $0.17 per share, 50,000 at an exercise price of $0.32 per share, and 2,500 at an exercise price of $0.41 per share, for a total combined purchase price of $24,250. These options were issued to employees as stock based compensation under our 2008 option plan.

In August 2014, we issued 125,000 shares of common stock pursuant to the exercise of 125,000 common stock options, all at an exercise price of $0.17 per share. These options were issued to employees as stock based compensation under our 2008 option plan.

**Item 3. Default on Senior Securities**

None.

**Item 4. Mine Safety Disclosure**

None.

**Item 5. Other Information**

None.

**Item 6. Exhibits**

| Exhibit No. | Description |
|---|---|
| 31.1 | Certification of Frederick Sandford, Chief Executive Officer of Command Center, Inc. pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Jeff Wilson, Chief Financial Officer of Command Center, Inc. pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Frederick Sandford, Chief Executive Officer of Command Center, Inc. pursuant to 18 U.S.C. Section 1350, as adopted in Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Jeff Wilson, Chief Financial Officer of Command Center, Inc. pursuant to 18 U.S.C. Section 1350, as adopted in Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS (1) | XBRL Instance Document |
| 101.SCH (1) | XBRL Taxonomy Extension Schema Document |
| 101.CAL (1) | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF (1) | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB (1) | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE (1) | XBRL Taxonomy Extension Presentation Linkbase Document |

(1) The XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall not be deemed “filed” for purposes of section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

## 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.**

| | |
|---|---|
| | **Command Center, Inc.** |
| November 5, 2014 | By: /s/ Frederick Sandford |
| | Frederick Sandford<br>President and CEO |
| | **Command Center, Inc.** |
| November 5, 2014 | By: /s/ Jeff Wilson |
| | Jeff Wilson<br>Chief Financial Officer |

**CERTIFICATIONS**

I, Frederick Sandford, President and Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Command Center, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact nor 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 quarterly report;

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15(e)) for the registrant and we 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 registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared.

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   c) Evaluated the effectiveness of the registrant'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.

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's second fiscal quarter in the case of this quarterly report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant's ability to record, process, summarize and report financial information.

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

Dated: November 5, 2014

By: /s/ Frederick Sandford

Frederick Sandford
Chief Executive Officer

**CERTIFICATIONS**

I, Jeff Wilson, Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Command Center, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact nor 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 quarterly report.

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15(e)) for the registrant and we 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 registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared.

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   c) Evaluated the effectiveness of the registrant'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.

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's second fiscal quarter in the case of this quarterly report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant's ability to record, process, summarize and report financial information.

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

Dated: November 5, 2014

By: /s/ Jeff Wilson
Jeff Wilson
Chief Financial Officer

EXHIBIT 32.1

# CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

# PURSUANT TO SECTION 906 OF THE

# SARBANES-OXLEY ACT OF 2002, 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Command Center, Inc. (the "Company") on Form 10-Q for the period ended September 26, 2014, to be filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Frederick Sandford, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods covered by the report.

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

Dated: November 5, 2014

By: /s/ Frederick Sandford
Frederick Sandford
Chief Executive Officer

**EXHIBIT 32.2**

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER**

**PURSUANT TO SECTION 906 OF THE**

**SARBANES-OXLEY ACT OF 2002, 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Command Center, Inc. (the "Company") on Form 10-Q for the period ended September 26, 2014 to be filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Jeff Wilson, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods covered by the report.

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

Dated: November 5, 2014

By: /s/ Jeff Wilson
Jeff Wilson
Chief Financial Officer