

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Command Center, Inc.

Form: 8-K

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 31, 2017

COMMAND CENTER, INC.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of
incorporation)

000-53088
(Commission File Number)

91-2079472
(IRS Employer Identification No.)

3609 S. Wadsworth Blvd., Suite 250, Lakewood, Colorado
Address of principal executive offices

80235
Zip Code

Registrant's telephone number, including area code: 866-464-5844

(Former name or former address, if changes since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 5 – Corporate Governance and Management

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(a) Departure of Officer. Effective July 31, 2017, the tenure of Colette C. Pieper as Chief Financial Officer of Command Center, Inc. (“Command Center”) ended with Ms. Pieper’s resignation.

In connection with her resignation, Command Center and Ms. Pieper entered into an Executive Severance Agreement (the “Severance Agreement”). The Severance Agreement was approved by Command Center’s Board of Directors.

A summary of the key terms of the Severance Agreement entered into with Ms. Pieper is as follows:

- Acknowledges Ms. Pieper’s resignation as of the Effective Date (as the term is defined in the Severance Agreement) of July 31, 2017.
- She will receive her base salary through the end of her previously entered executive employment agreement (September 1, 2017).
- She will receive an additional severance payment in the amount of \$100,000.
- In the Severance Agreement, she provided a release of all claims she may have against Command Center as of the Effective Date (as the term is defined in the Severance Agreement).
- The Severance Agreement includes confidentiality and non-disparagement provisions.

The foregoing description of the Severance Agreement is qualified in its entirety by reference to the complete terms and conditions of such Severance Agreement (a copy of which is filed as Exhibit 10.6 to this Current Report on Form 8-K).

(b) Appointment of Officer. Command Center’s Board of Directors (the “Board”) named Cory Smith as Command Center’s Chief Financial Officer as of July 31, 2017.

The Board believes Mr. Smith will bring significant financial and accounting experience to Command Center. Additionally, due to his nearly six years of previous experience with Command Center, Mr. Smith possesses a wealth of understanding of the company's business, operations, and financial and accounting practices. He was previously employed by Command Center from 2010 through 2015, serving as the company's Controller during the final two years of his tenure. Before rejoining Command Center, he was employed by Southeast Staffing (formerly Worldwide Staffing) beginning in 2015, where he served as Vice President of Finance. From 2005 to 2010, Mr. Smith worked as a Certified Public Accountant, primarily performing attestation work. Mr. Smith received his Bachelor of Science in Business Administration from Lewis-Clark State College.

In connection with his appointment on July 31, 2017, Command Center and Mr. Smith entered into an Executive Employment Agreement (the "Employment Agreement"). The Employment Agreement was approved by Command Center's Board.

A summary of the key terms of the Employment Agreement entered into with Mr. Smith is as follows:

- His annual base salary will be \$150,000, which is guaranteed for a 12-month period unless he is found to have committed fraud, theft, or similar serious fraudulent or criminal activity.
- He is also entitled to certain relocation expenses, travel and expense reimbursement, professional membership expenses, education expenses, and vacation.
- In the event of a change in control (as defined in the Employment Agreement), he will continue to receive his base salary for six months or through the end of the Employment Period (as the term is defined in the Agreement) whichever is longer.
- Noncompetition and confidentiality provisions are applicable under the Employment Agreement.
- The Employment Agreement is effective July 22, 2017, and continues for one year unless sooner terminated (the "Employment Term"). On July 22, 2018, the Employment Term will automatically be extended for an additional year unless either party gives timely written notice of intention not to extend the Employment Term.

The foregoing description of the Employment Agreement is qualified in its entirety by reference to the complete terms and conditions of such Agreement (a copy of which is filed as Exhibit 10.7 to this Current Report on Form 8-K).

There are no transactions, or a series of similar transactions, or any currently proposed transactions, or a series of similar transactions, to which the Company was or is to be a party, in which the amount exceeds \$120,000, and in which Mr. Smith had, or will have a direct or indirect material interest. Mr. Smith has no family relationships with any director or executive officers.

Item 9.01 Financial Statements and Exhibits

The Company's press release dated August 3, 2017, announcing the appointment of Cory Smith as Chief Financial Officer is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is attached hereto.

Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

(c) Exhibits

10.6	Executive Severance Agreement, effective July 31, 2017, between the Company and Colette C. Pieper
10.7	Executive Employment Agreement, dated July 22, 2017, between the Company and Cory Smith
99.1	Press Release issued by the Company on August 3, 2017

This Form 8-K may include statements that are "forward-looking statements." There are risks that the Company faces that could cause actual results to be materially different from those that may be set forth in forward-looking statements made by the Company. There also may be additional risks that the Company does not presently know or that it currently believes are immaterial which could also impair its business and results of operations. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information regarding factors that could materially affect results and the accuracy of the forward-looking statements contained herein may be found in the Company's Annual Report on Form 10-K for the year ended December 30, 2016, filed with the SEC and any subsequent filings with the SEC.

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 hereunto duly authorized.

COMMAND CENTER, INC.

August 4, 2017

/s/ Brendan Simaytis
Secretary

EXECUTIVE SEVERANCE AGREEMENT AND RELEASE OF CLAIMS

This Executive Severance Agreement and Release of Claims ("Agreement") is made by and between Command Center, Inc. (the "Company") and Colette Pieper ("Executive").

RECITALS

A. Executive is voluntarily resigning from her employment with the Company.

B. The Company wishes to provide for a severance payment to Executive and Executive wishes to release Company from any and all claims arising from or related to the employment relationship.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises made herein, the Company and Executive (collectively referred to as the "Parties") hereby agree as follows:

1. **Resignation.**

(a) Executive hereby resigns from her employment with the Company and as an officer of the Company effective as of the Effective Date (as defined in Section 3). Executive acknowledges that her last day of work for the Company was on July 14, 2017.

(b) Executive agrees that she shall not apply in the future or otherwise seek employment with the Company. In the event that Executive does apply or seek employment, Company may disregard any such application. Given Executive's agreement herein, any action taken or not taken by Company related to an application for employment by Executive will not be and cannot be construed or alleged as adverse, retaliatory, discriminatory or otherwise violative of any law or regulation.

2. **Consideration.**

(a) Executive shall continue to receive her regular base pay on a bi-weekly basis until and through the Effective Date. Thereafter, within ten days after the Effective Date, Executive shall receive her base pay, prorated on a daily basis, from the Effective Date through September 1, 2017. If Executive is presently a participant in any of the health insurance plans offered by Company, unless cancelled by Executive her participation shall continue through July 31, 2017, subject to deduction from Executive's pay for Executive's usual share of premiums.

(b) As further compensation, not later than ten days after the Effective Date, Company will pay to Executive the additional gross amount of \$100,000, less appropriate withholdings.

(c) Payments to Executive shall be subject to all the usual withholdings. Executive acknowledges that except for the payments set forth in this Section 2, no other compensation or payments are due and that no additional amounts will be paid to her. The parties agree that no additional vacation or sick leave time will accrue after the date listed above as Executive's last day of work and that the specified payments to be made to Executive following her last day of work include all accrued vacation time and other compensation due. Executive further acknowledges that no stock, stock options or other equity-based award or interest in the Company is due or will be given to her. Executive will not assert any claim for shares of stock, stock options or any other equity-based interest or for additional compensation or payment, whether claimed to be accrued vacation time, benefits, bonus, relocation expense or other expense reimbursement or any other category of compensation or payment.

3. **Effective Date.** This Agreement shall become effective on the tenth day following the day on which this Agreement has been fully signed by both Company and Executive (the "Effective Date"), unless sooner rescinded by Executive as provided herein.

4. **Return of Property.** Executive shall return all Company property and confidential and proprietary information in her possession to the Company prior to Executive's final day of employment. Executive hereby certifies that all proprietary documents of the Company, whether in printed or electronic form, will be returned to the Company, shredded or deleted not later than the date specified as Executive's last day of work, so that Executive will not have in her possession any proprietary document of the Company in any form. Executive acknowledges that following the date specified as Executive's last day of work, any items of personal property belonging to her and located at the office of the Company, shall be deemed to have been given and transferred by her to the Company. Before her last day of work, Executive shall also prepare and submit to Company a complete and accurate listing of all password-protected systems, websites and files that she has used and/or accessed during her employment, along with the user identification, passwords and all other login credentials that may be required to access such systems, sites and files.

5. **Release of Claims by Company.**

(a) Company releases Executive and her heirs, successors and assigns, from, and agrees not to sue concerning, any claim, duty, obligation or cause of action, loss or expense of every kind and description, whether presently known or unknown, suspected or unsuspected, that Company may possess arising from any omissions, acts or facts, that have occurred up until and including the Effective Date, including without limitation, any and all claims relating to or arising from Executive's employment relationship and excepting only claims for acts of theft, fraud or embezzlement.

(b) Any incentive-based compensation, or any other compensation, paid to the Executive pursuant to this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement. Any determination for clawback or recovery shall be made in accordance with any applicable law or regulation.

6 . **Release of Claims by Executive.** Executive releases the Company and its officers, directors, representatives and affiliated companies, successors and assigns, on behalf of herself, and her respective heirs, family members, representatives, successors and assigns, from, and agrees not to sue concerning, any claim, duty, obligation or cause of action, loss or expense of every kind and description, whether presently known or unknown, suspected or unsuspected, that she may possess arising from any omissions, acts or facts, that have occurred up until and including the Effective Date, including, without limitation:

- (a) any and all claims relating to or arising from Executive's employment relationship with the Company and the termination of that relationship;
- (b) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment of any kind; retaliation; constructive discharge; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract, business relationship or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and all other causes of action;
- (c) any and all claims for violation of any federal, state or municipal statute, ordinance, rule or regulation, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, and the Older Workers Benefit Protection Act;
- (d) any and all claims pursuant to any "whistleblower" law or regulation, including laws or regulations administered by the Occupational Safety and Health Administration;
- (e) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination, harassment or retaliation;
and
- (f) any and all claims for attorneys' fees and costs.

The Company and Executive agree that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to all matters, except as otherwise specified. This release does not extend to any obligations incurred under this Agreement.

7 . **Acknowledgment of Waiver of Claims under ADEA.** Executive acknowledges that she is waiving and releasing any rights she may have under the Age Discrimination in Employment Act of 1967 ("ADEA") and that this waiver and release is knowing and voluntary. Executive and the Company agree that this waiver and release does not apply to any rights or claims that may arise under ADEA after the Effective Date of this Agreement. Executive acknowledges that the consideration given for this waiver and release agreement is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that she has been advised by this writing that (a) she should consult with an attorney prior to executing this Agreement; (b) she has at least twenty-one (21) days within which to consider this Agreement; (c) she has at least seven (7) days following the execution of this Agreement by the parties to revoke the Agreement; and (d) this Agreement shall not be effective until after the revocation period has expired.

8 . **No Pending or Future Lawsuits.** Executive represents that she has no lawsuits, claims, or actions pending in her name, or on behalf of any other person or entity, against the Company or any other person or entity referred to herein. Executive also represents that she does not intend to bring any claims on her own behalf or on behalf of any other person or entity against the Company or any other person or entity referred to herein. If Executive has brought any administrative claims or complaints with any governmental agency, against the Company and/or any officer, director or employee of the Company, all such claims are hereby fully settled and resolved.

9. **Confidential Information.**

(a) For purposes of this Agreement, the words "Confidential Information" include all of the following:

- (1) The methods, procedures, plans, techniques, systems, data, processes, formats and designs utilized in Company's operations;
- (2) The software utilized by Company;
- (3) All information relating to Company's financial condition and operational and financial plans and goals;
- (4) All information pertaining to Company's customers, as well as prospective customers, including customer lists and usage patterns, pricing and bidding practices, customer contact information, and marketing and sales practices, methods and plans;
- (5) All business forms and all operations, sales and training manuals; and
- (6) All other information which by its nature would be reasonably understood to be confidential.

(b) Executive agrees not to disclose any Confidential Information to others, use any Confidential Information for her own benefit or make copies of any Confidential Information without Company's written consent, whether during or after Executive's employment with Company. Executive also agrees to return all Confidential Information in her possession to Company not later than the date specified to be the last day of her employment.

(c) For purposes of this Agreement the words "Confidential Information" do not include any information that is or becomes generally available to the public, other than as a result of disclosure in violation of this agreement.

10. **Nondisparagement.**

(a) From the Effective Date and for a period of 12 months thereafter, Executive shall (i) refrain from making any public disparaging statements concerning Company, its officers, directors, employees or representatives or its business or operations and (ii) refrain from posting on any Internet site or online message board, chat room or blog any statement concerning Company, whether disparaging or not. Similarly, Company agrees for a period of 12 months from the Effective Date to refrain from making any public disparaging statements concerning Executive.

(b) Should any third parties, including prospective employers, inquire as to the employment of Executive with Company, Company agrees that nothing will be said or conveyed to any third party that could be construed as damaging the name, character or employment of Executive.

(c) This Section 10 shall not prohibit the Parties from disclosing any information in response to a lawful subpoena or court order requiring disclosure of information or otherwise as required by law. Similarly, this section is not intended to prevent either party from providing truthful testimony and information regarding the other party in any administrative proceeding, when requested by a governmental agency to do so, whether with or without a subpoena.

11. **Costs.** The Parties shall each bear their own costs, expert fees, attorneys' fees and other fees incurred in connection with this Agreement.

12. **Arbitration.** The Parties agree that any and all disputes arising out of the terms of this Agreement, their interpretation, and any of the matters herein released, shall be subject to binding arbitration before the American Arbitration Association, at its office located nearest the Company's corporate office in Denver, Colorado, under its Employment Dispute Resolution Rules. The Parties agree that the prevailing party in any arbitration shall be entitled to a judgment, order and injunctive relief as may be appropriate in any court of competent jurisdiction to enforce the arbitration award. The Parties agree that the prevailing party in any arbitration shall be awarded its reasonable attorney's fees and costs. Nothing set forth in this section shall prevent either party from seeking injunctive relief in a court of competent jurisdiction.

13. **Authority.** The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Executive represents and warrants that she has the capacity to act on her own behalf and on behalf of all who might claim through her to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

14. **No Representations.** Each party represents that it has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement.

15. **Severability.** In the event that any provision hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable or void, that provision shall be modified so that it is legal and enforceable and in a manner which most closely reflects the intent of the Parties.

16. **Entire Agreement.** Except as provided in the following sentence, this Agreement represents the entire agreement and understanding between the Company and Executive concerning Executive's separation from the Company and supersedes and replaces any and all prior agreements and understandings. All of the covenants and other post-employment provisions of any employment contract entered into between the Parties, which are specified to survive termination of employment or which by their nature apply following termination of employment, shall remain in full force and effect.

17. **No Oral Modification.** This Agreement may only be amended in writing signed by Executive and the Company.

18. **Governing Law.** This Agreement shall be governed by the laws of the State of Colorado.

19. **Counterparts.** This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

20. **Voluntary Execution of Agreement.** This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims. The Parties acknowledge that:

(a) They have read this Agreement;

(b) They have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;

(c) They understand the terms and consequences of this Agreement and of the releases it contains; and

(d) They are fully aware of the legal and binding effect of this Agreement.

21. **Further Assurances.** Following the effective date of this Agreement, Executive shall sign and deliver such further documents and instruments as may be reasonably requested by Company or its counsel, for purposes of carrying out the intent of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

EXECUTIVE

/s/ Colette Pieper
Colette Pieper

Date: July 19, 2017

COMMAND CENTER, INC.

/s/ Frederick Sandford
Frederick J. Sandford
Chief Executive Officer

Date: July 20, 2017

EXECUTIVE EMPLOYMENT AGREEMENT

DATED AS OF JULY 22, 2017

BETWEEN

COMMAND CENTER, INC.

AND

CORY SMITH

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") made this 22nd day of July, 2017, by and between **COMMAND CENTER, INC.**, a Washington corporation (hereinafter called "Company") and **CORY SMITH**, an individual (hereinafter called "Executive").

RECITALS

Company desires to employ Executive and Executive desires to accept such employment, all on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth in this Agreement, the parties hereto agree as follows:

1. **Employment.**

Subject to the terms and conditions of this Agreement and effective as of the Effective Date, Company hereby employs Executive, and Executive hereby accepts such employment. Company agrees that its board of directors shall appoint Executive as Principal Accounting Officer not later than September 1, 2017. Executive's employment shall be in such capacities and for such duties and services as will from time to time be mutually agreed upon by Company and Executive, consistent with the position of the Principal Accounting Officer and reporting directly to the President and Chief Executive Officer. The Effective Date shall be July __, 2017 or the date upon which this Executive Employment Agreement has been fully executed and delivered by both Executive and Company, whichever is later.

2. **Full Time Occupation.**

Executive will devote Executive's entire business time, attention, and efforts as reasonably necessary to the performance of Executive's duties under this Agreement, and will serve Company faithfully and diligently and, except as may be specifically allowed by the Board of Directors, will not engage in any other employment while employed by Company.

3. **Compensation.**

(a) **Salary.** During the Employment Period (as defined herein), Company will pay to Executive, as full compensation for the services rendered by Executive, a base salary at a rate of \$150,000 per annum ("Base Salary"). Company will pay the Base Salary in accordance with Company's established payroll procedures. Payments will be made in bi-weekly installments, or in such other periodic installments upon which Company and Executive will mutually agree.

(b) **Bonus Eligibility.** Bonus eligibility shall be in the sole discretion of the Compensation Committee of the company's board of directors.

(c) **Withholding.** The Company may withhold from any payments or benefits under this Agreement, all federal, state and local taxes as the Company is required to withhold pursuant to any law or governmental rule or regulation. Executive shall bear all expense of, and be solely responsible for, all federal, state and local taxes due with respect to any payment received hereunder.

4. **Relocation Expenses.**

Company shall provide reasonable and customary relocation assistance, including reimbursement for costs for moving household furnishings and belongings, in an amount not to exceed \$10,000 for household goods and \$1,000 for one car. For a period of up to six months following the Effective Date or until Executive's home in Florida is sold or leased, whichever occurs sooner, Company will pay the Executive's cost of temporary housing in the Denver area, not to exceed \$2,000 per month, except for the first month, which shall be reimbursed at cost not to exceed \$4000. If Executive's house in Florida has not been sold or leased within six months, then Executive and Company agree to discuss a possible extension of the temporary housing allowance.

5. **Other Benefits.**

(a) **Reimbursement.** During the Employment Period, Company will reimburse Executive for all travel and entertainment expenses and other ordinary and necessary business expenses incurred by Executive in connection with the business of Company and Executive's duties under this Agreement. The term "business expenses" will not include any item not deductible by Company for federal income tax purposes. To obtain reimbursement, Executive will submit to Company receipts, bills, or sales slips for the expenses incurred.

(b) **Professional Memberships and Continuing Professional Education.** Company will pay for dues and fees required for any professional licenses maintained by Executive, membership in professional or industry associations, continuing education requirements associated with any professional license and conferences and seminars commonly attended by executives in similar companies.

(c) **Vacation.** Executive will be entitled to three weeks paid vacation each year.

(d) **Other Benefits.** During the Employment Period, Executive will be entitled to participate in any group insurance, pension, retirement, vacation, expense reimbursement, stock option, and other benefits approved by the Compensation Committee and made available from time to time to executive employees of Company generally during the term of Executive's employment hereunder. The foregoing will not obligate Company to adopt or maintain any particular plan, program, or benefit.

6. **Term of Employment.**

(a) **Employment Term.** The term of Executive's employment hereunder will commence on the Effective Date and will continue for a period of one year following the Effective Date, unless terminated by either party pursuant to the terms of this Agreement (such period and any extensions thereof, the "Employment Period"). The term of the Employment Period hereunder will automatically renew for a successive one-year term, unless terminated by either party giving written notice to the other not less than 30 days prior to the end of the then-current term or as otherwise set forth in this Agreement.

(b) **Termination Under Certain Circumstances.** Notwithstanding anything to the contrary herein contained:

(i) **Death.** Executive's employment will be automatically terminated, without notice, effective upon the date of Executive's death.

(ii) **Disability.** If Executive will fail to perform any of Executive's job duties under this Agreement as the result of illness or other incapacity, with or without reasonable accommodation, for a period of more than eight consecutive weeks, as determined by Company, Company may, at its option, and upon notice to Executive, terminate Executive's employment effective on the date of that notice.

(iii) **Cause.** Company may terminate Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" will mean any of the following:

- (1) Executive's indictment for, or conviction of, a crime involving moral turpitude whether or not relating to Company;
- (2) willful misconduct by Executive in the performance of his duties as an employee of Company;
- (3) the commission by Executive of an act of fraud or embezzlement against Company ;
- (4) substance abuse;

(iv) **Change of Control.** In the event of a Change of Control (as defined below), Company may, upon written notice to the Executive, terminate Executive's employment by providing the Executive with 30 days' written notice after the effective date of the Change of Control. For the purposes of this Agreement, a "Change in Control" will be deemed to have occurred if and when:

(1) **Tender Offer.** A tender offer or exchange offer is made whereby the effect of such offer is to take over and control Company, and such offer is consummated for the equity securities of Company representing 50% or more of the combined voting power of Company's then outstanding voting securities;

(2) **Merger or Consolidation.** The shareholders of Company approve a merger, consolidation, recapitalization, or reorganization of Company, or consummation of any such transaction if shareholder approval is not obtained, other than any such transaction that would result in at least 75% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being beneficially owned by the holders of outstanding voting securities of Company immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

(3) **Sale of Assets.** The shareholders of Company approve an agreement for the sale or disposition by Company of all or substantially all of Company's assets to another person or entity, which is not a wholly owned subsidiary of Company.

(v) **Without Cause**

(1) Executive may terminate the Employment Period at any time upon giving to Company written notice sixty days in advance of the proposed termination date.

(2) Company may terminate the Employment Period at any time before the expiration of this Agreement without cause by giving to Executive written notice sixty days in advance of the proposed termination date.

(vi) **Result of Termination of Employment Period.**

(1) In the event of the termination of the Employment Period pursuant to Section 6(b)(iii) [Cause] or Section 6(b)(v)(1) [Without Cause by Executive] above, Executive will receive no further compensation under this Agreement following the date of termination. If this Agreement is terminated by Executive during the initial one year term, Executive shall immediately reimburse Company for all relocation expenses paid by Company, including moving of goods and temporary housing.

(2) In the event of the termination of the Employment Period pursuant to Section 6(b)(i) [Death] or 6(b)(ii) [Disability] above, Executive or Executive's personal representative or estate will continue to receive Executive's Base Salary during the six-month period following the date of termination.

(3) In the event of the termination of the Employment Period pursuant to Section 6(b)(iv) [Change in Control] above or failure or refusal of a surviving or successor entity to assume all of the obligations of this Agreement, Executive will continue to receive his Base Salary through the end of the current Employment Period.

(4) In the event of termination during the initial one year term pursuant to Section 6(b)(v)(2) [Without Cause by Company] above, Executive will continue to receive his Base Salary through the end of the Employment Period. If the termination occurs in an Employment Period following the initial one-year term, no additional compensation shall be due.

(5) Executive will continue to be bound by Sections 7 and 8 of this Agreement following termination of Executive's employment on any basis set forth in this Section 6(b).

7. Competition and Confidential Information.

(a) **Non-Competition.** During the term of the Employment Period and for twelve months after the termination of the Employment Period , regardless of the reason therefor, or twelve months after the final payment of compensation by Company to Executive, whichever is later, Executive will not (whether directly or indirectly, as owner, principal, agent, stockholder, director, officer, manager, executive, partner, participant, or in any other capacity) engage or become financially interested in any competitive business conducted within the Restricted Territory or solicit, canvas, or accept, or authorize any other person, firm, or entity to solicit, canvas, or accept, from any customers of Company or its subsidiaries, any business within the Restricted Territory for Executive or for any other person, firm, or entity. As used herein, "customers of Company" will mean any persons, firms, or entities that purchased goods or services from Company during the Employment Period; "competitive business" will mean any business which sells or provides or attempts to sell or provide products or services the same as or substantially similar to the products or services sold or provided by Company or any of its subsidiaries; and the "Restricted Territory" will mean the United States or, in the alternative, in the event any reviewing court finds the United States to be overbroad or unenforceable, within 25 miles of any existing or proposed office location of Company.

(b) **Confidential Information.** Executive will maintain in strict secrecy all confidential or trade secret information relating to the business of Company or any of its subsidiaries (the "Confidential Information") obtained by Executive in the course of Executive's employment, and Executive will not, unless first authorized in writing by Company, disclose to, or use for Executive's benefit or for the benefit of any person, firm, or entity at any time either during or subsequent to the term of Executive's employment with Company, any Confidential Information, except as required in the performance of Executive's duties on behalf of Company. For purposes hereof, "Confidential Information" will include, without limitation, any trade secrets, knowledge, or information with respect to processes, procedures, plans, inventions, techniques, or know-how; any business methods or forms; any names or addresses of customers or data on customers or suppliers; and any business policies or other information relating to or dealing with the purchasing, sales, or distribution policies or practices of Company.

(c) **Return of Books and Papers.** Upon the termination of Executive's employment with Company for any reason, Executive will deliver promptly to Company all catalogues, manuals, memoranda, drawings, and specifications; all cost, pricing, and other financial data; all customer information; all other materials, whether written, printed or stored in any electronic media, which are the property of Company or any of its subsidiaries (and any copies of them); desktop or laptop computers, software, access cards, "passwords", cellular phones, personal digital assistants and pagers; and all other materials which may contain Confidential Information relating to the business of Company or any of its subsidiaries (whether maintained in tangible, documentary form, computer memory or other electronic or digital format), which Executive may then have in Executive's possession whether prepared by Executive or not.

(d) **Disclosure of Information.** Executive will disclose promptly to Company, or its nominee, any and all ideas, designs, processes, and improvements of any kind relating to the business of Company or any of its subsidiaries, whether patentable or not, conceived or made by Executive, either alone or jointly with others, during working hours or otherwise, during the entire period of Executive's employment with Company, or within six months thereafter.

(e) **Assignment.** Executive hereby assigns to Company or its nominee, the entire right, title, and interest in and to all discoveries and improvements, whether patentable or not, which Executive may conceive or make during Executive's employment with Company, or within six months thereafter, and which relate to the business of Company or any of its subsidiaries. All copyrights, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes, or works of authorship developed or created by Executive during the Employment Period (collectively, the "Work Product") shall belong exclusively to Company and shall be considered a work made by Executive for hire within the meaning of Title 17 of the United States Code. To the extent the Work Product may not be considered work made for hire, Executive agrees to assign at the time of creation of the Work Product, without any requirement of further consideration, any right, title, or interest that Executive may have in such Work Product. Upon Company's request, Executive will take such further actions, including execution and delivery of instruments of conveyance, as may be appropriate to give full and proper effect to such assignment.

(f) **Equitable Relief.** In the event a violation of any of the restrictions contained in this Section 7 is established, Company will be entitled to preliminary and permanent injunctive relief as well as damages and an equitable accounting of all earnings, profits, and other benefits arising from such violation, which right will be cumulative and in addition to any other rights or remedies to which Company may be entitled. In the event of a violation of any provision of this Section 7, the period for which those provisions would remain in effect will be extended for a period of time equal to that period beginning when such violation commenced and ending when the activities constituting such violation will have been finally terminated in good faith.

(g) **Restrictions Separable.** Each and every restriction set forth in this Section 7 is independent and severable from the others, and no such restriction will be rendered unenforceable by virtue of the fact that, for any reason, any other or others of them may be unenforceable in whole or in part.

(h) **No Violation.** The execution and delivery of this Agreement and the performance of Executive's services contemplated hereby will not violate or result in a breach by Executive of, or constitute a default under, or conflict with: (i) any provision or restriction of any employment, consulting, or other similar agreement; (ii) any agreement by Executive with any third party not to compete with, solicit from, or otherwise disparage such third party; (iii) any provision or restriction of any agreement, contract, or instrument to which Executive is a party or by which Executive is bound; or (iv) any order, judgment, award, decree, law, rule, ordinance, or regulation or any other restriction of any kind or character to which Executive is subject or by which Executive is bound.

(i) **Non-Disparagement.** Executive agrees that he will make no statement, oral or written, and which, by itself, may significantly or substantially damage the reputation of the Company or any director, officer or employee of the Company.

8. **Miscellaneous.**

(a) **Notices.** All notices, requests, demands, and other communications required or permitted under this Agreement will be in writing and will be deemed to have been duly given and received: if mailed by registered or certified mail, three business days after deposit in the United States mail, postage prepaid, return receipt requested; if hand delivered, upon delivery against receipt or upon refusal to accept the notice; or if delivered by a standard overnight courier, one business day after deposit with such courier, postage prepaid, in each case, addressed to such party at the address set forth below:

(i) If to Company:

Command Center, Inc.
3609 S Wadsworth Blvd., Suite 250
Lakewood, Colorado 80235
Attn: Bubba Sandford

With a copy to:

Brendan Simaytis
Command Center, Inc.
3609 S Wadsworth Blvd., Suite 250
Lakewood, Colorado 80235

(ii) If to Executive:

Cory Smith
[REDACTED]

Either party may change the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section 8(a), for the giving of notice.

(b) **Waivers.** Neither any failure nor any delay on the part of either party to exercise any right, remedy, power, or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise of the same or of any other right, remedy, power, or privilege, nor will any waiver of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence.

(c) **Controlling Law, Jurisdiction and Venue.** This Agreement and all questions relating to its validity, interpretation, performance, and enforcement will be governed by and construed in accordance with the laws of the State of Colorado, notwithstanding any Colorado or other conflict-of-interest provisions to the contrary. Executive agrees that any and all claims arising between the parties out of this agreement shall be controlled by the laws of the State of Colorado, as follows: any dispute, controversy arising out of, connected to, or relating to any matters herein of the transactions between Company and Executive, or this Agreement, which cannot be resolved by negotiation (including, without limitation, any dispute over the arbitrability of an issue), will be settled by binding arbitration in accordance with the J.A.M.S/ENDISPUTE Arbitration Rules and Procedures, as amended by this Agreement. Arbitration proceedings will be held in Denver, Colorado. Company and Executive agree the prevailing party on any action to enforce rights hereunder shall be entitled, in addition to any awarded damages, their costs and reasonable attorney's fees, whether at arbitration, or on appeal. The parties agree that this provision and the Arbitrator's authority to grant relief are subject to the United States Arbitration Act, 9 U.S.C. § 1 et seq. ("USAA") and the provisions of this Agreement. The parties agree that the arbitrator shall have no power or authority to make awards or issue orders of any kind except as expressly permitted by this Agreement, and in no event does the arbitrator have the authority to make any award that provides for punitive or exemplary damages. The award may be confirmed and enforced in any court of competent jurisdiction. All post-award proceedings will be governed by the USAA. Company and Executive irrevocably consent to the jurisdiction and venue of such arbitration and such courts.

(d) **Binding Nature of Agreement.** This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns except that no party may assign or transfer such party's rights or obligations under this Agreement without the prior written consent of the other party.

(e) **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original as against any party whose signature appears thereon, and all of which will together constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, will bear the signatures of the parties reflected hereon as the signatories.

(f) **Provisions Separable.** The provisions of this Agreement are independent of and separable from each other, and no provision will be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

(g) **Entire Agreement.** This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, and conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede: (a) any course of performance and/or usage of the trade inconsistent with any of the terms hereof; and (b) any provision of any other plan or agreement maintained by Company for the benefit of its employees generally inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing signed by the parties hereto.

(h) **Paragraph Headings.** The paragraph headings in this Agreement are for convenience only; they form no part of this Agreement and will not affect its interpretation.

(i) **Gender.** Words used herein, regardless of the number and gender specifically used, will be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context requires.

(j) **Number of Days.** In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday, or holiday, then the final day will be deemed to be the next day which is not a Saturday, Sunday, or holiday.

(k) **Third Party Beneficiaries.** This Agreement shall not inure to the benefit of anyone other than Executive and Company and their successors and assigns. No third party may bring an action to enforce any term hereof and no third party beneficiary rights are created by this Agreement.

(l) **Non-Transferability.** This is a personal agreement. None of the Executive's rights, benefits, or interests hereunder may be subject to sale, anticipation, alienation, assignment, encumbrance, charge, pledge hypothecation, transfer, or set off in respect of any claim, debt, or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any such action shall be null, void, and of no effect.

IN WITNESS WHEREOF, the parties hereto have executed this Executive Employment Agreement as of the Effective Date.

CORY SMITH, EXECUTIVE

By: Cory Smith
Name: Cory Smith
Date: July 14, 2017

COMMAND CENTER, INC., a Washington corporation

Name: Frederick Sandford
Title: Frederick Sandford
President and Chief Executive Officer
Date: July 22, 2017



Command Center Appoints Cory Smith to Chief Financial Officer

DENVER, Colorado – August 3, 2017 – Command Center, Inc. (OTCQB: CCNI), a national provider of on-demand and temporary staffing solutions, has appointed Cory Smith to the position of chief financial officer, effective July 31, 2017. He replaces Colette Pieper, who submitted her resignation in order to pursue other professional interests.

Smith brings over 10 years of financial and accounting experience to the position, six of which were earned working at Command Center. He was previously employed by Command Center from 2010 through 2015, serving as the company's controller during the final two years of his tenure. Most recently, he was employed by Southeast Staffing (formerly Worldwide Staffing) since 2015, where he served as Vice President of Finance. From 2005 to 2010, Smith worked as a Certified Public Accountant, primarily performing attestation work. He received his Bachelor of Science in Business Administration from Lewis-Clark State College.

"On behalf of management and our board of directors, we would like to welcome Cory back to our organization," said Bubba Sandford, president and CEO of Command Center. "He brings significant financial and accounting experience to this role and, given his history with our company, is innately familiar with our business, operations, and financial and accounting practices. We would also like to thank Collette for all she accomplished while she was here, and we wish her well in the future."

Commenting on his new role, Smith said: "I am very pleased to be back here at Command Center to work once again with Bubba and everyone who makes this company great. Given my previous time with the company, I have been able to hit the ground running. They have clearly made significant progress improving the operations and resulting financial position of the company, and I look forward to my role in our next phase of growth."

About Command Center

Command Center provides flexible on-demand employment solutions to businesses in the United States, primarily in the areas of light industrial, hospitality and event services. Through 66 field offices, the company provides employment annually for approximately 34,000 field team members working for over 3,200 clients. For more information about Command Center, go to www.commandonline.com.

Important Cautions Regarding Forward-Looking Statements

This news release contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are other than statements of historical facts. These statements are subject to uncertainties and risks, including, but not limited to, national, regional and local economic conditions, the availability of workers' compensation insurance coverage, the availability of capital and suitable financing for the company's activities, the ability to attract, develop and retain qualified store managers and other personnel, product and service demand and acceptance, changes in technology, the impact of competition and pricing, government regulation, and other risks set forth in our most recent reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission, copies of which are available on our website at www.commandonline.com and the SEC website at www.sec.gov. All such forward-looking statements, whether written or oral, and whether made by or on behalf of the company, are expressly qualified by these cautionary statements and any other cautionary statements which may accompany the forward-looking statements. In addition, the company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof.

Investor Relations

Cody Slach
Liolios
Tel 949-574-3860
CCNI@liolios.com