

# LOS ANGELES POLICE COMMISSION

BOARD OF  
POLICE COMMISSIONERS

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INSPECTOR GENERAL

EXECUTIVE OFFICE  
POLICE ADMINISTRATION BUILDING  
100 WEST FIRST STREET, SUITE 134  
LOS ANGELES, CA 90012-4112

(213) 236-1400 PHONE  
(213) 236-1410 FAX  
(213) 236-1440 TDD

June 18, 2013

BPC #13-0198

The Honorable City Council  
City of Los Angeles  
c/o City Clerk's Office

Dear Honorable Members:

RE: PROPOSED CHANGE IN THE CORPORATE OWNERSHIP OF U.S. TOW, INC.,  
OFFICIAL POLICE GARAGE FOR SERVICE ARE 13 (NEWTON) OF THE LOS  
ANGELES POLICE DEPARTMENT CONTRACT NO. C-106370 TO MOSHE BEN  
DAYAN PURSUANT TO LOS ANGELES MUNICIPAL CODE SECTION 80.77.4(E)(2)

At the regular meeting of the Board of Police Commissioners held Tuesday, June 18, 2013, the Board APPROVED the Department's report relative to the above matter.

This matter is being forwarded to you for approval.

Respectfully,

BOARD OF POLICE COMMISSIONERS

Handwritten signature of Maria Silva in cursive script.

MARIA SILVA  
Commission Executive Assistant

Attachment

c: Chief of Police  
ASB

## INTRADEPARTMENTAL CORRESPONDENCE

June 11, 2013

1.0

**TO:** The Honorable Board of Police Commissioners

**FROM:** Executive Director, Board of Police Commissioners

**SUBJECT:** PROPOSED CHANGE IN THE CORPORATE OWNERSHIP OF U.S. TOW, INC, OFFICIAL POLICE GARAGE FOR SERVICE AREA 13 (NEWTON) OF THE LOS ANGELES POLICE DEPARTMENT CONTRACT NO. C-106370 TO MOSHE BEN DAYAN PURSUANT TO LOS ANGELES MUNICIPAL CODE SECTION 80.77.4(E)(2)

### **RECOMMENDED ACTIONS:**

1. That the Board APPROVE and TRANSMIT to the Office of the Mayor, and the City Council, the Executive Director's report recommending approval of the proposed change in corporate ownership of U.S. Tow, Inc. Official Police Garage for Service Area 13 (Newton) of the Los Angeles Police Department, Contract No. C-106370 to Moshe Ben Dayan, (Ben Dayan) on the condition that Ben Dayan provides verifiable documentation that conflict of interest with his spouse's ownership in Santa Monica Body Craft has been eliminated, in accordance Los Angeles Municipal Code Section 80.77.4(E)(5), to the satisfaction of the Office of the City Attorney.

### **BACKGROUND**

Commission Investigation Division has received a request from U.S. Towing Inc., the Official Police Garage for Service Area 13 (Newton), of the Los Angeles Police Department to transfer its ownership interest in its Official Police Garage Contract C-106370 to Moshe Ben Dayan.

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

Under the proposed transfer to Ben Dayan the local management of U.S. Tow, Inc. would not change. All current facilities, equipment, and employees would be retained. The only apparent change in structure would be at the corporate level. Staff does not believe the change of corporate ownership would negatively affect the day to day operations of the U.S. Tow.

Commission Investigation Division has conducted a background investigation of Ben Dayan. There was no adverse history discovered. Staff has reviewed the company's financial statements and the company appears to be solvent.

Los Angeles Municipal Code Section 80.77.4 (e) (5) states that no owner of an Official Police Garage shall have a controlling ownership interest in any automobile dismantling or wrecking yard, automobile body or repair shop, used car business or any other automobile related business other than an automobile towing and related garage business. Ben Dayan's wife, Stephanie McColgan, is the current owner of Santa Monica Body Craft, located in the City of Santa Monica. Ben Dayan has indicated that his wife will sell her interest in Santa Monica Body Craft and will provide the City with the corroborating documentation of the sale, if the City approves the transfer of ownership.

Approval of this transfer will not affect the expiration date of the current contract which is scheduled to expire April 5, 2015. Attached to this correspondence is a copy of Moshe Ben Dayan Transition Plan as well as financial statements.

Should you have any questions please contact Lieutenant Waters, Commanding Officer, Commission Investigation Division, at (213) 996-1270.

  
RICHARD M. TEFANK, Executive Director  
Board of Police Commissioners

BOARD OF  
POLICE COMMISSIONERS  
Approved *June 18, 2013*  
Secretary *Maria Silve*

Attachments

RECEIVED

JAN 08 2013

POLICE COMMISSION



## U.S. TOW, INC.

1940 Lovelace Ave. ☒ Los Angeles, CA 90015-4104 ☒ Bus.: (213) 749-7100 ☒ Fax: (213) 749-0272

January 4, 2013

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

Dear Mr. Tefank;

We are writing to request the Commission's approval of the transfer of ownership interests in U.S. Tow Service Inc., Official Police Garage for Service Area 13 contract number C-106370 to Tip Top Tow. The transfer request is only for our light duty business. \*

Los Angeles Municipal Code Section 80.77.4 (e) (2) states that any sale or transfer of a majority of either the ownership interests or stock, except public share stocks, of any official police garage shall be subject to the approval of the City Council, which shall consider any recommendation made by the Board of Police Commissioners.

We are requesting that Commission Investigation Division complete its background investigation and recommend approval of the transfer of ownership to sell our interest in our light duty tow to Moshe Ben Dayan doing business as Tip Top Towing. We are not selling our Heavy Duty contract; however, we are requesting that at the time of the approval of sale of our light duty contract that the Commission concurrently transfers the name of the South Bureau Heavy duty tow contract to Gary Bains, Inc. DBA Los Angeles Towing.

As part of the sale, Tip Top has agreed to assume all liabilities of U.S Tow, Inc. to the City of Los Angeles, including any liabilities that may result from current audits of our company. A copy of our sales agreement is attached. Should you have any questions regarding this matter please contact Raj Dhillon at (818) 915-2286.

Thank you for considering our request.

Sincerely,

Raj Dhillon

Gary Bains

12/20/2017 10:00 AM

**AGREEMENT RELATING TO PURCHASE AND SALE OF STOCK**

THIS AGREEMENT is entered into by and among MOSHE BEN DAYAN (the "Buyer"), GARY BAINS aka GURDIP BAINS and RAJPAL DHILLON (the "Sellers"), and U.S. TOW, INC. (the "Corporation").

**RECITALS:**

As of the date of execution of this Agreement, there are 340 shares of common stock of the Corporation which are issued and outstanding, consisting of 170 shares of common stock which are owned by Rajpal Dhillon and 170 shares of common stock which are owned by Gary Bains. Gary Bains and Rajpal Dhillon are referred to in this Agreement as the "Sellers", with each of those persons being a "Seller".

Subject to the terms of this Agreement, Buyer wishes to buy from Sellers, and Sellers wish to sell to Buyer, all of their 340 outstanding shares.'

The parties are stipulating that the aggregate net fair market value of the Outstanding Shares is \$950,000, and the Buyer is willing to purchase and the Sellers are willing to sell the Outstanding Shares at that price.

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises and covenants set forth herein, the parties agree as follows:

1. Definitions. For purposes of this Agreement, and except when otherwise indicated by the context, the following terms shall have the indicated meanings:
  - (a) "Closing" refers to the consummation of the purchase and sale transactions contemplated under this Agreement. "Closing Date" refers to the actual date when Closing takes place.
  - (b) "Buyer" refers to Moshe Ben Dayan.
  - (c) "Sellers" refers to in the aggregate to Gary Bains and Rajpal Dhillon. "Seller" refers to any one of the Sellers.
  - (d) "Transfer" refers to and includes any form of sale, exchange, gift, bequest, disposition, assignment, pledge, hypothecation, encumbrance or other conveyance of any kind, including both voluntary and involuntary conveyances, and also including conveyances by operation of law.
  - (e) "Performance Date" refers to the first date upon which Buyer shall have fully performed all obligations to Sellers under the terms of this Agreement.

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- (f) "Corporation's Business" refers to all aspects of the business being conducted by Corporation from the present day to immediately prior to Closing.

2. Payment of Purchase Price. The Aggregate Purchase Price shall be paid by Buyer to Sellers as follows:

(a) Buyer shall pay to Sellers a payment of \$600,000 immediately after approval of transfer of Newton Division Official Police Garage Contract by the Los Angeles City Council.

(b) Buyer shall pay to Sellers the remaining payment of \$350,000 immediately after March 1, 2013, or the Corporation moving its headquarters to location at 2119 E. 25<sup>th</sup> Street, Los Angeles, CA, whichever occurs first, provided the approval in 2.(a) above has occurred. In the event it has not occurred prior to March 1, 2013, the entire \$950,000 will be paid upon such approval.

3. Purchase.

Upon the payment of the Purchase Price and Transfer of the Shares, as set for below, Buyer shall own and Seller shall sell and transfer the Corporation and its Business, including without limitation: (i) all the Outstanding Shares of the Corporation, (ii) all the good will of the Business, subject to Paragraph 8 below, (iii) all contracts with third parties, (iv) any accounts receivable, (v) all permits, licenses, approvals, authorizations necessary for the operation of the Business, (vi) the security deposits held by the landlords at 2119 E. 25<sup>th</sup> Street, Los Angeles, CA (\$26,000) and 2041 & 2105 East 25<sup>th</sup> Street, Los Angeles, CA (\$4,500), (vii) any and all rights and accrued and owing payments in and to the inventory of towed automobiles and trucks on the lots at the time of transfer and (viii) the tangible property set forth in Paragraph 7 below and Exhibit 1, attached hereto.

4. Transfer of Shares.

At Closing, Corporation shall: (i) transfer and issue to Buyer on the books of the Corporation all of the Outstanding Shares, (ii) issue to Buyer a separate stock certificate evidencing the ownership by Buyer of the 340 outstanding Common Shares being purchased by Buyer from Sellers. The transfer of the Shares by Sellers to Buyer (the closing) will take place at U.S. Tow, Inc. 1940 Lovelace Avenue, Los Angeles, CA 90015 at 5:00 p.m. local time, five calendar days after all monies due have been paid to Sellers. At closing, each of the parties shall be obligated to take each and all of the actions required of that party under the terms of this Agreement.

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5. Naming Rights.

Sellers represent that they have already granted to RSD TOW, INC. in perpetuity the exclusive right to use the following names: "U.S. Tow Service/Hawthorne" and "U.S. Tow / Hawthorne." These above mentioned names may **not** be used by the Corporation. Buyer and the transferred Corporation shall be able to use the names "U.S. Towing" and "U.S. Tow, Inc." exclusively and in perpetuity.

6. Limited Warranties.

Sellers warrant that the Corporation is a corporation duly organized, validly existing and in good standing under the laws of California. Sellers warrant that the Corporation has good and marketable title to all the transferred assets, free and clear of all liens, claims and encumbrances, except for trucks number 11, 14, and 15 and the Dell server (see Exhibit 1, attached hereto). Each Seller warrants to Buyer that at Closing Seller shall have good title to his portion of the Outstanding Shares, free and clear of all security interests, encumbrances, liens, equities, charges, conditions of sale, leases, assessments, restrictions, reservations, obligations, title retention documents or other burdens of any kind. Seller has full power to transfer the Shares to Buyer without obtaining the consent or approval of any other person or governmental authority. All current and accrued taxes which may become a lien against any of the Outstanding Shares prior to Closing shall have been paid by the Seller prior to Closing. In the event any taxes or other liabilities, except as described above, in connection with the Sellers' ownership of the Corporation prior to Closing have not been paid, Sellers agree to pay such taxes and liabilities and to indemnify Buyer for any losses it incurs related thereto, including reasonable attorneys fees.

7. Tangible Personal Property Included in Sale.

Exhibit 1 to this agreement contains a complete and accurate description and specifies the location of all trucks, automobiles, machinery, equipment, furniture, supplies, tools, drawings, and all other tangible personal property owned by, in possession of, or used by Corporation in connection with its respective business, work in progress, and finished goods. The tangible personal property reflected in those books, records and corporate minutes constitute all such tangible personal property necessary for the conduct by Corporation for its respective business as now conducted.

8. Tangible Personal Property and Contracts **Not** Included in Sale.

Exhibit 2 to this agreement contains a list of equipment and other items such as the city of Los Angeles Official Police Garage Heavy Duty South Bureau Tow Contract, the California Highway Patrol Rotation Agreement concerning the South Los Angeles Area, and all other operations performed out of the Wilmington location. Exhibit 3 to this agreement contains a list of equipment and other items such as the city of Hawthorne Police Tow Contract, the California Highway Patrol Rotation Agreement concerning the West Los Angeles Area, and all other operations

performed out of the Hawthorne location. The operations and equipment specified above and in exhibit 2 and exhibit 3 are **not** included in the sale.

9. No Pending Lawsuits/Assumption of Liabilities.

There are no pending lawsuits or judgments rendered against the Corporation. In addition there are no liens against the Corporation. Buyer shall assume all then current liabilities of Seller in connection with the ordinary course of business of Seller which exist at the time of the Closing. Such liabilities shall include any liabilities that may result from the current audit of the Seller as directed by the City of Los Angeles Police Department Commission Investigation Division ("CID"). There will be no liability for Sellers concerning any claims, demands, lawsuits, losses, damages or expenses arising or resulting from any event or occurrence related to the Corporation's actions or the actions of its employees after Closing.

10. Continued Operation of Business.

From the date hereof until Closing, Sellers shall maintain the Business as a going concern, and shall at all times use their best efforts in the continued operation of the Business until the Closing. Seller shall take no action which is intentionally detrimental to the Purchased Assets or the Business or incur any liability which is outside the scope of the regular course of business. Sellers shall continue to timely pay all of the Business' fees, bills, franchise fees and other bills and charges until Closing. Sellers shall not sell, transfer, assign or encumber any of the Assets which are part of the sale or take any other action not in the regular course of business. Sellers shall maintain the books and records of the Business in the usual, regular and ordinary manner on a basis consistent with prior periods.

11. Insurance Coverage.

Seller carries casualty and general liability insurance in amounts commercially reasonable for a company engaged in the operation of the Business. Seller carries workers' compensation insurance in at least the amount required by law. The premiums on all such insurance policies have been paid and such policies shall remain in full force and effect through the Closing.

12. Non-Competition.

From and after the Closing through and including the seven (7) year period immediately following the Closing, the Sellers, jointly or individually, shall not, directly or indirectly, whether alone or through a subsidiary, affiliate, partner or other entity in any manner compete in the "light duty" car or truck towing business in the City of Los Angeles. Notwithstanding any of the above, RSD TOW, INC. may continue to completely service its California Highway Patrol Rotation Agreement concerning the West Los Angeles Area and its medium and heavy duty truck service in the Los Angeles Area.

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13. Tax Credits.

The application for tax credits and payments on those tax credits for fiscal years 2012, 2011, 2010, 2009, and 2008 are pending for the Corporation. Buyer agrees to deliver the monies received for payments of the above tax credits to Sellers, should the payment on the above tax credits occur after closing.

14. Location.

Buyer understands and agrees that the location of the Corporation at 1940 Lovelace Avenue and the adjoining lot at 1935 S. Figueroa will **not** be provided for the Corporation's use. Instead construction of offices at 2119 E. 25<sup>th</sup> Street, Los Angeles, California, as described below will function as the Corporation's new location and headquarters. Buyer may remain at the Lovelace location until the offices at the 2119 E. 25<sup>th</sup> Street location are substantially complete.

15. Construction.

Sellers agree to float with concrete the auction area floor at 2119 E. 25<sup>th</sup> Street, Los Angeles, California. Seller will also provide and install one roll up door on the west side of the auction area building. All other construction and other related expenses for offices will be the responsibility of the Buyer.

16. Time Of The Essence To This Agreement.

Time is of the essence to this Agreement.

17. No Brokers.

No party has employed any broker, finder or agent, or incurred any liability for fees or commissions to any such person, in connection with this Agreement.

18. S Corporation Status.

Corporation is an electing "S Corporation" as defined in Section 1361 of the Internal Revenue Code of 1986. As an "S Corporation", Corporation is subject to limitations on the number and kind of persons and/or entities who may own shares of Corporation's Stock. Corporation and its present and future shareholders wish to prevent an inadvertent termination of the Corporation's status as an "S Corporation" by restricting the sale, exchange, gifting, bequest, encumbrance or other transfer of Corporation's Stock.

19. Miscellaneous.

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All notices provided for herein shall be in writing and shall be deemed to be duly given if and when hand delivered to the person entitled to receive the notice or (if earlier) on the third day after being deposited in the United States mail, registered and return receipt requested, postage prepaid, to the last known address of the party entitled to receive the notice. The paragraph headings set forth in this Agreement are set forth for convenience purposes only, and do not in any way define, limit or construe the contents of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, that holding shall not invalidate or render unenforceable any other provision of this Agreement, and the remainder of this Agreement shall be interpreted as if the invalid or unenforceable provision did not exist. If any provision of this Agreement is capable of more than one interpretation, one of which would render the provision invalid, then that provision shall be given the interpretation which renders it valid. Any party who violates any of the terms, provisions and conditions of this Agreement shall save the other parties harmless from any and all claims, demands, and actions which may arise out of or by reason of that violation, in addition to being subject to the other remedies, liabilities and obligations which may be imposed upon the violating party. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, successors-in-interest, administrators, beneficiaries, distributees and assigns. This Agreement contains the entire understanding of the parties relating to the subject matter of this Agreement. There are no representations, agreements, arrangements, or understanding, whether oral or written, between and among the parties relating to the subject matter of this Agreement which are not fully expressed herein, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, warranties, representations and understandings, if any, between the parties. No change or modification of this Agreement shall be valid or binding upon the parties hereto, and no waiver of any term or condition hereof shall be deemed to be a waiver of that term or condition in the future, unless that change, modification of waiver is in writing and signed by all parties. This Agreement shall be governed by and construed in accordance with the laws of the state of California. Each of the parties hereby irrevocably submits to the jurisdiction of the courts of Los Angeles County, California, and agrees that any legal proceedings with respect to this Agreement shall be filed and heard in the appropriate court in Los Angeles County, California. In the event of any suit or action among the parties to enforce any rights or conditions of this Agreement, the prevailing party shall be entitled to be reimbursed by the losing party for any reasonable attorney fees (including attorney fees on appeal) as determined by the court or courts. This agreement may be executed in any number of counterparts, and each counterpart shall be deemed an original Agreement for all purposes when signed by the parties. All rights and remedies provided under this Agreement are cumulative to one another and to all other rights and remedies under applicable law or in equity, and no election or exercise of any one right or remedy available to a party shall in any manner operate to prejudice or impair any other right or remedy provided at law or in equity or otherwise available to that party. The failure by a party at any time or times to enforce any right or remedy available under this Agreement strictly in accordance with the terms of this Agreement shall not operate as a waiver of

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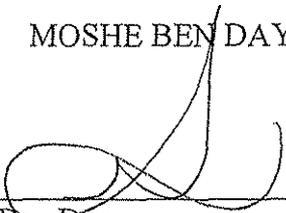
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R.P.

that right or remedy or any other available right or remedy.

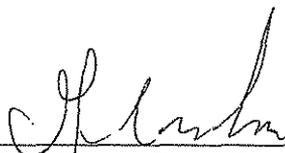
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated next to their respective signatures.

DATE OF AGREEMENT: January 3, 2013

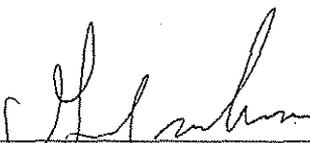
BUYER: MOSHE BEN DAYAN

By  1/3/2013  
Moshe Ben Dayan Dated

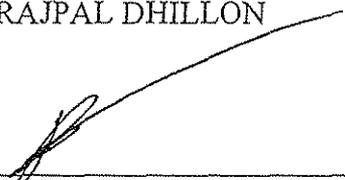
CORPORATION: U.S. TOW, INC.

By  1-3-13  
Gary Bains, Chief Executive Officer Dated

SELLER: GARY BAINS

By  1-3-13  
Gary Bains Dated

SELLER: RAJPAL DHILLON

By  1/3/13  
Rajpal Dhillon Dated

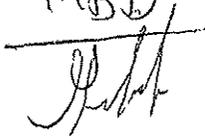
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R.D.

EXHIBIT 1

1. TRUCK NUMBER 11, 2009 DODGE 5500, VIN 3D6WC76L69G555937
2. TRUCK NUMBER 14, 2009 DODGE 5500, VIN 3D6WC76L89G514970
3. TRUCK NUMBER 15, 2010 HINO 258, VIN 5PVNJ8JN8A4S50303
4. TRUCK NUMBER 20, 2005 KENWORTH, VIN 2NKMHZ6X05M098216
5. TRUCK NUMBER 22, 2005 FORD F-550, VIN 1FDAF56P55EB89089
6. TRUCK NUMBER 26, 2006 KENWORTH, VIN 2NKMHZ6X76M154251
7. TRUCK NUMBER 27, 2006 KENWORTH, VIN 2NKMHZ6X56M154250
8. CATERPILLAR FORKLIFT WITH EAGLE CLAW ATTACHEMENT
9. HYSTER FORKLIFT WITH EAGLE CLAW ATTACHMENT
10. THE FREEZER, REFRIGERATOR, COFFEE MAKER, ICE MAKER, AND SINKS CURRENTLY IN USE AT U.S. TOW, INC.
11. All EQUIPMENT LOCATED AT 1940 LOVELAVE AVENUE, LOS ANGELES, CALIFORNIA WHICH IS REQUIRED FOR DAILY FUNCTIONING, INCLUDING WITHOUT LIMITATION, SERVERS, COMPUTERS, PRINTERS, CAMERAS, DVRS, 32 LIFTS (SOME MAY NOT BE FUNCTIONAL), PHONE SYSTEM, RACKS AND CABINETRY IN WAREHOUSE, AND SOME REPAIR EQUIPMENT.

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A handwritten signature in black ink, appearing to be 'R.D.', written over a horizontal line.

R.D.

EXHIBIT 2

*Wheeler*  
R17

MINUTES OF SPECIAL MEETING

OF THE BOARD OF DIRECTORS

OF

U.S. TOW, INC.

A California Corporation

A special meeting of the Board of Directors of U.S. Tow, Inc. was held as stated in the by-laws of U.S. Tow, Inc. on December 14, 2012, at 11:30 a.m. The meeting was held at 1940 Lovelace Avenue, Los Angeles, CA 90015. The meeting was held in Mr. Bains' office. All shareholders of U.S. Tow, Inc. (Rajpal Dhillon 170 common shares, Gary Bains 170 common shares) were in attendance.

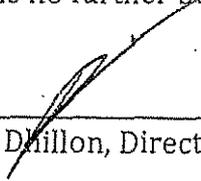
1. Quorum. A quorum was declared present based on the presence of the following Directors: Rajpal Dhillon, Gary Bains.
2. Election of Chairperson and Secretary. Gary Bains was appointed chairperson of the meeting, and Rajpal Dhillon was appointed secretary to prepare a record of the proceedings.
3. Election of Directors. Rajpal Dhillon and Gary Bains were re-elected as Directors for the terms provided in the bylaws.
4. Election of Officers. The same officers as have been serving will continue to serve in their respective posts.
5. Authorization of Corporate Action. **EFFECTIVE IMMEDIATELY**, the following assets will now be spun-off into GSB, INC.: (1) Truck #13, specifically described as a 2006 Ford F-550 with the Vehicle Identification Number 1FDAF56P96ED18534, (2) Truck #17, specifically described as a 2004 GMC 3500 with the Vehicle Identification Number 1GDJC392X4E375996, (3) Truck #19, specifically described as a 2005 Kenworth with the Vehicle Identification Number 2NKMHZ6XX5M098112, (4) Truck #21, specifically described as 2006 Ford F-550 with the Vehicle Identification Number 1FDAF56P76EA13033, (5) Truck #23, specifically described as a 2005 Peterbilt with the Vehicle Identification Number 1NPFLB9X55N866115, (6) Truck #24, specifically described as a 2007 Peterbilt with the Vehicle Identification Number 1NPFH07X97N643474, (7) Truck #28, specifically described as a 2003 Peterbilt with the Vehicle Identification Number 1NP5XBTX03D590096, (8) Truck #35, specifically described as a 2005 Ford F-550 with the Vehicle Identification Number 1FDXF46P85ED35425, (9) Truck #36, specifically described as a 2008 Peterbilt with the Vehicle Identification Number 1XPTD40X28D744255, (10) Truck #37, specifically described as a 2011 Landoll with the Vehicle Identification Number 1LH440VH1B1018085, (11) Truck #38, specifically described as a Trailer with the Vehicle Identification Number 5V8VA532X5M502119. Furthermore **EFFECTIVE IMMEDIATELY**, all trade fixtures, tooling, repair equipment,

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R. D.

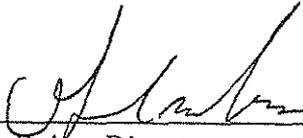
parts inventory, computers, servers, and office furniture located at the Wilmington (220 Broad Street) location will also be spun-off into GSB, INC. Finally **EFFECTIVE IMMEDIATELY**, all matters concerning the city of Los Angeles Official Police Garage Heavy Duty South Bureau Tow Contract, the California Highway Patrol Rotation Agreement concerning the South Los Angeles Area, and all other operations performed out of the Wilmington location will be spun-off into GSB, INC.

6. Issuance of Shares. U.S. Tow, Inc. is to immediately issue 100,000 shares of GSB, INC. to Gary Bains. This is a tax-free event.
7. **EFFECTIVE IMMEDIATELY** U.S. Tow, Inc. no longer retains any ownership interest in GSB, INC.
8. The Officers and Directors are authorized to perform anything else required to effect the above corporate actions.

There is no further business, the meeting is closed.

  
\_\_\_\_\_  
Rajpal Dhillon, Director

December 14, 2012

  
\_\_\_\_\_  
Gary Bains, Director

December 14, 2012

R, B  
MBD

EXHIBIT 3

*Handwritten signature*

**MINUTES OF SPECIAL MEETING**

**OF THE BOARD OF DIRECTORS**

**OF**

**U.S. TOW, INC.**

**A California Corporation**

A special meeting of the Board of Directors of U.S. Tow, Inc. was held as stated in the by-laws of U.S. Tow, Inc. on July 26, 2012, at 11:30 a.m. The meeting was held at 1940 Lovelace Avenue, Los Angeles, CA 90015. The meeting was held in Mr. Bains' office. All shareholders of U.S. Tow, Inc. (Rajpal Dhillon 170 common shares, Gary Bains 170 common shares) were in attendance.

1. Quorum. A quorum was declared present based on the presence of the following Directors: Rajpal Dhillon, Gary Bains.
2. Election of Chairperson and Secretary. Gary Bains was appointed chairperson of the meeting, and Rajpal Dhillon was appointed secretary to prepare a record of the proceedings.
3. Election of Directors. Rajpal Dhillon and Gary Bains were re-elected as Directors for the terms provided in the bylaws.
4. Election of Officers. The same officers as have been serving will continue to serve in their respective posts.
5. Authorization of Corporate Action. **EFFECTIVE IMMEDIATELY**, the following assets will now be spun-off into RSD TOW, INC.: (1) Truck #29, specifically described as a 2007 Peterbilt with the Vehicle Identification Number 1NPFH07X67N643478, (2) Truck #30, specifically described as a 2011 Dodge 5500 with the Vehicle Identification Number 3D6WA7ELOBG503006, (3) Truck #31, specifically described as a 2006 Ford F-550 with the Vehicle Identification Number 1FDAF56P57EA28602, (4) Truck #32, specifically described as 2006 Ford F-550 with the Vehicle Identification Number 1FDAF56P87EA29162, (5) Truck #33, specifically described as a 2007 Kenworth with the Vehicle Identification Number 2NKMHZ6X77M178275, (6) Truck #34, specifically described as a 2006 Ford F-450 with the Vehicle Identification Number 1FDXF46P56EC33274. Furthermore **EFFECTIVE IMMEDIATELY**, all trade fixtures, tooling, computers, servers, and office furniture located at the Hawthorne location will also be spun-off into RSD, TOW, INC. Finally **EFFECTIVE IMMEDIATELY**, all matters concerning the city of Hawthorne Police Tow Contract, the California Highway Patrol Rotation Agreement concerning the West Los Angeles Area, and all other operations performed out of the Hawthorne location will be spun-off into RSD TOW, INC.
6. Further Authorization of Corporate Action. **EFFECTIVE IMMEDIATELY**, RSD TOW, INC. will have the exclusive right to use the following names in perpetuity:

MJD  
R.D.

"U.S. Tow" and "U.S. Tow Service" and "U.S. Tow / Hawthorne." These above mentioned names may be used as part of RSD TOW, INC.'s name and in connection with all business of whatever kind and character conducted previously or in the future by RSD TOW, INC. U.S. Tow, Inc. has not granted and will not grant to any other person, firm, or corporation the right to use the above designated names.

7. Issuance of Shares. U.S. Tow, Inc. is to immediately issue 50,000 shares of RSD TOW, INC. to Rajpal Dhillon. In addition U.S. Tow, Inc. is to immediately issue 50,000 shares of RSD TOW, INC. to Gary Bains. This is a tax-free event.
8. **EFFECTIVE IMMEDIATELY** U.S. Tow, Inc. no longer retains any ownership interest in RSD TOW, INC.
9. The Officers and Directors are authorized to perform anything else required to effect the above corporate actions.

There is no further business, the meeting is closed.

\_\_\_\_\_  
Rajpal Dhillon, Director

July 26, 2012

\_\_\_\_\_  
Gary Bains, Director

July 26, 2012

MBD  
G.B.  
R.D.

ADDENDUM RELATING TO PURCHASE AGREEMENT

THIS ADDENDUM relating to the "AGREEMENT RELATING TO PURCHASE AND SALE OF STOCK" (the "Agreement") dated January 3, 2013, is entered into by and among **MOSHE BEN DAYAN** (the "Buyer"), **GARY BAINS** aka **GURDIP BAINS** and **RAJPAL DHILLON** (the "Sellers"), and **U.S. TOW, INC.** (the "Corporation").

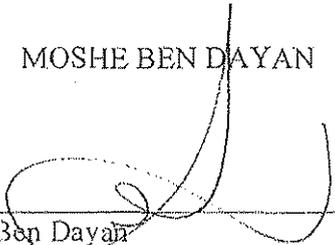
The following conditions modify the above reference Agreement to the extent that they may be inconsistent with the original Agreement. Any conflict between provisions of this Addendum and the Agreement shall be controlled by the provisions of this Addendum.

1. Upon approval of transfer of Newton Division Official Police Garage Contract (the "Contract") by Los Angeles Board of Police Commissioners and/or Los Angeles City Council all leases pertaining to the operation of the Contract will be transferred to Moshe Ben Dayan (doing business as U.S. Tow, Inc).
2. Transfer of all outstanding shares of the Corporation to Moshe Ben Dayan will be performed after approval of transfer of the Contract by the Los Angeles City Council.
3. Upon approval of transfer of the Contract by the Los Angeles Board of Police Commissioners and/or Los Angeles City Council, Moshe Ben Dayan will purchase a bond as required by the City of Los Angeles.
4. Moshe Ben Dayan agrees to provide or procure any and all documents, permits, licenses, and approvals which are required for the performance of the Contract.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum on the dates indicated next to their respective signatures.

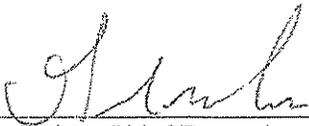
DATE OF ADDENDUM: April 5, 2013

BUYER: MOSHE BEN DAYAN

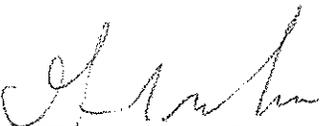
By  \_\_\_\_\_  
Moshe Ben Dayan

4/5/2013  
Dated

CORPORATION: U.S. TOW, INC.

By  4-5-13  
Gary Bains, Chief Executive Officer Dated

SELLER: GARY BAINS

By  4-5-13  
Gary Bains Dated

SELLER: RAJPAL DHILLON

By  4/5/13  
Rajpal Dhillon Dated



## Tip Top Tow Service

March 8, 2013

Detective Benjamin Jones  
Los Angeles Police Department  
Investigation Division  
100 West 1<sup>st</sup> Street, Room 147  
Los Angeles, CA 90012

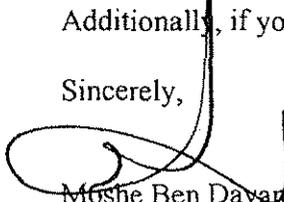
RE: TRANSITION PLAN FOR THE PURCHASE OF U. S. TOW, INC.

Dear Detective Jones:

Enclosed please find a draft of the transition plan submission with respect to my proposed purchase of U.S. Tow, Inc. I have attempted to cover the important elements of the plan, including my extensive experience in the Southern California tow business as well as the transition plan details relative to the site, the equipment and the employees/staff. I have also included my Financial Statement for 2012. I have not included the Live Scans or Police Permits for the U.S. Tow, Inc. tow drivers as part of this draft. They will be included in our final transition plan submission.

If this draft meets with your approval, we will send a final transition plan to you. Additionally, if you have questions, please do not hesitate to contact me.

Sincerely,

  
Moshe Ben Dayan  
President/CEO  
Classic Tow, Inc. dba  
Tip Top Tow Service

**RECEIVED**

**MAR 11 2013**

**COMMISSION INVESTIGATION  
DIVISION**

## **BUSINESS BACKGROUND OF MOSHE BEN DAYAN**

Classic Tow, Inc. dba Tip Top Tow Service was founded in August, 1989 by its President/CEO Moshe Ben Dayan. Mr. Ben Dayan had considerable experience with trucks and equipment in his native Israel, and, upon coming to the United States, identified significant opportunity in the towing industry. Mr. Ben Dayan established Tip Top Tow Service in 1989 and incorporated as Classic Tow, Inc. in September, 1996. The business has operated from its 30,000-square-foot headquarters facility located at 1654 12<sup>th</sup> Street, Santa Monica, CA 90404 since 1991. Mr. Ben Dayan initially leased this site but subsequently purchased it, further committing himself to the tow, storage and lien sales business that he founded in 1989. Tip Top Tow Service is licensed to operate in the State of California under the State of California Department of Motor Vehicles Motor Carrier Permit #0176495 and the State of California Department of Motor Vehicles Pull Notice #M8401 and in the City of Santa Monica under Business License #070078.

Mr. Ben Dayan has made his sole business commitment over the past 23 plus years the operation of Tip Top Tow Service. He has during that time developed the firm into one of the best tow and storage operations in the Southern California region. Mr. Ben Dayan has a wealth of experience in all aspects of the tow business including municipal impound, public agency, contract and general public road service and towing, storage of standard duty vehicles and lien sales. To this day he is a completely "hands-on" operator. For all of the years of his business he has performed all functions associated with a tow and storage operation including driving a tow truck, dispatching tow drivers, releasing vehicles and managing lien sales. This "hands-on" experience has made him an excellent manager, very well able to understand the responsibilities of his employees and the needs of his customers.

During the 23 plus-year period of Mr. Ben Dayan's establishment and ownership of Tip Top Tow Service, the firm has grown to currently include 19 employees and 23 tow units. Additionally, during the firm's entire period of operation, there have never been any official complaints. The headquarters facility of Tip Top Tow Service includes state-of-the-art computer technology which tracks all tow vehicles, a segregated, completely enclosed evidentiary/investigative hold area, state-of-the-art security surveillance and outdoor storage capacity for a maximum of 170 vehicles.

Tip Top Tow Service conducts towing, recovery, storage and emergency roadside service and lien sales operations for a variety of clients including both governmental and private clients. The firm has a history of immediate performance for its clients including the Los Angeles County Metropolitan Transportation Authority with Freeway Service Patrol units which quickly and efficiently respond to that Agency's freeway service needs; the Police Department of the City of Santa Monica with tow units which quickly and efficiently respond to its multifaceted needs including towing, recovery, impound and storage and investigative hold; a number of other governmental clients with similar needs for efficient, quality service; and a group of private clients who have their own requirements which Tip Top Tow Service has for many years met with quality and

integrity. A summary of governmental and private client relationships of Tip Top Tow Service, all of which have been achieved under Mr. Ben Dayan's ownership and management, is as follows:

### **Governmental Affiliations**

Two contracts for Freeway Service Patrol (FSP) services for the Los Angeles County Metropolitan Transportation Authority (Metro) for Beat #9, 405 Freeway Between Rosecrans Avenue and Vermont Avenue; and Beat #10, 405 Freeway between Mulholland Drive and Burbank Boulevard.

Contract with the Department of Police, City of Santa Monica, for general towing of vehicles; towing associated with traffic accidents within the City; Police impounds; parking enforcement towing; and general storage of towed vehicles being held for investigative purposes.

Contract with the State of California Highway Patrol/West Los Angeles Division, for general towing of vehicles and general storage of towed vehicles.

Informal, long-term working arrangement with the U.S. Postal Service/West Los Angeles Garage for general towing and roadside assistance services.

Informal, long-term working arrangement with the U.S. Government General Services Administration for general towing of vehicles from Veterans Administration West Los Angeles properties, private impounds and roadside assistance services.

Informal, long-term working arrangement with the U.S. Federal Bureau of Investigation for general towing and roadside assistance services.

Informal working arrangement with the University of California at Los Angeles (UCLA) Fleet Services for general towing and roadside assistance services.

### **Private Affiliations**

Buerge Motor Car Company for general towing of vehicles including 24-hour tow services, roadside assistance and vehicle storage and release services.

Santa Monica Toyota for general towing and roadside assistance services.

Santa Monica Volkswagen for general towing and roadside assistance services.

Time Warner Cable Co. for general towing and roadside assistance services.

Verizon for general towing and roadside assistance services.

U-Haul Corporation for general towing and roadside assistance services.

The Salvation Army for general towing and the retrieval of donation vehicles.

## **COMPANY PROFILE**

A summary profile of Classic Tow, Inc. dba Tip Top Tow Service is shown on the following page.

## **PURCHASE OF U.S. TOW, INC.**

Moshe Ben Dayan is currently in the process of purchasing U.S. Tow, Inc. Mr. Ben Dayan is purchasing the corporation, but will hold it as a Sole Proprietor. The intention of Mr. Ben Dayan is to continue to operate U.S. Tow, Inc. as an Official Police Garage for the City of Los Angeles. Based upon Mr. Ben Dayan's experience of 23 years as the owner and operator of Tip Top Tow Service and his long-time relationship with the Police Department of the City of Santa Monica during which time Tip Top Tow Service has in effect operated as one of the City's Official Police Garages, the transition of ownership of U. S. Tow, Inc. to Mr. Ben Dayan will be handled in a professional and efficient manner. Moreover, as part of the agreement with the current ownership of U.S. Tow, Inc., one of the existing principals of the firm will remain on site for a minimum two-month period during which the transition will be effectuated.

## **LOCATION**

U.S. Tow, Inc. currently operates from a headquarters facility located at 1940 Lovelace Avenue, Los Angeles, and an ancillary storage facility located at 2119 East 25<sup>th</sup> Street, Los Angeles. As part of the purchase by Mr. Ben Dayan, the headquarters facility will be closed and all operations of the firm including its operation as an Official Police Garage will be consolidated onto the 25<sup>th</sup> Street site.

The property located at 2119 East 25<sup>th</sup> Street consists of two parcels containing a total of approximately 120,813 square feet (2.77 acres) of land and approximately 8,000 square feet of improved building space. Zoning of both parcels is LAM-3, Heavy Industrial. The improved building space, which is a state-of-the-art facility, is currently being painted. It includes separate offices for management, a dispatch area, a computer server room, break room for drivers, kitchen, rest area, locker room, customer reception area, bathrooms, storage area and investigative hold area. There additionally is a service area for vehicles and an auction area. The site contains separate entry and exit areas with gates, complete block wall fencing, security surveillance cameras and lighting and is fully

**COMPANY PROFILE**  
**CLASSIC TOW, INC. dba TIP TOP TOW SERVICE**

|   |   |
|---|---|
| Legal Name:                                   | Classic Tow, Inc. dba Tip Top Tow Service   |
| Address:                                      | 1654 12 <sup>th</sup> Street, Santa Monica, CA 90404  |
| Telephone:                                    | (310) 314-4040  |
| Facsimile:                                    | (310) 392-0719  |
| E-Mail:                                       | tiptoptow@gmail.com   |
| Federal Tax ID:                               | 95-4597839  |
| State of California DMV Motor Carrier Permit: | 0176495   |
| State of California DMV Pull Contract Number: | M8401   |
| City of Santa Monica Business License:        | 070078  |
| Business Organization:                        | S-Corporation; established 9/20/1996; Moshe Ben Dayan, President/CEO; Stephanie McColgan, Vice President  |
| Hours of Operation:                           | Monday – Friday: 8:00 a.m. – 6:00 p.m.<br>Towing Operations: 24 hours per day   |
| Site Description/Ownership:                   | 30,000 square feet of land (4 lots) including 3,000 square feet of office and garages all owned solely by Moshe Ben Dayan, President/CEO          |
| Vehicles/Equipment:                           | 19 tow vehicles; 2 flat-bed vehicles; 2 service vehicles; security and surveillance systems; state-of-the-art computerized dispatch               |
| Personnel:                                    | 14 tow drivers; 1 general manager; 1 assistant manager; 1 finance/administrative manager; 1 dispatcher; 1 service mechanic; total of 19 employees |
| Insurance:                                    | Tow Vehicles: Nova Casualty Co.<br>General Liability: Nova Casualty Co.<br>Workers' Compensation: Explorer Insurance Company                      |

concreted. The site is currently ready for full occupancy and for the transfer of all U.S. Tow equipment now housed at the Lovelace Avenue site.

As noted, the 2119 East 25<sup>th</sup> Street site consists of two parcels totaling approximately 120,813 square feet. The main parcel, consisting of 85,813 square feet, has been leased to U.S. Tow, Inc. since 2003. Mr. Ben Dayan will assume this lease. The original term of the lease was from August 1, 2003 through January 31, 2009, and there are three five-year options. Two years remain on the first option with two more five-year options to follow. Lease termination will be on January 31, 2025. The secondary parcel comprising the site, consisting of 35,000 square feet, has been leased to U.S. Tow, Inc. since 2004. The original term of the lease was from May 5, 2004 through June 4, 2009, and there is one five-year option. One year and three months remain on the option, with lease termination on June 3, 2014. Mr. Ben Dayan will assume this lease and will extend it to coincide with the termination of that of the major parcel on January 31, 2025.

## **EQUIPMENT**

All equipment located at the U.S. Tow, Inc. headquarters facility at 1940 Lovelace Avenue, Los Angeles will be transferred to the property located at 2119 East 25<sup>th</sup> Street, Los Angeles. This includes without limitation all office equipment including servers, computers, printers, cameras, DVRs, the existing telephone system and the existing dispatch system. Because of the transfer of existing servers and computers, there will be no need to re-enter any data. In addition to office equipment, 32 lifts, racks, warehouse cabinetry, lockers and most repair equipment will be transferred to the 2119 East 25<sup>th</sup> Street site. Moreover, sinks, a freezer, refrigerator, coffee maker and ice maker currently in use at 1940 Lovelace Avenue will be transferred to the 2119 East 25<sup>th</sup> Street site.

With respect to heavy equipment, a Caterpillar forklift with eagle claw attachment and a Hyster forklift with eagle claw attachment both will be transferred to the new site. Additionally, seven trucks, all bearing the Official Police Garage shield, will be transferred as follows:

Truck Number 11, 2009 Dodge 5500  
Truck Number 14, 2009 Dodge 5500  
Truck Number 15, 2010 Hino 258  
Truck Number 20, 2005 Kenworth  
Truck Number 22, 2005 Ford F-550  
Truck Number 26, 2006 Kenworth  
Truck Number 27, 2006 Kenworth

It is the intent of the sellers of U.S. Tow, Inc. to provide Mr. Ben Dayan with all office, repair, heavy and tow equipment associated with the business without limitation. Because all equipment is in good working order and has been in previous use by the sellers, the transition from the Lovelace site to the East 25<sup>th</sup> Street site is expected to be seamless.

## **PERSONNEL**

All employees currently working at the U.S. Tow, Inc. headquarters facility at 1940 Lovelace Avenue, Los Angeles, will transfer to the facility located at 2119 East 25<sup>th</sup> Street, Los Angeles. Because of this direct transfer of employees, there will be no need to retrain and/or recheck employees. Additionally, the start-up time at the East 25<sup>th</sup> Street location will be significantly reduced.

Office employees will be as follows:

Richard Lee Kettering II, General Manager  
Bertha Maldonado, Office Manager  
Maricela Hernandez, Daytime Dispatcher  
Alvin Cacabelos, Night Manager and Nighttime Dispatcher  
Pedro Acosta, Back-Up Daytime Dispatcher and Weekend Dispatcher  
Ernest Gonzalez, Weekend Nighttime Dispatcher

Tow drivers will be as follows:

Joseph Rodriguez  
Antonio Bizarron Saucedo  
Carlos Reyes  
Walter Ruckwardt  
Luis Cruz  
Richard Lee Kettering II (Back-Up)  
Pedro Acosta (Back-Up)

Live Scans and Police Commission Permits for each of these drivers are included as Attachment I.

These employees will be under the direct and constant supervision of Moshe Ben Dayan. Mr. Ben Dayan, as President/CEO, will continue to make his sole business commitment the management and operation of his tow businesses.

## **FINANCIAL STATEMENT**

A Financial Statement for Moshe Ben Dayan for 2012 is shown on the following pages.

## **SUMMARY**

The purchase of U.S. Tow, Inc. by Moshe Ben Dayan as Sole Proprietor has been carefully investigated and analyzed by Mr. Ben Dayan. Mr. Ben Dayan believes that the tow industry in Southern California has great potential. Additionally, he has for many years wished to own and operate a tow facility which is an Official Police Garage for the

City of Los Angeles. The purchase of U.S. Tow, Inc. will provide him with the ability to realize both of these opportunities as well as to extend his already considerable experience in the tow industry. By purchasing and relocating the existing equipment and employees of U. S. Tow, Inc. to the firm's existing 2119 East 25<sup>th</sup> Street site, the entire purchase process is simplified and the transition is seamlessly executed. Moreover, the fact that one of the existing principals of U.S. Tow, Inc. will continue to jointly operate the business with Mr. Ben Dayan for a minimum of two months following consummation of the purchase provides an added measure of operational security. Mr. Ben Dayan believes that no tow operator in the Southern California area is more qualified or better suited than he to assume the continued control and operation of U. S. Tow, Inc. as an Official Police Garage for the City of Los Angeles.



## U.S. TOW, INC.

1940 Lovelace Ave. E Los Angeles, CA 90015-4104 E Bus.: (213) 749-7100 E Fax: (213) 749-0272

March 27, 2013

Mr. Richard Tefank, Executive Director  
Police Commission  
Los Angeles Police Department  
100 West 1st Street, Suite 134  
Los Angeles, CA 90012

Dear Mr. Tefank;

This is to inform you that we will be moving our primary Newton Official Police Garage (Contract Number C-106370) location to 2119 E. 25<sup>th</sup> Street, Los Angeles, CA 90058 on April 19, 2013. This location has already been approved as a secondary storage facility.

Thank you for considering this request.

Sincerely,

Rajpal Dhillon

cc: Detective Ben Jones



## Tip Top Tow Service

May 2, 2013

Detective Benjamin Jones  
Los Angeles Police Department  
Investigation Division  
100 West 1<sup>st</sup> Street, Room 147  
Los Angeles, CA 90012

RE: ADDITIONAL INFORMATION REQUESTED AT MEETING OF 4/26/13

Dear Detective Jones:

The following letter contains the additionally requested information relative to the operations of Classic Tow, Inc. dba Tip Top Tow Service and Moshe Ben Dayan resulting from our meeting of 4/26/13.

1. The contact information for our lien sales provider is as follows:  
Pacific Automotive Services, LLC  
14348 Calvert Street  
Van Nuys, CA 91401  
Jay Parille, President  
(818) 906-0118
2. The Certified mail outs for the lien sales of Tip Top Tow Service for January, 2013 are attached to this letter.
3. Our position with respect to the 50% ownership position of Moshe Ben Dayan's wife, Stephanie McColgan, in Santa Monica Body Craft is as follows. We do not consider this ownership position to be a conflict of interest because the firm is located in Santa Monica rather than Los Angeles and is managed strictly by Ms. McColgan and her 50% partner, Stanley Krant. However, we do not want this issue to negate the opportunity of Mr. Ben Dayan to assume the ownership of U.S Tow, Inc. and to continue its operation as an Official Police Garage for the City of Los Angeles. Consequently, if it is determined by the City Attorney that a



## Tip Top Tow Service

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Detective Benjamin Jones  
May 1, 2013  
Page Two of Two

potential conflict does in fact exist, Ms. McColgan will sell her 50% interest to Mr. Krant and the City will be provided with the corroborating documentation. It is our position, however, that such a sale is contingent upon approval by the City and the City Council of Mr. Ben Dayan as the purchaser of U.S. Tow, Inc. and its continued operation as an Official Police Garage for the City of Los Angeles.

We hope that this letter provides answers to the questions raised in our meeting of 4/26/13. Should you require further elaboration, please do not hesitate to let us know.

Sincerely,

Moshe Ben Dayan  
President/CEO  
Classic Tow, Inc. dba  
Tip Top Tow Service