

LOS ANGELES POLICE COMMISSION

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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

August 6, 2013

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

Attention: Public Safety Committee

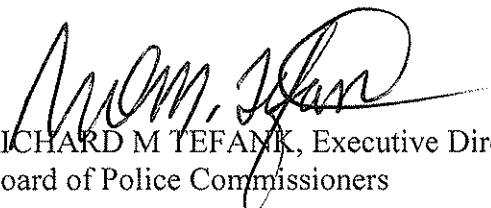
Dear Honorable Members:

RE: COUNCIL FILE 13-0778 RELATIVE TO THE PROPOSED CHANGE IN OWNERSHIP
OF U.S. TOW, INCORPORATED, OFFICIAL POLICE GARAGE FOR SERVICE AREA 13,
TO MOSHE BEN-DAYAN

This matter was heard in the Public Safety Committee on July 26, 2013. The matter was continued pending the applicant, Moshe Ben Dayan, (Ben-Dayan) resolving a conflict of interest with his wife's ownership in Santa Monica Body Craft Center, LLC. On August 2, 2013, Ben-Dayan provided Commission staff with attached documents indicating his wife had divested herself from Santa Monica Body Craft Center, LLC. The documents were submitted to and discussed with the City Attorney's Office. Commission Investigation Division is now recommending approval of the application for transfer of ownership.

Should you have additional questions, please contact Lieutenant Chris Waters, Commanding Officer, Commission Investigation Division, at (213) 996-1230.

Very truly yours,


RICHARD M TEFANK, Executive Director
Board of Police Commissioners

Attachments

Office of the City Clerk, City of Los Angeles

This report was generated by the Council File Management System on 08/06/2013

Council File Number

13-0778

Title

Official Police Garage / Service Area 13 (Newton) / U.S. Tow, Incorporated / Change in Corporate Ownership

Last Change Date

07/26/2013

Expiration Date

07/26/2015

Reference Numbers

Board of Police Commissioners: 13-0198, Contract No. C-106370, Refer Council File: 03-0252

Pending in committee

Public Safety Committee

Initiated by

Board of Police Commissioners

Action History for Council File 13-0778

Date Activity

07/26/2013 Public Safety Committee continued item to/for a future Committee meeting.

07/25/2013 Public Safety Committee scheduled item for committee meeting on July 26, 2013.

06/19/2013 Board of Police Commissioners document(s) referred to Public Safety Committee.

06/19/2013 Document(s) submitted by Board of Police Commissioners, as follows:

Board of Police Commissioner report 13-0198, dated June 18, 2013, relative to a proposed change in the corporate ownership of U.S. Tow, Incorporated, Official Police Garage for Service Area 13 (Newton) to Moshe Ben Dayan.

TIP TOP**TOW SERVICE****SANTA MONICA TOWING & ROADSIDE SINCE 1989**POLICE COMMISSION
COMMISSION INVEST. DIV.
2013 AUG -2 AM 10:47

August 2, 2013

Detective Benjamin Jones
Los Angeles Police Department
Investigation Division
100 West 1st Street, Room #147
Los Angeles, CA 90012

Dear Detective Jones:

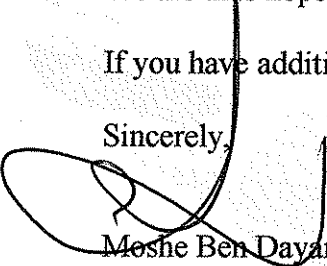
Enclosed please find a copy of the notarized and finalized Purchase Agreement between Stephanie L. McColgan (Seller) and Stanley J. Krant (Buyer) with regard to the Santa Monica Body Craft Center, LLC. This agreement is effective as of August 1, 2013 and represents the sale of Ms. McColgan's 50 percent interest in the Santa Monica Body Craft Center, LLC. Additionally, please find a copy of the Promissory Note which governs the terms and conditions of the payout relative to the aforementioned sale.

In completing this transaction it is our belief that we have satisfied the conditions requested for final approval of our purchase of U.S. Tow, Inc. and its continued operation as an Official Police Garage for the City of Los Angeles.

We have performed in a timely manner such that the approval of our purchase of U.S. Tow, Inc. and assumption of its operation as an Official Police Garage can be expedited. We are thus hopeful that this matter will indeed be expedited.

If you have additional questions or concerns, please do not hesitate to contact me.

Sincerely,



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

AGREEMENT REGARDING PURCHASE AND SALE OF MEMBERSHIP INTEREST

THIS AGREEMENT REGARDING PURCHASE AND SALE OF MEMBERSHIP INTEREST (this "**Agreement**") is made and entered into this 1st day of August, 2013 (the "**Effective Date**"), by and between STANLEY J. KRANT, an individual ("Krant"), and STEPHANIE L. McCOLGAN, an individual ("McColgan") (individually, a "**Party**", and collectively, the "**Parties**").

Recitals

This Agreement is made and entered into with reference to the following facts, each of which by this reference is incorporated into and made a part of this Agreement:

A. McColgan is the owner of a membership interest in Santa Monica Body Craft Center, LLC, a California limited liability company ("SMBCC"), which membership interest represents Fifty Percent (50%) of the total membership interests in SMBCC (the "**Membership Interest**").

B. SMBCC is the sole owner of that certain auto body repair business located at 1665 11th Street, Santa Monica California 90404 and all assets associated therewith.

C. McColgan now desires to sell to Krant, and Krant now desires to purchase from McColgan, the Membership Interest, all upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing Recitals, and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be bound legally, do hereby enter into the following agreement.

Agreement

1. Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, McColgan hereby sells, transfers, conveys, assigns and delivers to Krant, and Krant hereby purchases, acquires, assumes and accepts from McColgan, all of McColgan's right, title and interest in and to the Membership Interest.

2. Purchase Price and Payment. As consideration for McColgan's sale, transfer, conveyance, assignment and delivery of the Membership Interest to Krant, Krant shall pay to McColgan the sum of Two Hundred Fifty Thousand Dollars (\$250,000) (the "**Purchase Price**"). Fifty Thousand Dollars (\$50,000) of the Purchase Price shall be payable by Krant to McColgan in connection with the mutual execution and delivery of this Agreement. The balance of the Purchase Price shall be payable by Krant to McColgan over a forty-eight (48) month term pursuant to the terms of that certain Promissory Note, in the form attached hereto as Exhibit A and by this reference incorporated herein (the "**Note**"),

3. Representations.

3.1 McColgan hereby represents and warrants to Krant:

(a) that she is the sole owner of all right, title and interest in and to the Membership Interest, that she has not previously sold, assigned, conveyed or otherwise transferred all or any part of such right, title and interest and that the Membership Interest is free and clear of all charges, claims, community property interests, conditions, equitable interests, liens, options, pledges, encumbrances, security interests, rights of first refusal and restrictions of any kind, including restrictions on use, voting, transfer, receipt of income or exercise of any other attribute of ownership (except as otherwise set forth in the Operating Agreement of SMBCC);

(b) that to the best of her knowledge there are no pending or threatened actions, arbitrations, audits, hearings, investigations or lawsuits (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted, heard by or before or otherwise involving any federal, state or local governmental or quasi-governmental authority that relate to the Membership Interest; and

(c) that she has all of the right, power and authority to enter into this Agreement and to perform the obligations required to be performed by her under this Agreement without obtaining the consent, permission or authorization of any third parties and that she will not be in breach of or default under any oral or written agreement to which she is a party or by which she is bound by entering into this Agreement and performing the obligations required to be performed by her under this Agreement.

3.2 Krant hereby represents and warrants to McColgan:

(a) that he has all of the right, power and authority to enter into this Agreement and to perform the obligations required to be performed by him under this Agreement without obtaining the consent, permission or authorization of any third parties and that he will not be in breach of or default under any oral or written agreement to which he is a party or by which it is bound by entering into this Agreement and performing the obligations required to be performed by it under this Agreement;

(b) that he is acquiring the Membership Interest for his own account and not with a view to their distribution within the meaning of Section 2(11) of the Securities Act of 1933 or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

4. Indemnification.

4.1 McColgan hereby agrees to indemnify, defend and hold harmless Krant, and his agents, representatives, successors and assigns, from and against any and all claims, demands, lawsuits, judgments, losses, costs, expenses, obligations, damages, recoveries, deficiencies and any and all other liabilities whatsoever, including interest, penalties, attorneys' fees, and costs, that he (or any of them) may incur or suffer which in any way arise or result from or relate to

Handwritten signature and initials, possibly "SM" and "1/2", in the bottom right corner.

McColgan's breach of or failure to perform any of her representations, warranties, covenants or agreements set forth in this Agreement and any such breach or failure in connection with any events which take place or which relate to a period of time before the Effective Date with respect to the Membership Interest.

4.2 Krant hereby agrees to indemnify, defend and hold harmless McColgan, and her agents, representatives, successors and assigns, from and against any and all claims, demands, lawsuits, judgments, losses, costs, expenses, obligations, damages, recoveries, deficiencies and any and all other liabilities whatsoever, including interest, penalties, attorneys' fees, and costs, that she (or any of them) may incur or suffer which in any way arise or result from or relate to Krant's breach of or failure to perform any of his representations, warranties, covenants or agreements set forth in this Agreement and any events which take place or which relate to a period of time after the Effective Date with respect to the Membership Interest.

5. General Provisions. This Agreement supersedes any and all agreements, either oral or written, between the Parties with respect to the subject matter hereof and contains all of the representations, covenants, and agreements between the Parties. Each Party hereby acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any Party, or anyone acting on behalf of any Party, which is not contained in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. Any amendment, modification waiver or discharge of this Agreement will be effective only if it is in writing and signed by all Parties. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way. If any legal action or any arbitration or other proceeding is brought for the interpretation or enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing Party or Parties shall be entitled to recover reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled. This Agreement will be governed by and construed in accordance with the laws of the State of California. Any dispute shall be heard in the court of appropriate jurisdiction in the County of Los Angeles, and the parties hereby consent to in persona jurisdiction therein. This Agreement and each of its provisions shall be binding upon, and shall enure to the benefit of, the heirs, executors, administrators, successors and assigns of each of the Parties. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed an original; such counterparts shall together constitute but one agreement. The electronically scanned or facsimile signatures of the Parties shall be deemed to constitute original signatures, and scanned or facsimile copies hereof shall be deemed to constitute duplicate original counterparts. Certain of the Parties' signatures are affixed hereto in a representative capacity and each of the persons executing this Agreement in such representative capacity hereby represents that he is authorized to execute this Agreement on behalf of, and to bind, the individual or entity on whose behalf his signature is affixed. The Parties agree that no Party shall be deemed to be the drafter of this Agreement and that in the event this Agreement is ever construed by a court of law or equity, such court shall not construe this Agreement or any provision hereof against a Party as the drafter of this Agreement. Each of the Parties hereby


agrees to execute such additional documents and take such further actions as may be reasonably necessary to carry into effect the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement effective as of the date first set forth above.

"MCCOLGAN"


STEPHANIE L. MCCOLGAN

"KRANT"


STANLEY J. KRANT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

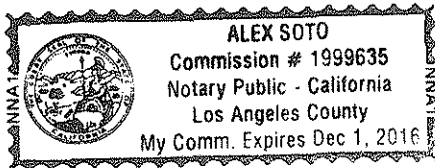
CIVIL CODE § 1189

State of California

County of California

On 8-1-13 before me, Alex Soto, notary public
Date Here Insert Name and Title of the Officer

personally appeared Stephanie L. McColgan and Stanley J. Krant
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Alex Soto
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Agreement regarding Purchase and Sale of Membership Interest

Document Date: _____ Number of Pages: 4

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

☐ Corporate Officer — Title(s): _____ ☐ Corporate Officer — Title(s): _____

☐ Individual ☐ Individual

☐ Partner — ☐ Limited ☐ General ☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact ☐ Attorney in Fact

☐ Trustee ☐ Trustee

☐ Guardian or Conservator ☐ Guardian or Conservator

☐ Other: _____ ☐ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

UNSECURED PROMISSORY NOTE

\$200,000

Los Angeles, CA
August 1, 2013

1. **Promise to Pay.**

FOR VALUE RECEIVED, the undersigned, STANLEY J. KRANT ("**Maker**"), whose address is 2626 Colby Avenue, Los Angeles, California 90064, hereby promises to pay STEPHANIE L. McCOLGAN, and her successors and assigns ("**Holder**"), or order, the sum of Two-Hundred Thousand Dollars (\$200,000) (the "**Principal Sum**"), together with all other amounts added thereto pursuant to this Note or otherwise payable to Holder, together with interest thereon as hereinafter set forth, all payable in lawful money of the United States of America (collectively, the "**Loan**"). Payments shall be made to Holder at 360 11th Street, Santa Monica, California 90402 (or such other address as Holder may thereafter designate in writing to Maker).

2. **Interest.**

So long as no Event of Default (as hereinafter defined) exists, no interest shall accrue on the Principal Sum.

3. **Payments.**

Maker shall repay to Holder the Principal Sum as follows:

\$25,000 six months following execution of this Promissory Note, on or before February 1, 2014 (the "First Payment");

\$25,000 twelve months following execution of this Promissory Note, on or before August 1, 2014 (the "Second Payment");

\$25,000 eighteen months following execution of this Promissory Note, on or before February 1, 2015 (the "Third Payment");

\$25,000 twenty-four months following execution of this Promissory Note, on or before August 1, 2015 (the "Fourth Payment")

\$25,000 thirty months following execution of this Promissory Note, on or before February 1, 2016 (the "Fifth Payment")

\$25,000 thirty-six months following execution of this Promissory Note, on or before August 1, 2016 (the "Sixth Payment")

\$25,000 forty-two months following execution of this Promissory Note, on or before February 1, 2017 (the "Seventh Payment")



\$25,000 forty-eight months following execution of this Promissory Note, on or before August 1, 2017 (the "Final Payment")

(These payments shall be collectively referred to as the "Installment Payments")

4. Maturity Date.

This Note shall be due and payable in full forty-eight (48) months from the execution of this Promissory Note, or August 1, 2017 (the "**Maturity Date**").

5. Prepayments.

Maker shall be permitted to prepay the Loan in whole or in part at any time during the Loan without penalty.

6. Default.

Any of the following shall constitute an "**Event of Default**" under this Note: (a) Maker's failure to pay any of the Installment Payments to Holder under this Note on or by the due date indicated; (b) The making of an assignment for the benefit of creditors by Maker, or any other party liable for the payment of the indebtedness evidenced by this Note, the voluntary appointment (at the request of Maker or any such party or with the consent of Maker or any such party) of a receiver, custodian, liquidator or trustee in bankruptcy of Maker's or any such proceeding under law for relief of debtors; (c) the filing by Maker, or any other party liable for the payment of this Note, of a petition in bankruptcy or other similar proceeding under law for the relief of debtors, or the involuntary petition or a receiver, custodian, liquidator or trustee in bankruptcy of the property of Maker, or any other party liable for the payment of this Note.

7. Remedies.

Upon the occurrence of an Event of Default interest shall accrue throughout any period of default on any sums then owed and outstanding for that period from Maker to Holder at a rate equal to Ten Percent (10%) per annum (the "**Default Interest Rate**") until default is cured. (a) If Default is not cured within thirty (30) days, Holder may, at its option and with written notice, declare this Note (and any and all sums owed by Maker to Holder pursuant to this Note, including, without limitation, the outstanding Principal Sum and all accrued Interest) immediately due and payable; and (b) Holder may pursue all rights and remedies available under this Note or applicable law. Holder's rights, remedies and powers, as aforementioned, are cumulative and concurrent, and may be pursued singly, successively or together against Maker, all at the sole discretion of Holder. Additionally, Holder may resort to every other right or remedy available at law or in equity after exhausting the rights and remedies contained herein. The failure of Holder, for any period of time or on more than one occasion, to exercise its option to accelerate repayment of the Loan prior to the Maturity Date or any other remedy shall not constitute a waiver of the right to exercise the same at any time during the continued existence of any Event of Default or any subsequent Event of Default.

8. Governing Law; Severability.

This Note shall be governed by and construed in accordance with the internal laws of the State of California. The invalidity, illegality or unenforceability of any provision of this Note shall not affect or impair the validity, legality or enforceability of the remainder of this Note, and to this end, the provisions of this Note are declared to be severable.

9. Waiver.

Maker, for itself and all endorsers, guarantors and sureties of this Note, and its heirs, legal representatives, successors and assigns agrees that its respective liability shall be unconditional and without regard to the liability of any other party and shall not be in any manner affected by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Holder. Maker, for itself and all endorsers, guarantors and sureties of this Note and legal representatives, successors and assigns, hereby consents to every extension of time, renewal, waiver or modification that may be granted by Holder with respect to the payment or other provisions of this Note, and to the release of any makers, endorsers, guarantors or sureties and its legal representatives, successors and assigns, or any part hereof, with or without substitution, and agrees that additional makers, endorsers, guarantors or sureties and their heirs, legal representatives, successors and assigns, may become parties hereto without notice to Maker or to any endorser, guarantor or surety and without affecting the liability of any of them.

10. Amendments.

This Note may not be terminated, canceled, modified or amended orally. Any such termination, cancellation, modification or amendment to this Note must be in writing and signed by Holder.

11. Lawful Rate of Interest.

If, from any circumstances whatsoever, fulfillment of any provision of this Note shall involve exceeding the lawful rate of interest which a court of competent jurisdiction may deem applicable hereto (the "Excess Interest"), then the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under such law and if, for any reason whatsoever, Holder shall receive, as interest, an amount which would be deemed unlawful under such applicable law, such interest shall be applied to the Loan (whether or not due and payable), and not to the payment of interest, or refunded to Maker if the Loan has been paid in full. Neither Maker nor any guarantor, endorser or surety nor any of its legal representatives, successors or assigns shall have any action against Holder for any damages whatsoever arising out of the payment or collection of any such Excess Interest.

12. Time of Essence.

Time is of the essence of this Note and the performance of each of the covenants and agreements contained herein.

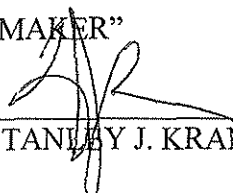


13. **Consent to Jurisdiction.**

MAKER HEREBY SUBMITS AND CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENTS. MAKER HEREBY IRREVOCABLY AGREES THAT, SUBJECT TO HOLDER'S ELECTION, ALL ACTIONS OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE SHALL BE LITIGATED IN SUCH COURTS.

IN WITNESS WHEREOF, Maker has executed this Note as of the Effective Date at Los Angeles, California.

"MAKER"



STANLEY J. KRANT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

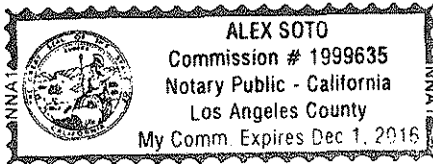
CIVIL CODE § 1189

State of California

County of Los Angeles

On 8-1-13 before me, Alex Soto, notary public
Date Here Insert Name and Title of the Officer

personally appeared Stanley J. Krant
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~ she/they executed the same in ~~his~~ her/their authorized capacity(ies), and that by ~~his~~ her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Alex Soto
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Unsecured Promissory Note

Document Date: _____ Number of Pages: 4

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____ ☐ Corporate Officer — Title(s): _____

☐ Individual ☐ Partner — ☐ Limited ☐ General ☐ Individual ☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact ☐ Attorney in Fact

☐ Trustee ☐ Trustee

☐ Guardian or Conservator ☐ Guardian or Conservator

☐ Other: _____ ☐ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____
