



VIA FACSIMILE (530) 757-7102 – CERTIFIED MAIL/RETURN RECEIPT

June 2, 2014

Steve Pierce
City of Davis
2600 Fifth Street
Davis, CA 95618

RE: Worker: [REDACTED] JA
Prime Contractor: American Traffic Solutions, Inc.
Project: Redlight Photo Enforcement Program
FFC Case No.: 1030SAC

Dear Mr. Pierce:

Per Civil Code Section 8500 et seq., please withhold monies in accordance with the enclosed stop notice filed by a worker on the above project. **The Stop Payment Notice supersedes any and all previous Stop Payment Notices filed by the above worker on this project.** Please retain said monies until a formal release is filed by the claimant. These matters are currently under investigation.

"Notice of claim" means any written or oral notification to an insurer or its agent that reasonably apprises the insurer that the claimant wishes to make a claim against a policy or bond issued by the insurer and that a condition giving rise to the insurer's obligations under that policy or bond may have arisen. For purposes of these regulations the term "notice of claim" shall not include any written or oral communications provided by an insured or principal solely for information or incident reporting purposes.

We will keep you informed of the status of this claim. Please call with questions, comments, or clarifications.

Sincerely,

Bryan Berthiaume
Executive Director

Enclosures

Case: 1030SAC

cc: [REDACTED] Ja [REDACTED]

James D. Tuton – American Traffic Solutions, Inc. – Fax: (480) 607-0901 – Certified Mail/Return Receipt

FOUNDATION FOR FAIR CONTRACTING
3807 Pasadena Avenue, Suite 150 – Sacramento, CA 95821
(916) 487-7871 – Fax (916) 487-0306
www.ffccalifornia.com

STOP PAYMENT NOTICE — PUBLIC WORKS
LEGAL NOTICE TO WITHHOLD CONSTRUCTION FUNDS
(CA CIVIL CODE " 8044, 9350 et seq.)

TO: PUBLIC ENTITY (CA Civ. Code §§ 8036, 9354) DIRECT CONTRACTOR (CA Civ. Code § 8018) CONSTRUCTION LENDER, if any (CA Civ. Code § 8006)

NAME: City of Davis American Traffic Solutions
ADDRESS: 2800 Fifth Street 7681 East Gray Road
Davis, CA 95618 Scottsdale, AZ 85260

YOU ARE HEREBY NOTIFIED THAT (Claimant):

Name (Use correct legal name): [Redacted] Ja [Redacted]
Address: [Redacted] CA [Redacted]
Relationship to the parties of the one giving this notice (subcontractor, supplier, describe if otherwise): Worker

HAS FURNISHED WORK, LABOR, SERVICES, EQUIPMENT OR MATERIAL OF THE FOLLOWING GENERAL DESCRIPTION:

Labor

FOR THE BUILDING, STRUCTURE OR OTHER WORK OF IMPROVEMENT LOCATED AT THE FOLLOWING ADDRESS OR SITE OTHERWISE DESCRIBED SUFFICIENTLY FOR IDENTIFICATION:

Address: Various locations
or Description: Redlight photo Enforcement Program

THE PERSON OR FIRM TO WHOM SUCH WORK, LABOR, SERVICES, EQUIPMENT OR MATERIAL IS PROVIDED:

Name: American Traffic Solutions, Inc.
Address: 7681 East Gray Road - Scottsdale, AZ 85260

THE VALUE OF THE WHOLE AMOUNT OF WORK, LABOR, SERVICES, EQUIPMENT AND/OR MATERIALS TO BE PROVIDED IS:

Amount: \$ 32,001.98

THE VALUE OF WORK, LABOR, SERVICES, EQUIPMENT OR MATERIAL PROVIDED TO DATE IS:

Amount: \$ 32,101.98

CLAIMANT HAS BEEN PAID THE SUM OF \$ 12,500.00
AND THERE REMAINS UNPAID AFTER DEDUCTING ALL JUST CREDITS AND OFFSETS THE SUM OF \$ 19,601.98
TOGETHER WITH INTEREST AT THE RATE OF 10 % PER ANNUM, FROM May 29, 2014 (date).

UNDER CALIFORNIA CIVIL CODE § 9358 YOU ARE REQUIRED TO SET ASIDE SUFFICIENT FUNDS TO SATISFY THIS CLAIM WITH INTEREST, COURT COSTS AND REASONABLE COSTS OF LITIGATION, AS PROVIDED BY LAW. YOU ARE ALSO NOTIFIED THAT CLAIMANT CLAIMS AN EQUITABLE LIEN AGAINST ANY CONSTRUCTION FUNDS FOR THIS PROJECT WHICH ARE IN YOUR HANDS.

DATE: May 29, 2014 NAME OF CLAIMANT: [Redacted] Ja [Redacted]

BY: [Redacted Signature] (Signature of Claimant or Authorized Agent)

VERIFICATION

I, [Redacted] Ja [Redacted], state: I am the (Owner, President of, Authorized Agent of, Partner of, etc.) the claimant named in the foregoing STOP PAYMENT NOTICE — PUBLIC WORKS. I have read said STOP PAYMENT NOTICE — PUBLIC WORKS and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 29, 2014 (date), at [Redacted] (City), CA (State).

[Redacted Signature] (Signature of Claimant or Authorized Agent)

Police Department

2600 Fifth Street - Davis, California 95618-7718

Business: (530) 747-5400 - Fax: (530) 757-7102 - TDD: (530) 757-5666

Administration: (530) 747-5405 - Investigations: (530) 747-5430

www.davispd.org



June 12, 2014

American Traffic Solutions
1330 W. Southern Ave, Suite 101
Tempe AZ 85282
Attn: Bose Adewusi
Via: Fax (480)922-5527 and Certified Mail/Return Receipt

SUBJECT: Stop Payment Notice received by Davis Police Department

Dear Ms. Adewusi:

On June 9, 2014 Davis Police Department (red light camera customer ID DAVIS002) received the attached Stop Payment Notice filed by Foundation for Fair Contracting on behalf of worker Ja [REDACTED]

We are unaware of any project that would affect us and request that you look into this and respond to us within ten days of receipt of this letter.

Thank you,

A handwritten signature in black ink that reads "Jim Ivler".

Jim Ivler
Public Safety Business Manager

Cc: Linda Beck, City Attorney



BEST BEST & KRIEGER
ATTORNEYS AT LAW

Indian Wells
(760) 568-2611
Irvine
(949) 263-2600
Los Angeles
(213) 617-8100
Ontario
(909) 989-8584

500 Capitol Mall, Suite 1700, Sacramento, CA 95814
Phone: (916) 325-4000 | Fax: (916) 325-4010 | www.bbklaw.com

Riverside
(951) 686-1450
San Diego
(619) 525-1300
Walnut Creek
(925) 977-3300
Washington, DC
(202) 785-0600

Linda R. Beck
(916) 551-2084
linda.beck@bbklaw.com
File No. 82506-01000

July 16, 2014

VIA EMAIL BOSE.ADEWUSI@ATSOL.COM

Bose Adewusi
American Traffic Solutions
1330 W. Southern Ave., Suite 101
Tempe, AZ 85282

Re: City of Davis - Traffic Violation Detection Equipment Contract

Dear Ms. Adewusi:

This firm represents the City of Davis. Please send any further communication on this matter to me at the address above.

In an email dated June 16, 2014, Jim Ivler sent you a Stop Payment Notice served on the City claiming American Traffic Solutions (ATS) owed unpaid wages to [REDACTED] J[REDACTED]. I enclose another copy of the document for your convenience. The principal amount of the claim is \$19,601.98. The City received no response from ATS on the issue.

By law, the City is required to retain funds that would otherwise be due to ATS in an amount sufficient to satisfy the claim and the City's litigation expenses related to that claim. Civil Code Section 9358. Accordingly, the City will not be releasing further payment to your firm until it has the required amount or the claim is resolved. The City will hold the funds until it receives a notarized release from the claimant, a stop notice release bond, or court order directing the City to release the funds.

The City's contract with ATS requires ATS to defend and indemnify the City from any claims arising from or related to prevailing wage issues. See Section 5.2. The City of Davis hereby tenders its defense and demands indemnity from ATS in connection with the stop payment notice claims. Please confirm in writing no later than five days from the date of this letter ATS's acceptance of the City's tender.



BEST BEST & KRIEGER
ATTORNEYS AT LAW

Bose Adwasi
July 16, 2014
Page 2

If you have questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Linda R. Beck'.

Linda R. Beck
of BEST BEST & KRIEGER LLP

LRB:bjs

Enclosure

cc: Jim Ivler
Harriet Steiner

82506.01000\9094418.1



500 Capitol Mall, Suite 1600
Sacramento, California 95814
main 916.447.0700
fax 916.447.4781
www.stoel.com

August 11, 2014

ANTHONY J. DECRISTOFORO
Direct (916) 319-4670
ajdecristoforo@stoel.com

VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Steve Pierce
City of Davis
2600 Fifth Street
Davis, CA 95618

Re: American Traffic Solutions, Inc. [REDACTED] Ja [REDACTED] Stop Payment Notice

Dear Mr. Pierce:

We represent American Traffic Solutions, Inc. ("ATS"). Pursuant to California Civil Code § 9400 et seq., ATS hereby serves an affidavit demanding the release of any and all funds that have been withheld improperly as the result of the Stop Payment Notice filed by [REDACTED] Ja [REDACTED] on or about June 2, 2014.

Thank you for your courtesy and cooperation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Anthony J. DeCristoforo".

Anthony J. DeCristoforo
AJD:ipc

cc: Bryan Berthiaume, Foundation for Fair Contracting
Linda R. Beck, Esq.

**Affidavit of Raymond L. Pedrosa In Response To Stop Payment Notice Filed By [REDACTED]
J: [REDACTED] and Requesting the Release of Funds To American Traffic Solutions**

I, Raymond L. Pedrosa, hereby declare under penalty of perjury the following:

1. I am a Senior Account Manager for American Traffic Solutions, Inc. ("ATS"). I have personal knowledge of the facts stated herein, and if called as a witness, could and would testify truthfully and competently thereto. This affidavit is submitted pursuant to California Civil Code section 9400, et seq.

2. ATS is a corporation duly registered under the laws of the State of Kansas. Its registered agent for service of process is Corporation Service Company, 2900 SW Wanamaker Drive, Suite 204, Topeka, Kansas 66614. Its principal place of business is 1330 W. Southern Avenue, Suite 101, Tempe, Arizona 85258. For purposes of service within this state in connection with this matter, ATS can be contacted through its attorney, Anthony DeCristoforo, Stoel Rives LLP, 500 Capitol Mall, Suite 1600, Sacramento, CA 95814.

3. ATS has received a copy of a Stop Payment Notice ("Notice") purportedly filed with the City of Davis ("City") on behalf of a former ATS employee named [REDACTED] Ja [REDACTED]. The Notice directed the City to set aside the amount claimed, plus interest and certain costs, from amounts to be paid by the City to ATS for services related to the City's red light camera program. A true and correct copy of the Notice is attached hereto as **Exhibit 1**.

4. The Notice identifies Mr. Ja [REDACTED] as a "worker" for ATS who has furnished "labor" for the red light photo enforcement program. The Notice does not indicate the specific basis for Mr. Ja [REDACTED]'s claim. It simply states, in conclusory terms, that there is the unpaid amount of \$19,601.98 (plus interest) owed to Mr. Ja [REDACTED]. There is no indication as to how this amount is computed. However, based upon the form of the Notice, ATS assumes that Mr. Ja [REDACTED] claims that the red light camera program is a public works project subject to California's prevailing wage laws. If Mr. Ja [REDACTED] is advancing this claim, ATS alleges that the red light camera program is not a public works project. As detailed below, any maintenance or other work performed by Mr. Ja [REDACTED] on ATS' behalf in connection with the program is incidental to the true purpose of ATS' agreement with the City, which is to provide red light monitoring and enforcement services to the City.

5. Mr. Ja [REDACTED] was employed as a Field Service Technician for ATS from February 1, 2010 to April 2, 2014. Mr. Ja [REDACTED]'s duties included performing maintenance work on the cameras and other components of the photo enforcement systems. Mr. Ja [REDACTED]'s rate of pay was \$20 per hour and he was paid the appropriate overtime rate for work he performed in excess of eight hours in a day or 40 hours in a week, as required by state and federal law. Mr. Ja [REDACTED] was not paid the prevailing wage rate because the red light photo program was not and is not a public works project.

6. Pursuant to the statutory provisions applicable to stop payment notices, the term “public works contract” has the meaning provided in Section 1101 of the California Public Contract Code. (Civil Code section 8038.) Under Public Contract Code section 1101, “public works contract” means an agreement for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind. The agreement between the City and ATS is not a public works contract as that term is defined in Public Contract Code section 1101. First, the agreement is for the provision of services relating to the red light camera program, rather than for the erection, construction, alteration, repair or improvement of a public structure, building, road, or other public improvement. Second, Public Contract Code section 1101 requires the relevant work to be on a public structure, building, road, or other public improvement. The maintenance work performed by Mr. Ja [redacted] on the cameras does not represent work on any public structure. The cameras are owned by ATS. Thus, Mr. Ja [redacted] performed maintenance on ATS’ privately-owned cameras and related components. Upon the end of the Agreement’s term, the cameras will be removed and retained by ATS.

ATS’ Agreement With the City for Services Related To Monitoring of Red Light Traffic Violations.

7. In 2005, Nestor Traffic Systems, Inc. (“Nestor”) entered into a Lease & Services Agreement (“Agreement”) with the City to provide a broad range of services related to the monitoring of red light traffic violations. A true and correct copy of the Agreement is attached hereto as **Exhibit 2**. This Agreement was amended in part on April 7, 2009 (the “2009 Amendment”), which is attached hereto as **Exhibit 3**. On or about September 10, 2009, ATS entered into an Asset Purchase Agreement with the receiver for the Receivership Estate of Nestor, in which ATS was assigned certain of Nestor’s executory contracts, including the Agreement.

8. The City entered into the Agreement to use a traffic signal violation detection system to monitor red light violations, traffic speed and other traffic movements and to issue citations for traffic violations.

9. Exhibit A of the Agreement sets forth the services to be provided under the Agreement. Those services include:

- User training and support;
- Citation preparation and processing services;
- Public education campaign;
- Expert witness testimony and court training;
- A violation review station;
- Regular reporting to the City; and

- Regular meetings with the City.

10. The City makes payments for the services contemplated by Agreement as provided in the 2009 Amendment.

Assuming Mr. Ja [REDACTED] Is Claiming The Agreement is for a Public Works Project, Mr. Ja [REDACTED] Is Incorrect Because The Agreement Is For Services.

11. Under the Agreement, ATS does perform maintenance to its cameras and related equipment in order to carry out the objectives of the Agreement. Mr. Ja [REDACTED] performed maintenance work on red light cameras under the Agreement.

12. This maintenance work does not constitute an "improvement to a public structure, building, road or other public improvement," as required in order to fall under the definition of "public works contract" for purposes of the stop notice law. The maintenance work performed by Mr. Ja [REDACTED] was to camera systems and related equipment owned by ATS, not the City.

13. Additionally, even assuming the cameras owned by ATS were a public structure, building, road or other public improvement, California law clearly dictates that where a contract specifies that payments made by a public entity are for operational services rather than maintenance, the maintenance is not a "public work." See *McIntosh v. Aubry*, 14 Cal.App.4th 1576, 1586 (1993) (superseded by statute on other grounds) (holding that construction of a residential care facility was not a "public work" where the payment of public funds was made for later operational services, not construction).

16. The City did not enter into the Agreement to have Nestor/ATS perform maintenance work on public property, such as a city office. The City entered into the Agreement for Nestor/ATS, to monitor red light violations and to assist with the issuance of citations for traffic violations.

Even Assuming The Agreement Is For A Public Works Project, Mr. Ja [REDACTED] Has Not Provided Basis for the Amount of His Claim.

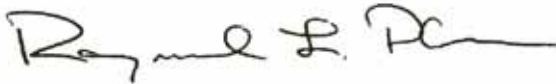
17. Mr. Ja [REDACTED] claims that the value of the work he provided was \$32,101.98, that he was paid the sum of \$12,500.00, leaving an unpaid balance of \$19,601.98. There is no basis provided for the amount of this claim. Mr. Ja [REDACTED] has provided no information as to the rate of pay he should have received if the Agreement was a public works contract, nor the number of hours he claims to have worked pursuant to the Agreement for which he was not paid the appropriate wage. Without this detail, it is impossible to evaluate Mr. Ja [REDACTED]'s claim.

Demand For The Release of All Funds That Are Being Withheld Pursuant To Mr. Ja [REDACTED]'s Stop Payment Notice.

Pursuant to Civil Code section 9402(b), ATS hereby demands the release of all of the funds that are being withheld improperly pursuant to the Notice.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true to the best of my knowledge.

Signed on August 6, 2014 at Los Angeles County California

A handwritten signature in black ink, appearing to read "Raymond L. Pedrosa". The signature is fluid and cursive, with a long horizontal stroke at the end.

Raymond L. Pedrosa
American Traffic Solutions
[Name of Affiant]

EXHIBIT 2

NESTOR TRAFFIC SYSTEMS, INC.

CITY OF

DAVIS, CALIFORNIA

TRAFFIC SIGNAL VIOLATION VIDEO-ENFORCEMENT SYSTEM

LEASE & SERVICES AGREEMENT

This AGREEMENT (the "Agreement") made this 1st day of August, 2005, by and between Nestor Traffic Systems, Inc., a Delaware corporation, having a place of business at 400 Massasoit Avenue, Suite 200, East Providence, RI 02914 ("Nestor"), and the City of Davis, a municipal corporation of the State of California, having an address of 23 Russell Boulevard, Davis, CA 95616 (the "Municipality" and together with Nestor, the "Parties" and each singularly a "Party").

WHEREAS, the Municipality has issued a request for proposals dated November 8, 2004 (the "Request for Proposals"); and

WHEREAS, Nestor submitted on November 19, 2004, a Proposal (the "Proposal") in response to the Request for Proposals; and

WHEREAS, the Parties desire to enter into this Agreement, whereby Nestor will:
(i) install and assist the Municipality in the administration and operation of a traffic signal violation detection system (the "System") at the intersections located within the Municipality indicated on Exhibit A attached hereto and by this reference incorporated herein, and provide to the Municipality the services (the "Services"), all as more fully described on Exhibit A; and
(ii) in connection with the Services, license certain software and lease certain equipment to the Municipality; and

WHEREAS, on August 1, 2005, the City Council duly set a public hearing to be held on August 1, 2005, pursuant to Section 21455.6 of the California Vehicle Code, by giving notice by publication in a newspaper of general circulation, to consider entering into an agreement with Nestor Traffic Systems, Inc. for a Traffic Signal Violation Video-Enforcement System; and

WHEREAS, on August 1, 2005, the City Council held a public hearing pursuant to Section 21455.6 of the California Vehicle Code to consider entering into an agreement with Nestor Traffic Systems, Inc., for a Traffic Signal Violation Video-Enforcement System, and all persons who wished to speak were provided an opportunity to do so at the public hearing.

NOW, THEREFORE, the Parties, intending to be legally bound, agree as follows:

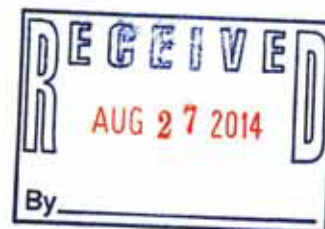
1. SERVICES

1.1 Nestor shall provide to the Municipality the Services described in Exhibit A, which generally include:

EXHIBIT 3

DONAHOO & ASSOCIATES
ATTORNEYS

440 W. First Street, Suite 101
Tustin, California 92780
Telephone (714) 953-1010
Facsimile (714) 953-1777



August 21, 2014

Via Certified Mail/Return Receipt Requested 7013 2250 0001 7328 1572

Steve Pierce
City of Davis
2600 Fifth Street
Davis, CA 95618

Re: [REDACTED] Ja [REDACTED] Stop Notice

Dear Mr. Pierce:

We represent [REDACTED] Ja [REDACTED] in connection with his claims against American Traffic Solutions, Inc. ("ATS"). Pursuant to California Civil Code § 9400 et seq., Mr. Ja [REDACTED] provides the attached counter affidavit in response to the contractor's affidavit submitted on or about August 11, 2014. Mr. Ja [REDACTED] serves this counter affidavit demanding the City of Davis withhold funds as required under the Civil Code as a result of the Stop Notice filed by Mr. Ja [REDACTED] on or about June 2, 2014.

If you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

DONAHOO & ASSOCIATES

A handwritten signature in black ink, appearing to read "Richard E. Donahoo", written over the typed name.

Richard E. Donahoo

RED:ku

CC: Bryan Berthiaume, Foundation for Fair Contracting
Anthony J. DeCristoforo, Steel Rives LLP

Enclosures

1 COUNTERAFFIDAVIT OF [REDACTED] JA [REDACTED]

2 **City of Davis Project**

3 In Re Release of Stop Notice Funds Pursuant to Civil Code Section 9400 et seq.

4
5 I, [REDACTED] Ja [REDACTED] declare as follows:

6 I am an individual over the age of eighteen and a resident of the State of California. The
7 following facts are based on my personal knowledge or upon information that I am informed and
8 believe to be true. If called as a witness I could and would testify to the following:

9 1. I am a former employee of American Traffic Solutions (“ATS”) employed from on or
10 about February 2010, to on or about April 04, 2014. During my employment I was employed as
11 by ATS performing work in execution of public works projects in the State of California,
12 including but not limited to a public works project for the City of Davis known as Traffic System
13 Camera Enforcement- Various Locations (the “Project”). This project and other ATS projects
14 where I worked for ATS involved the installation and/or repair and maintenance of Red Light
15 Camera Enforcement equipment as part of public entities’ traffic enforcement programs. I
16 performed work on the Project during my employment with ATS. My work on the Project
17 occurred on dates between on or about February 2010, and on or about April 04, 2014.

18 2. I performed the work of an Electrician on the Project, including but not limited to the
19 repair and maintenance of the Red Light Camera Enforcement Systems equipment. I was not
20 paid the prevailing wage rate of Electrician (Inside Wireman) during my employment on the
21 Projects. I was paid \$20 per hour, much less than the applicable prevailing wage rate for an
22 Inside Wireman which I am informed was set by the State of California was \$51.36 per hour.

23 3. I have read the Declaration of Raymond L. Pedrosa, Senior Account Manager for
24 American Traffic Solutions, Inc. (“ATS”) in support of releasing the funds held by my stop
25 notice. ATS acknowledges that I was not paid prevailing wages in compliance with California’s
26 Prevailing Wage Law (“PWL”). ATS asserts that I was not paid prevailing wages because it
27 alleges that such projects, including this project, are not public works.

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1 4. However, under the Labor Code, such projects are public works. This issue has been
2 decided by the Department of Industrial Relations, the State agency that I am informed
3 determines prevailing wage coverage. A coverage opinion was issued by the DIR on January
4 31, 2012 holding that another similar project performed by ATS is a public work. ATS brought
5 an administrative appeal. In the appeal, the State of California Department of Industrial
6 Relations affirmed the determination.

7 5. Attached hereto as Exhibit A is the DIR's January 31, 2012 coverage determination.
8 Attached hereto as Exhibit B is the DIR's August 16, 2012 Decision on Administrative Appeal
9 Re Public Works Case No. 2011-028. For the reasons stated in these decisions, incorporated
10 herein, the Project is a public work under the Labor Code requiring payment of prevailing wages.

11 6. Attached hereto as Exhibit C and incorporated herein is Wage Determination YOL-2008-
12 2 which I am informed and believe is the applicable prevailing wage determination for the
13 Project. According to the wage determinations, that hourly rate of pay for Inside Wireman,
14 Technician was \$51.36 for Straight Time ("ST"), \$71.32 for Saturday and Overtime ("OT") and
15 \$91.29 for Double Time ("DT"). Attached as Exhibit D and incorporated herein are what I am
16 informed and believe are applicable Scope of Work Provisions for the Inside Wireman
17 classification.

18 7. I was only paid \$20.00 per hour for straight time, \$30.00 for overtime and \$40.00 for
19 double time for my work on the Project.

20 8. I am familiar with the hours I worked on the Project. My estimate of my hours worked
21 on the Project is 550.8 ST hours, 43.5 OT hours and 4.5 DT hours.

22 9. I am familiar with the method used to calculate the amount of my Stop Notice which was
23 to multiply the hours that I worked with the applicable hourly prevailing wage rate for Inside
24 Wireman and reduce the amount by the rate that I was paid. Utilizing this method and the above
25 amounts and rates, including Determination footnote O, the Stop Notice amount was calculated
26 to be \$19,601.98. This amount is only wages owed and does not include penalties, interest or
27 attorneys' fees.

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10. I request that the amounts withheld not be released to ATS and request all applicable statutory notices.

I declare the foregoing under the penalty of perjury under the laws of the state of California this 20th day of August, 2014 at [REDACTED] California.

[REDACTED]
[REDACTED] Ja [REDACTED]

EXHIBIT A

EXHIBIT A

DEPARTMENT OF INDUSTRIAL RELATIONS

Office of the Director - Legal Unit
455 Golden Gate Avenue, Ste. 9516
San Francisco, CA 94102
Tel: (415) 703-4240
Fax: (415) 703-4277

MAILING ADDRESS:

P. O. Box 420603
San Francisco, CA 94142-0603



January 31, 2012

Anthony J. DeCristoforo
Stoel Rives LLP
500 Capitol Mall, Suite 1600
Sacramento, California 95814

Re: Public Works Case No. 2011-028
American Traffic Solutions
Axis Red Light Camera Enforcement Systems
City of South San Francisco

Dear Mr. DeCristoforo:

This constitutes the determination of the Director of Industrial Relations regarding coverage of the above-referenced project under California's prevailing wage laws pursuant to section 16001(a) of title 8 of the California Code of Regulations. Based on my review of the facts of this case and an analysis of the applicable law, it is my determination that the installation and maintenance work performed in connection with the American Traffic Solutions' (ATS) Axis Red Light Camera Enforcement Systems (Camera Systems) is public work subject to prevailing wage requirements.

Facts

In February 2006, the City of South San Francisco (City) began to explore the benefits of a "Red Light Camera Enforcement System" as authorized by California Vehicle Code (VC) section 21455. After receiving presentations from potential vendors ATS and Redflex Traffic System, Inc., City chose ATS.

City and ATS entered into a Professional Services Agreement (Agreement) effective October 6, 2006. The term of the Agreement is for five years from the date of the first issued and payable notice of violation and may be automatically extended for an additional five year term.

Pursuant to the Agreement, ATS agrees, among other things, to install and to maintain ATS' Camera Systems¹ at intersections to be agreed upon between City and ATS. Specifically, the Agreement provides in Exhibit A, ATS Scope of Work, as follows:

¹ The Agreement defines "Twin Camera System" to mean "a photo-traffic monitoring device consisting of one (1) front and one (1) rear camera and a traffic monitoring device capable of accurately detecting a traffic infraction on up to four lanes controlled by up to one (1) signal phase and which records such data with one or more images of such vehicle. "Twin Camera Systems" shall, where the sense requires, also include any enclosure or cabinet and related appurtenances in which the Axis is stationed."

EXHIBIT B

EXHIBIT B

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS

DECISION ON ADMINISTRATIVE APPEAL

RE: PUBLIC WORKS CASE NO. 2011-028

AMERICAN TRAFFIC SOLUTIONS
AXSIS RED LIGHT CAMERA ENFORCEMENT SYSTEMS
CITY OF SOUTH SAN FRANCISCO

I. INTRODUCTION

On January 31, 2012, the Director of the Department of Industrial Relations (Department) issued a public works coverage determination (Determination) in the above-referenced matter finding that the installation and maintenance work performed in connection with the American Traffic Solutions' (ATS) Axis Red Light Camera Enforcement Systems (Camera Systems) in the City of South San Francisco (City) is public work subject to prevailing wage requirements.

On February 29, 2012, ATS timely filed a notice of appeal of the Determination pursuant to section 16002.5 of title 8 of the California Code of Regulations (Appeal). All interested parties were given an opportunity to provide position statements concerning the Appeal. None were received.

The arguments submitted by ATS have been carefully considered. For the reasons set forth below and in the Determination, which is incorporated herein, the Appeal is denied and the Determination affirmed.

II. DISCUSSION

A. The Determination Correctly Found That Installation Of The Axis Red Light Camera Enforcement System Is Public Work Subject To Prevailing Wage Requirements.

ATS argues on appeal, as it has throughout the administrative proceedings, that the installation of the Camera Systems is merely incidental to the provision of services and

EXHIBIT C

EXHIBIT C

SUPERSEDED AS OF 3/4/2009

GENERAL PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS
 PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773 AND 1773.1
 FOR COMMERCIAL BUILDING, HIGHWAY, HEAVY CONSTRUCTION AND DREDGING PROJECTS

LOCALITY: YOLO COUNTY
 DETERMINATION: YOL-2008-2

	CRAFT (JOURNEY LEVEL)	ISSUE DATE	EXPIRATION DATE	BASIC HOURLY RATE	HEALTH AND WELFARE	PENSION	VACATION/HOLIDAY	TRAINING	EMPLOYER PAYMENTS			STRAIGHT-TIME			OVERTIME HOURLY RATE		
									OTHER PAYMENTS	HOURS	TOTAL HOURLY RATE	DAILY	SATURDAY	SUNDAY AND HOLIDAY			
#	BRICKLAYER, BLOCKLAYER, STONEMASON	8/22/2008	04/30/2009**	A 30.480	8.720	5.300	B 2.500	0.550	C 0.650	D 8.0	48.200	E 64.690	E 64.690	E 64.690	E 64.690	E 81.180	
#	POINTER, CLEANER, CAULKER, WATERPROOFER	8/22/2008	05/30/2009*	A 33.180	8.820	4.900	F -	0.750	0.400	D 8.0	48.050	G 64.640	G 64.640	G 64.640	G 81.230		
#	BRICK TENDER	8/22/2007	06/30/2008*	H 26.910	5.540	5.110	F -	0.340	-	D 8.0	37.900	E 51.350	E 51.350	E 51.350	E 64.810		
#	CARPET, LINOLEUM,																
#	RESILIENT TILE LAYER	8/22/2008	12/31/2008**	A 28.860	6.290	5.900	I -	0.380	0.110	8.0	41.540	J 55.970	J 55.970	J 55.970	J 70.400		
#	ELECTRICIAN:																
#	COMM & SYSTEM INSTALLER	2/22/2008	11/30/2008**	22.980	6.550	K 1.700	L 1.900	0.800	M 0.110	8.0	34.890	46.780	46.780	46.780	58.670		
#	COMM & SYSTEM TECH.	2/22/2008	11/30/2008**	26.430	6.550	K 1.700	N 2.200	0.800	M 0.130	8.0	38.760	52.440	52.440	52.440	66.120		
#	INSIDE WIREMAN	8/22/2008	05/31/2009*	38.180	7.130	K 2.500	F -	1.220	O 0.570	8.0	51.360	71.320	71.320	71.320	91.290		
#	CABLE SPLICER	8/22/2008	05/31/2009*	42.000	7.130	K 2.500	F -	1.220	O 0.570	8.0	55.350	77.320	77.320	77.320	99.280		
#	FIELD SURVEYOR:																
#	CHIEF OF PARTY (018.167-010)	2/22/2008	02/28/2009*	35.240	9.420	Q 7.570	R 3.340	0.640	0.160	8.0	56.370	S 73.990	S 73.990	S 73.990	S 73.990		
#	INSTRUMENTMAN (018.167-034)	2/22/2008	02/28/2009*	32.150	9.420	Q 7.570	R 3.340	0.640	0.160	8.0	53.280	S 69.360	S 69.360	S 69.360	S 69.360		
#	CHAINMAN/RODMAN (869.567-010)	2/22/2008	02/28/2009*	29.270	9.420	Q 7.570	R 3.340	0.640	0.160	8.0	50.400	S 65.030	S 65.030	S 65.030	S 65.030		
#	GLAZIER	8/22/2008	12/31/2008**	A 32.530	6.160	T 8.550	-	0.540	U 0.390	8.0	48.160	V 64.420	V 64.420	V 64.420	80.690		
#	MARBLE FINISHER	8/22/2008	07/31/2009*	X 28.020	8.720	2.950	I -	0.450	0.200	8.0	40.340	Y 54.350	Y 54.350	Y 54.350	68.360		
#	MARBLE MASON	8/22/2008	07/31/2009*	X 39.220	8.720	9.310	I -	0.550	0.210	8.0	58.010	Y 77.620	Y 77.620	Y 77.620	97.230		
#	PAINTER:																
#	BRUSH, SPRAY, PAPERHANGER	2/22/2008	08/31/2008**	Z 28.420	6.540	4.810	I -	0.310	0.380	D 8.0	40.440	54.650	54.650	54.650	68.860		
#	SANDBLASTER, STEAM CLEANER, WATERBLASTER	2/22/2008	08/31/2008**	Z 28.920	6.540	4.810	I -	0.310	0.380	D 8.0	40.940	55.400	55.400	55.400	69.860		
#	EXOTIC MATERIALS	2/22/2008	08/31/2008**	Z 29.420	6.540	4.810	I -	0.310	0.380	D 8.0	41.440	56.150	56.150	56.150	70.860		
#	TAPER	2/22/2008	07/31/2008*	A 30.080	6.540	6.180	2.500	0.310	0.210	8.0	45.820	60.860	60.860	60.860	75.900		
#	TAPER CLEAN-UP	2/22/2008	07/31/2008*	A 13.890	6.540	-	-	-	-	8.0	20.430	27.380	27.380	27.380	34.320		
#	PLASTERER	8/22/2008	06/30/2009*	A 28.570	7.980	5.370	4.250	0.950	0.950	8.0	48.070	61.620	61.620	61.620	75.170		
#	PLASTER TENDER	8/22/2008	06/30/2009**	27.170	5.540	5.520	2.280	0.340	AD 1.020	8.0	41.870	J 55.460	J 55.460	J 55.460	69.040		
#	PLUMBER:																
#	UNDERGROUND UTILITY PIPEFITTER	8/22/2008	06/30/2009**	24.950	3.700	2.400	1.800	0.350	0.600	D 8.0	33.800	46.280	46.280	46.280	58.750		
#	LANDSCAPE PIPEFITTER	8/22/2008	06/30/2009**	24.950	3.700	2.400	1.800	0.350	0.550	D 8.0	33.750	46.230	46.230	46.230	58.700		
AE	UNDERGROUND UTILITY ASSISTANT JOURNEYMAN	8/22/2008	06/30/2009**	13.950	3.700	2.400	1.800	0.350	0.600	D 8.0	22.800	29.770	29.770	29.770	36.750		
AE	LANDSCAPE ASSISTANT JOURNEYMAN	8/22/2008	06/30/2009**	13.950	3.700	2.400	1.800	0.350	0.550	D 8.0	22.750	29.720	29.720	29.720	36.700		
AE	UNDERGROUND UTILITY TRADESMAN	8/22/2008	06/30/2009**	9.750	3.700	2.400	1.800	0.350	0.600	D 8.0	18.600	23.480	23.480	23.480	28.350		

EXHIBIT D

EXHIBIT D



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August 29, 2014

**BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Richard E. Donahoo
Donahoo & Associates
440 W. First Street, Suite 101
Tustin, CA 92780

Anthony J. DeCristoforo
Stoel Rives, LLP
500 Capitol Mall, Suite 1600
Sacramento, CA 95814

**Re: City of Davis - Stop Payment Notice Filed by [REDACTED] Ja [REDACTED] Against
American Traffic Solutions dated June 2, 2014**

Dear Mr. Donahoo and Mr. DeCristoforo:

This firm represents the City of Davis ("City"). Please direct any further communications on this matter to me at the address above.

The City was served with an affidavit from American Traffic Solutions dated August 6, 2014, in response to the stop payment notice filed by the Foundation for Fair Contracting on behalf of worker [REDACTED] Ja [REDACTED]. The City was subsequently served with a counteraffidavit from Mr. Ja [REDACTED] dated August 20, 2014. Please be advised that pursuant to Civil Code section 9406(c), the City does not take any position or responsibility in connection with the validity or accuracy of the affidavit or counteraffidavit.

Pursuant to Civil Code section 9408, either Mr. Ja [REDACTED] or American Traffic Solutions may commence an action for declaration of the rights of the parties. In compliance with Civil Code section 9410, the City will file the affidavit and counteraffidavit with the court following commencement and notice of any such action. At this time, the City will continue to withhold funds in connection with Mr. Ja [REDACTED]'s stop payment notice in accordance with Civil Code section 9350 *et seq.*



BEST BEST & KRIEGER
ATTORNEYS AT LAW

Richard E. Donahoo
Anthony J. DeCristoforo
August 29, 2014
Page 2

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Wang', written over a horizontal line.

Kevin Wang
for BEST BEST & KRIEGER LLP

cc: Harriet Steiner, City Attorney
Jim Ivler, Public Safety Business Manager
Bryan Berthiaume, Executive Director, Foundation for Fair Contracting
3807 Pasadena Avenue, Suite 150
Sacramento, CA 95821