



Certified: --

E-31-26

FILED BY THE NASSAU COUNTY CLERK
OF THE LEGISLATURE MARCH 2, 2026
2:57PM

NIFS ID: CLTV24000001

Capital:

Contract ID #: **CQTV09000024**

NIFS Entry Date: **08/19/2024**

Department: Traffic & Parking Violations

Service: **Photo Enforcement**

Term: from **12/02/2022** to **12/01/2027**

Contract Delayed: **X**

Slip Type: Amendment		
CRP:		
Time Extension:		
Addl. Funds:		
Blanket Resolution:		
Revenue: X	Federal Aid:	State Aid:
Vendor Submitted an Unsolicited Solicitation:		

1) Mandated Program:	No
2) Comptroller Approval Form Attached:	Yes
3) CSEA Agmt. & 32 Compliance Attached:	Yes
4) Significant Adverse Information Identified? (if yes, attach memo):	Yes
5) Insurance Required:	Yes

Vendor/Municipality Info:	
Name: American Traffic Solutions, Inc. DBA: Verra Mobility	ID#: 481114931
Main Address: 1150 N. Alma School Rd. Mesa, AZ 85201	
Main Contact: Ingrid Castle	
Main Phone: (480) 596-4554	

Department:
Contact Name: David Rich
Address: NCTPVA 801 Axinn Avenue Garden City, NY 11530
Phone: (516) 572-7154
Email: drich@nassaucountyny.gov

Contract Summary

Purpose: Amendment #2 Expired December 1, 2022, and the terms will be for five (5) years from December 2, 2022 - December 1, 2027. This Amendment #3 is for all the labor, material and services required in order to furnish, install, operate, and maintain and Red-Light Camera Program in Nassau County, as approved by the State and County legislatures.

Procurement History: DPW solicited responses to a Request for Proposal, which was advertised in Newsday and on the Nassau County website. Five vendors submitted technical responses. The proposals were reviewed in accordance with County Executive Order No. 1-1993 and Board of Supervisor's Resolution 928-1993. The technical proposals were reviewed by a six (6) member review committee consisting of two members from Traffic and Parking Violations Agency (TPVA) and four (4) from Department of Public Works (DPW). In addition to the technical proposals, the five (5) vendors were requested to perform oral presentations to the Review Committee, which were used to establish a ranking of the vendors.

Description of General Provisions: The scope of the project enables TPVA to certify Red Light Camera Traffic Violations and authorizes the vendor, by the use of their computer software, to notify the violator and procure the appropriate traffic violation fine for processing by TPVA once reviewed by TPVA personnel.

Impact on Funding / Price Analysis: No impact on funding. No cost to Nassau County.

Change in Contract from Prior Procurement: For payments of the penalty to the vendor, the rate will change from 35% of the \$25 to 25% of the \$25 penalty. Possible gain of over \$200,000.

Method of Source Selection:

Contract amendment, extension, or renewal

Contract originally executed on: 06/12/2009

Original procurement method: Five vendors submitted technical responses, and six (6) member review committee reviewed proposals and attended oral presentations.

MWBE Participation:

Participation of Minority-owned and Women-owned Business Enterprises in Nassau County Contracts: The selected contractor has agreed that it has an obligation to utilize best efforts to hire MWBE sub-contractors. Proof of the contractual utilization of best efforts as outlined in Exhibit EE may be requested at any time by the Comptroller's Office prior to the approval of claim vouchers. [Note: This box must be checked.]

Department MWBE Responsibilities: To ensure compliance with MWBE requirements as outlined in Exhibit EE, Department will require vendor to submit list of subcontractor requirements prior to submission of the first claim voucher for services under this contract being submitted to the Comptroller.

Contractor is a (check all that apply):

MWBE

SDVOB

Recommendation: Approve as Submitted

Advisement Information

Fund	Control	Resp. Center	Object	Index Code	Sub Object	Budget Code	Line	Amount
GEN	10	1000	DE	TVGEN1000	DE500	TVGEN1000 DE500	08	\$0.01
TOTAL								\$0.01

Additional Info	
Blanket Encumbrance	
Transaction	
Renewal	
% Increase	
% Decrease	

Funding Source	Amount
Revenue Contract:	X
County	\$0.01
Federal	\$0.00
State	\$0.00
Capital	\$0.00
Other	\$0.00
Total	\$0.01

Routing Slip

Department			
NIFS Entry	David Rich	11/20/2024 01:42PM	Approved
NIFS Final Approval	David Rich	11/20/2024 01:42PM	Approved
Final Approval	David Rich	11/12/2025 08:29AM	Approved
County Attorney			
Approval as to Form	Julie Silverstein	12/01/2025 01:06PM	Approved
RE & Insurance Verification	Grady Farnan	11/12/2025 09:45AM	Approved
NIFS Approval	Mary Nori	12/08/2025 02:44PM	Approved
Final Approval	Mary Nori	12/08/2025 02:44PM	Approved
OMB			
NIFS Approval	Jeffrey Nogid	11/12/2025 10:19AM	Approved
NIFA Approval	Irfan Qureshi	11/14/2025 04:17PM	Approved
Final Approval	Irfan Qureshi	11/14/2025 04:17PM	Approved
Compliance & Vertical DCE			
Procurement Compliance Approval	Benjamin Fischer	12/08/2025 04:11PM	Approved
DCE Compliance Approval	Robert Cleary	12/10/2025 11:52AM	Approved
Vertical DCE Approval	Arthur Walsh	03/02/2026 02:12PM	Approved
Final Approval	Arthur Walsh	03/02/2026 02:12PM	Approved
Legislative Affairs Review			
Final Approval	Christopher Leimone	03/02/2026 02:16PM	Approved
Legislature			
Final Approval			In Progress
Comptroller			
Claims Approval			Pending
Legal Approval			Pending

Accounting / NIFS Approval			Pending
Deputy Approval			Pending
Final Approval			Pending
NIFA			
NIFA Approval			Pending

RULES RESOLUTION NO. – 2026

A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE AN AMENDMENT TO A PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF NASSAU, ACTING ON BEHALF OF THE DEPARTMENT OF TRAFFIC & PARKING VIOLATIONS AGENCY AND AMERICAN TRAFFIC SOLUTIONS, INC.

WHEREAS, the County has negotiated an amendment to a personal services agreement with American Traffic Solutions, Inc. in relation to the Red Light Camera Program, a copy of which is on file with the Clerk of the Legislature; now, therefore, be it

RESOLVED, that the Rules Committee of the Nassau County Legislature authorizes the County Executive to execute said amendment to the agreement with American Traffic Solutions, Inc.

**THIRD AMENDMENT
TO CONTRACT FOR SERVICES**

This Third Amendment ("Third Amendment") is dated effective this _____ day of _____, 2025 and is entered into between American Traffic Solutions, Inc., doing business as Verra Mobility ("Verra Mobility"), a corporation duly registered under the laws of the State of Kansas with its principal place of business at _____ and the County of Nassau, New York ("Customer"), a political subdivision of the State of New York with principal offices at 1550 Franklin Avenue, Mineola, New York 11501.

RECITALS

WHEREAS, pursuant to County contract number CQTV09000024 between the County and the Contractor, executed on behalf of the County on June 16, 2009, the County and Verra Mobility entered into a Contract for Services for the County's use of the Axis™ System to enforce traffic violations, which Contract for Services was amended by First Amendment To Contract For Services dated July 19, 2012 (the "First Amendment"), and by Second Amendment to Contract for Services on June 2, 2014 (the "Second Amendment");

WHEREAS, Section 15(b) of the Agreement requires any amendments, modifications, or alterations of the Agreement to be in writing and duly executed by the parties; and

WHEREAS, the County and Verra Mobility mutually desire to amend, modify or alter certain terms and conditions of the Agreement to provide for Verra Mobility to use, implement, and operate its camera system to record and process speed violations in school speed zones within the County of Nassau; and

WHEREAS, the County and Verra Mobility mutually desire to extend the Agreement term.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the mutual covenants and promises contained in this Third Amendment, County and Verra Mobility do hereby agree as set forth below:

1. The Red-Light Camera fee, as defined in the first amendment section 4 and modified in the second amendment section 5, are now being amended as follows:

Fine/Penalty Component	Amount	Compensation rate to vendor for paid violation
Fine	\$50.00	35%
Penalty	\$25.00	25%

For payments made towards the Notice of liability, contractor will receive 35% of the \$50 fine.

For payments of the penalty, the rate will change from 35% of the \$25 to 25% of the \$25 penalty.

2. Per section 2 of the Original Contract and section 2 of the Second Amendment:

Term. The term of this Agreement shall be renewed and extended to expire on December 1, 2027, unless sooner terminated in accordance with the provisions of this Agreement or, with respect to the Red-Light Camera Program, unless sooner terminated due to expiration of the underlying New York State enabling legislation.

3. Except as expressly amended or modified by the terms of this Third Amendment, all terms of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of this Third Amendment and the Agreement, the terms of this Third Amendment shall prevail and control.
4. The provisions of the Agreement, as amended by this Third Amendment, including the recitals, comprise all of the terms, conditions, agreements, and representations of the parties with respect to the subject matter hereof.
5. This Third Amendment may be executed in one or more counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument.
6. Each party represents and warrants that the representative signing this Third Amendment on its behalf has all right and authority to bind and commit that party to the terms and conditions of this Second Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment.

NASSAU COUNTY, NEW YORK

AMERICAN TRAFFIC SOLUTIONS, INC.

By: _____

By: 

Title: _____

Title: Jon Baldwin, EVP, Government Solutions

Date: _____

Date: 1/12/2025

STATE OF ARIZONA)
)SS.
 COUNTY OF MARICOPA)

On this 12 day of January, 2025, personally appeared before me Jon Baldwin, who being by me duly sworn did say that he is the EVP, Government Solutions for AMERICAN TRAFFIC SOLUTIONS, INC., a Kansas corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors, and acknowledged to me that said corporation executed the same.

Signed by: Christina Deal
 005F566681854EC
 Notary Public



STATE OF NEW YORK)
)SS.
 COUNTY OF NASSAU)

On this _____ day of _____, 2025, personally appeared before me _____, who being by me duly sworn did say that he/she is the _____ for _____, and that the foregoing instrument was signed in behalf of said corporation by authority of its _____, and acknowledged to me that said corporation executed the same.

 NOTARY PUBLIC
 My Commission Expires:



Nassau County Interim Finance Authority

Contract Approval Request Form (As of January 1, 2015)

1. Vendor: American Traffic Solutions, Inc.

2. Amount requiring NIFA approval: \$0.01

Amount to be encumbered: \$0.01

Slip Type: Amendment

If new contract - \$ amount should be full amount of contract

If advisement - NIFA only needs to review if it is increasing funds above the amount previously approved by NIFA

If amendment - \$ amount should be full amount of amendment only

3. Contract Term: 12/02/2022 to 12/01/2027

Has work or services on this contract commenced? Yes

If yes, please explain: Continuity Agreement executed November 20, 2022.

4. Funding Source:

General Fund (GEN)	X	Grant Fund (GRT)
Capital Improvement Fund (CAP)		Other
Federal %	0	
State %	0	
County %	100	

Is the cash available for the full amount of the contract? Yes

If not, will it require a future borrowing? No

Has the County Legislature approved the borrowing? N/A

Has NIFA approved the borrowing for this contract? N/A

5. Provide a brief description (4 to 5 sentences) of the item for which this approval is requested:

Amendment #2 Expired December 1, 2022, and the terms will be for five (5) years from December 2, 2022 - December 1, 2027. This Amendment #3 is for all the labor, material and services required in order to furnish, install, operate, and maintain and Red-Light Camera Program in Nassau County, as approved by the State and County legislatures.

6. Has the item requested herein followed all proper procedures and thereby approved by the:

Nassau County Attorney as to form Yes

Nassau County Committee and/or Legislature

Date of approval(s) and citation to the resolution where approval for this item was provided:

7. Identify all contracts (with dollar amounts) with this or an affiliated party within the prior 12 months:

Contract ID	Posting Date	Amount Added in Prior 12 Months
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AUTHORIZATION

To the best of my knowledge, I hereby certify that the information contained in this Contract Approval Request Form and any additional information submitted in connection with this request is true and accurate and that all expenditures that will be made in reliance on this authorization are in conformance with the Nassau County Approved Budget and not in conflict with the Nassau County Multi-Year Financial Plan. I understand that NIFA will rely upon this information in its official deliberations.

IQURESHI

11/14/2025

Authenticated User

Date

COMPTROLLER'S OFFICE

To the best of my knowledge, I hereby certify that the information listed is true and accurate and is in conformance with the Nassau County Approved Budget and not in conflict with the Nassau County Multi-Year Financial Plan.

Regarding funding, please check the correct response:

I certify that the funds are available to be encumbered pending NIFA approval of this contract.

If this is a capital project:

I certify that the bonding for this contract has been approved by NIFA.

Budget is available and funds have been encumbered but the project requires NIFA bonding authorization.

Authenticated User

Date

NIFA

Amount being approved by NIFA:

Payment is not guaranteed for any work commenced prior to this approval.

Authenticated User

Date

NOTE: All contract submissions MUST include the County's own routing slip, current NIFS printouts for all relevant accounts and relevant Nassau County Legislature communication documents and relevant supplemental information pertaining to the item requested herein.

NIFA Contract Approval Request Form MUST be filled out in its entirety before being submitted to NIFA for review.

NIFA reserves the right to request additional information as needed.

BRUCE A. BLAKEMAN
COUNTY EXECUTIVE




HON. PAUL L. MELI
EXECUTIVE DIRECTOR

NASSAU COUNTY TRAFFIC & PARKING VIOLATIONS AGENCY
16 COOPER STREET
HEMPSTEAD, NEW YORK 11550
(516) 572-2700

DEPARTMENTAL MEMO

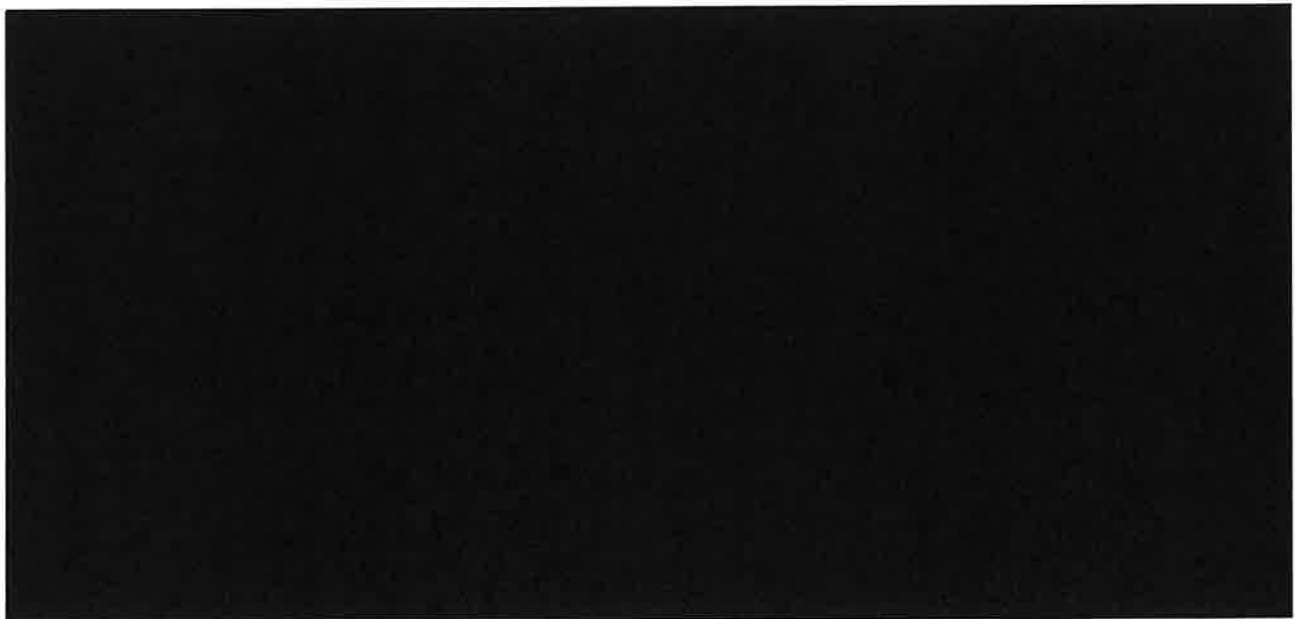
TO: Robert Cleary
Chief Procurement Officer

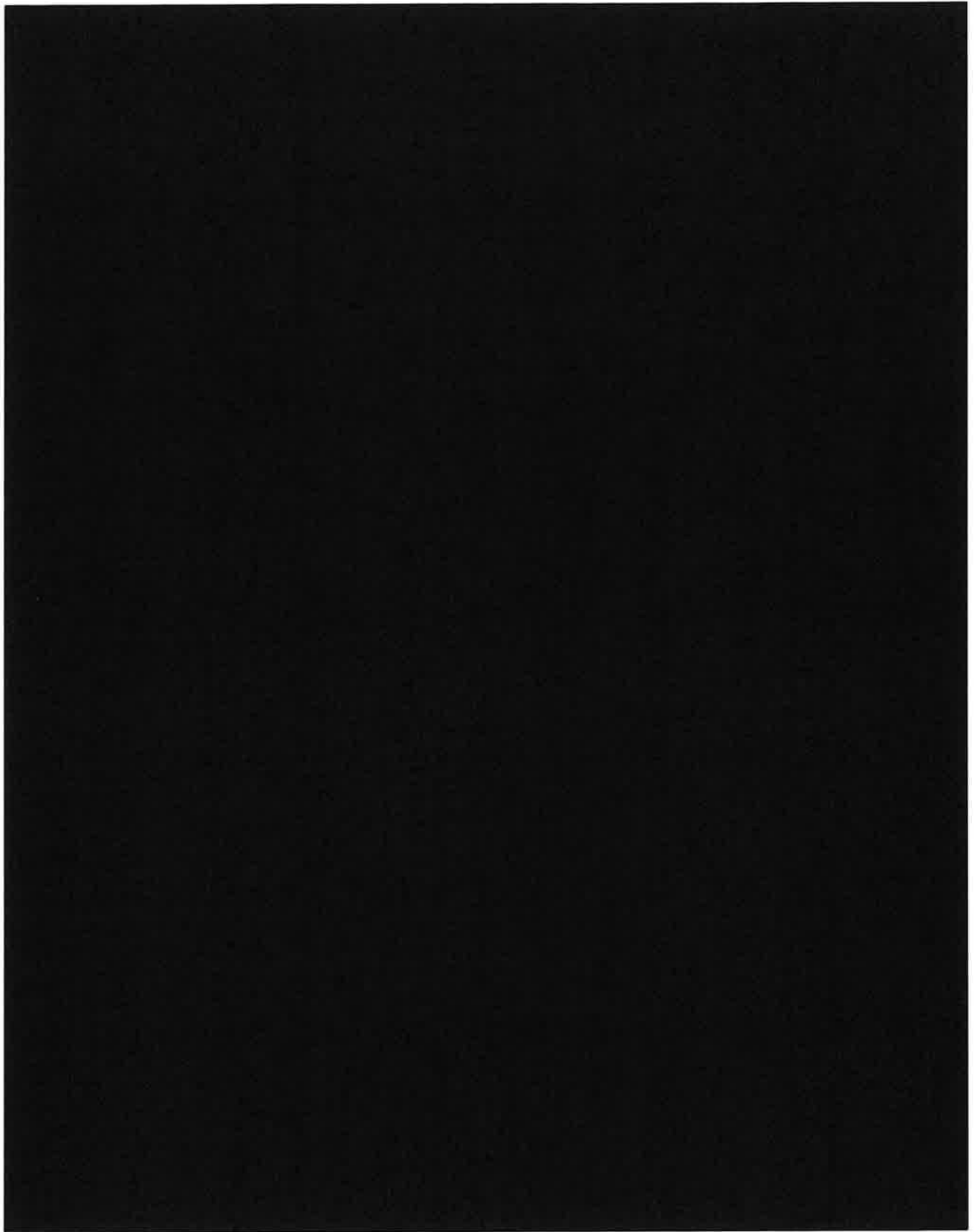
FROM: Paul L. Meli 
Executive Director, NCTPVA

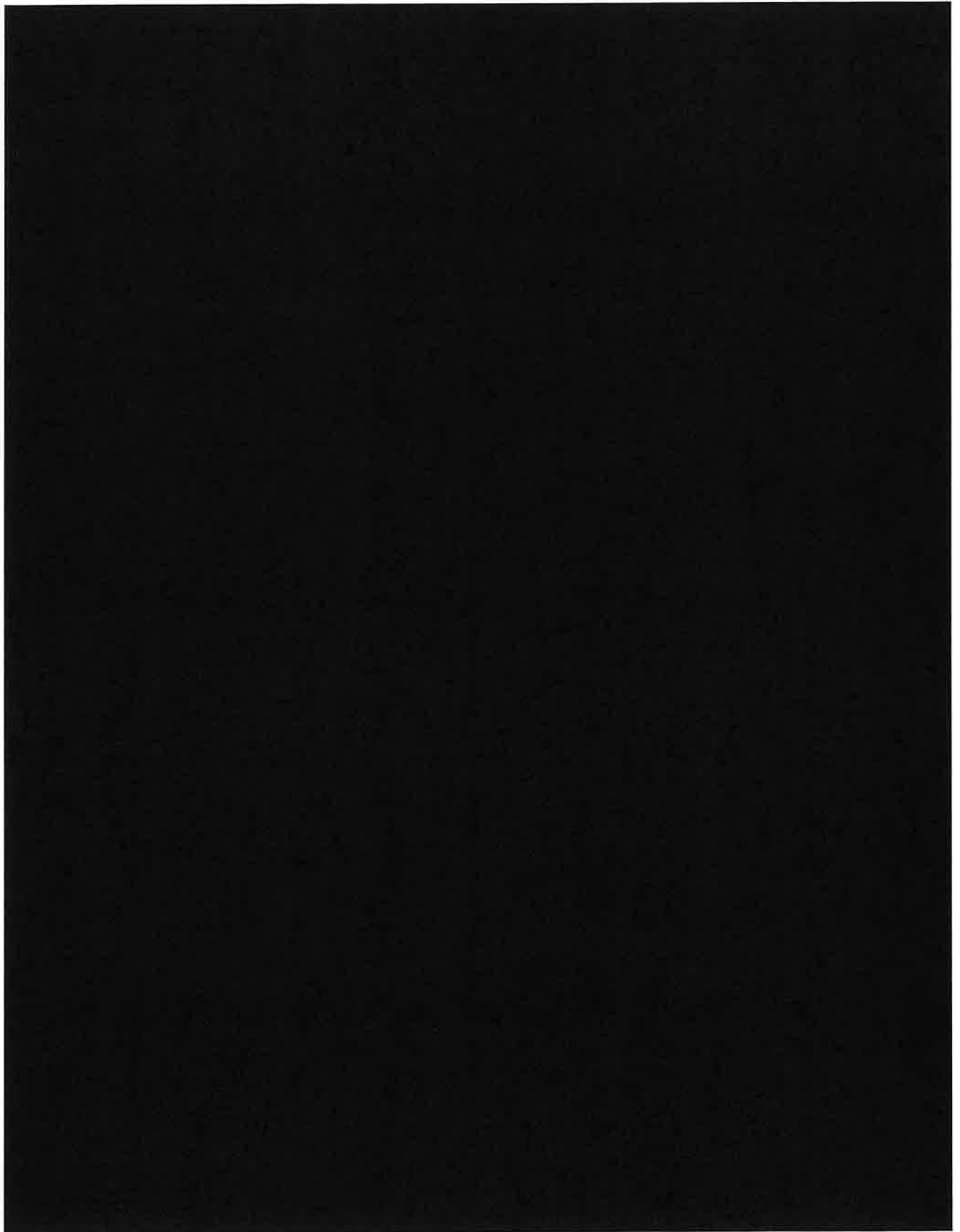
DATE: October 1, 2025

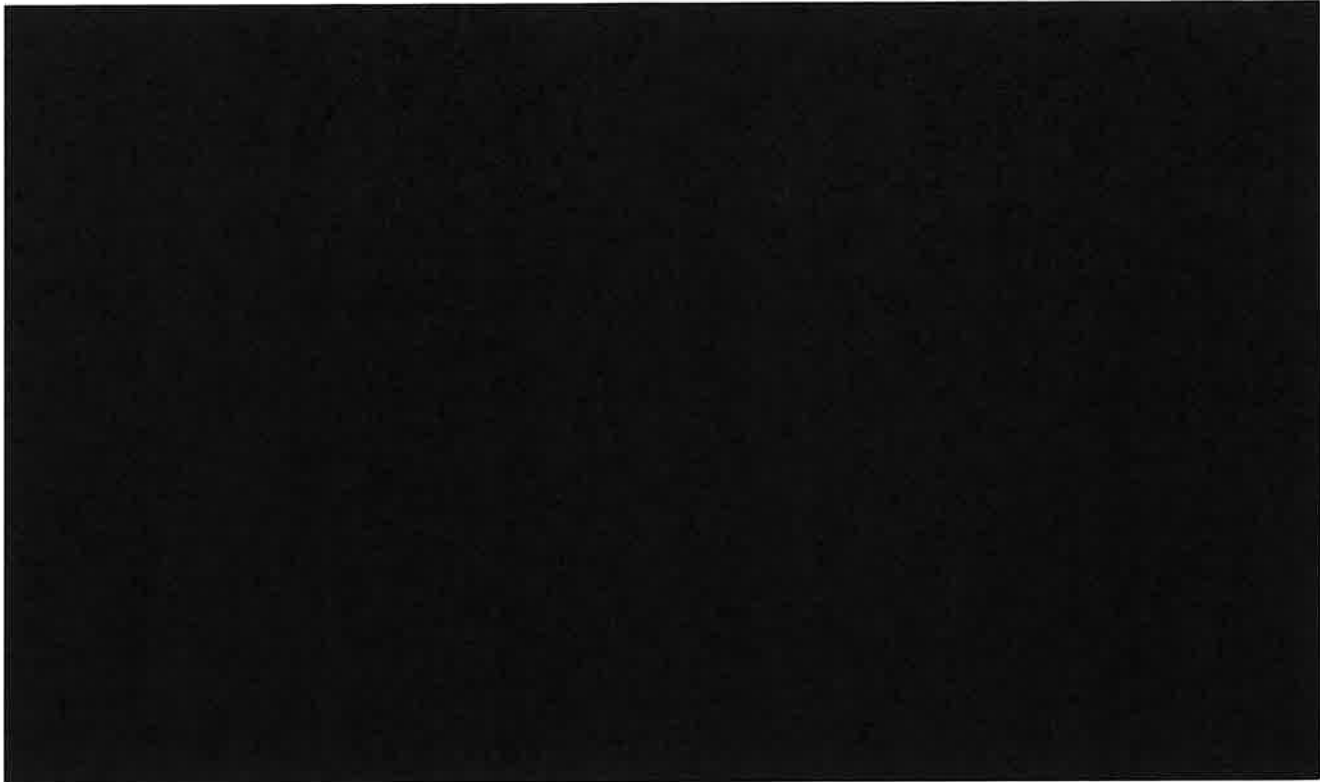
SUBJECT: Adverse Information for Award Candidate American Traffic Solutions, Inc.
D/B/A Verra Mobility

American Traffic Solutions, Inc. D/B/A Verra Mobility (VM), has been a vendor for Nassau County since 2009. ATS has a history of good performance with Nassau County. An attachment to the Business History Form included the following information provided in response to Question 13:



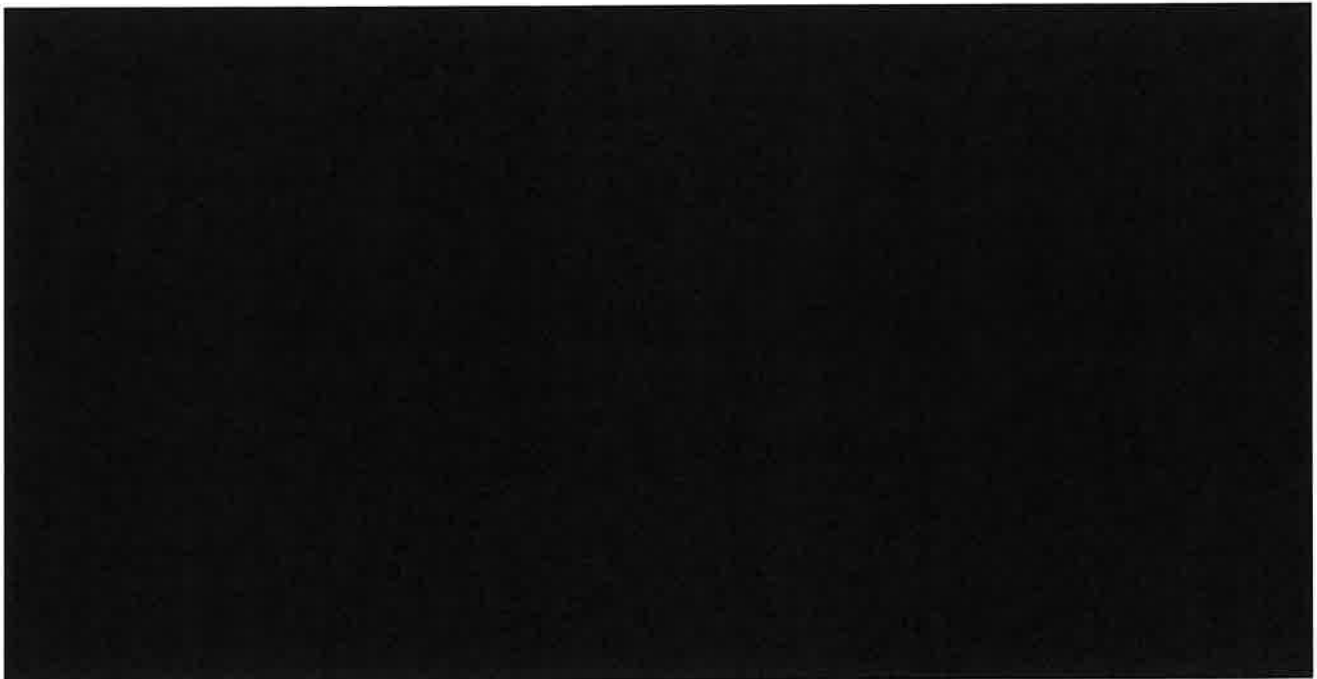


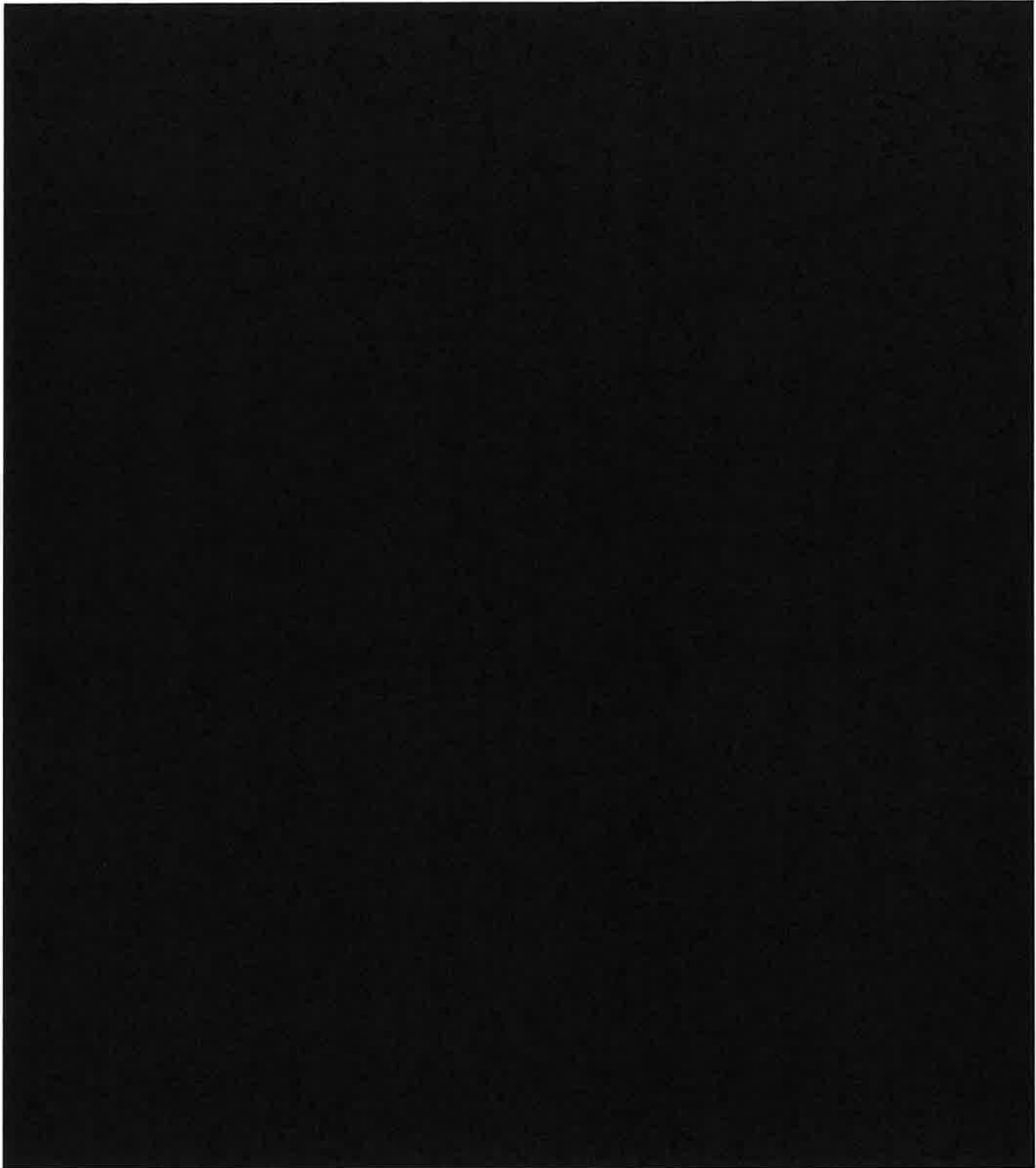




Disclosure item #1.

A follow up with ATS with respect to #1 above yielded the following information:





Based upon the information provided by the vendor, the issue is not material for this award.

Disclosure item #2.

This issue is not considered material for this award.

Disclosure item #3.

To the best of our knowledge this issue does not affect our current agreement(s) with the vendor.

Disclosure item #4.

To the best of our knowledge this issue does not affect our current agreement(s) with the vendor. The vendor works closely with NCDPW for planning and permitting.

Disclosure item #5.

To the best of our knowledge this issue does not affect our current agreement(s) with the vendor. The vendor works closely with NCDPW for planning and permitting.

Disclosure item #6.

To the best of our knowledge this issue does not affect our current agreement(s) with the vendor.

Disclosure item #7.

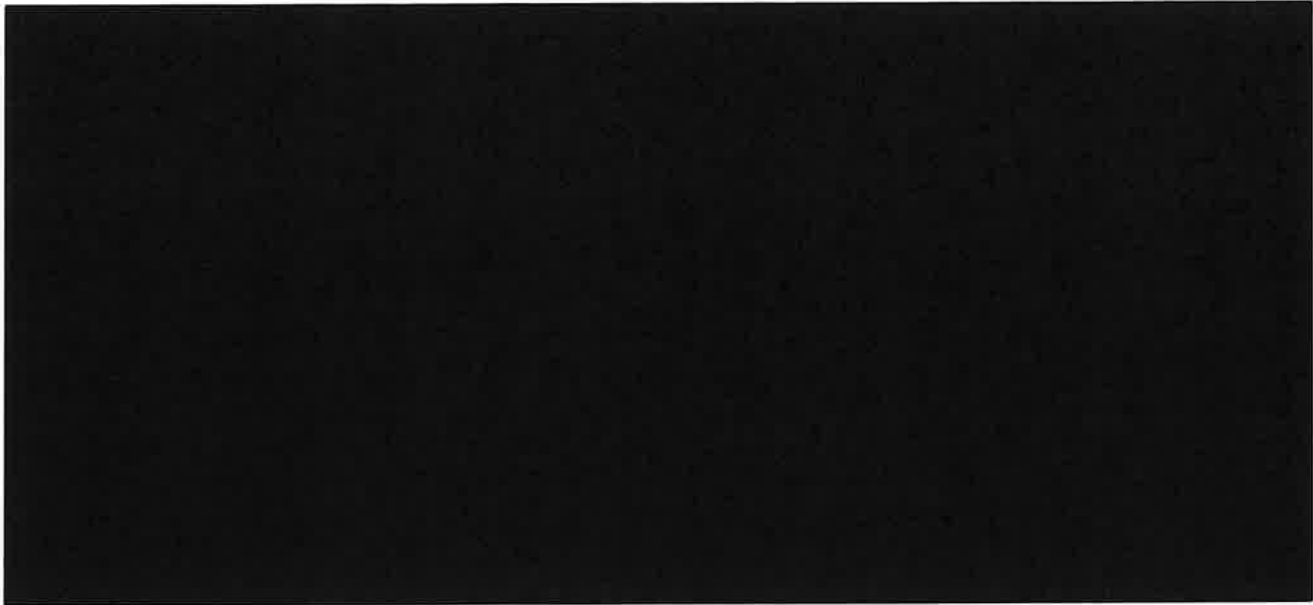
To the best of our knowledge this issue does not affect our current agreement(s) with the vendor. The vendor works closely with NCDPW for planning and permitting.

Disclosure item #8.

To the best of our knowledge this issue does not affect our current agreement(s) with the vendor.

Disclosure item #9.







Disclosure item #10.

To the best of our knowledge this issue does not affect our current agreement(s) with the vendor.

Disclosure item #11.

  Based upon the information provided by the vendor, the issue is not material for this award.

In summary, none of the issues cited above are material for this award.



COUNTY OF NASSAU

POLITICAL CAMPAIGN CONTRIBUTION DISCLOSURE FORM

1. Has the vendor or any corporate officers of the vendor provided campaign contributions pursuant to the New York State Election Law in (a) the period beginning April 1, 2016 and ending on the date of this disclosure, or (b), beginning April 1, 2018, the period beginning two years prior to the date of this disclosure and ending on the date of this disclosure, to the campaign committees of any of the following Nassau County elected officials or to the campaign committees of any candidates for any of the following Nassau County elected offices: the County Executive, the County Clerk, the Comptroller, the District Attorney, or any County Legislator?

YES NO If yes, to what campaign committee?

Electronically signed and certified at the date and time indicated by:

Rhett Jacobson _____

Dated: 10/17/2025 10:04:20 am

Vendor: American Traffic Solutions Inc.

Title: Manager, Contracts

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name: David Roberts
Date of birth: [REDACTED]
Home address: [REDACTED]
City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country: US
Business Address: [REDACTED]
City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country: [REDACTED]
Telephone: [REDACTED]
Other present address(es):
City: _____ State/Province/Territory: _____ Zip/Postal Code: _____
Country: _____
Telephone: _____

List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)

President	<u>12/22/2014</u>	Treasurer	_____
Chairman of Board	_____	Shareholder	_____
Chief Exec. Officer	<u>07/19/2017</u>	Secretary	_____
Chief Financial Officer	_____	Partner	_____
Vice President	_____		
(Other)	_____		

3. Do you have an equity interest in the business submitting the questionnaire?
YES NO If Yes, provide details.

American Traffic Solutions, Inc. (DBA Verra Mobility) is wholly owned by VM Consolidated, Inc. I hold shares of Verra Mobility Corporation, the ultimate parent company in the Verra Mobility corporate family.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire?
YES NO If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or notfor-profit organization other than the one submitting the questionnaire?

YES [X] NO [] If Yes, provide details.

Serve as officer of other legal entities within the Verra Mobility corporate family:

- Verra Mobility Corporation
- Verra Mobility Holdings, LLC
- Greenlight Holding Corporation
- Greenlight Intermediate Holding Corporation
- Greenlight Acquisition Corporation
- VM Consolidated, Inc.
- LaserCraft, Inc.
- Mulvihill ICS, Inc.
- Mulvihill Electrical Enterprises, Inc.
- American Traffic Solutions, L.L.C.
- American Traffic Solutions Consolidated, L.L.C.
- ATS Processing Services, L.L.C.
- PlatePass, L.L.C.
- ATS Tolling LLC
- Sunshine State Tag Agency LLC
- Auto Tag of America LLC
- Auto Titles of America LLC
- Highway Toll Administration, LLC
- Toll Buddy, LLC
- Violation Management Solutions, LLC
- Canadian Highway Toll Administrations Ltd.

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer?

YES [X] NO [] If Yes, provide details.

Too numerous to list

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency. Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

a. Been debarred by any government agency from entering into contracts with that agency?
YES [] NO [X] If yes, provide an explanation of the circumstances and corrective action taken.

b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause?

YES [] NO [X] If yes, provide an explanation of the circumstances and corrective action taken.

c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to,

failure to meet pre-qualification standards?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated?

YES NO If 'Yes', provide details for each such instance. (Provide a detailed response to all questions check "Yes". If you need more space, photocopy the appropriate page and attached it to the questionnaire.)

9.

- a. Is there any felony charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- b. Is there any misdemeanor charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- c. Is there any administrative charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- d. In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- e. In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- f. In the past 5 years, have you been found in violation of any administrative or statutory charges?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- 10 In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

[Empty rectangular box]

- 11 In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer?

YES [] NO [X] If yes, provide an explanation of the circumstances and corrective action taken.

[Empty rectangular box]

- 12 In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held?

YES [] NO [X] If yes, provide an explanation of the circumstances and corrective action taken.

[Empty rectangular box]

- 13 For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?

YES [] NO [X] If yes, provide an explanation of the circumstances and corrective action taken.

[Empty rectangular box]

I, David Roberts , hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, David Roberts , hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

American Traffic Solutions

Name of submitting business

Electronically signed and certified at the date and time indicated by:

David Roberts

CEO

Title

11/25/2025 10:30:30 am

Date

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name: Craig Conti
Date of birth: [REDACTED]
Home address: [REDACTED]
City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country: [REDACTED]
Business Address: [REDACTED]
City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country: [REDACTED]
Telephone: [REDACTED]
Other present address(es): _____
City: _____ State/Province/Territory: _____ Zip/Postal Code: _____
Country: _____
Telephone: _____

List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)

President	_____	Treasurer	_____
Chairman of Board	_____	Shareholder	_____
Chief Exec. Officer	_____	Secretary	_____
Chief Financial Officer	<u>04/11/2022</u>	Partner	_____
Vice President	_____		
(Other)	_____		

3. Do you have an equity interest in the business submitting the questionnaire?
YES [] NO [X] If Yes, provide details.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire?
YES [] NO [X] If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or notfor-profit organization other than the one submitting the questionnaire?

YES NO If Yes, provide details.

- American Traffic Solutions Consolidated, LLC
- American Traffic Solutions, Inc.
- American Traffic Solutions LLC
- ATS Processing Services, LLC
- ATS Tolling LLC
- Auto Tag of America LLC
- Auto Titles of America LLC
- Canadian Highway Toll Administration Ltd.
- Greenlight Acquisition Corporation
- Highway Toll Administration, LLC
- Lasercraft, Inc.
- Mulvihill ICS, Inc.
- PlatePass, LLC
- Redflex Guardian, Inc.
- Redflex Traffic Systems (California) LLC
- Redflex Traffic Systems (Canada) Limited
- Redflex Traffic Systems, Inc.
- Sunshine State Tag Agency LLC
- Toll Buddy, LLC
- Verra Mobility Corporation
- Verra Mobility Electrical Enterprises, Inc.
- Violation Management Solutions, LLC
- VM Consolidated, Inc.

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer?

YES NO If Yes, provide details.

Too numerous to list

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency. Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

a. Been debarred by any government agency from entering into contracts with that agency?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to,

failure to meet pre-qualification standards?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated?

YES NO If 'Yes', provide details for each such instance. (Provide a detailed response to all questions check "Yes". If you need more space, photocopy the appropriate page and attached it to the questionnaire.)

9.

- a. Is there any felony charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- b. Is there any misdemeanor charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- c. Is there any administrative charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- d. In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- e. In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- f. In the past 5 years, have you been found in violation of any administrative or statutory charges?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

10. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

[Redacted]

- 11 In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

[Redacted]

- 12 In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

[Redacted]

- 13 For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

[Redacted]

I, Craig Conti, hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, Craig Conti, hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

American Traffic Solutions
Name of submitting business

Electronically signed and certified at the date and time indicated by:
Craig Conti

CFO
Title

10/15/2025 02:44:14 pm
Date

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name: jonathan baldwin
Date of birth: [REDACTED]
Home address: [REDACTED]
City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country: [REDACTED]
Business Address: [REDACTED]
City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country: [REDACTED]
Telephone: [REDACTED]
Other present address(es):
City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country: [REDACTED]
Telephone: [REDACTED]

List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)

President	_____	Treasurer	_____
Chairman of Board	_____	Shareholder	_____
Chief Exec. Officer	_____	Secretary	_____
Chief Financial Officer	_____	Partner	_____
Vice President	<u>04/04/2022</u>		
(Other)			

3. Do you have an equity interest in the business submitting the questionnaire?
YES NO If Yes, provide details.
Restricted Stock is a component of Verra Mobility compensation plan.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire?
YES NO If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or notfor-profit organization other than the one submitting the questionnaire?

YES NO If Yes, provide details.

- American Traffic Solutions, Inc.
- American Traffic Solutions LLC
- Lasercraft, Inc.
- Mulvihill ICS, Inc.
- Redflex Guardian, Inc.
- Redflex Traffic Systems (California) LLC
- Redflex Traffic Systems (Canada) Limited
- Redflex Traffic Systems, Inc.
- Verra Mobility Electrical Enterprises, Inc.

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer?

YES NO If Yes, provide details.

Too numerous to list

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency. Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

a. Been debarred by any government agency from entering into contracts with that agency?
YES NO If yes, provide an explanation of the circumstances and corrective action taken.

b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated?

YES NO If 'Yes', provide details for each such instance. (Provide a detailed response to all questions check "Yes". If

you need more space, photocopy the appropriate page and attached it to the questionnaire.)

9.

a. Is there any felony charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

b. Is there any misdemeanor charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

c. Is there any administrative charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

d. In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

e. In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

f. In the past 5 years, have you been found in violation of any administrative or statutory charges?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

10 In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5? YES NO If yes, provide an explanation of the circumstances and corrective action taken.

11 In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer? YES NO If yes, provide an explanation of the circumstances and corrective action taken.

12 In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- 13 For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?
YES NO If yes, provide an explanation of the circumstances and corrective action taken.

--

I, Jonathan Baldwin , hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, Jonathan Baldwin , hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

CERTIFICATION
A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

Verra Mobility
Name of submitting business

Electronically signed and certified at the date and time indicated by:
Jon Baldwin

Executive Vice President
Title

07/08/2025 07:25:01 am
Date

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name: Kristen A. Young
Date of birth: [REDACTED]
Home address: [REDACTED]
City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country: [REDACTED]

Business Address: Verra Mobility
City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country: [REDACTED]
Telephone: [REDACTED]

Other present address(es): _____
City: _____ State/Province/Territory: _____ Zip/Postal Code: _____
Country: _____
Telephone: _____

List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)

President	_____	Treasurer	_____
Chairman of Board	_____	Shareholder	_____
Chief Exec. Officer	_____	Secretary	<u>08/13/2025</u>
Chief Financial Officer	_____	Partner	_____
Vice President	_____		
(Other)	_____		

3. Do you have an equity interest in the business submitting the questionnaire?
YES [] NO [X] If Yes, provide details.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire?
YES [] NO [X] If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or notfor-profit organization other than the one submitting the questionnaire?
 YES NO If Yes, provide details.

Presently, I hold the following corporate offices:

American Traffic Solutions Consolidated, L.L.C.	Delaware	Secretary	
American Traffic Solutions, Inc.	Kansas	Secretary	(formerly, Assistant Secretary)
American Traffic Solutions, L.L.C.	Delaware	Assistant Secretary	
ATS Processing Services, L.L.C.	Delaware	Secretary	Officer
Auto Tag of America LLC	Delaware	Secretary	Officer
Auto Titles of America LLC	Delaware	Secretary	Officer
Canadian Highway Toll Administration Ltd.	British Columbia	Secretary	
Citation Collection Services, LLC	Indiana	Secretary	
Highway Toll Administration, LLC	New York	Secretary	
LaserCraft, Inc.	Georgia	Secretary	Officer (formerly, Assistant Secretary)
Mulvihill ICS, Inc.	New York	Secretary	Officer (formerly, Assistant Secretary)
PlatePass, L.L.C.	Delaware	Secretary	Officer
Redflex Traffic Systems (Canada) Limited	British Columbia	Secretary	(formerly, Assistant Secretary)
Redflex Traffic Systems, Inc.	Delaware	Secretary	(formerly, Assistant Secretary)
Sunshine State Tag Agency LLC	Delaware	Secretary	
T2 Holding Corp.	Delaware	Secretary	
T2 Systems Canada Inc.	British Columbia	Secretary	
T2 Systems Parent Corporation	Delaware	Secretary	
T2 Systems, Inc.	Indiana	Secretary	
Verra Mobility Electrical Enterprises, Inc.	New York	Secretary	(formerly, Assistant Secretary)
Verra Mobility Government Solutions, Inc.	Delaware	Secretary	(formerly, Assistant Secretary)

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer?
 YES NO If Yes, provide details.

Too numerous to list.

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency. Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

- a. Been debarred by any government agency from entering into contracts with that agency?
 YES NO If yes, provide an explanation of the circumstances and corrective action taken.

In October of 2024, T2 Systems, Inc. learned it was listed as a debarred vendor (effective 12/27/2023) in New York due to a reporting error, made by its insurer, which made it appear as though T2 lacked workers compensation coverage between 7/1/23 and 8/13/23. T2's insurer subsequently provided the state with proof that T2 did in fact have coverage during the period and T2 was removed from the debarment list.

- b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause?
 YES NO If yes, provide an explanation of the circumstances and corrective action taken.

c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated?

YES NO If 'Yes', provide details for each such instance. (Provide a detailed response to all questions check "Yes". If you need more space, photocopy the appropriate page and attached it to the questionnaire.)

9.

a. Is there any felony charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

b. Is there any misdemeanor charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

c. Is there any administrative charge pending against you?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

d. In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

e. In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

f. In the past 5 years, have you been found in violation of any administrative or statutory charges?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

10. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed

at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5?
YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- 11 In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

See disclosures provided by American Traffic Solutions, Inc. with respect to prior investigations.

- 12 In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

- 13 For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?

YES NO If yes, provide an explanation of the circumstances and corrective action taken.

In 2023, I timely filed my federal and AZ state tax returns. I recently filed amended 2023 returns and will promptly pay any additional taxes owed.

I, Kristen Young , hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, Kristen Young , hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

American Traffic Solutions, Inc.

Name of submitting business

Electronically signed and certified at the date and time indicated by:

Kristen A. Young

Secretary

Title

09/16/2025 06:52:47 pm

Date

Business History Form

The contract shall be awarded to the responsible proposer who, at the discretion of the County, taking into consideration the reliability of the proposer and the capacity of the proposer to perform the services required by the County, offers the best value to the County and who will best promote the public interest.

In addition to the submission of proposals, each proposer shall complete and submit this questionnaire. The questionnaire shall be filled out by the owner of a sole proprietorship or by an authorized representative of the firm, corporation or partnership submitting the Proposal.




NOTE: All questions require a response, even if response is "none" or "not-applicable." No blanks.

(USE ADDITIONAL SHEETS IF NECESSARY TO FULLY ANSWER THE FOLLOWING QUESTIONS).

Date:  _____

1) Proposer's Legal Name: American Traffic Solutions, Inc. d/b/a Verra Mobility

2) Address of Place of Business:  _____

City:  _____ State/Province/
Territory:  _____ Zip/Postal
Code:  _____

Country: US

3) Mailing Address (if different): _____

City: _____ State/Province/
Territory: _____ Zip/Postal
Code: _____

Country: _____

Phone: _____

Does the business own or rent its facilities? Rent If other, please provide details:


4) Dun and Bradstreet number:  _____

5) Federal I.D. Number:  _____

 The proposer is a: Corporation (Describe) _____

7) Does this business share office space, staff, or equipment expenses with any other business?
YES [X] NO [] If yes, please provide details:





8) Does this business control one or more other businesses?

YES NO If yes, please provide details:

See attached organizational chart.



9) Does this business have one or more affiliates, and/or is it a subsidiary of, or controlled by, any other business?

YES NO If yes, please provide details:

See attached entity organizational chart.



10) Has the proposer ever had a bond or surety cancelled or forfeited, or a contract with Nassau County or any other government entity terminated?

YES NO If yes, state the name of bonding agency, (if a bond), date, amount of bond and reason for such cancellation or forfeiture: or details regarding the termination (if a contract).

[Redacted]



11) Has the proposer, during the past seven years, been declared bankrupt?

YES NO If yes, state date, court jurisdiction, amount of liabilities and amount of assets

[Redacted]

12) In the past five years, has this business and/or any of its owners and/or officers and/or any affiliated business, been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency? And/or, in the past 5 years, have any owner and/or officer of any affiliated business been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency, where such investigation was related to activities performed at, for, or on behalf of an affiliated business.

YES NO If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

See attached.



13) In the past 5 years, has this business and/or any of its owners and/or officers and/or any affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies? And/or, in the past 5 years, has any owner and/or officer of an affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies, for matters pertaining to that individual's position at or relationship to an affiliated business.

YES NO If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

See attached. Additionally, Verra Mobility Electrical Enterprises, Inc. (VMEE), an indirect wholly owned subsidiary of American Traffic Solutions, Inc. received from the City of New York, Office of the Comptroller a Notice to Produce & Examination pursuant to New York City Administrative Code § 6-109, dated September 28, 2022, alleging failure to pay prevailing wages or living wages or living wages or minimum wages. David Roberts, President of American Traffic Solutions, Inc., was named in the investigation notice. VMEE is cooperating with the City of New York.



14) Has any current or former director, owner or officer or managerial employee of this business had, either before or during such person's employment, or since such employment if the charges pertained to events that allegedly occurred during the time of employment by the submitting business, and allegedly related to the conduct of that business:

a) Any felony charge pending?

YES NO If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

[Redacted]

b) Any misdemeanor charge pending?

YES NO If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

[Redacted]

c) In the past 10 years, you been convicted, after trial or by plea, of any felony and/or any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business?

YES NO If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

[Redacted]

d) In the past 5 years, been convicted, after trial or by plea, of a misdemeanor?

YES NO If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

[Redacted]

e) In the past 5 years, been found in violation of any administrative, statutory, or regulatory provisions?

YES NO If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

see attached

3 File(s) uploaded: BHF_American Traffic Solutions Inc._05_09_2023_all_attached_docs_10122023_2018.zip, Investigation Disclosures Question 14 (e) 6.9.2025.docx, Investigation Disclosures Question 14 (e).docx

15) In the past (5) years, has this business or any of its owners or officers, or any other affiliated business had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held?

YES NO If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

[Redacted]

- 16) For the past (5) tax years, has this business failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?
YES NO If yes, provide details for each such year. Provide a detailed response to all questions checked 'YES'. If you need more space, photocopy the appropriate page and attach it to the questionnaire.



- 17 Conflict of Interest:
a) Please disclose any conflicts of interest as outlined below. NOTE: If no conflicts exist, please expressly state "No conflict exists."
(i) Any material financial relationships that your firm or any firm employee has that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

No conflict exists.

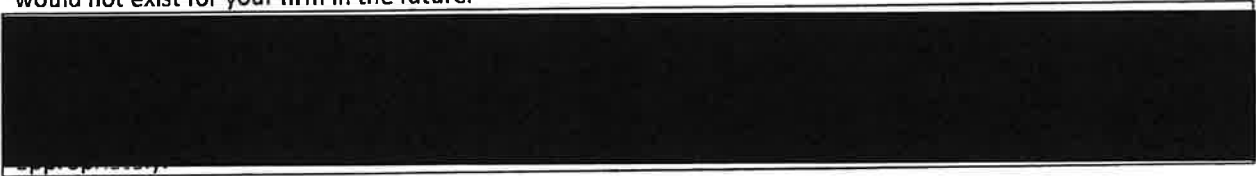
- (ii) Any family relationship that any employee of your firm has with any County public servant that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

No conflict exists.

- (iii) Any other matter that your firm believes may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.



- b) Please describe any procedures your firm has, or would adopt, to assure the County that a conflict of interest would not exist for your firm in the future.



- A. Include a resume or detailed description of the Proposer's professional qualifications, demonstrating extensive experience in your profession. Any prior similar experiences, and the results of these experiences, must be identified.

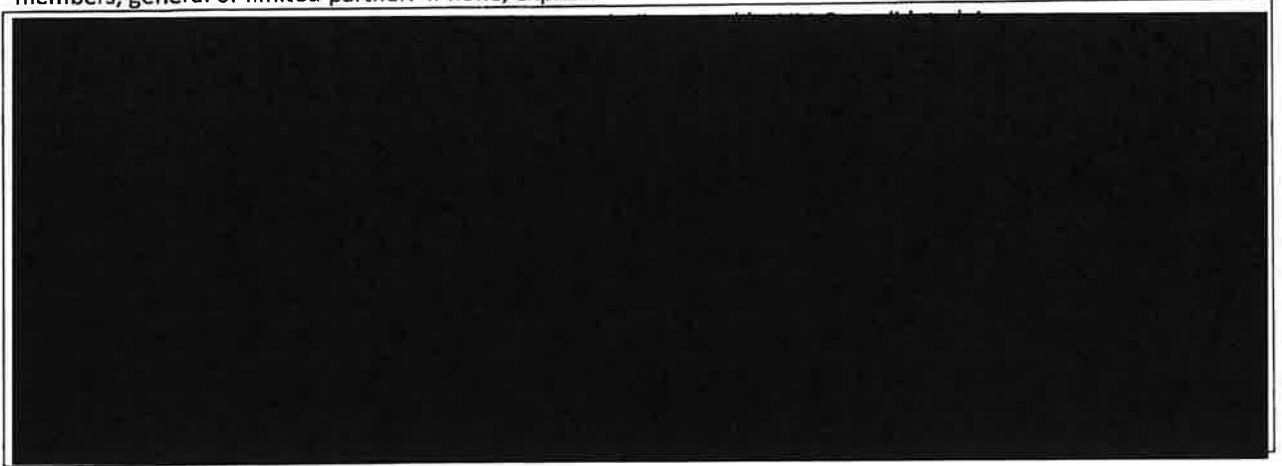
Have you previously uploaded the below information under in the Document Vault?
YES NO

Is the proposer an individual?
YES NO Should the proposer be other than an individual, the Proposal MUST include:

i) Date of formation;

04/22/1992

ii) Name, addresses, and position of all persons having a financial interest in the company, including shareholders, members, general or limited partner. If none, explain.



iii) Name, address and position of all officers and directors of the company. If none, explain.



iv) State of incorporation (if applicable);



v) The number of employees in the firm;



vi) Annual revenue of firm;



vii) Summary of relevant accomplishments



viii) Copies of all state and local licenses and permits.

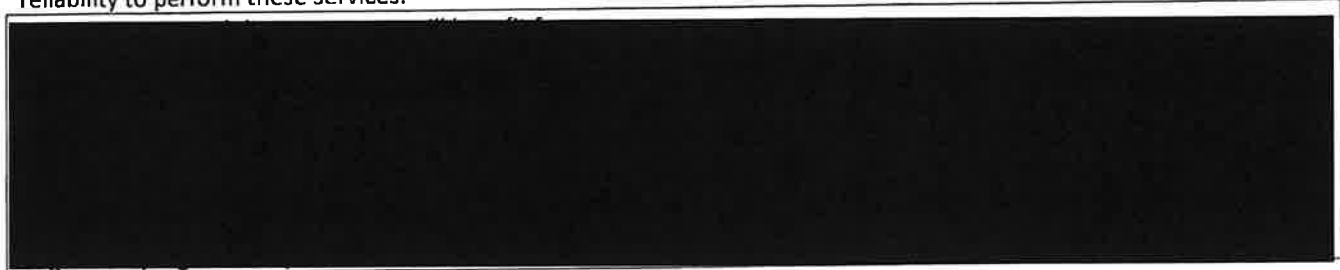




B. Indicate number of years in business.

21

C. Provide any other information which would be appropriate and helpful in determining the Proposer's capacity and reliability to perform these services.



D. Provide names and addresses for no fewer than three references for whom the Proposer has provided similar services or who are qualified to evaluate the Proposer's capability to perform this work.

Company [Redacted]
 Contact Person [Redacted]
 Address [Redacted]
 City [Redacted] State/Province/Territory [Redacted]
 Country [Redacted]
 Telephone [Redacted]
 Fax # [Redacted]
 E-Mail Address [Redacted]

Company [Redacted]
 Contact Person [Redacted]
 Address [Redacted]
 City [Redacted] State/Province/Territory [Redacted]
 Country [Redacted]
 Telephone [Redacted]
 Fax # [Redacted]
 E-Mail Address [Redacted]

Company [Redacted]
 Contact Person [Redacted]
 Address [Redacted]
 City [Redacted] State/Province/Territory [Redacted]
 Country [Redacted]
 Telephone [Redacted]
 Fax # [Redacted]
 E-Mail Address adrago@whiteplainsny.gov

I, [REDACTED], hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, [REDACTED], hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

Name of submitting business: [REDACTED]

Electronically signed and certified at the date and time indicated by:

[REDACTED]

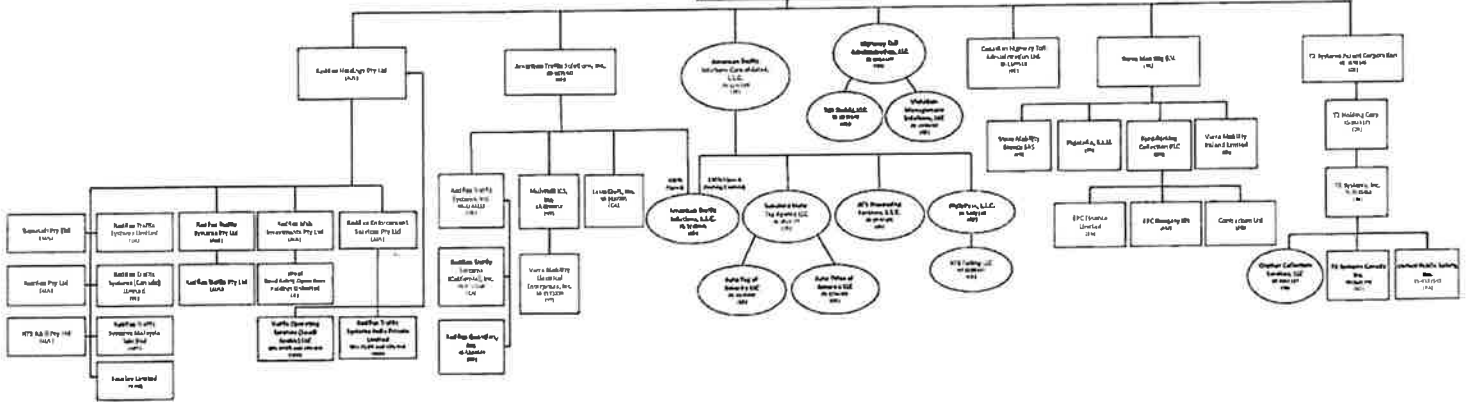
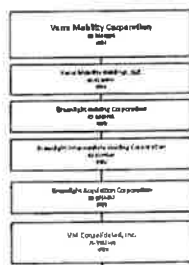
Title

08/14/2025 05:43:24 pm

Date



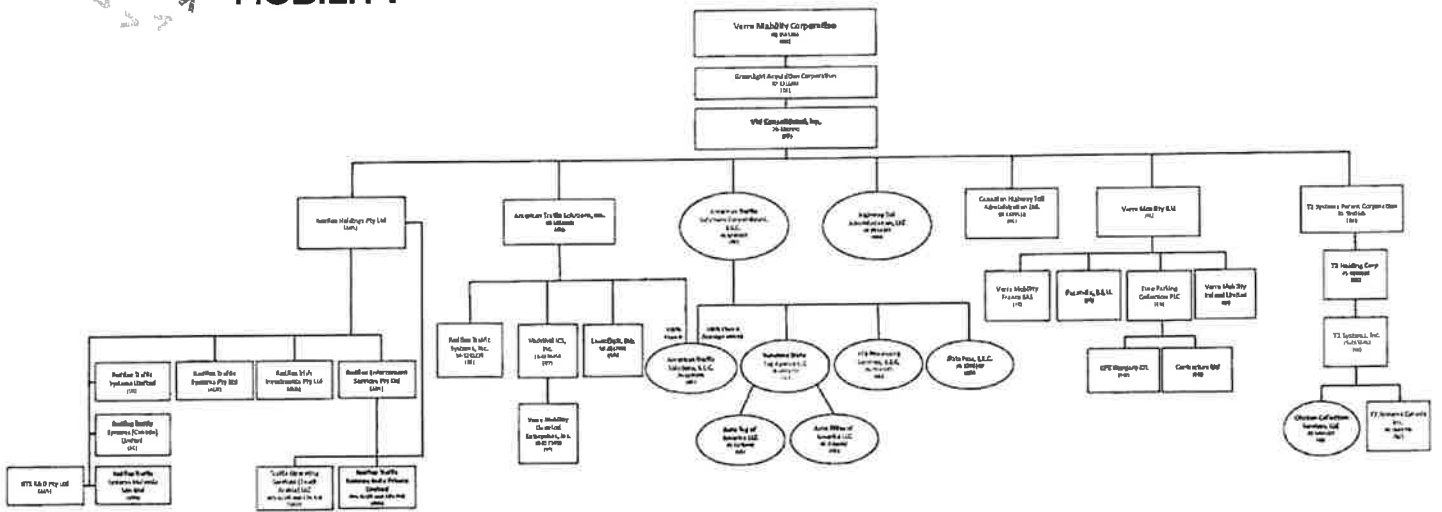
VERRA MOBILITY





VERRA MOBILITY

Verra Mobility org chart as of 6/24/24



Entity Name	Domestic Jurisdiction	Business Unit
American Traffic Solutions Consolidated, L.L.C.	Delaware	Commercial Services
American Traffic Solutions, Inc.	Kansas	Government Solutions
American Traffic Solutions, L.L.C.	Delaware	Government Solutions
ATS Processing Services, L.L.C.	Delaware	Commercial Services
ATS Tolling LLC	Delaware	Commercial Services
Auto Tag of America LLC	Delaware	Commercial Services
Auto Titles of America LLC	Delaware	Commercial Services
CANADIAN HIGHWAY TOLL ADMINISTRATION LTD.	British Columbia	Commercial Services
Citation Collection Services, LLC	Indiana	T2
Contractum Ltd	England & Wales	Commercial Services
EPC Finance Limited	England & Wales	Commercial Services
EPC Hungary Kft	Hungary	Commercial Services
Euro Parking Collection PLC	England & Wales	Commercial Services
Fourlev Limited	Israel	Government Solutions
Greenlight Acquisition Corporation	Delaware	Corporate
Greenlight Holding Corporation	Delaware	Corporate
Greenlight Intermediate Holding Corporation	Delaware	Corporate
Highway Toll Administration, LLC	New York	Commercial Services
LaserCraft, Inc.	Georgia	Government Solutions
Mulvihill ICS, Inc.	New York	Government Solutions
Pagateia, S.L.U.	Spain	Commercial Services
PlatePass, L.L.C.	Delaware	Commercial Services
Redflex Enforcement Services Pty Ltd	Victoria	Government Solutions
Redflex Guardian, Inc.	Delaware	Government Solutions
Redflex Holdings Pty Ltd	Victoria	Government Solutions
Redflex Irish Investments Pty Ltd	Victoria	Government Solutions
Redflex Pty Ltd	Victoria	Government Solutions
Redflex Traffic Pty Ltd	Victoria	Government Solutions
Redflex Traffic Systems (California), Inc.	California	Government Solutions
Redflex Traffic Systems (Canada) Limited	British Columbia	Government Solutions
Redflex Traffic Systems India Private Limited	India	Government Solutions
Redflex Traffic Systems Limited	United Kingdom	Government Solutions
Redflex Traffic Systems Malaysia Sdn. Bhd.	Malaysia	Government Solutions

Redflex Traffic Systems Pty Ltd	Victoria	Government Solutions
Redflex Traffic Systems, Inc.	Delaware	Government Solutions
Road Safety Operations Holdings Unlimited	Ireland	Government Solutions
RTS R&D Pty Ltd	Victoria	Government Solutions
Sunshine State Tag Agency LLC	Delaware	Commercial Services
T2 Holding Corp.	Delaware	T2
T2 Systems Canada Inc.	British Columbia	T2
T2 Systems Parent Corporation	Delaware	T2
T2 Systems, Inc.	Indiana	T2
Toll Buddy, LLC	Delaware	Commercial Services
Traffic Operating Services (Saudi Arabia) LLC	Saudi Arabia	Government Solutions
Transtoll Pty Ltd	Victoria	Government Solutions
United Public Safety, Inc.	Pennsylvania	T2
Verra Mobility B.V.	Netherlands	Commercial Services
Verra Mobility Corporation	Delaware	Corporate
Verra Mobility Electrical Enterprises, Inc.	New York	Government Solutions
Verra Mobility France SAS	France	Commercial Services
Verra Mobility Holdings, LLC	Delaware	Corporate
Verra Mobility Ireland Limited	Ireland	Commercial Services
Violation Management Solutions, LLC	Delaware	Commercial Services
VMI Consolidated, Inc.	Delaware	Corporate

American Traffic Solutions, Inc. State Date of Notice Notice Type

Costa Mesa	CA	2010	Termination
San Bernardino	CA	2014	Termination
Whittier	CA	2010	Termination
Apopka	FL	2018	Termination
Boca Raton	FL	2015	Termination
Casselberry	FL	2010	Termination
Collier County	FL	2013	Termination
Dunnellon	FL	2013	Termination
Hialeah	FL	2012	Termination
Hollywood	FL	2016	Termination
Royal Palm Beach	FL	2010	Termination
Temple Terrace	FL	2015	Termination
Winter Springs	FL	2010	Termination
Bainbridge	WA	2022	Termination
Anne Arundel County	MD	2018	Termination
Arnold	MO	2014	Termination
Bel-Nor	MO	2014	Termination
Beverly Hills	MO	2014	Termination
Brentwood	MO	2013	Termination
Bridgeton	MO	2014	Termination
Calverton Park	MO	2014	Termination
Clayton	MO	2013	Termination
Country Club Hills	MO	2013	Termination
Creve Coeur	MO	2014	Termination
Dellwood	MO	2013	Termination
Ellisville	MO	2014	Termination
Excelsior Springs	MO	2014	Termination
Ferguson	MO	2015	Termination
Florissant	MO	2014	Termination
Grandview	MO	2014	Termination
Hazelwood	MO	2014	Termination

Jefferson County	MO	2015	Termination
Kansas City	MO	2015	Termination
Moline Acres	MO	2014	Termination
Northwoods	MO	2014	Termination
Richmond Heights	MO	2013	Termination
Springfield	MO	2015	Termination
St Ann	MO	2014	Termination
St John	MO	2014	Termination
St Joseph	MO	2015	Termination
St Louis	MO	2014	Termination
Sugar Creek	MO	2014	Termination
Webster Groves	MO	2014	Termination
Brick Township	NJ	2014	Termination
Deptford	NJ	2014	Termination
East Brunswick	NJ	2014	Termination
East Windsor	NJ	2014	Termination
Glassboro	NJ	2014	Termination
Gloucester Township	NJ	2014	Termination
Jersey City	NJ	2014	Termination
Lawrence Township	NJ	2014	Termination
Linden	NJ	2014	Termination
Monroe	NJ	2014	Termination
Palisades Park	NJ	2012	Termination
Piscataway	NJ	2014	Termination
Pohatcong Township	NJ	2012	Termination
Rahway	NJ	2014	Termination
Roselle Park	NJ	2014	Termination
Union Township	NJ	2014	Termination
Wayne Township	NJ	2014	Termination
Woodbridge	NJ	2014	Termination
Arlington	TX	2015	Termination
Baytown	TX	2010	Termination
Burleson	TX	2019	Termination

Cedar Hill	TX	2019	Termination
Dallas	TX	2019	Termination
Diboll	TX	2019	Termination
Elgin	TX	2019	Termination
Fort Worth	TX	2019	Termination
Frisco	TX	2019	Termination
Georgetown Independent School District	TX	2019	Termination
Houston	TX	2014	Termination
Irving	TX	2019	Termination
Jersey Village	TX	2019	Termination
Little Elm	TX	2019	Termination
Lufkin	TX	2019	Termination
Magnolia	TX	2019	Termination
Sugar Land	TX	2019	Termination
Watauga	TX	2019	Termination
Willis	TX	2019	Termination
Bedford	VA	2022	Termination
Windsor Heights	IA	2020	Termination

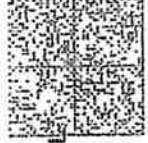
31



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON



SEATTLE WA 980
26 SEP 2023 PM 3



US POSTAGE

FOR PITNEY BOWES

ZIP 98104 \$ 000.630
02.4W
0000384479 SEP 26 2023





Bob Ferguson

ATTORNEY GENERAL OF WASHINGTON

800 Fifth Avenue, Suite 2000 • Seattle, WA 98104-3188 • (206) 464-6684

September 25, 2023



Dear American Traffic Solutions:

The Consumer Protection Division of the Attorney General's Office received the enclosed complaint filed by [REDACTED] regarding your business. Our office provides an informal complaint resolution process to consumers and businesses to assist them in resolving disputes. Many businesses find this informal, voluntary process beneficial in resolving complaints with their customers.

Our office acts as a neutral party throughout this process and facilitates communication between consumers and businesses to assist the parties in resolving the complaint. We are prohibited by Washington State law from providing legal advice or representing either party. Our office monitors consumer complaints for possible indications of patterns of unfair or deceptive trade practices warranting further attention by our office.

Our office requests that you respond to this complaint in writing within 21 calendar days from the date of this letter so that we may determine how to proceed in this matter. Our preference is to receive the response by email at [REDACTED]. We will provide a copy of your response to the consumer. Please reference the file number [REDACTED] in your response.

Please note that consumer complaints, including responses, are public records and are available to the public for copying or inspection in compliance with the Washington State Public Records Act, RCW 42.56.

Thank you for your attention to this matter. If you have questions or would like to submit additional information regarding this complaint, our email address is [REDACTED]. Please include the complaint number given above on any complaint correspondence.

Sincerely,



Enclosure

COMPLAINT SUMMARY

Consumer Information

Name:

[REDACTED]

Address:

[REDACTED]

Day Phone:

[REDACTED]

Evening Phone:

E-mail Address:

[REDACTED]

Age Group (optional):

[REDACTED]

Are you a member or former member of the U.S. Armed Forces, Guard, Reserves or a dependent? (optional):

No

If English is not your first language, what is your first language?

Do you want the Attorney General's Office to send this business a copy of your complaint?

Yes

Business Information

Name of business that I am complaining about:

[REDACTED]

Address:

[REDACTED]

Phone:

[REDACTED]

Email:

Names and contact information of any other businesses involved in your complaint:

[REDACTED]

About Your Complaint

Amount in Dispute:

Transaction Date:

09/07/2023

Explain your complaint in detail:

I received a notice of infraction and they deliberately made it impossible to listed a link to obtain the declaration of non-responsibility. The link provided sends an error message and I have noticed this on several occasions this is a permanent error message and this is deliberate so people are forced to pay and not obtain the court documents required to dispute the ticket. They deliberately do this so that you are forced to pay. This is not constitutional. The link they provide is below and you can clearly see the link will take you to an error it is deliberate in this action.

SIGNATURE

I acknowledge that my complaint and attachments, once submitted, become public records and may be disclosed to others in response to a Public Records Request. Complaint information received by this office will be exported into the FTC's database, Consumer Sentinel, a secure online database. This data is then made available to thousands of civil and criminal law enforcement authorities worldwide.

I declare, under penalty of perjury under the laws of the State of Washington, that the information contained in this complaint is true and accurate, and that any documents attached are true and accurate copies of the originals.

I authorize the Washington State Attorney General's Office to contact the party(ies) against which I have filed this complaint in an effort to reach an amicable resolution. I authorize the party(ies) against which I have filed this complaint to communicate with and provide information related to my complaint to the Washington State Attorney General's Office. By selecting NO below, I acknowledge that the Attorney General's Office will not contact the party(ies) named in my complaint and will not attempt to facilitate resolution of my complaint with the party(ies). My complaint will be kept by the Attorney General's Office for informational purposes.

City and State where signed Lake Forest Park, Washington

11. On June 17, 2021, █████ Consolidated, Inc., parent company to █████ acquired 100% of the issued share capital of █████ Holdings Pty Ltd, formerly known as █████ Holdings Limited. █████ Holdings Pty Ltd was the parent company to Redflex Traffic Systems, Inc. █████ After an internal reorganization, █████ is the parent company to █████

█████ was investigated by the U.S. Department of Justice (the "DOJ") in relation to prior misconduct of former employees as a result of allegations in a █████ Tribune article published in October 2012. The misconduct under investigation ended around 2012 and 2013, and the individuals involved have not been employed by █████ for over eight (8) years. █████ fully and voluntarily cooperated with these investigations and provided substantial assistance to the DOJ in connection with its investigations. As a result of the DOJ's investigation, █████ was not charged with any offense arising out of its activities that the DOJ was investigating, which related to the █████ and locations in the State of █████ and entered into a Non-Prosecution Agreement (NPA) with the DOJ for a term of two (2) years that expired on December 24, 2018.

Former █████ was charged with conspiracy to commit federal programs bribery committed by her before February 28, 2013, relating to the procurement of commercial contracts within the █████ and in the █████ and was sentenced to prison because of her 2015 guilty plea. █████ from May 31, 2011 through February 28, 2013 and █████ from December 9, 2005 through February 28, 2013. Former █████ was also charged with conspiracy to commit bribery on February 10, 2014, relating to the procurement of commercial contracts within the █████ and in the █████ thereafter entered a plea of guilty.

On February 3, 2017, █████ and the █████ entered a release and settlement agreement which resolved a civil qui tam litigation brought by the City. On February 21, 2017, the █████ entered its "Notice of Finding of Responsibility of █████ thereby restoring █████ as a responsible vendor entitled to submit proposals and bids for █████ Contracts.

█████ was not charged with or convicted of any offense arising out of these activities related to the █████ and locations in the █████

Standard Disclosures & Investigations
Question # 12

1. On June 17, 2021, [REDACTED] parent company to [REDACTED] c. acquired 100% of the issued share capital of [REDACTED] Holdings Pty Ltd, formerly known as [REDACTED] Holdings Limited. [REDACTED] Holdings Pty Ltd was the parent company to [REDACTED] Traffic Systems, Inc. [REDACTED] After an internal reorganization, American Traffic Solutions, Inc. is the parent company to [REDACTED]

[REDACTED] was investigated by the U.S. Department of Justice (the "DOJ") in relation to prior misconduct of former employees as a result of allegations in a [REDACTED] Tribune article published in October 2012. The misconduct under investigation ended around 2012 and 2013, and the individuals involved have not been employed by [REDACTED] or over eight (8) years. [REDACTED] fully and voluntarily cooperated with these investigations and provided substantial assistance to the DOJ in connection with its investigations. As a result of the DOJ's investigation, [REDACTED] was not charged with any offense arising out of its activities that the DOJ was investigating, which related to the [REDACTED] [REDACTED] and locations in the State of [REDACTED] and entered into a Non-Prosecution Agreement (NPA) with the DOJ for a term of two (2) years that expired on December 24, 2018.

Former [REDACTED] officer, [REDACTED] was charged with conspiracy to commit federal programs bribery committed by her before February 28, 2013, relating to the procurement of commercial contracts within the [REDACTED] and in the state of [REDACTED] and was sentenced to prison because of her 2015 guilty plea. Ms. Finley was Redflex's Director from May 31, 2011 through February 28, 2013 and President & CEO from December 9, 2005 through February 28, 2013. Former [REDACTED] Vice President of Sales, [REDACTED] [REDACTED]s also charged with conspiracy to commit bribery on February 10, 2014, relating to the procurement of commercial contracts within the [REDACTED] and in the state of [REDACTED] thereafter entered a plea of guilty.

On February 3, 2017, [REDACTED] and the [REDACTED] entered a release and settlement agreement which resolved a civil qui tam litigation brought by the City. On February 21, 2017, the [REDACTED] entered its "Notice of Finding of Responsibility of [REDACTED] thereby restoring [REDACTED] as a responsible vendor entitled to submit proposals and bids for City of [REDACTED] Contracts.

[REDACTED] was not charged with or convicted of any offense arising out of these activities related to the [REDACTED] of [REDACTED] and locations in the State of [REDACTED]



VERRA
MOBILITY™

October 23, 2023

Subject: Response to [REDACTED]

[REDACTED] is in receipt of complaint [REDACTED] filed by [REDACTED] which was forwarded to us by your office for response. [REDACTED] takes complaints seriously and we appreciate the opportunity to address [REDACTED] concerns.

In her complaint, [REDACTED] has alleged that [REDACTED] and the [REDACTED] Municipal Court “deliberately made it impossible to a link to obtain the declaration of non-responsibility. The link provided sends an error message and I have noticed this on several occasions this is a permanent error message and this is deliberate so people are forced to pay and not obtain the court documents required to dispute the ticket”.

Attached is one of several Notices of Infraction sent to [REDACTED] this year by the Seattle Police Department for bus lane violations. Each of these Notices of Infraction and their accompanying documents are identical in form and content except for the following violation specific fields:

- Notice of Infraction number and PIN
- Violation images captured by bus lane photo enforcement cameras
- Violation date, time, and location
- Issuing officer and badge/serial number
- Issue date

A review of the Notice of Infraction and accompanying documents demonstrates that recipients of these Notices are advised by the issuing jurisdiction of multiple options for resolving their citation. For example, at the **bottom of the Notice**, recipients are advised of the citation response timeframe and provided five options for responding to their citation, including options to:

1. Pay their citation via the payment coupon which accompanies their Notice,
 2. Enter a payment plan with the court,
 3. Request a court mitigation hearing using the coupon which accompanies their Notice,
 4. Request a court hearing to contest the violation using the coupon which accompanies their Notice,
- or-
5. Submit a Declaration of Non-Responsibility.
 - a. This last option directs the recipient to the back of the Notice for additional information as to what constitutes “non-responsibility” and provides several options for obtaining and returning the Declaration to the Court.

Additionally, in the **top right corner** of the first page of the Notice is a box identifying a web address - [REDACTED] Further down the Notice this web address is again repeated, in yellow highlight, to draw the viewer’s attention. The [REDACTED] web address is listed on the back of the Notice in two *additional* locations – one of which is located directly next to the broken [REDACTED] Court webpage identified by [REDACTED] in her complaint (as shown below).

Download or print the form from the Court’s website: [REDACTED]

[REDACTED] is a public facing website which allows visitors, after validating their identity, to view images and video associated with their Notice, pay their fines, or download a Declaration of Non-Responsibility form. The website also provides, in multiple locations, a toll-free phone number to call for assistance or to get additional information about their Notice, court hearing request, or transfer of liability options.

At the bottom of the first page of the Notice, you will see recipients are provided five options for addressing their Notice - including options to:

6. Pay their citation via the payment coupon which accompanies their Notice,
7. Enter a payment plan with the court,
8. Request a court mitigation hearing using the hearing coupon which accompanies their Notice,
9. Request a court hearing to contest the violation using the hearing coupon which accompanies their Notice, or
10. Submit a Declaration of Non-Responsibility.
 - a. This last option directs the recipient to the back of the Notice where the recipient can review additional information on what constitutes "non-responsibility" and also provides the recipient multiple options for obtaining the declaration form.

Turning to the back of the Notice, recipients are again advised (in greater detail), of all available options for resolving their Notices. The [REDACTED] Municipal Court Customer Service number is provided in two sections – once under "Questions" – in bold and again in the section for outlining transfers of liability titled, "IF YOUR VEHICLE WAS STOLEN, SOLD BY YOU PRIOR TO THE DATE OF VIOLATION, OR WAS OTHERWISE NOT IN YOUR CARE, CUSTODY OR CONTROL AT THE TIME OF THE VIOLATION". It is in this capitalized section on the back of the Notice of Infraction where the [REDACTED] Court web address link [REDACTED] identified in her complaint is located.

[REDACTED] tested the [REDACTED] Court web address cited by [REDACTED] (and provided on the Notice) and encountered the following error message - "404 Error; Page Not Found". Verra Mobility has notified the [REDACTED] Court of the issue. While the Court works to fix that webpage or provide an alternate, please note that this section of the Notice (copied below in its entirety) provides multiple other means for recipients to obtain this form from the [REDACTED] Court including visiting [REDACTED] calling the court, or visiting the court in person (see list following the highlighted text).

IF YOUR VEHICLE WAS STOLEN, SOLD BY YOU PRIOR TO THE DATE OF VIOLATION, OR WAS OTHERWISE NOT IN YOUR CARE, CUSTODY OR CONTROL AT THE TIME OF THE VIOLATION, you may submit a sworn statement to that effect to the Court to rebut the presumption, established in SMC 11.31.090, that you were driving the vehicle at the time of the violation. EMPLOYERS: As a matter of law, a vehicle registered to an employer/principal that is driven by an employee/agent remains in the "care, custody, and control" of the employer/agent. Thus, the employer/principal is responsible for payment of the infraction penalty and may not transfer that responsibility by submitting a sworn statement. Like a parking infraction, an employee/agent may take responsibility for a traffic camera infraction by submitting payment directly to the Court or by requesting a hearing in his or her name. A Declaration of Non-Responsibility form can be obtained from the Court in any of the following ways:

1. Download or print the form from the Court's website: [REDACTED]
2. Call the Court at [REDACTED]
3. Visit the Court in person at the [REDACTED]

Return the completed form to the Court in person [REDACTED]

You must fill out the Declaration of Non-Responsibility completely. If you fail to fill it out completely, you will be notified that the Notice of Infraction will remain in your name.

You must return or mail the Declaration of Non-Responsibility to the Court by the due date shown on the front of this Notice of Infraction or the infraction will remain in your name.

We hope the above information is useful.

Respectfully,

[REDACTED]

Penalty and Interest Calculator

Penalty and Interest Results

We have calculated the penalty and interest you owe using the information you have provided.

Please verify that the information is correct. If we do not receive your return and payment by the date you specified below, you may receive a bill for additional penalties and interest owed. See [important information](#) for limitations of use.

- Select **Print** to print a copy of this page for your records
- To determine penalty and interest due for another tax return, select **Another Calculation**.

Reporting details

Tax type: [REDACTED]

Due date: **01/31/2024**

Estimated received date: **05/23/2024**

Penalty and interest results

Amount of tax due (\$): [REDACTED]

Estimated interest (see detail below) (\$): [REDACTED]

Estimated penalty (\$): [REDACTED]

Estimated total amount due (\$): [REDACTED]

Penalty details

This calculator **does not** compute the penalty for underpayment of estimated tax by a corporation, individual, or fiduciary or shareholder penalties for late filing of a Sub Chapter S Return (H2 Penalties). If any of those penalties apply to you, see [important information](#) for instructions.

Failure to file/failure to pay (S1 penalty) (\$): [REDACTED]

Total penalty (\$): [REDACTED]

Interest details

111 Days at 12.00% from 01-31-2024 to 05-23-2024 (\$): [REDACTED]

Total interest (\$): [REDACTED]

Web survey

Provide feedback about this online service through our [Web Survey](#).

[Back](#) [Print](#) [Another Calculation](#)

[Accessibility](#) [Disclaimer](#) [Privacy](#) [Security](#) [Email/Phishing](#)

American Traffic Solutions, Inc. State Date of Notice Notice Type

	State	Date of Notice	Notice Type
Costa Mesa	CA	2010	Termination
San Bernardino	CA	2014	Termination
Whittier	CA	2010	Termination
Apopka	FL	2018	Termination
Boca Raton	FL	2015	Termination
Casselberry	FL	2010	Termination
Collier County	FL	2013	Termination
Dunnellon	FL	2013	Termination
Hialeah	FL	2012	Termination
Hollywood	FL	2016	Termination
Royal Palm Beach	FL	2010	Termination
Temple Terrace	FL	2015	Termination
Winter Springs	FL	2010	Termination
Bainbridge	WA	2022	Termination
Anne Arundel County	MD	2018	Termination
Arnold	MO	2014	Termination
Bel-Nor	MO	2014	Termination
Beverly Hills	MO	2014	Termination
Brentwood	MO	2013	Termination
Bridgeton	MO	2014	Termination
Calverton Park	MO	2014	Termination
Clayton	MO	2013	Termination
Country Club Hills	MO	2013	Termination
Creve Coeur	MO	2014	Termination
Dellwood	MO	2013	Termination
Ellisville	MO	2014	Termination
Excelsior Springs	MO	2014	Termination
Ferguson	MO	2015	Termination
Florissant	MO	2014	Termination
Grandview	MO	2014	Termination
Hazelwood	MO	2014	Termination

Jefferson County	MO	2015	Termination
Kansas City	MO	2015	Termination
Moline Acres	MO	2014	Termination
Northwoods	MO	2014	Termination
Richmond Heights	MO	2013	Termination
Springfield	MO	2015	Termination
St Ann	MO	2014	Termination
St John	MO	2014	Termination
St Joseph	MO	2015	Termination
St Louis	MO	2014	Termination
Sugar Creek	MO	2014	Termination
Webster Groves	MO	2014	Termination
Brick Township	NJ	2014	Termination
Deptford	NJ	2014	Termination
East Brunswick	NJ	2014	Termination
East Windsor	NJ	2014	Termination
Glassboro	NJ	2014	Termination
Gloucester Township	NJ	2014	Termination
Jersey City	NJ	2014	Termination
Lawrence Township	NJ	2014	Termination
Linden	NJ	2014	Termination
Monroe	NJ	2014	Termination
Palisades Park	NJ	2012	Termination
Piscataway	NJ	2014	Termination
Pohatcong Township	NJ	2012	Termination
Rahway	NJ	2014	Termination
Roselle Park	NJ	2014	Termination
Union Township	NJ	2014	Termination
Wayne Township	NJ	2014	Termination
Woodbridge	NJ	2014	Termination
Arlington	TX	2015	Termination
Baytown	TX	2010	Termination
Burleson	TX	2019	Termination

Cedar Hill	TX	2019	Termination
Dallas	TX	2019	Termination
Diboll	TX	2019	Termination
Elgin	TX	2019	Termination
Fort Worth	TX	2019	Termination
Frisco	TX	2019	Termination
Georgetown Independent School District	TX	2019	Termination
Houston	TX	2014	Termination
Irving	TX	2019	Termination
Jersey Village	TX	2019	Termination
Little Elm	TX	2019	Termination
Lufkin	TX	2019	Termination
Magnolia	TX	2019	Termination
Sugar Land	TX	2019	Termination
Watauga	TX	2019	Termination
Willis	TX	2019	Termination
Bedford	VA	2022	Termination
Windsor Heights	IA	2020	Termination

State-wide Legal Challenges Resulting in Program Suspension or Termination
State-wide Legal Challenges Resulting in Program Suspension or Termination
State-wide Legal Challenges Resulting in Program Suspension or Termination
State-wide Legal Challenges Resulting in Program Suspension or Termination
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State-wide Legal Challenges Resulting in Program Suspension or Termination
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State-wide Legal Challenges Resulting in Program Suspension or Termination
State-wide Legal Challenges Resulting in Program Suspension or Termination

Legislative Changes

Legislative Changes

Legislative Changes

Legislative Changes

Legislative Changes

Legislative Changes

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Legislative Changes

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Legislative Changes

Legislative Changes

Legislative Changes

Legislative Changes

Legislative Changes

Legislative Changes

Legislative Changes

Convenience

Mutual Consent

Legislative Changes

Standard Disclosures & Investigations
Question # 13

1. In 2016, the [REDACTED] Office of the Inspector General (OIG) initiated an investigation into whether [REDACTED] violated City Debarment Rules by submitting bid packages to out-of-state municipal entities on three occasions that contained an endorsement that was inadvertently attributed without authorization to a [REDACTED] Department of Transportation official. In September 2017, the OIG issued a report in which it concluded that [REDACTED] handling of the endorsement constituted a violation of certain provisions of the City's Debarment Rules. On February 7, 2018, without agreeing that it had intentionally violated any rule or provision, [REDACTED] and the City executed an agreement through which [REDACTED] agreed to a two-year period of administrative oversight on [REDACTED] ability to contract with the City and perform contracts with the City. The period of oversight concluded on February 7, 2020.
2. In January 2018, [REDACTED] received an inquiry from the [REDACTED] Office of the Attorney General [REDACTED] in connection with certain consumer complaints the [REDACTED] had received regarding an electronic toll payment service that entities associated with [REDACTED] and [REDACTED] Processing Services, L.L.C.) provide to certain rental car companies. [REDACTED] responded and provided supporting documentation in February 2018 and July 2018. In December 2018, [REDACTED] met with the [REDACTED] to discuss certain open areas of inquiry that the [REDACTED] could not determine from the [REDACTED] written submissions. [REDACTED] has not received further inquiry from the [REDACTED] since the December 2018 meeting.
3. By a letter dated March 12, 2018, the [REDACTED] Board of Examiners for Engineers and Surveyors, informed us that it had initiated an investigation in response to a complaint it received alleging that [REDACTED] was practicing or offering to practice engineering without being licensed by the Board. While the Board determined that there was sufficient evidence to support the claim that [REDACTED] was practicing, or offering to practice, engineering and surveying in [REDACTED] without being licensed by the Board, it did not take any further action against [REDACTED]. Prior to [REDACTED] receipt of the initial inquiry from the Board, [REDACTED] had already commenced using [REDACTED] licensed professional engineers in [REDACTED].
4. In June 2019, [REDACTED] was made aware by the [REDACTED] that [REDACTED] was not in compliance with a City ordinance requiring membership in the "811 [REDACTED] (Digger)" program, a 24-hour service network designed to prevent contractors from hitting existing utility lines when digging. [REDACTED] worked diligently with the [REDACTED] Department of Transportation to comply with the ordinance. [REDACTED] kept its [REDACTED] customer informed on the matter and is now in compliance with the ordinance.
5. By a letter dated July 10, 2019, the [REDACTED] Professional Engineering and Land Surveying Board informed [REDACTED] that it had received complaints alleging possible violations of the Professional Engineering and Land Surveying Licensure Law and/or Board Rules related [REDACTED] practicing and/or offering to practice engineering in [REDACTED] without a license. By a letter dated February 3, 2020, the Board informed [REDACTED] that it had concluded that there was insufficient evidence of a violation of the laws/ rules of the Board, and the Board will take no further action in this matter.

6. By a letter dated June 1, 2020, the [REDACTED] Department of Professional and Occupational Regulation [REDACTED] informed [REDACTED] that it had received complaint alleging that [REDACTED] was operating without a qualifying party under its [REDACTED] Highway/Heavy license. [REDACTED] responded to [REDACTED] on June 22, 2020, providing information related to the process and status of having [REDACTED] Director of National Construction designated as [REDACTED] Qualified Individual for its [REDACTED] Highway/Heavy license after the previous Qualified Individual departed [REDACTED]. On August 12, 2020, [REDACTED] Director of National Construction was notified by the [REDACTED] Board for Contractors of the [REDACTED] that he was designated as [REDACTED] Qualified Individual for its [REDACTED] Highway/Heavy license. [REDACTED] believes this matter has been resolved.
7. By a letter dated June 2, 2020, the [REDACTED] Department of Transportation informed [REDACTED] that it had commenced investigating an incident of a potential violation the [REDACTED] Underground Facilities Damage Prevention Ordinance. [REDACTED] cooperated with the City of [REDACTED] informing the City that [REDACTED] had not performed demolition at or near the location in question. [REDACTED] believes this matter has been resolved.
8. In 2020, the DC Office of Human Rights received charges from two former subcontractors alleging that their former employer, [REDACTED] and [REDACTED] had engaged in unlawful age discrimination against them. The Office initiated an investigation into both charges. One charge was resolved via a confidential settlement agreement between the former subcontractor and [REDACTED] which also included a full release of the Company. The Office of Human Rights issued a No Probable Cause Letter of Determination in June 2021, concluding that it found no probable cause to believe that the Company engaged in unlawful age discrimination.
9. In the Fall of 2019, [REDACTED] notified the [REDACTED] Department of Transportation [REDACTED] of potential deficiencies in the Verra Mobility Electrical Enterprises, Inc., formerly known as [REDACTED] photo enforcement installation practices. [REDACTED] is an indirect wholly owned subsidiary of [REDACTED]. In early 2020, the [REDACTED] Department of Investigation [REDACTED] commenced an investigation into the installation practices. In late January 2021, [REDACTED] was informed that the [REDACTED] is investigating matters related to our past installation practices. After its investigation, [REDACTED] concluded that certain installations did not satisfy the [REDACTED] Specifications applicable to the installation of the photo enforcement systems but did not issue violations with respect to the deficiencies. On March 22, 2021, [REDACTED] and the [REDACTED] entered into a Certification and Monitor Agreement, pursuant to which, among other things, [REDACTED] agreed to complete remediation work, engaged an independent monitor, and agreed to comply with certain installation practices and to implement certain compliance measures required by [REDACTED]. The term of the Certification and Monitor Agreement ends upon the expiration of the current photo enforcement agreements between [REDACTED] and [REDACTED].
10. [REDACTED] a subsidiary of [REDACTED] received from the [REDACTED] Office of the Comptroller a Notice to Produce & Examination pursuant to [REDACTED] Administrative Code § 6-109, dated September 28, 2022, alleging failure to pay prevailing wages or living wages or living wages or minimum wages. [REDACTED] is cooperating with the [REDACTED].

Investigation Disclosures
Question 14 (e)

1. By a letter dated March 12, 2018, the [REDACTED] informed us that it had initiated an investigation in response to a complaint it received alleging that [REDACTED] was practicing or offering to practice engineering without being licensed by the Board. While the Board determined that there was sufficient evidence to support the claim that [REDACTED] was practicing, or offering to practice, engineering and surveying in [REDACTED] without being licensed by the Board, it did not take any further action against [REDACTED]. Prior to [REDACTED] receipt of the initial inquiry from the Board, [REDACTED] had already commenced using [REDACTED] licensed professional engineers in [REDACTED].

2. In June 2019, [REDACTED] was made aware by the [REDACTED] that [REDACTED] was not in compliance with a City ordinance requiring membership in the "811 [REDACTED] (Digger)" program, a 24-hour service network designed to prevent contractors from hitting existing utility lines when digging. [REDACTED] worked diligently with the City of Chicago Department of Transportation to comply with the ordinance. [REDACTED] kept its [REDACTED] customer informed on the matter and is now in compliance with the ordinance.

3. In the Fall of 2019, [REDACTED] notified the [REDACTED] Department of Transportation ([REDACTED]) of potential deficiencies in the [REDACTED] photo enforcement installation practices. [REDACTED] is an indirect wholly owned subsidiary of [REDACTED]. In early 2020, the [REDACTED] Department of Investigation ([REDACTED]) commenced an investigation into the installation practices. In late January 2021, [REDACTED] was informed that the [REDACTED]'s investigating matters related to our past installation practices. After its investigation, [REDACTED] concluded that certain installations did not satisfy the [REDACTED] specifications applicable to the installation of the photo enforcement systems but did not issue violations with respect to the deficiencies. On March 22, 2021, [REDACTED] and the DOI entered into a Certification and Monitor Agreement, pursuant to which, among other things, [REDACTED] agreed to complete remediation work, engaged an independent monitor, and agreed to comply with certain installation practices and to implement certain compliance measures required by [REDACTED]. The term of the Certification and Monitor Agreement ends upon the expiration of the current photo enforcement agreements between [REDACTED] and [REDACTED].

Entity Name	Domestic Jurisdiction	Business Unit
American Traffic Solutions Consolidated, L.L.C.	Delaware	Commercial Services
American Traffic Solutions, Inc.	Kansas	Government Solutions
American Traffic Solutions, L.L.C.	Delaware	Government Solutions
ATS Processing Services, L.L.C.	Delaware	Commercial Services
ATS Tolling LLC	Delaware	Commercial Services
Auto Tag of America LLC	Delaware	Commercial Services
Auto Titles of America LLC	Delaware	Commercial Services
CANADIAN HIGHWAY TOLL ADMINISTRATION LTD.	British Columbia	Commercial Services
Citation Collection Services, LLC	Indiana	T2
Contractum Ltd	England & Wales	Commercial Services
EPC Finance Limited	England & Wales	Commercial Services
EPC Hungary Kft	Hungary	Commercial Services
Euro Parking Collection PLC	England & Wales	Commercial Services
Fourlev Limited	Israel	Government Solutions
Greenlight Acquisition Corporation	Delaware	Corporate
Greenlight Holding Corporation	Delaware	Corporate
Greenlight Intermediate Holding Corporation	Delaware	Corporate
Highway Toll Administration, LLC	New York	Commercial Services
LaserCraft, Inc.	Georgia	Government Solutions
Mulvihill ICS, Inc.	New York	Government Solutions
Pagatella, S.L.U.	Spain	Commercial Services
PlatePass, L.L.C.	Delaware	Commercial Services
Redflex Enforcement Services Pty Ltd	Victoria	Government Solutions
Redflex Guardian, Inc.	Delaware	Government Solutions
Redflex Holdings Pty Ltd	Victoria	Government Solutions
Redflex Irish Investments Pty Ltd	Victoria	Government Solutions
Redflex Pty Ltd	Victoria	Government Solutions
Redflex Traffic Pty Ltd	Victoria	Government Solutions
Redflex Traffic Systems (California), Inc.	California	Government Solutions
Redflex Traffic Systems (Canada) Limited	British Columbia	Government Solutions
Redflex Traffic Systems India Private Limited	India	Government Solutions
Redflex Traffic Systems Limited	United Kingdom	Government Solutions
Redflex Traffic Systems Malaysia Sdn. Bhd.	Malaysia	Government Solutions

Redflex Traffic Systems Pty Ltd	Victoria	Government Solutions
Redflex Traffic Systems, Inc.	Delaware	Government Solutions
Road Safety Operations Holdings Unlimited	Ireland	Government Solutions
RTS R&D Pty Ltd	Victoria	Government Solutions
Sunshine State Tag Agency LLC	Delaware	Commercial Services
T2 Holding Corp.	Delaware	T2
T2 Systems Canada Inc.	British Columbia	T2
T2 Systems Parent Corporation	Delaware	T2
T2 Systems, Inc.	Indiana	T2
Toll Buddy, LLC	Delaware	Commercial Services
Traffic Operating Services (Saudi Arabia) LLC	Saudi Arabia	Government Solutions
Transtoll Pty Ltd	Victoria	Government Solutions
United Public Safety, Inc.	Pennsylvania	T2
Verra Mobility B.V.	Netherlands	Commercial Services
Verra Mobility Corporation	Delaware	Corporate
Verra Mobility Electrical Enterprises, Inc.	New York	Government Solutions
Verra Mobility France SAS	France	Commercial Services
Verra Mobility Holdings, LLC	Delaware	Corporate
Verra Mobility Ireland Limited	Ireland	Commercial Services
Violation Management Solutions, LLC	Delaware	Commercial Services
VM Consolidated, Inc.	Delaware	Corporate

American Traffic Solutions, Inc. State Date of Notice Notice Type

Costa Mesa	CA	2010	Termination
San Bernardino	CA	2014	Termination
Whittier	CA	2010	Termination
Apopka	FL	2018	Termination
Boca Raton	FL	2015	Termination
Casselberry	FL	2010	Termination
Collier County	FL	2013	Termination
Dunnellon	FL	2013	Termination
Hialeah	FL	2012	Termination
Hollywood	FL	2016	Termination
Royal Palm Beach	FL	2010	Termination
Temple Terrace	FL	2015	Termination
Winter Springs	FL	2010	Termination
Bainbridge	WA	2022	Termination
Anne Arundel County	MD	2018	Termination
Arnold	MO	2014	Termination
Bel-Nor	MO	2014	Termination
Beverly Hills	MO	2014	Termination
Brentwood	MO	2013	Termination
Bridgeton	MO	2014	Termination
Calverton Park	MO	2014	Termination
Clayton	MO	2013	Termination
Country Club Hills	MO	2013	Termination
Creve Coeur	MO	2014	Termination
Dellwood	MO	2013	Termination
Ellisville	MO	2014	Termination
Excelsior Springs	MO	2014	Termination
Ferguson	MO	2015	Termination
Florissant	MO	2014	Termination
Grandview	MO	2014	Termination
Hazelwood	MO	2014	Termination

Jefferson County	MO	2015	Termination
Kansas City	MO	2015	Termination
Moline Acres	MO	2014	Termination
Northwoods	MO	2014	Termination
Richmond Heights	MO	2013	Termination
Springfield	MO	2015	Termination
St Ann	MO	2014	Termination
St John	MO	2014	Termination
St Joseph	MO	2015	Termination
St Louis	MO	2014	Termination
Sugar Creek	MO	2014	Termination
Webster Groves	MO	2014	Termination
Brick Township	NJ	2014	Termination
Deptford	NJ	2014	Termination
East Brunswick	NJ	2014	Termination
East Windsor	NJ	2014	Termination
Glassboro	NJ	2014	Termination
Gloucester Township	NJ	2014	Termination
Jersey City	NJ	2014	Termination
Lawrence Township	NJ	2014	Termination
Linden	NJ	2014	Termination
Monroe	NJ	2014	Termination
Palisades Park	NJ	2012	Termination
Piscataway	NJ	2014	Termination
Pohatcong Township	NJ	2012	Termination
Rahway	NJ	2014	Termination
Roselle Park	NJ	2014	Termination
Union Township	NJ	2014	Termination
Wayne Township	NJ	2014	Termination
Woodbridge	NJ	2014	Termination
Arlington	TX	2015	Termination
Baytown	TX	2010	Termination
Burleson	TX	2019	Termination

Cedar Hill	TX	2019	Termination
Dallas	TX	2019	Termination
Diboll	TX	2019	Termination
Elgin	TX	2019	Termination
Fort Worth	TX	2019	Termination
Frisco	TX	2019	Termination
Georgetown Independent School District	TX	2019	Termination
Houston	TX	2014	Termination
Irving	TX	2019	Termination
Jersey Village	TX	2019	Termination
Little Elm	TX	2019	Termination
Lufkin	TX	2019	Termination
Magnolia	TX	2019	Termination
Sugar Land	TX	2019	Termination
Watauga	TX	2019	Termination
Willis	TX	2019	Termination
Bedford	VA	2022	Termination
Windsor Heights	IA	2020	Termination



KATHY HOCHUL
Governor

MARIE THERESE DOMINGUEZ
Commissioner



Signal Maintenance

Customer No: [Redacted]
Statement No: [Redacted]

For questions please email:
MO-RevenueUnit@dot.ny.gov

THIS IS A BILL

BILL TYPE: Signal Maintenance

BILL DATE: 6/3/24

TOTAL AMOUNT DUE: [Redacted]

DUE DATE IS FOUND ON DETAILS BEGINNING ON PAGE TWO

COLLECTION TERMS

* Pursuant to NYS Legislation, Chapter 55, laws of 1992, a late fee or interest and collection fees will be imposed: The higher of (a) a late fee of [Redacted] or (b) Interest on the outstanding balance calculated at the state corporate underpayment rate minus two percentage points will be assessed if a balance remains due after 35 days from the bill date. In addition, a collection fee of up to [Redacted] may be applied to amounts not paid within 95 days.*

* Rental Permits issued prior to April 1993 will be assessed a late payment penalty at the rate of [Redacted] of the outstanding balance due after 35 days of the original bill date instead of interest.

Delinquent account balances may be collected by any one of the following actions:
INTERNAL OFFSET, NONRENEWAL OF PERMITS (OR NONISSUANCE OF NEW PERMITS), REFERRAL TO ATTORNEY GENERAL'S OFFICE FOR LEGAL ACTION, COLLECTION AGENCY, OR TO THE NYS DEPARTMENT OF TAXATION AND FINANCE FOR REDUCTION FROM OTHER FUNDS DUE YOU.

Signal Maintenance

REMITTANCE SLIP

Customer No: [Redacted]	Total Amount Due: [Redacted]	If making a partial payment, please remit the entire bill and indicate the invoice Number(s) being paid. Check No. _____ Amount Paid: _____ Please Note Any Corrections Here: _____ _____ _____
Statement No: [Redacted]		
Bill To: [Redacted]		
<p>PLEASE WRITE YOUR CUSTOMER NUMBER ON YOUR CHECK</p> <p>Note: There will be a [Redacted] processing fee for returned checks</p> <p>If you are interested in paying by ACH or wire transfer, Please contact us.</p> <p>[Redacted]</p>		



KATHY HOCHUL
Governor
MARIE THERESE DOMINGUEZ
Commissioner

Bill To:		Signal Maintenance		Customer No:		Statement No:	
				For questions please email: MO-RevenueUnit@dot.ny.gov			
Permit No.	Invoice No.	Location	Description	Billing Period	Due Date		
00060CSM	SM004472	SIGNAL # 39.1	Red Light Camera	02/01/24-01/31/25	03/02/24		
00061CSM	SM004937		Signal Maintenance	05/01/24-04/30/25	05/31/24		
00066CSM	SM004991	RED LIGHT CAMERA (NASSAU COUNTY)		06/01/24-05/31/25	07/01/24		
00065CSM	SM004992	RED LIGHT TRAFFIC SIGNAL ENFORCEMENT EQUIPMENT	Location: Intersection Of Merrick Ave At Front St. (Sr102)	06/01/24-05/31/25	07/01/24		

NYS Department of State

Division of Corporations

Entity Information

The information contained in this database is current through November 30, 2020.

Selected Entity Name: [REDACTED]

Selected Entity Status Information

Current Entity Name: [REDACTED]

DOS ID #: [REDACTED]

Initial DOS Filing Date: JUNE 03, 2009

County: NEW YORK

Jurisdiction: [REDACTED]

Entity Type: FOREIGN BUSINESS CORPORATION

Current Entity Status: ACTIVE

Selected Entity Address Information

DOS Process (Address to which DOS will mail process if accepted on behalf of the entity)

[REDACTED]

Chief Executive Officer

[REDACTED]

Principal Executive Office

[REDACTED]

Registered Agent

[REDACTED]

Entity Information

This office does not record information regarding the names and addresses of officers, shareholders or directors of nonprofessional corporations except the chief executive officer, if provided, which would be listed above. Professional corporations must include the name(s) and address(es) of the initial officers, directors, and shareholders in the initial certificate of incorporation, however this information is not recorded and only available by viewing the certificate.

***Stock Information**

# of Shares	Type of Stock	\$ Value per Share
No Information Available		

*Stock information is applicable to domestic business corporations.

Name History

Filing Date	Name Type	Entity Name
JUN 03, 2009	Actual	[REDACTED]

A **Fictitious** name must be used when the **Actual** name of a foreign entity is unavailable for use in New York State. The entity must use the fictitious name when conducting its activities or business in New York State.

NOTE: New York State does not issue organizational identification numbers.

[Search Results](#) | [New Search](#)

[Services/Programs](#) | [Privacy Policy](#) | [Accessibility Policy](#) | [Disclaimer](#) | [Return to DOS](#)
[Homepage](#) | [Contact Us](#)

QUESTION 17 A CLARIFICATIONS

V) The number of employees in the firm;

██████████ Enterprise Worldwide

* / ██████████ would like to clarify that ██████████ has no employees. Employees of ██████████ parent company to ██████████ perform work on behalf of ██████████ Worldwide across all affiliates in the ██████████ ██████████ Corporation corporate family, there are approximately 954 employees.

VI) Annual revenue of the firm;

- ██████████ would like to clarify that this is the annual revenue of ██████████ ██████████ Corporation for the fiscal year ending December 31, 2022.

Increase Rider

BOND NO. [REDACTED]

To be attached and form a part of Bond No. [REDACTED] dated the 27th day of September, 2012, executed by [REDACTED] as surety, on behalf of [REDACTED] as current principal of record, and in favor of New York State Dept. of Transportation Region 10, as Oblige, and in the current amount of [REDACTED]

In consideration of the agreed premium charged for this bond, it is understood and agreed that [REDACTED] hereby consents that effective from the 19th day of April, 2018, said bond shall be amended as follows:

THE BOND PENALTY SHALL BE Increased:

FROM: [REDACTED]

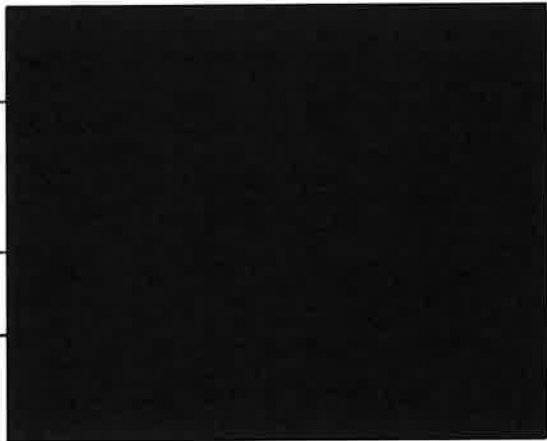
TO: [REDACTED]

The Increase of said bond penalty shall be effective as of the 19th day of April, 2018, and does hereby agree that the continuity of protection under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the above mentioned bond shall not exceed the amount of liability assumed by it at the time the act and/or acts of default were committed and in no event shall such liability be cumulative.

Signed, sealed and dated this 19th day of April, 2018.

BY: _____

BY: _____



[REDACTED]
OF MARYLAND
[REDACTED]

**Statement of Financial Condition
As Of December 31, 2016**

ASSETS

Bonds
Stocks
Cash and Short Term Investments.....
Reinsurance Recoverable.....
Other Accounts Receivable.....
TOTAL ADMITTED ASSETS

LIABILITIES, SURPLUS AND OTHER FUNDS

Reserve for Taxes and Expenses.....
Ceded Reinsurance Premiums Payable.....
Securities Lending Collateral Liability.....
TOTAL LIABILITIES.....
Capital Stock, Paid Up.....
Surplus.....
Surplus as regards Policyholders.....
TOTAL

[REDACTED]

Securities carried at [REDACTED] in the above statement are deposited with various states as required by law.

Securities carried on the basis prescribed by the National Association of Insurance Commissioners. On the basis of market quotations for all bonds and stocks owned, the Company's total admitted assets at December 31, 2016 would be [REDACTED] and surplus as regards policyholders [REDACTED]

I, [REDACTED] Corporate Secretary of the [REDACTED] do hereby certify that the foregoing statement is a correct exhibit of the assets and liabilities of the said Company on the 31st day of December, 2016.

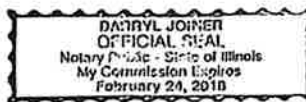
[REDACTED]

State of Illinois }
City of Schaumburg } SS:

Subscribed and sworn to, before me, a Notary Public of the State of Illinois, in the City of Schaumburg, this 1st day of March, 2017.

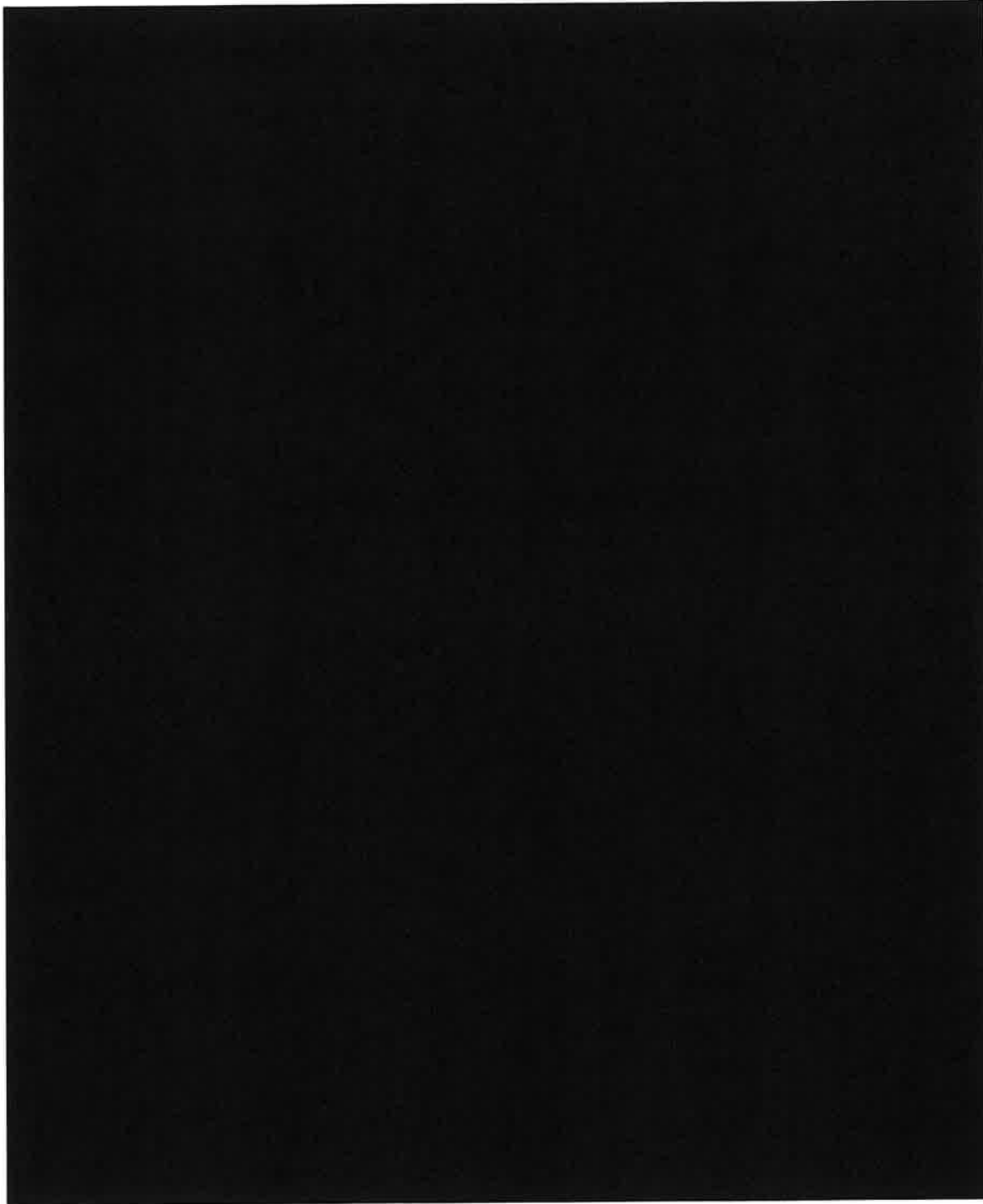
Darryl Joiner

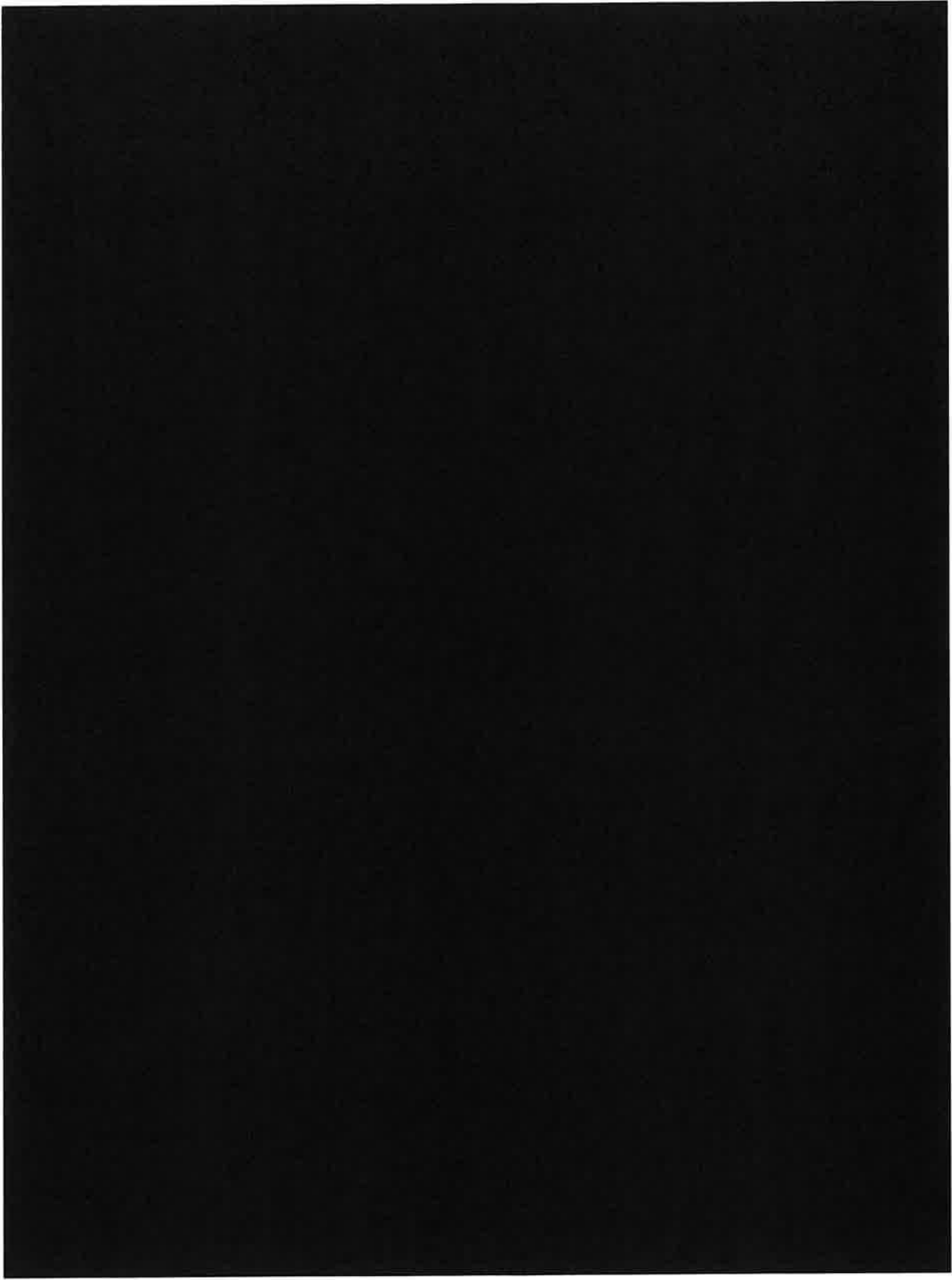
Notary Public



To be attached to and form part of bond [REDACTED] issued on behalf of [REDACTED] by [REDACTED] to the State of New York, Department of Transportation, Region 10.

Locations Currently Covered Under this Bond:



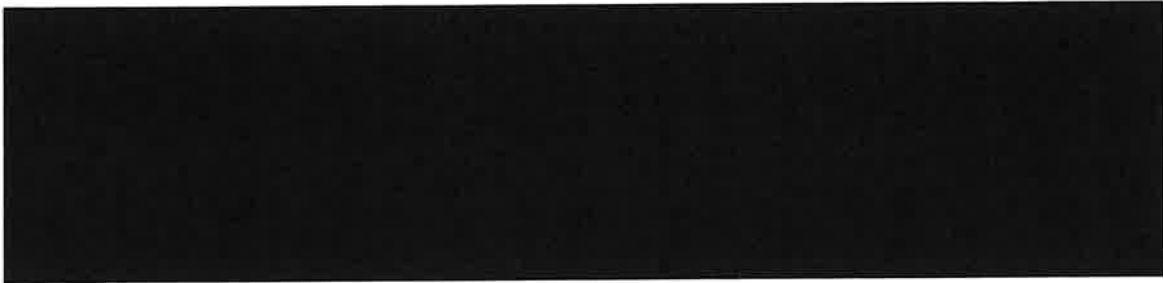




TOTAL BOND AMOUNT



Signed, Sealed and Dated this 19th day of April, 2018.



GENERAL ALL-PURPOSE ACKNOWLEDGMENT

State of ARIZONA

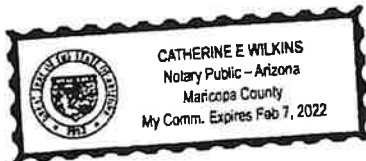
County of MARICOPA

On APRIL 25, 2018 before me, CATHERINE E WILKINS
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared PATRICIA D CHIOLO
Name(s) of Signer(s)

- Personally known to me
 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 capacities 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 said instrument.



WITNESS my hand and official seal.

Catherine E Wilkins
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL

- PARTNER(S) LIMITED
 GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
 GUARDIAN/CONSERVATOR
 OTHER _____

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

Additional Signatures

GENERAL ALL-PURPOSE ACKNOWLEDGMENT

State of Arizona

County of Maricopa

On April 19, 2018 before me, Kristin D. Thurber
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared David G. Jensen
Name(s) of Signer(s)

Personally known to me
 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 capacities 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 said instrument.



WITNESS my hand and official seal.

Kristin D. Thurber
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/>	<u>American Traffic Solutions, Inc. – Bond</u> Number <u>[REDACTED]</u> <small>TITLE OR TYPE OF DOCUMENT</small>
<small>TITLE(S)</small> <input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED <input type="checkbox"/> <input type="checkbox"/> GENERAL <input checked="" type="checkbox"/> ATTORNEY-IN-FACT <input type="checkbox"/> TRUSTEE(S) <input type="checkbox"/> GUARDIAN/CONSERVATOR <input type="checkbox"/> OTHER _____	<small>NUMBER OF PAGES</small> _____ <u>April 19, 2018</u> <small>DATE OF DOCUMENT</small>
<small>SIGNER IS REPRESENTING:</small> <small>NAME OF PERSON(S) OR ENTITY(IES)</small> <u>Fidelity and Deposit Company of Maryland</u> _____	<small>Additional Signatures</small> _____



POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the [redacted] a corporation of the State of New York, the [redacted] a corporation of the State of Maryland, and the [redacted] a corporation of the State of Maryland (herein collectively called the "Companies"), by [redacted] in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint [redacted] EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the [redacted] at its office in New York, New York., the regularly elected officers of the [redacted] at its office in [redacted] Maryland., and the regularly elected officers of the [redacted] at its office in [redacted] Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said [redacted]

ATTEST:



By: *Joshua Lecker*
Assistant Secretary
Joshua Lecker

Michael Bond
Vice President
Michael Bond

State of Maryland
County of Baltimore

On this 28th day of June, A.D. 2017, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **MICHAEL BOND, Vice President, and JOSHUA LECKER, Assistant Secretary**, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Constance A. Dunn
Constance A. Dunn, Notary Public
My Commission Expires: July 9, 2019



EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the [REDACTED] do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the [REDACTED] at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the [REDACTED] at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the [REDACTED] at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 19th day of April, 2018.



David M. Vicker

David McVicker, Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT ALL REQUIRED INFORMATION TO:



STATE OF NEW YORK

DEPARTMENT OF STATE

Certificate of Status

I, ROBERT J. RODRIGUEZ, Secretary of State of the State of New York and custodian of the records required by law to be filed in my office, do hereby certify that upon a diligent examination of the records of the Department of State, as of the date and time of this certificate, the following entity information is reflected:

Entity Name: [REDACTED]
DOS ID Number: [REDACTED]
Entity Type: FOREIGN BUSINESS CORPORATION
Entity Status: AUTHORIZED
Date of Initial Filing with DOS: 06/03/2009
Statement Status: CURRENT
Statement Due Date: 06/30/2023

I certify that the following is a list of documents on file in the Department of State for said entity:

Document Type: APPLICATION OF AUTHORITY
Date of Filing: 06/03/2009
Entity Name: [REDACTED]

Document Type: BIENNIAL STATEMENT
Date of Filing: 06/22/2011
Effective Date: 06/01/2011

Document Type: BIENNIAL STATEMENT
Date of Filing: 07/22/2011
Effective Date: 06/01/2011

Document Type: CERTIFICATE OF CHANGE
Date of Filing: 03/30/2012

Document Type: BIENNIAL STATEMENT
Date of Filing: 07/11/2013
Effective Date: 06/01/2013

Document Type: BIENNIAL STATEMENT
Date of Filing: 06/01/2015

Document Type: CERTIFICATE OF CHANGE
Date of Filing: 09/01/2016

Document Type: BIENNIAL STATEMENT
Date of Filing: 06/14/2017
Effective Date: 06/01/2017

Document Type: CERTIFICATE OF CHANGE
Date of Filing: 06/16/2017

Document Type: CERTIFICATE OF CHANGE (BY AGENT)
Date of Filing: 01/28/2019

Document Type: CERTIFICATE OF CHANGE (BY AGENT)
Date of Filing: 01/28/2019

Document Type: BIENNIAL STATEMENT
Date of Filing: 06/11/2019
Effective Date: 06/01/2019

Document Type: BIENNIAL STATEMENT
Date of Filing: 06/16/2021
Effective Date: 06/01/2021

Above space is left blank intentionally.

No information is available from this office regarding the financial condition, business activity or practices of this entity.

WITNESS my hand and official seal of the Department of State, at the City of Albany, on January 27, 2023 at 12:23 P.M.

ROBERT J. RODRIGUEZ, Secretary of State



Brendan C. Hughes

By Brendan C. Hughes
Executive Deputy Secretary of State

Authentication Number: 100002875377 To Verify the authenticity of this document you may access the
Division of Corporation's Document Authentication Website at <http://ccorp.dos.ny.gov>

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the
Department of State, at the City of Albany, on
August 16, 2019.



Brendan C. Hughes

Brendan C. Hughes
Executive Deputy Secretary of State

1-01

20190816034



Division of Corporations,
State Records and
Uniform Commercial Code

New York State
Department of State
DIVISION OF CORPORATIONS,
STATE RECORDS AND
UNIFORM COMMERCIAL CODE
One Commerce Plaza
99 Washington Ave.
Albany, NY 12231-0001
www.dos.ny.gov

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF ASSUMED NAME
OF

[Redacted]

(Insert Real Name of Entity)

Under Section 130 of the General Business Law

FIRST: The real name of the entity is: [Redacted]

SECOND: Foreign entities only. If applicable, the fictitious name the entity agreed to use in New York State is: _____

THIRD: If the real name of the entity is different on the last Certificate of Assumed Name or Certificate of Amendment of Certificate of Assumed Name, the previous name of the entity is: _____

FOURTH: The entity was formed or authorized under (indicate law):

- Business Corporation Law
- Education Law
- Insurance Law
- Limited Liability Company Law
- Not-for-Profit Corporation Law
- Revised Limited Partnership Act
- Other (specify law): _____

FIFTH: The present assumed name is [Redacted]

SIXTH: The date the original Certificate of Assumed Name was filed is: 06/13/2018

SEVENTH: The date, if applicable, the last Certificate of Amendment of Certificate of Assumed Name was filed is: _____

EIGHTH: The following change(s) are being made (check the appropriate change(s)):

- Entity Name:
The new name of the entity is: _____
- Assumed Name:
The new assumed name is: _____
- Principal Place of Business:
The principal place of business is changed to (include the number and street, city, state and zip code) : _____

BL

County(ies), Added or Deleted, in Which Business Will be Conducted Under the Assumed Name:

County(ies) Added:

County(ies) Deleted:

[Redacted]

Address(es) of Specific Business Location(s), Added or Deleted:

Business Location(s) Added (include the number and street, city, state and zip code):

Business Location(s) Deleted (include the number and street, city, state and zip code):

INSTRUCTIONS FOR SIGNING:

1. If a corporation, by an officer; if a limited partnership, by a general partner; if a limited liability company, by a member or manager; or by an authorized person or attorney-in-fact for such corporation, limited partnership or limited liability company.
2. If the certificate is signed by an attorney-in-fact, include the name and title of the person for whom the attorney-in-fact is acting. (Example, John Smith, attorney-in-fact for Robert Johnson, president.)

[Redacted]

(Name of Signer)

X

[Redacted]

(Signature)

[Redacted]

(Title of Signer)

103

CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF ASSUMED NAME
OF

[Redacted]

(Insert Real Name of Entity)

Under Section 130 of the General Business Law

Filer's Name and Mailing Address:

[Redacted]

Name:

[Redacted]

Company, if Applicable:

[Redacted]

Mailing Address:

[Redacted]

City, State and Zip Code:

NOTES:

- This form was prepared by the New York State Department of State. You are not required to use this form. You may draft your own form or use forms available at legal stationery stores.
- The Department of State recommends that all documents be prepared under the guidance of an attorney.
- Filing Fee:
 - Limited Liability Companies [Redacted]
 - Limited Partnerships [Redacted]
 - Corporations - [Redacted] plus the additional fee for each county affected by the amendment. The additional fee for each county within New York City (Bronx, Kings, New York, Queens and Richmond) is [Redacted]. The additional fee for each county outside New York City is [Redacted].
- Checks are payable to the Department of State.
- All checks over [Redacted] must be certified.

For Office Use Only

[Redacted]

SS 16 171 01 001 0002

RECEIVED
CORPORATE
DIVISION
2019 AUG 16
DEPARTMENT

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED AUG 16 2019
TAXS 455116
BY: [Signature]

CSI-01

**STATE OF NEW YORK
DEPARTMENT OF STATE**

I hereby certify that the annexed copy for AMERICAN TRAFFIC SOLUTIONS, INC., File Number 221104002297 has been compared with the original document in the custody of the Secretary of State and that the same is true copy of said original.

WITNESS my hand and official seal of the
Department of State, at the City of Albany,
on January 12, 2023.



Brendan C. Hughes

Brendan C. Hughes
Executive Deputy Secretary of State

Authentication Number: 100002785450 To Verify the authenticity of this document you may access the
Division of Corporation's Document Authentication Website at <http://ecorp.dos.ny.gov>

CT07



Division of Corporations,
State Records and
Uniform Commercial Code

New York State
Department of State
**DIVISION OF CORPORATIONS,
STATE RECORDS AND
UNIFORM COMMERCIAL CODE**
One Commerce Plaza
99 Washington Ave.
Albany, NY 12231-0001
www.dos.ny.gov

AMENDED CERTIFICATE OF ASSUMED NAME OF

[Redacted]

Insert Current Real Name of Entity

Under Section 130 of the General Business Law

1. The current real name of the entity is: [Redacted]
2. *(Foreign entities only)* If applicable, the fictitious name the entity has agreed to use in New York State is: _____
3. If the current real name of the entity is different from the real name listed on the last preceding filing with respect to this assumed name, the previous real name of the entity listed was: _____
4. The assumed name listed on the last preceding filing with respect to this assumed name was: [Redacted]
- 5a. The date the original Certificate of Assumed Name was filed: 06/13/2018
- 5b. The DOS Assumed Name ID is: [Redacted]
6. If applicable, the date the last Amended Certificate of Assumed Name was filed is: 08/16/2019
7. The following change(s) are being made:
 - Entity real name
 - Assumed name
 - Location of principal place of business
 - County(ies) in which the entity does or intends to do business
 - Location(s) where the entity carries on or conducts or transacts business in New York State

Filed with the NYS Department of State on 11/03/2022
Filing Number: 221104002297 DOS ID: 421749

8. The text of the Certificate of Assumed Name is amended to read in its entirety as follows.

FIRST: The real name of the entity is:

[REDACTED]

SECOND: *(Foreign entities only)* If applicable, the fictitious name the entity has agreed to use in New York State is:

THIRD: The entity was formed or authorized to do business/conduct activities in New York State under the following law: *(Check one)*

- | | |
|--|--|
| <input checked="" type="checkbox"/> Business Corporation Law | <input type="checkbox"/> Not-for-Profit Corporation Law |
| <input type="checkbox"/> Education Law | <input type="checkbox"/> Revised Limited Partnership Act |
| <input type="checkbox"/> Insurance Law | <input type="checkbox"/> Other (specify law): _____ |
| <input type="checkbox"/> Limited Liability Company Law | |

FOURTH: The assumed name of the entity is:

VERRA MOBILITY

FIFTH: The location including number and street, if any, of the entity's principal place of business in New York State. If none, provide the out-of-state address of the entity's principal place of business:

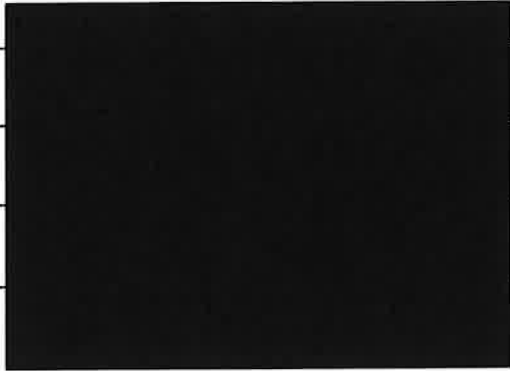
[REDACTED]

SIXTH: The county(ies) in which the entity does business or intends to do business: *(Check all that apply)*

ALL COUNTIES

[REDACTED]

SEVENTH: The location including number and street, if any, of each place where the entity carries on, conducts or transacts business in New York State: *(The addresses must include a number and street, city, state and zip code. The addresses must be within the counties) indicated in paragraph SIXTH.)* If none, check this box



Print or Type
Name of Signer:

[Redacted Name]

Signature:

[Redacted Signature]

Capacity of Signer (Check one):

Authorized Person

Officer of the Corporation

General Partner of the Limited Partnership

Member of the Limited Liability Company

Manager of the Limited Liability Company

Filed with the NYS Department of State on 11/03/2022

Filing Number:

[Redacted Filing Number]

CT07


AMENDED CERTIFICATE OF ASSUMED NAME OF

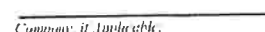
AMERICAN TRAFFIC SOLUTIONS, INC.


(Insert Current Real Name of Entity)

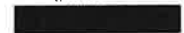
Under Section 130 of the General Business Law

Filer's Name and Mailing Address:








Name


Company, if Applicable


Mailing Address


City, State and Zip Code

NOTES:

1. This form was prepared by the New York State Department of State. You are not required to use this form. You may draft a form or obtain a form from a legal form company. If this form is not suitable for your needs, you may draft your own form.
2. **Instructions for signing:**
If a corporation, by an officer; if a limited partnership, by a general partner or; if a limited liability company, by a member or manager. An authorized person or attorney-in-fact for such corporation, limited partnership or limited liability company may also sign the certificate.
3. The Department of State recommends that this certificate be prepared under the guidance of an attorney.
4. **Filing Fee:**
 - a. Limited Liability Companies - 
 - b. Limited Partnerships - 
 - c. Corporations -  plus the additional fee for each county. The additional fee for each county within New York City (Bronx, Kings, New York, Queens and Richmond) is . The additional fee for each county outside New York City is .
5. Make checks are payable to the "Department of State".
6. All checks over  must be certified.

For Office Use Only



Filed with the NYS Department of State on 11/03/2022
Filing Number: 




New York State Department of
Taxation and Finance
 Sales Tax Registration
 W A Harriman Campus
 Albany NY 12227-0865

20114723823200-AP00



New York State Department of Taxation and Finance
Certificate of Authority

Identification number


(Use this number on all returns and correspondence)



VALIDATED

11/25/2020

**Dept of Tax
and Finance**



is authorized to collect sales and use taxes under Articles 28 and 29 of the New York State Tax Law.

Nontransferable

This certificate must be prominently displayed at your place of business.
 Fraudulent or other improper use of this certificate will cause it to be revoked.
 The certificate may not be photocopied or reproduced.

4020109100098

1DB8 - 3320635 P0000321 - 01

DTF-17-A (11/14)

New York State Department of Taxation and Finance
Important Notice Regarding Liability for Sales and Use Taxes

Did you know?

- The attached *Certificate of Authority* is evidence that you are authorized to collect sales and use tax. You must prominently display it at your place of business. If you do not have a regular place of business, you must attach the certificate to your cart, stand, truck, etc. Failure to properly display a validated *Certificate of Authority* can result in a \$50 penalty.
- As a registered vendor, you must file timely sales tax returns and remit any sales and use taxes collected or owed. You must file a sales tax return even if you are not conducting business and do not owe any sales or use tax.
- You must file returns until you advise us that your business is sold or discontinued, and you return your *Certificate of Authority*. (See Step 1, Step 2, and Step 3 below for important information regarding the sale or discontinuance of your business.)
- Certain registered vendors can Web File returns at www.fax.ny.gov. You may also download forms from this Web site.
- All sales and use taxes collected or required to be collected must be reported and remitted for the period in which the transaction takes place. Failure to file returns and remit taxes when due will result in the assessment of penalty and interest. The minimum penalty for failure to file a return on time is \$50, even if no tax is due. If tax is due, additional penalty and interest charges will accrue.
- Change of business address – Use Form DTF-96, *Report of Address Change for Business Tax Accounts*, if you only want to report a change in the physical address or mailing address of your business. You may also change your address on our Web site.
- Change of other business information – Use Form DTF-95, *Business Tax Account Update*, to report a change of legal name or trade (DBA) name, officers' information, a Tax Department assigned ID number to a federal employer identification number (FEIN), or to report a change in business activity.
- See Publication 760, *A Guide to Sales Tax in New York State*, and Publication 900, *Important Information for Business Owners*, for more information on filing requirements.

Need help?

Internet access: www.tax.ny.gov
 Sales tax information: (518) 485-2889
 Forms and publications: (518) 457-5431

Text telephone (TTY) hotline: (518) 485-5082
 (for persons with hearing and speech disabilities using a TTY)

Notice: If you sell or discontinue your business, or change the form of your business, you are required to return this *Certificate of Authority* with the following information completed. Please follow the steps below:

Step 1 - Check the appropriate box below (box A, B, or C) and follow the instructions corresponding to the box checked.

- A** **Business sold** - You must give each prospective purchaser a copy of Form TP-153, *Notice to Prospective Purchasers of a Business or Business Assets*, if you intend to sell your business or any of your business assets including tangible, intangible, or real property other than in the ordinary course of business. You must also provide the following information:

Last day of business (if applicable):	/	/	Date of sale:	/	/	Sale price:	
Name and address of purchaser:							
Name and address of business:							
Location of property:							
Was sales tax collected on any taxable items (furniture, fixtures, etc.) included in the bulk sale?						<input type="checkbox"/> Yes	<input type="checkbox"/> No

- B** **Business discontinued** - Give the reason for discontinuing business (Insolvent, deceased, dissolution, etc.): _____
 If any business assets are sold as a result of the business being discontinued, you must follow the instructions and provide the information requested in box A concerning the sale.
- C** **Business form changed** (sole proprietor to partnership, partnership to corporation, etc.) - You must apply for a new *Certificate of Authority*. You may apply online or by filling out a new Form DTF-17, *Application to Register for a Sales Tax Certificate of Authority*, and mailing it to: NYS Tax Department, Sales Tax Registration Unit, W A Harriman Campus, Albany NY 12227-0865.
- Step 2 -** You must file a final return within 20 days of the last day of business or change in status. Be sure to check the final return box on the front of the return. The return should include the tax due from business operations to the last day of business as well as any tax collected on assets that you sell. Attach statements indicating tax received and remitted for each category and, for a bulk sale, items on which tax was not collected. Attach your *Certificate of Authority* to your final return, and mail both to the appropriate address listed. Any person who fails to surrender a *Certificate of Authority*, or a *Temporary Certificate of Authority*, as required by the Tax Law, may be subject to the criminal penalties prescribed by section 1817 of the Tax Law.
- Step 3 -** I certify that the above statements are true and correct. I make these statements with the knowledge that knowingly making a false or fraudulent statement on this document is a misdemeanor under section 1817 of the Tax Law and section 210.45 of the Penal Law, punishable by imprisonment for up to a year and a fine of up to \$10,000 for an individual or \$20,000 for a corporation. I understand that the Tax Department is authorized to investigate the accuracy of any information entered on this form.

Signature (provide title and relationship)	Date
Type or print the name that appears in the signature box	

COUNTY OF NASSAU

CONSULTANT'S, CONTRACTOR'S AND VENDOR'S DISCLOSURE FORM

1. Name of the Entity: American Traffic Solutions, Inc.

Address: [REDACTED]

City: [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]

Country: US

2. Entity's Vendor Identification Number: [REDACTED]

3. Type of Business: Other (specify) Corporation

4. List names and addresses of all principals; that is, all individuals serving on the Board of Directors or comparable body, all partners and limited partners, all corporate officers, all parties of Joint Ventures, and all members and officers of limited liability companies (attach additional sheets if necessary):

First Name Brian
Last Name Koehn
MI _____ Suffix _____
Address [REDACTED]
City [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country US
Position Assistant Treasurer

First Name Craig
Last Name Conti
MI _____ Suffix _____
Address [REDACTED]
City [REDACTED] State/Province/Territory: [REDACTED] Zip/Postal Code: [REDACTED]
Country US
Position Chief Financial Officer and Treasurer

First Name David
Last Name Roberts
MI _____ Suffix _____

Address [Redacted] State/Province/Territory: [Redacted] Zip/Postal Code: [Redacted]
City [Redacted]
Country US
Position CEO

First Name Ronald
Last Name Hazen
MI [Redacted] Suffix [Redacted]
Address [Redacted] State/Province/Territory: [Redacted] Zip/Postal Code: [Redacted]
City [Redacted]
Country US
Position VP for Verra Mobility Electrical Enterprises, Inc.

First Name Christopher
Last Name Renzi
MI [Redacted] Suffix [Redacted]
Address [Redacted] State/Province/Territory: [Redacted] Zip/Postal Code: [Redacted]
City [Redacted]
Country US
Position VP, National Construction

First Name Kristen
Last Name Young
MI [Redacted] Suffix [Redacted]
Address [Redacted] State/Province/Territory: [Redacted] Zip/Postal Code: [Redacted]
City [Redacted]
Country US
Position Secretary

First Name Jon
Last Name Keyser
MI [Redacted] Suffix [Redacted]
Address [Redacted] State/Province/Territory: [Redacted] Zip/Postal Code: [Redacted]
City [Redacted]

Country US
Position Director of Redflex Traffic Systems

First Name Jon
Last Name Baldwin
MI _____ Suffix _____
Address _____
City _____ State/Province/Territory: _____ Zip/Postal Code: _____
Country US
Position Executive Vice President

5. List names and addresses of all shareholders, members, or partners of the firm. If the shareholder is not an individual, list the individual shareholders/partners/members. If a Publicly held Corporation, include a copy of the 10K in lieu of completing this section.
If none, explain.

VM Consolidated, Inc.

*American Traffic Solutions, Inc. (DBA Verra Mobility) is wholly owned by VM Consolidated, Inc. The ultimate parent entity, Verra Mobility Corporation, is a publicly traded company listed on Nasdaq, a copy of the 10k of Verra Mobility Corporation is attached.

For the most recent 10K, please follow the following link-
<https://www.sec.gov/ix?doc=/Archives/edgar/data/1682745/000095017024023271/vrrm-20231231.htm>

6. List all affiliated and related companies and their relationship to the firm entered on line 1. above (if none, enter "None"). Attach a separate disclosure form for each affiliated or subsidiary company that may take part in the performance of this contract. Such disclosure shall be updated to include affiliated or subsidiary companies not previously disclosed that participate in the performance of the contract.

See attached entity organizational chart which reflects affiliated entities in the Verra Mobility corporate family.

4 File(s) uploaded: 2024 0624 VRRM Org Chart.pdf, 2024 1231 Verra Mobility Org Chart (002).pdf, Copy of Copy of Entity list 10.2024.xlsx, Verra-Mobility-Entity-Org-Chart.pdf

7. List all lobbyists whose services were utilized at any stage in this matter (i.e., pre-bid, bid, post-bid, etc.). If none, enter "None." The term "lobbyist" means any and every person or organization retained, employed or designated by any client to influence - or promote a matter before - Nassau County, its agencies, boards, commissions, department heads, legislators or committees, including but not limited to the Open Space and Parks Advisory Committee and Planning Commission. Such matters include, but are not limited to, requests for proposals, development or improvement of real property subject to County regulation, procurements.

The term "lobbyist" does not include any officer, director, trustee, employee, counsel or agent of the County of Nassau, or State of New York, when discharging his or her official duties.

Are there lobbyists involved in this matter?
YES NO

(a) Name, title, business address and telephone number of lobbyist(s):
None.

(b) Describe lobbying activity of each lobbyist. See below for a complete description of lobbying activities.
n/a

(c) List whether and where the person/organization is registered as a lobbyist (e.g., Nassau County, New York State):
n/a

8. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

Electronically signed and certified at the date and time indicated by:

Rhett Jacobson 

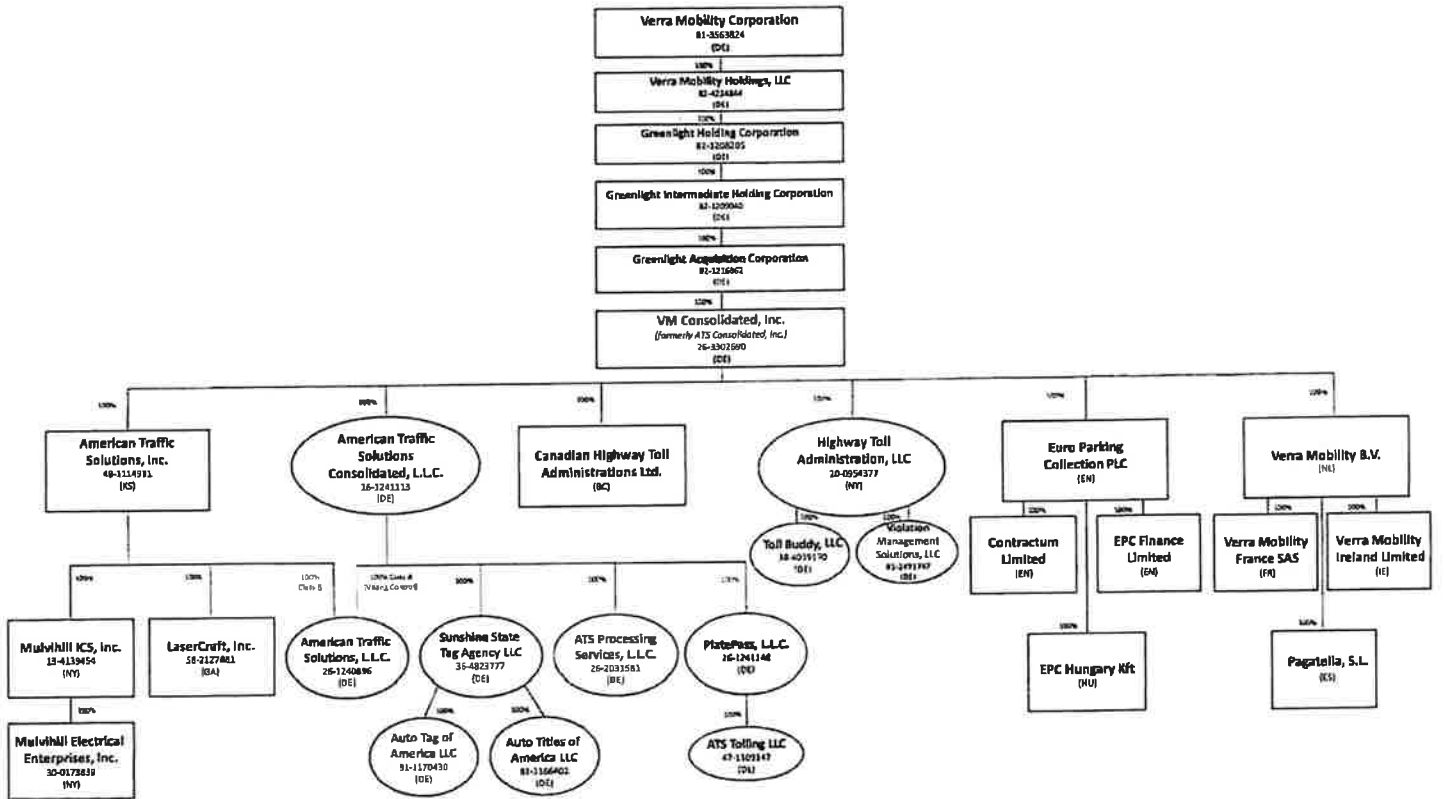
Dated: 10/20/2025 02:21:12 pm

Title: Manager, Contracts

The term lobbying shall mean any attempt to influence: any determination made by the Nassau County Legislature, or any member thereof, with respect to the introduction, passage, defeat, or substance of any local legislation or resolution; any determination by the County Executive to support, oppose, approve or disapprove any local legislation or resolution, whether or not such legislation has been introduced in the County Legislature; any determination by an elected County official or an officer or employee of the County with respect to the procurement of goods, services or construction, including the preparation of contract specifications, including but not limited to the preparation of requests for proposals, or solicitation, award or administration of a contract or with respect to the solicitation, award or administration of a grant, loan, or agreement involving the disbursement of public monies; any determination made by the County Executive, County Legislature, or by the County of Nassau, its agencies, boards, commissions, department heads or committees, including but not limited to the Open Space and Parks Advisory Committee, the Planning Commission, with respect to the zoning, use, development or improvement of real property subject to County regulation, or any agencies, boards, commissions, department heads or committees with respect to requests for proposals, bidding, procurement or contracting for services for the County; any determination made by an elected county official or an officer or employee of the county with respect to the terms of the acquisition or disposition by the county of any interest in real property, with respect to a license or permit for the use of real property of or by the county, or with respect to a franchise, concession or revocable consent; the proposal, adoption, amendment or rejection by an agency of any rule having the force and effect of law; the decision to hold, timing or outcome of any rate making proceeding before an agency; the agenda or any determination of a board or commission; any determination regarding the calendaring or scope of any legislature oversight hearing; the issuance, repeal, modification or substance of a County Executive Order; or any determination made by an elected county official or an officer or employee of the county to support or oppose any state or federal legislation, rule or regulation, including any determination made to support or oppose that is contingent on any amendment of such legislation, rule or regulation, whether or not such legislation has been formally introduced and whether or not such rule or regulation has been formally proposed.

Entity Name	Domestic Jurisdiction	Business Unit
American Traffic Solutions Consolidated, L.L.C.	Delaware	
American Traffic Solutions, Inc.	Kansas	
American Traffic Solutions, L.L.C.	Delaware	
ATS Processing Services, L.L.C.	Delaware	
ATS Tolling LLC	Delaware	
Auto Tag of America LLC	Delaware	
Auto Titles of America LLC	Delaware	
CANADIAN HIGHWAY TOLL ADMINISTRATION LTD.	British Columbia	
Citation Collection Services, LLC	Indiana	
Contractum Ltd	England & Wales	
EPC Finance Limited	England & Wales	
EPC Hungary Kft	Hungary	
Euro Parking Collection PLC	England & Wales	
Fourlev Limited	Israel	
Greenlight Acquisition Corporation	Delaware	
Greenlight Holding Corporation	Delaware	
Greenlight Intermediate Holding Corporation	Delaware	
Highway Toll Administration, LLC	New York	
LaserCraft, Inc.	Georgia	
Mulvihill ICS, Inc.	New York	
Pagatelia, S.L.U.	Spain	
PlatePass, L.L.C.	Delaware	
Redflex Enforcement Services Pty Ltd	Victoria	
Redflex Guardian, Inc.	Delaware	
Redflex Holdings Pty Ltd	Victoria	
Redflex Irish Investments Pty Ltd	Victoria	
Redflex Pty Ltd	Victoria	
Redflex Traffic Pty Ltd	Victoria	
Redflex Traffic Systems (California), Inc.	California	
Redflex Traffic Systems (Canada) Limited	British Columbia	
Redflex Traffic Systems India Private Limited	India	
Redflex Traffic Systems Limited	United Kingdom	
Redflex Traffic Systems Malaysia Sdn. Bhd.	Malaysia	

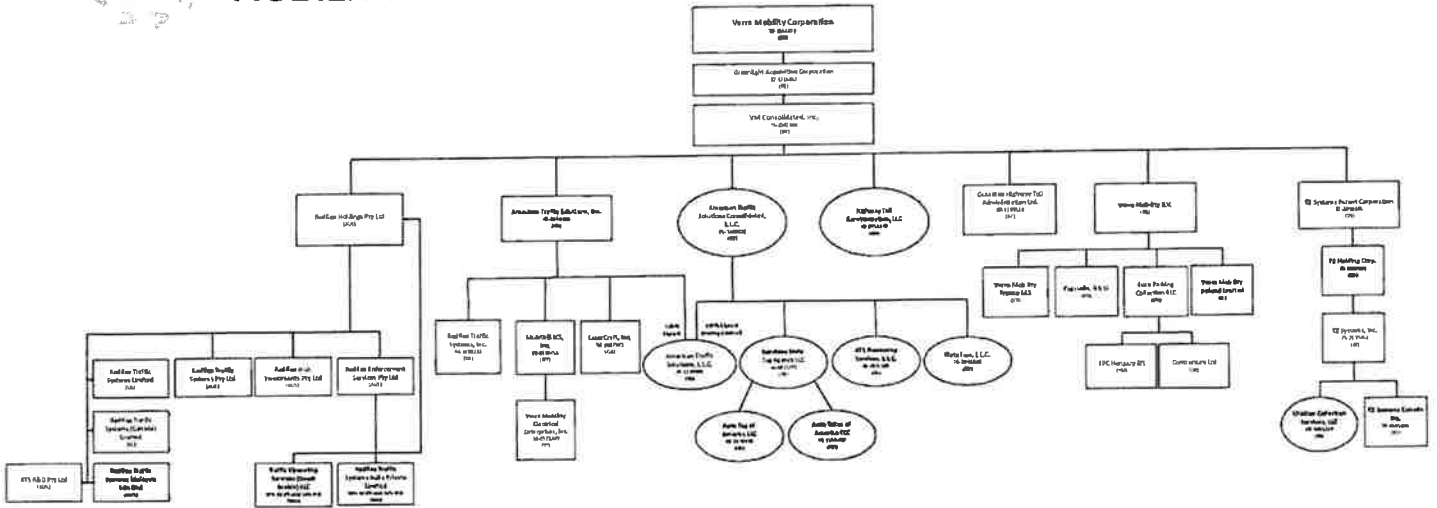
Redflex Traffic Systems Pty Ltd	Victoria
Redflex Traffic Systems, Inc.	Delaware
Road Safety Operations Holdings Unlimited	Ireland
RTS R&D Pty Ltd	Victoria
Sunshine State Tag Agency LLC	Delaware
T2 Holding Corp.	Delaware
T2 Systems Canada Inc.	British Columbia
T2 Systems Parent Corporation	Delaware
T2 Systems, Inc.	Indiana
Toll Buddy, LLC	Delaware
Traffic Operating Services (Saudi Arabia) LLC	Saudi Arabia
Transtoll Pty Ltd	Victoria
United Public Safety, Inc.	Pennsylvania
Verra Mobility B.V.	Netherlands
Verra Mobility Corporation	Delaware
Verra Mobility Electrical Enterprises, Inc.	New York
Verra Mobility France SAS	France
Verra Mobility Holdings, LLC	Delaware
Verra Mobility Ireland Limited	Ireland
Violation Management Solutions, LLC	Delaware
VM Consolidated, Inc.	Delaware





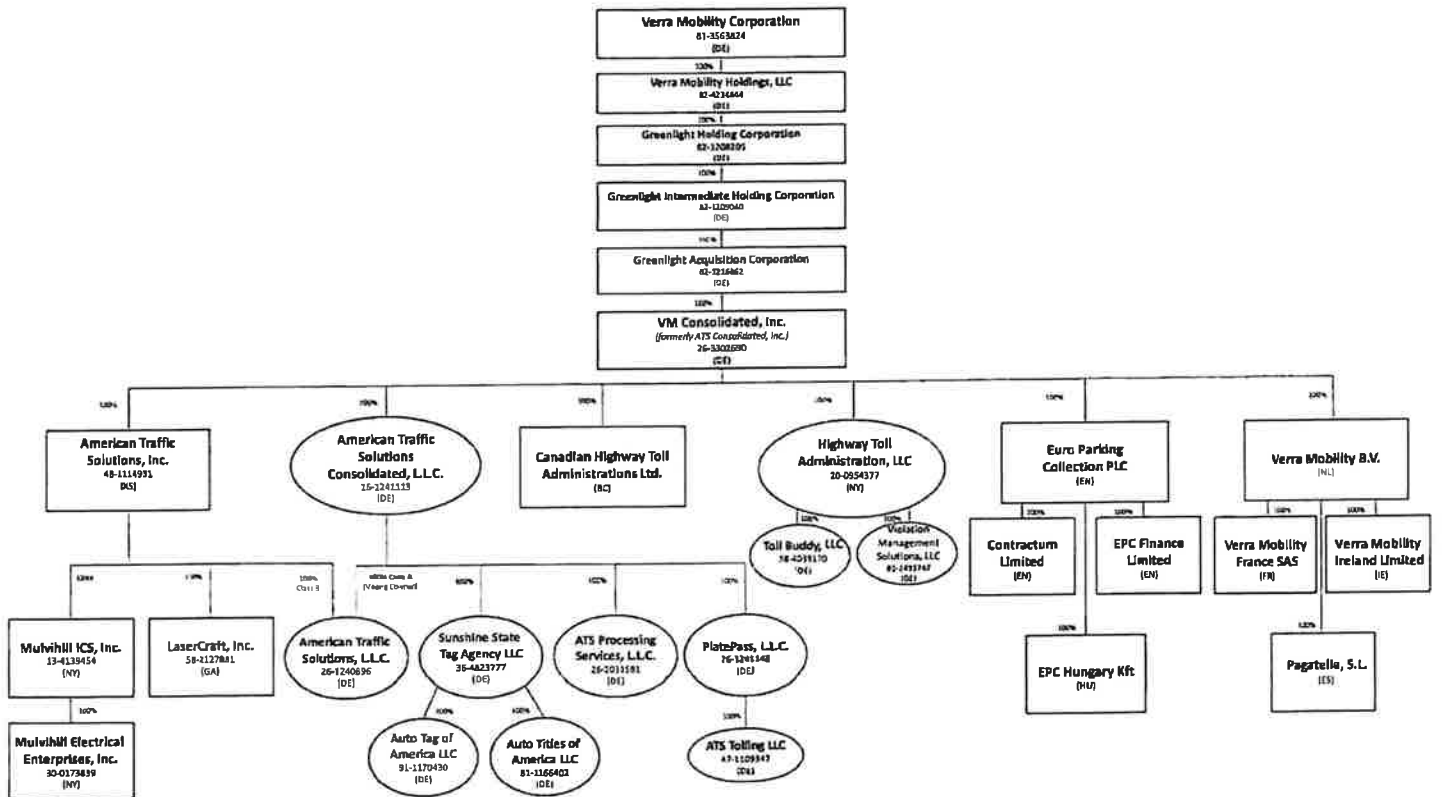
VERRA MOBILITY

Verra Mobility org chart as of 6/24/24



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Verra Mobility Ireland Limited	Ireland
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VM Consolidated, Inc.	Delaware



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

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

For the fiscal year ended December 31, 2023

OR

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

For the transition period from _____ to _____.

Commission File Number 001-37979

VERRA MOBILITY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

81-3563824
(I.R.S. Employer Identification No.)

1150 North Alma School Road
Mesa, Arizona
(Address of Principal Executive Offices)

85201
(Zip Code)

(480) 443-7000
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

<i>(Title of Each Class)</i>	<i>(Trading Symbol)</i>	<i>(Name of Each Exchange on Which Registered)</i>
Class A Common Stock, par value \$0.0001 per share	VRRM	Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2023, computed by reference to the closing price reported on the Nasdaq Capital Market on such date was \$3,271,177,915 (165,881,233 shares at a closing price per share of \$19.72).

As of February 23, 2024, the registrant had 166,020,564 shares of Class A Common Stock, par value \$0.0001 per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement to be filed in connection with its annual meeting of stockholders to be held May 21, 2024 are incorporated by reference into Part III of this Form 10-K.

VERRA MOBILITY CORPORATION
FORM 10-K
For the Fiscal Year Ended December 31, 2023

INDEX

<u>PART I</u>	4
<u>Item 1. Business</u>	4
<u>Item 1A. Risk Factors</u>	12
<u>Item 1B. Unresolved Staff Comments</u>	32
<u>Item 1C. Cybersecurity</u>	32
<u>Item 2. Properties</u>	34
<u>Item 3. Legal Proceedings</u>	35
<u>Item 4. Mine Safety Disclosures</u>	35
<u>PART II</u>	36
<u>Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	36
<u>Item 6. [Reserved]</u>	38
<u>Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	39
<u>Item 7A. Quantitative and Qualitative Disclosures About Market Risk</u>	52
<u>Item 8. Financial Statements and Supplementary Data</u>	53
<u>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	98
<u>Item 9A. Controls and Procedures</u>	98
<u>Item 9B. Other Information</u>	99
<u>Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u>	100
<u>PART III</u>	101
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	101
<u>Item 11. Executive Compensation</u>	101
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	101
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u>	101
<u>Item 14. Principal Accountant Fees and Services</u>	101
<u>PART IV</u>	102
<u>Item 15. Exhibit and Financial Statement Schedules</u>	102
<u>Item 16. Form 10-K Summary</u>	108
<u>SIGNATURES</u>	109
<u>POWER OF ATTORNEY</u>	110
<u>Appendix A, Schedule II</u>	111

As used in this Annual Report on Form 10-K (*Annual Report*), the terms “Verra Mobility,” the “Company,” “we,” “us,” or “our” refer to Verra Mobility Corporation and its consolidated subsidiaries.

PART I

Item 1. Business

Overview

We are a leading provider of smart mobility technology solutions, principally operating throughout the United States, Australia, Europe and Canada. We make transportation safer, smarter and more connected through our integrated, data-driven solutions, including toll and violations management, title and registration services, automated safety and traffic enforcement and commercial parking management. We bring together vehicles, hardware, software, data and people to solve transportation challenges for customers around the world, including commercial fleet owners such as rental car companies (“*RACs*”), direct commercial fleet owner-operators (“*Direct Fleets*”) and fleet management companies (“*FMCs*”), as well as governments, universities, parking operators, healthcare facilities, transportation hubs and other violation-issuing authorities.

Segments

Our solutions are offered through three segments: (i) Commercial Services, (ii) Government Solutions and (iii) Parking Solutions.

Commercial Services

Our Commercial Services segment generated approximately \$372.8 million in revenue for 2023, or approximately 45.6% of our total revenue. We believe that our Commercial Services segment is a market-leading provider of automated toll and violations management and title and registration solutions to RACs, Direct Fleets, FMCs and other large fleet owners in North America. In Europe, our Commercial Services segment provides violations processing through Euro Parking Collection plc and consumer tolling services through Pagatelia S.L.U. We have long-standing relationships with, among others, the three largest RACs in the United States, Avis Budget Group, Enterprise Mobility and The Hertz Corporation. We also have relationships with key European RACs and the five largest FMCs in the United States. Through our established relationships with individual tolling authorities throughout the United States, we provide an automated and outsourced administrative solution for our customers while also providing a value-added convenience for vehicle drivers and benefits to tolling and issuing authorities. Our toll and violations management solutions help ensure timely payment of tolls and violations incurred by our customers’ vehicles and perform timely transfers of liability on our customers’ behalf, and driver billing and collections, as applicable. We also manage regional toll transponder installation and vehicle association—a critical and highly complex process for RAC, Direct Fleet and FMC customers—to ensure that the transponders (and corresponding toll transactions) are associated with the correct vehicle.

Government Solutions

Our Government Solutions segment generated approximately \$358.4 million in revenue for 2023, or approximately 43.9% of our total revenue. We believe our Government Solutions segment is a market-leading provider of automated safety solutions in the United States, Canada and Australia to state and local governments. In the United States, we provide government agencies with road safety cameras to detect and process traffic violations for red-light, speed, school bus, work zone and city bus lanes. Our proprietary hardware and software technologies provide government agencies the information, data and automated end-to-end administrative capabilities to enforce traffic violations through photo enforcement. On behalf of our customers, we install, maintain and manage automated safety solution hardware and software that processes event data, applies customer specific rules and connects a traffic violation to the responsible driver or vehicle owner. Additionally, upon law enforcement’s determination that a violation has occurred, we offer an “end-to-end” solution to manage the citation mailing, billing and other administrative tasks on behalf of our customers. For many international customers, we design, engineer and maintain roadside photo enforcement technology, including both hardware and software, which is sold or licensed to government agencies and often maintained with maintenance contracts to support the technology.

Parking Solutions

Our Parking Solutions segment, formed after our acquisition of T2 Systems Parent Corporation (“*T2 Systems*”) in December 2021, generated approximately \$86.1 million in revenue for 2023, or approximately 10.5%

of our total revenue. T2 Systems is a North American leader of end-to-end commercial parking management solutions. This segment serves approximately 2,000 customers in the university, municipal, healthcare and commercial operator

markets. Our proprietary software, transaction processing and hardware technologies provide our customers with solutions to manage and monetize their parking and enforcement operations. In 2023, we processed over 162 million transactions using our various parking solutions systems, including parking access and revenue control, single- and multi-space pay stations, integrated physical and mobile payments, back-office parking rate management, permit issuance and management, online citation payment, event parking, and back-office management of violations.

Markets and Competition

Although we face strong competition in all of the markets in which we operate, there is no single competitor that provides a similarly broad suite of solutions across our business segments. In our Government Solutions segment, we face competition in certain automated safety solutions from other vendors in red-light, school bus, speed and bus lane photo enforcement. In our Commercial Services segment, we face competition from both our own customers, who may choose to invest in their own internal solutions, and vendors offering or seeking to offer new technologies or financial models. In Parking Solutions, we face competition from a variety of competitors in our markets in the United States and Canada.

Automated Safety

As cities and municipalities wrestle with the evolving challenges of managing traffic congestion, road safety and accessible transportation networks, automated enforcement solutions continue to serve as an effective tool for comprehensive safety and mobility initiatives. In 2022, the Governors Highway Safety Association concluded that the expanded use of automated enforcement is essential to reversing the tragic increase in deaths and injuries on the nation's roadways, and found automated enforcement to be an effective tool for law enforcement and other agencies. Furthermore, the U.S. Department of Transportation issued a report in 2022 stating that automated enforcement can provide significant safety benefits and save lives. Programs like Vision Zero, a collaborative campaign helping communities towards their goals of eliminating all traffic fatalities and severe injuries across most major U.S. cities and around the world, are driving capital investment to make meaningful strides in traffic safety. In New York City, fixed camera locations yielded a 73% average reduction in dangerous speeding, according to the New York City's Automated Speed Enforcement Program 2022 Report.

Public attention given to traffic safety issues for drivers, pedestrians, children, bicyclists and law enforcement is increasing and smart technology solutions have emerged as an effective and cost-neutral method to address traffic safety issues. Furthermore, automated safety systems have the potential to free up law enforcement resources to allow law enforcement to address other pressing community issues. We believe that as public focus intensifies, the demand for our Government Solutions offerings will grow as well, and that we are positioned to take advantage of these opportunities.

Tolling

The tolling industry is highly fragmented and complex, as it is comprised of more than 130 tolling operators with specific coverage regions and disparate technology platforms, processing requirements and business rules. We believe that as state and local governments fund a growing list of infrastructure, maintenance and construction projects, there will be an increase in the number of toll roads, including new express and high occupancy lanes in urban areas. We expect this trend will also increase utilization of dynamic tolling, which allows toll rates to fluctuate based on traffic trends and real-time congestion. In addition, approximately 67% of toll roads in the United States are cashless or all-electronic payment. We believe that these trends create sizable opportunities for us to expand our tolling market presence while developing relationships with tolling authorities.

Commercial Fleet

Our Commercial Services customers consist of RACs, Direct Fleets, FMCs and other large fleet owners. The approximately \$38.3 billion United States RAC industry is highly consolidated, with three companies—with which we have long-standing relationships—accounting for a significant majority of United States RAC revenues in 2023. We believe that the above-mentioned trends toward the use of toll roads additionally create significant opportunities for us to expand our fleet market presence while developing relationships with both new and existing RACs, Direct Fleets, FMCs, and other fleet consumers.

Parking

The parking industry consists of a highly fragmented mix of end customers, including universities, municipalities, private operators, healthcare providers and airports, among other industries. These customers each have different parking needs such as off-street parking, on-street parking, permits, transaction processing, enforcement and consumer engagement. T2 Systems has customer relationships with approximately 35% of higher education institutions in its target tiers, according to internal analysis. The broader parking market in which T2 System's operates—North American municipalities, universities and healthcare providers—represents up to a \$4 billion market according to a 2021 market estimate. Parking Solutions market participants are struggling to attract and retain labor and consumers are increasingly willing to adopt mobile solutions to simplify their transportation needs, creating market opportunities to advance self-service options. We believe that technology solutions that provide mobile-first, self-service offerings improve operational efficiency by reducing reliance on parking-related labor. Such commercial models reduce up-front costs to address market needs and establish a long-term operating model.

Products

Commercial Services

Toll management solutions

We provide fully outsourced toll management solutions for our fleet owner customers, including RACs, Direct Fleets and FMCs, while also providing a value-added convenience for vehicle drivers via our established relationships and integrations with more than 50 individual tolling authorities throughout the United States. This comprehensive network provides RAC, Direct Fleet and FMC drivers the convenience of using cashless and all-electronic tolls. Additionally, this service helps prevent the liability and business disruption of costly toll violations incurred by vehicles owned by RAC, Direct Fleet and FMC customers and eliminates their need to manage a nationwide program internally. Our proprietary software technology and hardware allow us to effectively match a toll to the specific RAC, Direct Fleet or FMC vehicle and driver so that the toll can accurately and reliably be billed and collected on behalf of, or directly from, the RAC, Direct Fleet or FMC. Toll management solutions accounted for approximately 40.4% of our 2023 total revenues.

Violations management solutions

Our violations management solutions process violations incurred by the drivers of RAC, Direct Fleet and FMC vehicles by working with more than 8,700 domestic violation-issuing authorities (more than 400 of which we are directly integrated with) to either pay the fine on behalf of the vehicle owner (for which we are able to bill the driver) or to transfer liability directly to the vehicle driver. Vehicle-issued violations include parking and photo enforcement violations. In Europe, we specialize in the identification, notification and collection of unpaid traffic, parking and public transport related fees, charges and penalties issued to foreign registered vehicles or persons on behalf of issuing authorities in 18 European countries. Violation management solutions accounted for approximately 4.6% of our 2023 total revenues.

Title and registration solutions

Our title and registration solutions provide RAC, Direct Fleet and FMC customers with an integrated, end-to-end solution for managing vehicle titles and registrations and annual renewals. We provide automated title and registration solutions by leveraging connections with individual departments of motor vehicles for title and registration processing in 19 states. Title and registration solutions accounted for approximately 0.6% of our 2023 total revenues.

Government Solutions

We serve as a value-add partner to government agencies by providing photo enforcement solutions that promote road safety and help reduce traffic violations. We work with our customers to identify problematic traffic areas and install, maintain and manage the technology platform needed to capture images or videos of drivers committing traffic violations. Red-light cameras are placed at intersections to capture vehicles illegally running red lights. Similarly, speed safety cameras are used to capture vehicles exceeding posted speed limits, either on a fixed basis or in a mobile platform, and often in school zones or work zones. School bus safety cameras are fixed to the

side of buses to capture vehicles passing school buses with extended stop arms. Finally, bus lane cameras are designed to capture vehicles illegally driving or parking in restricted bus lanes.

For customers of our end-to-end solutions, we automatically send captured events to the designated enforcement agency of the customer, where an authorized individual determines if a violation occurred. Direct service revenue from red-light cameras, speed cameras, school bus cameras and city bus lane cameras accounted for approximately 39.6% of our 2023 total revenues. Other segment service revenue consists primarily of ancillary revenue streams, which comprised 2.5% of total revenue. Product sales to customers are not recurring and are dependent on our customers' needs, and account for 1.8% of total revenue for 2023.

Parking Solutions

Parking Access and Revenue Control

Our Parking Access and Revenue Control ("**PARCS**") technology solutions include both software and hardware offerings which work in concert to help our customers manage their gated, gateless and license plate recognition-based parking lot and parking garage needs. As of December 31, 2023, we installed over 2,800 PARCS lanes. Our related software is the industry's original hosted parking management software, which allows management of our customers' PARCS solutions from a computer or mobile device.

UNIFI Mobile

Our UNIFI Mobile offering was launched in December 2023 to enhance the efficiency of processing parking-related transactions for parking operators and end-users. UNIFI Mobile is a unified, mobile-first and web-enabled platform for various parking-related transactions, including parking session payments, permit purchases, citation payments and account management. The first two offerings as part of UNIFI Mobile's suite of apps included Scan & Pay and Tempo, both of which were launched in December 2023. Scan & Pay allows operators to print a QR code on parking citations for end-users to scan and pay, and Tempo is an application for end-users to efficiently and conveniently purchase parking sessions from parking operators.

Pay Stations

Our pay stations hardware technology has interoperability with over 155 third-party systems, as well as our PARCS and parking enforcement solutions. They are powered by a highly configurable and data driven software technology which supports the enforcement, mobile payments, and back-office and accounting needs of our customers. Our fleet of pay stations hardware exceeded 15,600 units at December 31, 2023.

Permits & Enforcement

Our Permits & Enforcement software technology solutions allow our customers to control who is parking in their facilities and when and where drivers can park using physical or virtual permits, allowing customers to control traffic and maximize their parking-related revenues. This technology also provides enforcement officers with real-time information and custom notifications on their enforcement devices. Citations management features also help to organize fine escalations and notification letters to parking violators.

Intellectual Property

We rely on a combination of patents, trademarks, trade secrets, copyrights and confidentiality agreements to protect our intellectual property. We take steps to protect new intellectual property to safeguard our ongoing technological innovations and strengthen our brand, and believe we take appropriate action against infringement or misappropriation of our intellectual property rights by others. We regularly review third-party intellectual property rights to help avoid infringement, and to identify strategic opportunities.

Our general policy is to seek patent protection for our inventions likely to be incorporated into our products and services or where obtaining such proprietary rights will improve our competitive position. We own approximately 88 U.S.- and foreign-issued patents and pending patent applications, including patents and rights to patent applications acquired through strategic transactions, which relate to various aspects of our products and technology. Our patent portfolio evolves as new patents are awarded to us and as older patents expire. Patents expire at various dates, generally 20 years from their original filing dates. While we believe that our portfolio of patents and applications has value, in

general no single patent is essential to our business or any individual segment. In addition, any of our proprietary rights could be challenged, invalidated or circumvented, or may not provide significant competitive advantages.

Our business relies on both internally developed and externally licensed software, as well as internally, externally and co-developed hardware, to operate and provide our systems and deliver our services. We claim copyright on all internally developed software. We generally rely on common law protection for our copyrighted works. In addition, we rely on maintaining source code confidentiality to assure our market competitiveness. With respect to externally sourced software and hardware, we rely on contracts to retain our continued access for our business usage. From time to time, these agreements may expire or be subject to renegotiation.

We have approximately 220 registrations and pending applications in the United States and foreign jurisdictions for trademarks and service marks, reflecting our many products and services. These registrations and applications include our historic and acquired brands, as well as “Verra Mobility.” These marks may have a perpetual life, subject to periodic renewal and may be subject to cancellation or invalidation based on certain use requirements and third-party challenges, or on other grounds. We vigorously enforce and protect our marks.

Government Regulation

We are subject to various local, state and national laws, regulations and administrative practices regulating matters such as data privacy, photo enforcement, consumer protection, procurement, licensing requirements, anti-corruption, equal employment, minimum wages, workplace health and safety, human rights and the environment, among others. Our operations are subject to regulation by various U.S. federal agencies, including the U.S. Department of Transportation, (“*USDOT*”), the Federal Trade Commission, (“*FTC*”), the Federal Communications Commission, the Consumer Product Safety Commission and the Environmental Protection Agency. We are also subject to laws, regulations and administrative practices addressing many of these same matters in Europe, Australia, Canada and New Zealand, including those specifically relating to accessing and use of information obtained from vehicle licensing authorities, traffic enforcement and collections and financial and banking regulations.

Privacy and Data Security

As part of our business, we collect, receive, process, use, transmit, disclose, and retain information relating to identifiable individuals (“*personal information*”) and, therefore, are subject to various laws protecting privacy and security of personal information, including but not limited to the U.S. Driver Privacy Protection Act, the General Data Protection Regulation (the “*GDPR*”) in the European Union (the “*E.U.*”), the Data Protection Act of 2018 and the GDPR in the United Kingdom, the Canadian Personal Information Protection and Electronic Documents Act, the Australia Privacy Act of 1988, New Zealand’s Privacy Act of 2020, the California Consumer Privacy Act, as amended (the “*CCPA*”), and other national and state privacy laws. We are also subject to similar restrictions and audit requirements pursuant to our contracts with the organizations from which we gain access to personal information, such as departments of motor vehicles and the National Law Enforcement Telecommunications System. Privacy laws and regulations are constantly evolving and changing, are subject to differing interpretations and may be inconsistent among countries and state and local jurisdictions, or conflict with other rules.

As we expand our operations in foreign countries, or as U.S. federal or state law changes, our liability exposure and the complexity and cost of compliance with data and privacy requirements will increase. Laws and practices regarding handling and use of personal and other information by companies have also come under increased public scrutiny, and governmental authorities, consumer agencies and consumer advocacy groups have called for increased regulation and changes in industry practices.

Photo Enforcement

Automated photo enforcement camera programs in the United States are typically regulated at the state and local level. In 2023, 21 bills were enacted at the state-level to authorize, expand or positively reform automated photo enforcement programs. In general, photo enforcement is administered by state, provincial or local government agencies, under either state enabling legislation or under home rule authority established under the relevant state

constitution. Where enabling legislation is not required, local ordinances impose further restrictions within a given jurisdiction.

In connection with the installation of photo enforcement systems, we or our customers routinely obtain permits from various permitting authorities. As a government contractor providing photo enforcement services directly or through subcontractors (including design, engineering, construction, installation, and maintenance) in various locations throughout the United States and internationally, we are at times required to obtain licenses regarding general contracting, performance of engineering services, performance of electrical work, performance of private investigative work and processing license plate and related personal information. We periodically receive notices from regulatory authorities regarding these matters and inquiring as to our compliance with the applicable state, local and foreign laws and regulations. In addition, our foreign photo enforcement programs are subject to regulation in the various countries in which we operate.

Tolling

We are also subject to state and local regulations with respect to tolling. Over the past few years, bills have been introduced in multiple states to limit whether and how much RACs can charge their customers for the use of a toll transponder, limit the administrative penalties and fees that can be assessed for processing tolls, and/or impose increased disclosure requirements on RACs with respect to tolling or violation processing fees. In addition, there has been an increase in interest and greater focus on RAC tolling programs from state Attorneys General related to tolling issues from a consumer protection perspective.

Government Contracting

Our Government Solutions customers are typically government agencies, and our operations within this segment are therefore subject to various laws pertaining to procurement, gifts and entertainment, payments of commissions and contingency fees, conflicts of interest, licensing and permitting requirements and other matters. These laws are overseen by different government agencies, depending on the jurisdiction, including departments of procurements services, contracting offices and offices of inspector general.

To successfully navigate this complex statutory and regulatory landscape, we have a dedicated government relations team that works with national, state and local policymakers, often with the help of lobbyists and consultants, to track and help support favorable camera-enforcement safety and toll-related legislative outcomes. Through this network, we have a presence in most states in which our Government Solutions and Commercial Services segments do business. These lobbying activities are subject to state and local regulations and registration requirements.

We believe we are in substantial compliance with the laws and regulations that regulate our business. There are, however, significant uncertainties involving the application of various legal requirements, the violation of which could result in, among other things, fines, penalties, revocation of permits or licenses, cessation of operations in a given jurisdiction and other adverse consequences. See “*Risk Factors*” for a discussion of our regulatory risks.

Human Capital Management

Our employees are critical to our success as a leading provider of smart mobility solutions. To continue delivering high-quality solutions to our customers and succeed in our highly competitive and rapidly evolving market, it is critical that we continue to attract, retain and develop diverse groups of talented individuals at all levels of our organization.

As of December 31, 2023, we had 1,788 employees, comprised of 1,581 full-time employees and 207 part-time employees. Of our full-time employees, 1,187 were located in the United States and 394 were located internationally. None of our employees are represented by a labor union or covered by a collective bargaining agreement, except for our 26 employees in Staten Island, New York. We believe our relations with our employees are good, and we have not experienced a strike or other significant work stoppage.

Talent Acquisition and Development

Our success depends upon attracting, retaining and developing a diverse group of talented individuals who possess the knowledge and skills necessary to support our business objectives, assist in the achievement of our strategic goals, contribute their own unique perspective and skill set and create long-term value for our stockholders. We have implemented purposeful hiring strategies that include opportunities for internal mobility and promotion and an employee referral program, both of which we believe will further strengthen our growing employee base and promote retention. We have a multifaceted talent development framework that includes functional training, management training and targeted development programs. We also develop our employees through an annual performance review and assessment process that incorporates a dual-performance rating system and provides each employee with concrete, actionable feedback that will enable them to succeed.

Compensation and Benefits

Our compensation programs are designed to align the compensation of our employees with the performance of the Company and the individual employee, and to provide a compensation package that will attract, retain, motivate and reward employees to achieve superior results. The structure of our compensation programs balances incentives for both short-term and long-term performance. In addition to cash compensation, we offer employees benefits such as health (medical, dental and vision) insurance, health savings accounts, flexible spending accounts, life insurance, accident insurance, paid time off, paid parental leave and a company-sponsored 401(k) plan, and related benefits for non-U.S. employees. For key leadership positions, we also provide compensation packages that include annual incentive bonuses and long-term equity awards.

Employee Engagement

We seek employees who collaborate and value differences, think and act globally, foster an engaging climate, and recognize and develop others. We engage and survey our employee population to gather insight, feedback, and data about employees' engagement, workplace experiences, and manager effectiveness. Survey results inform and support corporate, business unit, department, and team action plans, with the goal of enhancing workplace satisfaction and overall employee well-being and effectiveness.

Corporate Information

We were originally incorporated in Delaware on August 15, 2016, under the name "Gores Holdings II, Inc." ("**Gores**") as a special purpose acquisition company. On January 19, 2017, Gores consummated its initial public offering (the "**IPO**"), following which its shares began trading on the Nasdaq Capital Market ("**Nasdaq**"). On June 21, 2018, Gores entered into an Agreement and Plan of Merger (as amended, the "**Merger Agreement**") with Greenlight Holding II Corporation, PE Greenlight Holdings, LLC (the "**Platinum Stockholder**"), AM Merger Sub I, Inc., a direct, wholly owned subsidiary of Gores, and AM Merger Sub II, LLC, a direct, wholly owned subsidiary of Gores. On October 17, 2018, we consummated the transactions contemplated by the Merger Agreement (the "**Business Combination**") and we changed our name to "Verra Mobility Corporation." As a result of the Business Combination, Verra Mobility Corporation became the owner, directly or indirectly, of all of the equity interests of Verra Mobility Holdings, LLC and its subsidiaries.

Our principal executive office is located at 1150 North Alma School Road, Mesa, AZ 85201. Our telephone number is (480) 443-7000. Our website address is www.verramobility.com. The information on, or accessible through, our website does not constitute part of, and is not incorporated into, this Annual Report.

The trade names, trademarks, and service marks appearing in this Annual Report include registered marks and marks in which we claim common law rights, such as Verra Mobility and the Verra Mobility logo, all of which are our intellectual property. This Annual Report contains additional trade names, trademarks, and service marks of other companies that are the property of their respective owners. We do not intend our use or display of other companies' trade names, trademarks, or service marks to imply a relationship with, or endorsement or sponsorship of us, by these companies. We have omitted the ® and ™ designations, as applicable, for the trademarks used in this Annual Report.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), are filed with the SEC. We are subject to the informational requirements of the Exchange Act, and we file or furnish reports, proxy statements and other information with the SEC. Such reports and other information we file with the Securities and Exchange Commission (the "*SEC*") are available free of charge at <http://ir.verramobility.com/financial-information/sec-filings> when such reports become available on the SEC's website. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. We periodically provide other information for investors on our corporate website, www.verramobility.com, and our investor relations website, ir.verramobility.com. This includes press releases and other information about financial performance, information on corporate governance and details related to our annual meeting of stockholders. The information contained on the websites referenced in this Annual Report is not incorporated by reference into this filing. Further, our references to website URLs are intended to be inactive textual references only.

Cautionary Note Regarding Forward-Looking Statements

The discussions in this Annual Report, as well as in our other filings with the SEC and other written and oral information we release, contain forward-looking statements within the meaning of federal securities laws. These forward-looking statements include, but are not limited to, statements concerning our future operating results and financial position, our strategy, expectations regarding demand and acceptance for our products, services and technologies, growth opportunities and trends in the markets in which we operate, future impacts to our business as a result of economic and market conditions, expected cost reductions, benefits and synergies related to our acquisitions and management's plans and objectives. The words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "project," and "will," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on them. Actual events or results could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" in this Annual Report and in our other filings with the SEC. Forward-looking statements speak only as of the date they are made, and we do not undertake to update these statements other than as required by law.

Item 1A. Risk Factors

Risk Factor Summary

Investing in our common stock involves a high degree of risk. In addition to the other information set forth in this Annual Report, you should carefully consider the following factors, which could materially affect our business, financial condition and results of operations in future periods. The risks described below are not the only risks we face. Additional risks not currently known to us may adversely affect our business, financial condition or results of operations in future periods.

Risks Related to Our Customers, Industry and Competition

- Our Commercial Services and Government Solutions segments have customer concentration that could have a material adverse effect on our business.
- Our government contracts are subject to unique risks and uncertainties, including termination rights, delays in payment, audits and investigations, any of which could have a material adverse effect on our business.
- Any decreases in the prevalence or political acceptance of, or an increase in governmental restrictions regarding, automated and other similar methods of photo enforcement, the use of third-party tolling and violations processing service providers, the ability to charge service or other fees to customers for services provided, could have a material adverse effect on our business.

Risks Related to Our Acquisitions

- Our inability to successfully implement our acquisition strategy could have a material adverse effect on our business.

Risks Related to Data Privacy and Cybersecurity

- A failure in or breach of our networks or systems, including as a result of cyber-attacks, could have a material adverse effect on our business.

Risks Related to our International Operations

- Our international operations expose us to additional risks, and failure to manage those risks could have a material adverse effect on our business.

Risks Related to Our Intellectual Property

- Failure to acquire necessary intellectual property or adequately protect our intellectual property could have a material adverse effect on our business.

Risks Related to Our Indebtedness

- Our substantial level of indebtedness could cause our business to suffer and incurring additional debt could intensify debt-related risks.

Risks Related to Our Vendors

- Our reliance on specialized third-party providers could have a material adverse effect on our business.

Due to the risk factors discussed below, as well as other factors affecting our business, operating results, financial condition, financial performance or prospects, our past financial performance should not be considered to be a reliable indicator of our future performance, and investors should not use historical trends to anticipate results or trends in future periods.

Risks Related to Our Customers, Industry and Competition

Our Commercial Services and Government Solutions segments have customer concentration that could have a material adverse effect on our business.

Our business experiences varying levels of customer concentration. For example, our Commercial Services segment is dependent on certain key customers, including those in the RAC industry, such as Avis Budget Group, Inc., Enterprise Mobility and The Hertz Corporation. The health of the RAC industry is impacted by a variety of factors, including seasonality, increases in energy prices, general international, national and local economic conditions and cycles, as well as other factors affecting travel levels, such as military conflicts, terrorist incidents, natural disasters and epidemic diseases.

We also experience customer concentration in our Government Solutions segment. The New York City Department of Transportation (“NYCDOT”) represented approximately 16.9% of our total revenues during fiscal 2023, and our contract with NYCDOT, like many other contracts, is subject to unique risks and uncertainties, including termination rights, delays in payment and audits and investigations, any of which could have a material adverse effect on our business. Unless extended, our contract with NYCDOT expires December 31, 2024, and we anticipate that the next contract for the NYCDOT photo safety program will be subject to competitive procurement. In the future, a small number of customers in our Government Solutions segment may continue to represent a significant portion of our total revenues in any given period. The loss of any of our top Government Solutions customers could have a material adverse effect on our business, financial condition and results of operations.

Our government contracts are subject to unique risks and uncertainties, including termination rights, delays in payment, audits and investigations, any of which could have a material adverse effect on our business.

We enter into government contracts from time to time with customers that are subject to various uncertainties, restrictions and regulations, which could result in withholding or delay of payments to us. For example, as of December 31, 2023, NYCDOT had an open receivable balance of \$36.1 million, which represented 18.0% of our total accounts receivable, net.

Government entities typically finance projects through appropriated funds. While these projects are often planned and executed as multi-year projects, government entities usually reserve the right to change the scope of or terminate these projects for lack of approved funding or at their convenience. Furthermore, we may be required to perform work under expired or terminated government contracts and may be restricted from recognizing revenue from such contracts. Changes in government or political developments, including administrative hurdles, budget deficits, shortfalls or uncertainties, government spending reductions or other debt or funding constraints, could result in our government contracts being reduced in price or scope or terminated altogether, as well as limit our ability to win new government work in the future.

Moreover, if a government customer does not follow the requisite procurement or ordinance-specific administrative procedures, the contract may be subject to protest or voidable regardless of whether we bear any responsibility for the error. Our government contracts are subject to underlying laws and regulations related to government contractors, and often include other one-sided, customer-friendly provisions and certifications, including broad indemnification provisions and uncapped exposure or liquidated damages for certain liabilities, which can impose obligations, requirements and liabilities on us that are beyond those associated with a typical commercial arrangement.

In addition, government contracts are generally subject to audits and investigations by government agencies or higher-tier government contractors. If improper or illegal activities or contractual non-compliance are identified, including improper billing or vendor non-compliance, we may be subject to various civil and criminal penalties and

administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, the imposition of fines, penalties and sanctions, and suspensions or debarment from doing business for or on behalf of the government in the future. If penalties or other restrictions are imposed in one jurisdiction, they could also implicate similar provisions of contracts with other government customers in other jurisdictions. Further, the negative publicity related to these penalties, sanctions or findings in government audits or investigations could harm our reputation and hinder our ability to compete for new contracts with government customers and in the private sector. Any of the foregoing or any other reduction in revenue from government customers could have a material adverse effect on our business, financial condition and results of operations.

Any decreases in the prevalence or political acceptance of, or an increase in governmental restrictions regarding, automated and other similar methods of photo enforcement, the use of third-party tolling service providers or the ability to charge service or other fees to customers for services provided, could have a material adverse effect on our business.

Our Government Solutions segment provides automated safety solutions to national, state and local government agencies, generating revenues through automated photo enforcement of red-light, school bus, speed limit and bus lane laws. We sometimes make significant capital and other investments to attract and retain these contracts, such as the cost of purchasing information technology equipment, constructing and installing photo enforcement systems and developing and implementing software and labor resources. In 2023, revenues from this segment represented approximately 43.9% of our total revenues. Therefore, we depend on national, state and local governments authorizing the use of automated photo enforcement and not otherwise materially restricting its use. In states that have enabling legislation, if that legislation is amended, not renewed or is otherwise repealed, use of automated enforcement technology can be suspended until new legislation is passed. For example, in 2022, a North Carolina court of appeals issued a ruling limiting the ability of local authorities to make certain decisions with respect to funding automated enforcement programs, impacting the viability of automated enforcement in impacted jurisdictions.

Ballot initiatives, referendums, opinions of attorneys general and legal challenges can also be used to restrict the use of automated enforcement or to impose additional licensing requirements on its use. For example, the Attorneys General in the states of Arizona, Tennessee and Virginia have issued opinions that had the effect of limiting the use of these enforcement technologies or impacting the manner in which photo enforcement programs operate. Usage may also be affected if there is an unfavorable shift in political support for, or public sentiment towards, automated enforcement, or as a result of one or more scandals related to its use.

Similarly, our Commercial Services business may be materially impacted if there is an unfavorable shift in political support for or public sentiment towards tolling or its use is materially restricted or limited, including through the imposition of limits on the fees RAC companies can charge their customers for tolling or violation processing services. Any material restriction or limitation on the use of automated enforcement or material reduction in its use in the markets we serve, or any similar changes with respect to tolling, could have a material adverse effect on our ability to recoup our investments, and negatively impact our business, financial condition and results of operations. Further, our relationships and commercial account agreements with tolling authorities, issuing authorities, motor vehicle departments and other governmental agencies significantly enhances and enables our service offerings, and changes in those relationship or agreements could significantly adversely impact our business.

We face intense competition and any failure to keep up with technological developments, changing customer preferences and new laws and policies could have a material adverse effect on our business.

The markets for our solutions are increasingly competitive, rapidly evolving and fragmented, and are subject to changing technology, shifting customer needs, contract renewals and new laws and policies. A number of vendors develop and market products and services that compete to varying extents with our offerings, and we expect this competition to intensify. The rapid rate of technological change in our industry could increase the chances that we will face competition from new products or services designed by companies that we do not currently compete with. Moreover, we face competition from our own customers as they may choose to invest in developing their own internal solutions.

Some of our existing competitors and potential new competitors have longer operating histories, greater name recognition, less debt, more established customer bases and significantly greater financial, technical, research and development, marketing and other resources than we do. As a result, our competitors may be able to respond more

quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. In some cases, our competitors may be better positioned to initiate or withstand substantial price competition, and we may have to reduce our pricing to retain existing business or obtain new business. If we are not able to maintain favorable pricing for our solutions, our profit margin and profitability could suffer. In addition, if a prospective customer is currently using a competing solution, the customer may be unwilling to switch to our solution

without setup support services or other incentives. Certain existing and new competitors may be better positioned to acquire competitive solutions, develop new solutions, modify existing solutions, effectively negotiate third-party licenses and other strategic relationships, and take advantage of acquisition or other similar expansion opportunities. Any failure to achieve our target pricing levels, maintain existing customer relationships, generate additional customer wins or otherwise successfully compete would have a material adverse effect on our business, financial condition and results of operations.

Our new products and services and changes to existing products and services may not succeed.

Our ability to retain, increase and engage our customer base and to increase our revenue depends, in large part, on our ability to continue to evolve existing solutions and to create successful new solutions. We may introduce significant changes to our existing solutions or acquire or introduce new and unproven products and services, including using technologies or entering markets or industries in which we have little or no experience. For example, as Government Solutions customers increase their requirements related to data security, privacy and IT architecture, we may be unable to develop new solutions to keep up with increasing requirements. The failure of any new or enhanced solution to achieve customer adoption or our failure to otherwise successfully monetize our development efforts could have a material adverse effect on our business, financial condition and results of operations. Further, changes to the hardware solutions we offer to our government customers may require certification by a government agency, and failure to achieve such certification may result in an inability to operate photo enforcement systems in a particular jurisdiction. Any failure to evolve existing solutions or create new successful solutions could have a material adverse effect on our business, financial condition and results of operations.

We regularly pursue contracts and contract renewals that require competitive bidding, which can involve substantial costs and could have a material adverse effect on our business.

Many of the contracts and renewals for which we bid, particularly those for certain larger government customers, are extremely complex and require the investment for significant resources in order to prepare accurate bids and proposals. Further, a significant percentage of new customer growth opportunities and contract renewals or extensions in our business segments are only accessible through competitive bidding. Competitive bidding imposes substantial costs and presents several risks, including significant time and effort and the commitment of resources, regardless of whether the job is ultimately won. We may also be unable to meet the requirements of a solicitation or may have to incur substantial costs to be able to do so. These and other unanticipated costs related to the competitive bidding process, including advancing or defending bid protests, and any failure to win renewals or new customer accounts through the competitive bidding process, could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Acquisitions

Our inability to successfully implement our acquisition strategy could have a material adverse effect on our business.

We have grown in large part as a result of our acquisitions, and we anticipate continuing to grow in this manner. Although we expect to regularly consider additional strategic transactions in the future, we may not identify suitable opportunities or, if we do identify prospects, it may not be possible to consummate a transaction on acceptable terms. Antitrust or other competition laws may also limit our ability to acquire or work collaboratively with certain businesses or to fully realize the benefits of a prospective or completed acquisition. Furthermore, a significant change in our business or the economy, an unexpected decrease in our cash flows or any restrictions imposed by our indebtedness may limit our ability to obtain the necessary capital or otherwise impede our ability to complete a transaction. Regularly considering strategic transactions can also divert management's attention and lead to significant due diligence and other expenses regardless of whether we pursue or consummate any transaction. Failure to identify suitable transaction partners and to consummate transactions on acceptable terms, as well as the commitment of time and resources in connection with such transactions, could have a material adverse effect on our business, financial condition and results of operations.

The inability to successfully integrate our recent or future acquisitions could have a material adverse effect on our business.

We have integrated, and may in the future integrate, certain acquired businesses into our existing operations, which requires significant time and exposes us to significant risks and additional costs. Further, we may have difficulty

integrating the operations, systems, controls, procedures or products of such acquired businesses and may not be able to do so in a timely, efficient and cost-effective manner.

These difficulties could include:

- combining management teams, strategies and philosophies;
- merging or linking different accounting and financial reporting systems and systems of internal controls;
- assimilating personnel, human resources and other administrative departments and potentially contrasting corporate cultures;
- merging computer, technology and other information networks and systems;
- disrupting our relationship with or losing key customers, suppliers or personnel; and
- interference with, or loss of momentum in, our ongoing business or that of the acquired business.

Any integration-related issues could cause significant disruption to our business, divert the attention of management and lead to substantial additional costs and delays. For example, between February 2022 and April 2022, our Audit Committee devoted significant time and resources into an accounting investigation of Reflex Holdings Limited, a recently acquired subsidiary, and we were unable to timely file our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. Our inability to successfully integrate acquired businesses could have a material adverse effect on our business, financial condition and results of operations.

Any failure to realize the anticipated benefits of an acquisition, including unanticipated expenses and liabilities related to acquisitions, could have a material adverse effect on our business.

We pursue each acquisition with the expectation that the transaction will result in various benefits, including growth opportunities and synergies from increased efficiencies. However, we may not realize some or all of the anticipated benefits of our acquisitions within our anticipated timeframes or at all. Furthermore, we may experience increased competition that limits our ability to expand our business, we may not be able to capitalize on expected business opportunities, and general industry and business conditions may deteriorate. Acquisitions also expose us to significant risks and costs, and business and operational overlaps may lead to hidden costs. These costs can include unforeseen pre-acquisition liabilities, the impairment of customer relationships or acquired assets such as goodwill, or exposure to oversight, operational and business control risks associated with a newly acquired business. We may also incur costs and inefficiencies to the extent an acquisition expands the industries, markets or geographies in which we operate due to our limited exposure to and experience in a given industry, market or region. Significant acquisitions may also require us to incur additional debt to finance the transactions, which could limit our flexibility in using our cash flow from operations for other purposes. Acquisitions often involve post-transaction disputes with the counterparty regarding a number of matters, including disagreements over the amount of a purchase price or other working capital adjustment or disputes regarding whether certain liabilities are covered by the indemnification provisions of the transaction agreement. We may underestimate the level of certain costs or the exposure we may face as a result of acquired liabilities. If any of these or other factors limit our ability to achieve the anticipated benefits of a transaction, or we encounter other unexpected transaction-related costs and liabilities, our business, financial condition and results of operations could be materially and adversely affected.

Risks Related to Data Privacy and Cybersecurity

A failure in or breach of our networks or systems, including as a result of cyber-attacks, could have a material adverse effect on our business.

We act as a trusted business partner in both front office and back office platforms, interacting with our customers and other third parties. Our customers include large, multinational corporations and government agencies who depend upon our operational efficiency, non-interruption of service, and accuracy and security of information. We receive, process, transmit and store substantial volumes of information relating to identifiable individuals, both in our role as a back-end or direct-to-consumer service provider and as an employer, and receive, process and implement financial transactions, and disburse funds, which requires us to receive debit and credit card information.

We also use third-party providers such as subcontractors, software vendors, utility providers and network providers, upon whom we rely to offer our products, services and solutions. As a result of these and other aspects of our business, the integrity,

security and accuracy of our systems and information technology, and that of the third parties with which we interact, including our customers and other government agencies with which we work, are extremely important.

Our cybersecurity and processing systems, as well as those of the third parties with which we interact, may be damaged, disrupted or otherwise breached for a number of reasons, including power outages, computer and telecommunication failures, computer viruses, malware or other destructive software, internal design, manual or usage errors, cyber-attacks, terrorism, workplace violence or wrongdoing, catastrophic events, natural disasters and severe weather conditions. Our visibility and role as a processor of transactions containing personally identifiable information may also put us at a greater risk of being targeted by hackers. In the normal course of our business, we have been the target of malicious cyber-attack attempts.

In addition, numerous and evolving cybersecurity threats, including advanced and persistent cyber-attacks, phishing and social engineering schemes could compromise our systems and the confidentiality, availability and integrity of data in our systems, as well as the systems and data of the third parties with which we interact. The security measures and procedures we and the third parties with which we interact have in place to protect sensitive consumer data and other information may not be successful or sufficient to counter all data breaches, cyber-attacks, or system failures. Further, employee error or malfeasance, faulty password management or other irregularities may result in a defeat of security measures or a system breach. Although we devote significant resources to our cybersecurity programs and have implemented security measures to protect our systems and data, and to prevent, detect and respond to data security incidents, in each case that we believe are reasonable and appropriate, these efforts, and the efforts of third parties with which we interact, may not prevent these or other threats.

Moreover, because the techniques used to obtain unauthorized access, or to disable or degrade systems change frequently, have become increasingly more complex and sophisticated, and may be difficult to detect for periods of time, we and the third parties with which we interact may not anticipate these acts or respond adequately or timely. As these threats continue to evolve and increase, we may be required to devote significant additional resources in order to modify and enhance our security controls and to identify and remediate any security vulnerabilities or diligencing those of third parties.

If we are sued in connection with any data security breach or system failure, we could be involved in protracted litigation. In addition, a breach could lead to unfavorable publicity and significant damage to our brand, the loss of existing and potential customers, allegations by customers that we have not performed or have breached our contractual obligations, or decreased use and acceptance of our solutions. A breach or failure may also subject us to additional regulations or governmental or regulatory scrutiny, which could result in significant compliance costs, fines or enforcement actions, or potential restrictions imposed by regulators on our ability to operate our business. A security breach would also likely require us to devote significant management and other resources to address the problems created by the security breach. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We are subject to laws and regulations of the United States and foreign jurisdictions relating to personal information, privacy and data security, and failure to comply with these laws and regulations, whether or not inadvertent, could have a material adverse effect on our business.

Personal information is used both as part of our business and in our role as an employer. In addition, as part of our Government Solutions, Commercial Services and Parking Solutions businesses, we process other data which may be considered personal information or sensitive personal information in certain jurisdictions, such as photographs and video recordings. As a result, we are subject to various laws and regulations regarding personal information, privacy and data security, including those promulgated by the United States federal government and its agencies, and state, local and foreign governments, agencies, and public authorities. Our personal information handling also is subject to our published privacy policies and notices, contractual obligations and industry standards.

Laws, regulations and industry standards relating to privacy are rapidly evolving, can be subject to significant change and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. These laws and regulations may also be subject to new or different interpretations. For example, in June 2018, California enacted the CCPA, which took effect on January 1, 2020. The CCPA was amended and expanded (including to apply to employee and business-to-business data) by the California Privacy Rights Act, which took effect on January 1, 2023. The CCPA created several new obligations for companies which process personal information. It also gives California residents expanded rights to access, delete and obtain a copy of their personal information; opt out of certain personal information disclosures; and receive detailed information about how their personal data is processed. The law provides for civil penalties against companies that fail to comply.

Several other states have enacted privacy laws, including Virginia (effective January 1, 2023); Colorado and Connecticut (both effective July 1, 2023); Utah (effective December 31, 2023); Oregon, Texas, and Florida (all effective July 1, 2024); Montana (effective October 1, 2024); Delaware and Iowa (both effective January 1, 2025); New Jersey (effective January 16, 2025); Tennessee (effective July 1, 2025); and Indiana (effective January 1, 2026). Additional states have introduced privacy bills, and Congress has considered several privacy bills at the federal level. Regulations implementing the CCPA and Colorado have also been published, though many questions remain as to how all of the new statutes will be interpreted and enforced. In addition, the FTC uses its consumer protection authority to initiate enforcement actions against companies relating to their use and disclosure of personal information, particularly in response to actual or perceived unfair or deceptive acts or practices.

Various U.S. state laws and regulations may also require us to notify affected individuals and state agencies in the event of a data breach involving personal information. Penalties for failure to adequately protect personal information, notify as required, or provide timely notice vary by jurisdiction. In the United States, most state data breach notification laws consider violations to be unfair or deceptive trade practices and give the relevant state attorneys general the authority to levy fines or bring enforcement actions. Some laws, such as the CCPA, also grant affected individuals a private right of action for certain data breaches. Class action lawsuits against companies which experience a data breach involving personal information are also common. Foreign laws concerning personal information, privacy and data security may be more restrictive and burdensome than those of the United States. Given that data is highly mobile and transferable, many data protection and privacy laws of foreign nations seek to have wide extraterritorial jurisdiction over conduct occurring outside geographical boundaries of the relevant jurisdiction. For example, on May 25, 2018, the GDPR replaced the 1995 Data Protection Directive. The GDPR extends the scope of E.U. data protection law to non-E.U. companies processing data of E.U. residents when certain conditions are satisfied. The GDPR contains numerous, more stringent requirements and changes from prior E.U. law, including more robust privacy and compliance obligations for both companies and their service providers, greater rights for individuals, heavier documentation requirements for data protection compliance programs, restrictions on transfers of personal data to non-E.U. countries, and prompt notice of data breaches to data subjects and supervisory authorities in certain circumstances. The GDPR fine framework can be up to 20 million Euros, or up to 4% of the company's total global turnover of the preceding fiscal year, whichever is higher. Further, our customers, through contractual requirements, could require us to comply with certain of these stringent requirements regardless of whether our business is actually subject to the GDPR.

The costs could be high and deadlines short for compliance with these privacy- and data security-related laws, regulations, contractual requirements and industry standards, each of which may limit our ability to compete for new business, do business with certain government agencies, including our existing customers, or continue to access certain data, and may limit the use or adoption of our smart mobility technology solutions and services, reduce overall demand for our solutions and services, slow the pace at which we generate revenue, subject us to fines or penalties, or cause us to breach contractual commitments to our customers. As these laws, regulations, and standards continue to develop in the United States and internationally, we may be required to expend significant time and resources in order to update existing processes or implement additional mechanisms as necessary to ensure compliance. Moreover, if our policies, procedures or measures relating to these issues fail to comply, or regulators assert we have failed to comply, with applicable laws, regulations or industry standards, we may be subject to governmental enforcement actions, litigation, regulatory investigations, fines, algorithmic disgorgement, the inability to use previously-collected personal information or the inability to collect new personal information, other penalties and negative publicity, and our application providers, customers and partners may lose trust in or stop doing business with us entirely. We expect that there will continue to be new proposed laws, regulations and industry standards concerning personal information, privacy and data retention in the United States, the E.U. and other jurisdictions, and we cannot yet determine the impact of such future laws, regulations and industry standards may

have on our business. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We are subject to domestic and foreign laws relating to processing certain financial transactions, including debit or credit card transactions, and failure to comply with those laws, even if inadvertent, could have a material adverse effect on our business.

We process, support and execute financial transactions as part of our business and disburse funds on behalf of certain of our customers. This activity includes receiving debit and credit card information, processing payments for and due to our customers and disbursing funds on payment or debit cards to payees of our customers. As a result, we may be subject to numerous U.S. federal and state and foreign jurisdiction laws and regulations, including the Electronic Fund Transfer Act, the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act) and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “*Patriot Act*”).

We have implemented policies and procedures to preserve and protect credit card and other payment data against loss, corruption, misappropriation caused by systems failures, unauthorized access or misuse. Notwithstanding these policies and procedures, we could be subject to liability claims by individuals and customers whose data resides in our databases for the misuse of that information. If we fail to meet appropriate compliance levels, this could negatively impact our ability to utilize credit cards as a method of payment, or collect and store credit card information, which could disrupt our business. Failure to comply with these laws may subject us to, among other things, additional costs or changes to our business practices, liability for monetary damages, fines or criminal prosecution, unfavorable publicity, restrictions on our ability to process and support financial transactions and allegations by customers that we have not performed our contractual obligations, any of which could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Human Capital Management

We depend on the services of key executives and any inability to attract and retain key management personnel could have a material adverse effect on our business.

Our future success depends upon the continued services of our executive officers, including our Chief Executive Officer and Chief Financial Officer, who have critical experience and relationships that we rely on to implement our business plan and growth strategy. Additionally, as our business grows, we may need to attract and hire additional management personnel. We have employment agreements with some members of senior management that include non-competition provisions; however, we cannot prevent our executives from terminating their employment and may not be able to fully enforce non-competition provisions limiting former executives or key personnel from competing with us following any departure. Moreover, we do not carry “key-man” life insurance on the lives of our executive officers, employees or advisors. Our ability to retain our key management personnel or to identify and attract additional management personnel or suitable replacements should any members of the management team leave or be terminated is dependent on a number of factors, including the competitive nature of the employment market and our industry. Any failure to retain key management personnel or to attract additional or suitable replacement personnel could cause uncertainty among investors, employees, customers and others concerning our future direction and performance and could have a material adverse effect on our business, financial condition and results of operations.

A failure to attract and retain necessary skilled personnel and qualified subcontractors could have a material adverse effect on our business.

Our business depends on highly skilled technical, managerial, engineering, sales, marketing and customer support personnel and qualified and competent subcontractors. Competition for these personnel is intense. Any failure to attract, hire, assimilate in a timely manner and retain and motivate key qualified personnel, particularly software development, product development, analytics and other technical personnel, or inability to contract with qualified, competent subcontractors, could impair our success. Additionally, certain portions of our Government Solutions operations are dependent on employees and subcontractors who are subject to a collective bargaining agreement. When the collective bargaining agreement becomes subject to renegotiation or if we face union organizing drives, any disagreement between us and the union on important issues may lead to a strike, work slowdown or other job actions in one or more locations we serve. A strike, work slowdown or other job action could disrupt our services, resulting in reduced revenues or contract cancellations. State or local law in some jurisdictions requires that subcontractors for our Government Solutions segment are certified by the jurisdiction, and the failure on the part of our subcontractors to obtain and maintain such certification could impact their ability to perform

services for us. Further, some jurisdictions require that we subcontract a certain percentage of our work to certified businesses and failure to do so may decrease our competitiveness in the marketplace, lead to breach of contract claims or result in having to refund

fees paid for failing to achieve committed targets. Additionally, our acquisition activity could increase the challenge of retaining our key employees and subcontractors and those of the acquired businesses. The loss of any key technical employee or the termination of a key subcontractor relationship, and any inability to identify suitable replacements or offer reasonable terms to these candidates, could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our International Operations

Our operations in international markets expose us to additional risks, and failure to manage those risks could have a material adverse effect on our business.

We have subsidiaries in various international markets that include but are not limited to the United Kingdom, the Netherlands, France, Ireland, Spain, Australia, Canada, Hungary and India. The success of our business depends, in part, on our ability to successfully manage these foreign operations. Our international operations subject us to risks that could increase expenses, restrict our ability to operate, result in lost revenues or otherwise materially and adversely affect our business, including:

- political, social, and economic instability, including European sovereign debt issues and tightening of government budgets;
- wars, civil unrest, acts of terrorism and other conflicts;
- increased complexity and costs of managing or overseeing foreign operations, including adapting and localizing our services to specific regions and countries and relying on different third-party service providers;
- complying with tariffs, trade restrictions, and trade agreements and any changes thereto;
- foreign exchange and other restrictions and limitations on the transfer or repatriation of funds;
- adverse tax consequences;
- fluctuations in currency exchange rates;
- complying with varying legal and regulatory environments, and managing public perception, in multiple foreign jurisdictions, including with respect to data and consumer privacy and payment processing, labor matters and VAT, and unexpected changes in these laws, regulatory requirements, and the enforcement thereof; and
- limited protection of our intellectual property and other assets as compared to the laws of the United States.

We have limited or no control over these and other factors related to international operations and our strategies to address these risks may not correctly anticipate any problems that arise or be successful in expanding our solutions from the United States into new markets. Any failure to successfully manage these and other similar risks could have a material adverse effect on our business, financial condition and results of operations.

Our growth strategy is, in part, dependent on successfully implementing our international expansion strategy.

Our growth strategy includes expanding our global footprint, which may involve moving into regions and countries beyond those in which we currently operate. In order to achieve widespread acceptance in new markets we may enter, we may need to develop new products and services or tailor our existing products and services to that market's unique customs, cultures and standards. Management of these and any future international subsidiaries may divert our resources and require significant attention from management. In addition to the risks inherent in conducting international business, expanding internationally with new and existing customers poses additional risks, including:

- lack of acceptance of our products and services;
- tax issues, including administration of value-added tax, restrictions on repatriating earnings, and with respect to our corporate operating structure and intercompany arrangements;
- our ability to adapt our marketing and selling efforts to different cultures and customers;
- a different competitive environment, including a number of smaller competitors and a more fragmented

business model, as well as competition from other market participants;

- our ability to obtain and protect intellectual property rights to operate successfully in each territory due to pre-existing third-party intellectual property rights; and
- an unfamiliar regulatory environment, including different local, provincial and national regulations.

If we are unable to effectively manage these risks, our relationships with our existing and prospective customers, strategic partners and employees and our operations outside the United States may be adversely affected.

In many cases, we will have limited or no experience in a particular region or country where we intend to launch operations. Moreover, learning the customs and cultures, particularly with respect to consumer preferences, differing technology standards and language barriers, is a difficult task. Our failure to do so effectively could slow our growth in those regions or countries. In many of these markets, long-standing relationships between potential customers and their local partners and protective regulations, including local content requirements and approvals, and disparate networks and systems used by each country, will create barriers to entry. Difficulties in foreign financial markets and economies and of foreign financial institutions, particularly in emerging markets, could also adversely affect demand in the affected areas. For this strategy to be successful, we must generate sufficient revenues and margins from the new markets to offset the expense of the expansion. Moreover, as the scale of our international operations increases, we will be more susceptible to the general risks related to our existing international operations discussed above. If we are unable to further expand internationally or if we are unable to effectively and efficiently manage the complexity of our expanded operations and compete in these new regions and countries, our business, financial condition and results of operations could be adversely affected.

Failure to comply with anticorruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act and similar laws associated with our activities outside of the United States, could have a material adverse effect on our business.

Our operations subject us to anticorruption and other similar laws and regulations of multiple jurisdictions, both within the United States and internationally, which are often evolving, including the Foreign Corrupt Practices Act (the “**FCPA**”), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the Patriot Act, and comparable foreign anti-bribery and anti-money laundering laws and regulations, including the United Kingdom Bribery Act of 2010. Our Government Solutions business is subject to a number of international, federal, state and local laws and regulations regarding similar matters. These laws and regulations prohibit companies and their employees and third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or other benefits to government officials, political parties and private-sector recipients for the purpose of obtaining or retaining business, directing business to any person or securing any advantage.

We use various third parties to conduct our business, both domestically and abroad, and we can be held liable for the corrupt or illegal activities of our employees, representatives, contractors or subcontractors, partners, and agents, those of the third parties with which we do business or those of any businesses we acquire, even if we do not explicitly authorize such activities or if they occurred prior to our acquisition of the relevant business. Safeguards we implement to discourage these practices may prove to be ineffective and any internal investigations may not uncover any such practices that may exist. Violations of the FCPA or other applicable anti-bribery, anti-corruption, and anti-money laundering laws by us or any of these third parties can result in severe criminal or civil sanctions, or other liabilities or proceedings against us, including class action lawsuits, whistleblower complaints, enforcement actions by the SEC, Department of Justice, and U.S. state and local and foreign regulators, adverse media coverage, non-responsibility determinations by procuring agencies, and suspension or debarment from government contracts, any of which could have a material adverse effect on our business, financial condition and results of operations.

Numerous countries, including a number of those in which we do business, have agreed to a statement in support of Economic Co-operation and Development (“OECD”) model rules that propose a global minimum tax, which if adopted, may increase and negatively impact our provision for income taxes.

Numerous countries, including a number of those in which we do business, have agreed to a statement in support of the OECD model rules that propose a global minimum tax rate of 15% that would apply to multinational companies with consolidated revenue above €750 million. Certain countries, including European Union member states, have enacted or are expected to enact legislation to be effective as early as 2024, with widespread implementation of a global minimum tax expected by 2025. As the legislation becomes effective in countries in

which we do business, our taxes could increase and negatively impact our provision for income taxes. We will continue to monitor pending legislation and implementation by individual countries and evaluate the potential impact on our business in future periods.

Risks Related to Our Intellectual Property

Failure to acquire necessary intellectual property or adequately protect our intellectual property could have a material adverse effect on our business.

Our success depends, in part, on our ability to protect and defend our intellectual property against infringement, misappropriation and dilution. To protect our intellectual property rights, we rely on a combination of patent, trademark, copyright, trade secret and unfair competition laws of the United States and other countries, as well as contract provisions. We have registered certain patents and trademarks and have applications pending in the United States and foreign jurisdictions for some inventions and trademarks, including the Verra Mobility word mark and logo, for which some registrations have been granted and some applications are pending. However, not all of the trademarks and inventions we currently use have been registered in all of the countries in which we do business, and they may never be registered in all of those countries, and the applications we submit for these protections may not be granted. While we make efforts to acquire rights to intellectual property necessary for our operations, these measures may not adequately protect our rights in any given case, particularly in those countries where the laws do not protect proprietary rights as fully as in the United States.

If we fail to acquire necessary intellectual property rights or adequately protect or assert our intellectual property rights, competitors may manufacture and market similar products and services, or dilute our brands, which could adversely affect our market share. It may be possible for third parties to reverse engineer, otherwise obtain, copy, and use software or information that we regard as proprietary. In addition, our competitors may avoid application of our existing or future intellectual property rights. Further, patent rights, copyrights and contractual provisions may not prevent our competitors from developing, using or selling products or services that are similar to or address the same market as, our products and services. Failure to obtain registrations for the Verra Mobility word mark or logo may have a significant adverse impact on our brand. Moreover, some of our trademarks and services are descriptive or include descriptive elements, which may make it difficult to enforce our rights or prevent others from adopting and using similar marks. Competitive products and services could reduce the market value of our brands, products and services, inhibit attracting new customers or maintaining existing customers, lower our profits, and could have a material adverse effect on our business, financial condition and results of operations.

Our measures to monitor and protect our intellectual property may not be adequate to maintain or enforce our patents, trademarks or other intellectual property rights.

Despite our efforts to monitor and protect our intellectual property, we may not be able to maintain or enforce our patents, trademarks or other intellectual property rights. Unauthorized third parties may use our trademarks and service marks, or marks that are similar thereto, to impinge on our goodwill, cause consumer confusion or dilute our rights in the marks. We are aware of products, software and marks similar to our intellectual property being used by other persons. Although we believe that such uses will not adversely affect us, further or currently unknown unauthorized uses or other infringement of our trademarks or service marks could diminish the value of our intellectual property and may adversely affect our business. Even where we have effectively secured protection for our intellectual property, our competitors may challenge, infringe, misappropriate or dilute our intellectual property and our employees, consultants, contractors, customers and suppliers may breach their contractual obligations not to reveal or use our confidential information, including trade secrets. Additionally, defending or enforcing our intellectual property rights and agreements, and seeking an injunction or compensation for infringements or misappropriations, could result in expending significant resources and diverting management attention, which in turn may have a material adverse effect on our business, financial condition and results of operations.

We have been and may become subject to third-party infringement claims or challenges to the validity of our intellectual property that could have a material adverse effect on our business.

We have faced, and may in the future face, claims for infringement, misappropriation or other violations of intellectual property rights from intellectual property owners in areas where we operate or intend to operate, including in foreign jurisdictions. Such claims may or may not be unfounded. Regardless of whether such claims have merit, our image, brands, competitive position and ability to expand our operations into other jurisdictions may be harmed and we may incur significant costs related to defense or settlement. If such claims were decided against us or a third party we indemnify pursuant to license terms, we could be required to pay damages, develop or adopt non-infringing products or services, or acquire a license to the intellectual property that is the subject of the asserted claim, which license may not be available on acceptable terms or at all.

Defending or settling claims would require the expenditure of additional capital, and negative publicity could arise, even if the matter was ultimately decided in our favor. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Indebtedness

Our substantial level of indebtedness could cause our business to suffer and incurring additional debt could intensify debt-related risks.

We have a substantial amount of debt, including approximately \$704.6 million outstanding under our first lien term loan facility as of December 31, 2023. Additionally, pursuant to an indenture, VM Consolidated, Inc. (“*VM Consolidated*”) issued an aggregate principal amount of \$350 million in Senior Unsecured Notes (the “*Senior Notes*”) due 2029. We may also incur substantial additional debt in the future to, among other things, finance our acquisition strategy. We have the option to increase commitments under our revolving credit agreement by up to \$50.0 million, all of which would be secured. We also have the ability to draw an unlimited amount from our first lien term loan facility, subject to the satisfaction of a maximum total net leverage ratio or minimum fixed charge coverage ratio, on a pro forma basis, all of which will be secured. Our substantial debt could have important consequences, any of which could be intensified if new debt is added to our current debt levels. For example, it could:

- increase our vulnerability to adverse economic and industry conditions;
- limit our ability to obtain additional financing for future working capital, capital expenditures, strategic acquisitions and other general corporate requirements;
- expose us to interest rate fluctuations because the interest rate on certain of our debt is variable;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow for operations and other purposes;
- make it more difficult for us to satisfy our general business obligations, including our obligations to our lenders, resulting in possible defaults on and acceleration of such indebtedness;
- limit our ability to refinance indebtedness or increase the associated costs;
- require us to sell assets to reduce debt or influence our decision about whether to do so;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate or prevent us from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve operating margins; and
- place us at a competitive disadvantage compared to any competitors that have less debt or comparable debt at more favorable interest rates and that, as a result, may be better positioned to withstand economic downturns.

Restrictive covenants in the agreements governing our indebtedness could restrict our operating flexibility.

The agreements governing our indebtedness limit our ability to take certain actions. These restrictions may limit our ability to operate our businesses, prohibit or limit our ability to enhance our operations or take advantage of potential business opportunities as they arise and cause us to take actions that are not favorable to stockholders.

The agreements governing our indebtedness restrict, among other things and subject to certain exceptions, our and our restricted subsidiaries' ability to:

- incur additional indebtedness;
- pay dividends or other payments on capital stock;

- guarantee other obligations;
- grant liens on assets;
- make loans, acquisitions or other investments;
- transfer or dispose of assets;
- make optional payments or modify certain debt instruments;
- engage in transactions with affiliates;
- amend organizational documents;
- engage in mergers or consolidations;
- enter into arrangements that restrict the ability to pay dividends;
- engage in business activities that are materially different from existing business activities;
- change the nature of the business we conduct; and
- designate subsidiaries as unrestricted subsidiaries.

Under our first lien term loan facility, we could be required to make periodic prepayments based on excess cash flow (as defined by the first lien term loan agreement) thereby limiting the amount of cash flow that can be reinvested in our business. For example, under our revolving credit facility, if availability goes below a certain threshold, we will be required to comply with a minimum “consolidated fixed charge coverage ratio” financial covenant as calculated therein. Moreover, if availability falls below a certain threshold for a specified number of business days, we could be required to remit our cash funds to a dominion account maintained by the administrative agent to the revolving credit facility, which would require daily review and approval of operating disbursements by the administrative agent.

Our ability to comply with the covenants and restrictions contained in agreements governing our indebtedness may be affected by economic conditions and by financial, market and competitive factors, many of which are beyond our control. Our ability to comply with these covenants in future periods will also depend substantially on the pricing and sales volume of our products, our success at implementing cost reduction initiatives and our ability to successfully implement our overall business strategy. The breach of any of these covenants or restrictions could result in a default under one or more of the agreements governing our indebtedness that would permit the applicable lenders to declare all amounts outstanding thereunder to be due and payable, together with accrued and unpaid interest. In that case, we may be unable to borrow under our revolving credit agreement or otherwise, may not be able to repay the amounts due under the agreements governing our indebtedness, and may not be able to make cash available by dividend, debt repayment or otherwise. In addition, our lenders could proceed against the collateral securing that indebtedness. Any of the foregoing could have serious consequences to our financial position, results of operations or cash flows and could cause us to become bankrupt or insolvent.

The agreements governing our indebtedness contain cross default or cross acceleration provisions that may cause all of the debt issued under those instruments to become immediately due and payable because of a default under an unrelated debt instrument.

The agreements governing our indebtedness contain numerous covenants and require us, if availability goes below a certain threshold, to comply with a minimum “consolidated fixed charge coverage ratio” financial covenant as calculated in the revolving credit agreement. Our failure to comply with the obligations contained in these agreements or other instruments governing our indebtedness could result in an event of default under the applicable instrument, which could result in the related debt and the debt issued under other instruments (together with accrued and unpaid interest and other fees) becoming immediately due and payable. In such event, we would need to raise funds from alternative sources, which funds may not be available to us on favorable terms, on a timely basis or at all. Alternatively, such a default could require us to sell assets and otherwise curtail our operations in order to pay our creditors. These alternative measures could have a material adverse effect on our business, financial position, results of operations or cash flows.

If we do not generate sufficient cash flows, we may not be able to service all of our indebtedness.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash, make scheduled payments or to refinance our debt obligations depends on our successful financial and operating

performance, which will be affected by a range of economic, competitive and business factors, many of which are outside of our control.

If our cash flow and capital resources are insufficient to fund our debt service obligations or to repay indebtedness when it matures, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets or operations, reducing or delaying capital investments or seeking to raise additional capital. We may not be able to refinance our debt and any refinancing of our debt could be at higher interest rates and may require us to comply with more restrictive covenants that could further restrict our business operations and our ability to make cash available for dividends and distributions and payments on our other debt obligations (if any). Our ability to implement successfully any such alternative financing plans will be dependent on a range of factors, including general economic conditions, the level of activity in mergers and acquisitions and capital markets generally, and the terms of our various debt instruments then in effect. In addition, a significant portion of our outstanding indebtedness is secured by substantially all of our assets including our subsidiaries' assets, and any successor credit facilities are likely to be secured on a similar basis. As such, our ability to seek additional financing or our ability to make cash available for dividends and distributions and payments on our other debt obligations (if any) could be impaired as a result of such security interests and the agreements governing such security interests. Moreover, as a result of these security interests, the underlying assets would only be available to satisfy claims of our general creditors or holders of our equity securities if we were to become insolvent to the extent the value of such assets exceeded the amount of our indebtedness and other obligations.

Our inability to generate sufficient cash flow to satisfy our debt obligations or to refinance our obligations on commercially reasonable terms could have a material adverse effect on our business, including our financial condition and results of operations.

We may be unable to obtain additional financing to fund operations and growth.

We may require additional financing to fund our operations or growth, whether organic or through acquisitions. Our failure to secure additional financing could have a material adverse effect on our continued development or growth.

Risks Related to Our Class A Common Stock, Related Party Transactions and Organizational Documents

We cannot guarantee that our stock repurchase programs will enhance long-term shareholder value. Stock repurchases could also increase the volatility of the trading price of our stock and could diminish our cash reserves. In addition, Congress enacted the Inflation Reduction Act in 2022, which (among other provisions) provided for a 1% excise tax on net stock repurchases. This provision applied to stock repurchases initiated after January 1, 2023.

In May 2022, our Board of Directors (our "**Board**") authorized a share repurchase program for up to an aggregate amount of \$125 million of our outstanding shares of Class A Common Stock. We subsequently paid \$50.0 million in May 2022 to repurchase outstanding shares of our Class A Common Stock through an accelerated share repurchase ("**ASR**"), and received an initial delivery of 2,739,726 shares. The final settlement occurred in August 2022, at which time we received 445,086 additional shares. In addition, during the second and third quarters, we paid \$6.9 million and repurchased 445,791 shares of our Class A Common Stock through open market transactions. During the third quarter of 2022, we discontinued open market repurchases and our Board authorized a second ASR for the remaining availability under the share repurchase program. In August 2022, we paid \$68.1 million for the second ASR, and received an initial delivery of 3,300,000 shares of our Class A Common Stock. The final settlement of the ASR resulted in the receipt of 943,361 additional shares.

In November 2022, our Board of Directors authorized a new share repurchase program for up to an aggregate amount of \$100.0 million of our outstanding shares of Class A Common Stock over an 18-month period in open market transactions, ASRs or privately negotiated transactions. We paid \$8.1 million to repurchase 449,432 shares of our Class A Common Stock through open market transactions during the third quarter of fiscal year 2023, which we subsequently retired. In September 2023, we used the remaining availability under the share repurchase program for

an ASR and paid approximately \$91.9 million to receive an initial delivery of 4,131,551 shares of our Class A Common Stock. The final settlement of the ASR resulted in the receipt of 534,499 additional shares.

In October 2023, our Board authorized another share repurchase program for up to an aggregate amount of \$100.0 million of our outstanding shares of Class A Common Stock over an 18-month period in open market transactions, ASRs or privately negotiated transactions. The Company has not yet repurchased shares under this repurchase program.

The timing, price, and quantity of purchases under the program have been, and will continue to be, made at the discretion of our management based upon a variety of factors including share price, general and business market conditions, compliance with applicable laws and regulations, corporate and regulatory requirements, and alternative uses of capital. There is no guarantee as to the exact number of shares that we will repurchase and we cannot guarantee that the program will enhance long-term stockholder value. These share repurchase program could affect the trading price of our common stock and increase volatility. In addition, our repurchases under our share repurchase program have diminished, and could continue to diminish, our cash reserves.

Anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our certificate of incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our Board;
- the requirement that directors may only be removed from the Board for cause;
- the right of our Board to elect a director to fill a vacancy created by the expansion of our Board or the resignation, death or removal of a director in certain circumstances, which prevents stockholders from being able to fill vacancies on our Board;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- a prohibition on stockholders calling a special meeting and the requirement that a meeting of stockholders may only be called by members of our Board or our Chief Executive Officer, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement that changes or amendments to certain provisions of our certificate of incorporation or bylaws must be approved by holders of at least two-thirds of our Common Stock; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our Board or to propose matters to be acted upon at a meeting of stockholders, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Our bylaws include a forum selection clause, which may impact the ability of our stockholders to bring actions against us.

Subject to certain limitations, our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware will be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring: (a) any derivative action or proceeding brought on our behalf; (b) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees or our stockholders; (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporate Law or our certificate of incorporation or bylaws; or (d) any action asserting a claim governed by the internal affairs doctrine. In addition, our bylaws provide that unless we consent in writing to the selection of an

alternative forum, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause

of action arising under the federal securities laws of the United States against us, our officers, directors, employees or underwriters. These limitations on the forum in which stockholders may initiate action against us could create costs or, inconvenience or otherwise adversely affect our stockholders' ability to seek legal redress. If a court were to find the forum-selection provisions contained in our bylaws to be unenforceable, we may incur additional costs associated with resolving proceedings in forums other than the Court of Chancery in the State of Delaware and the federal district courts of the United States.

Our only significant asset is our ownership interest in our operating subsidiaries and such ownership may not be sufficient to pay dividends or make distributions or loans to enable us to pay any dividends on our Class A Common Stock or satisfy our other financial obligations.

We have no direct operations and no significant assets other than our ownership interest in our operating subsidiaries. We depend on our operating subsidiaries for distributions, loans and other payments to generate the funds necessary to meet our financial obligations, including our expenses as a publicly traded company, to pay any dividends with respect to our Class A Common Stock. The financial condition and operating requirements of our operating subsidiaries may limit our ability to obtain cash from our operating subsidiaries. The earnings from, or other available assets of, our operating subsidiaries may not be sufficient to pay dividends or make distributions or loans to enable us to pay any dividends on our Common Stock or satisfy our other financial obligations.

The ability of our operating subsidiaries (other than subsidiaries which have been designated as unrestricted pursuant to our ability to do so in certain limited circumstances) to make distributions, loans and other payments to us for the purposes described above and for any other purpose is governed by the terms of the Debt Agreements and will be subject to the negative covenants set forth therein. Any loans or other extensions of credit will be subject to the investment covenants under 2021 Term Loan and the Revolver (each as defined below). The "***Debt Agreements***" means, collectively: (i) the Amendment and Restatement Agreement No. 1 to First Lien Term Loan Credit Agreement, dated as of March 26, 2021, among Greenlight Acquisition Corporation, a Delaware corporation; VM Consolidated, Inc. (formerly known as ATS Consolidated, Inc.), a Delaware corporation; American Traffic Solutions, Inc., a Kansas corporation; and Lasercraft, Inc., the subsidiary guarantors party thereto, a Georgia corporation; the lenders party thereto from time to time; and Bank of America, N.A. as Administrative Agent and Collateral Agent; and (ii) the Revolving Credit Agreement, dated as of March 1, 2018, among Greenlight Acquisition Corporation, a Delaware corporation; VM Consolidated, Inc., a Delaware corporation; the other Borrowers (for this purpose only, as defined therein) party thereto from time to time; the lenders party thereto from time to time; and Bank of America, as the administrative agent and the collateral agent; and (iii) the Indenture governing VM Consolidated, Inc.'s 5.50% Senior Notes Due 2029, among VM Consolidated, Inc., Wilmington Trust, National Association, and the Guarantors named therein, dated as of March 26, 2021, in the case of each of the foregoing (i) and (ii), as amended or otherwise modified from time to time.

Our failure to be current in our SEC filings could pose significant risks to our business, each of which could materially and adversely affect our financial condition and results of operations.

Under the Exchange Act, the Company, as reporting company, is required to provide investors on a regular basis with periodic reports that contain important financial and business information. Examples of these reports include the annually filed Form 10-K and the quarterly filed Form 10-Q. The timely and complete submission of periodic reports provides investors with information to help them make informed investment decisions. Our inability to timely file our periodic reports with the SEC, as occurred with our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, could have an adverse impact on our ability to, among other things, (i) access our credit facilities, (ii) attract and retain key employees, and (iii) raise funds in the public markets, any of which could materially and adversely affect our financial condition and results of operations.

If our Class A Common Stock is delisted from Nasdaq, a market for our securities may not continue, which would adversely affect the liquidity and price of our securities.

The price of our securities may vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our securities are not listed on, or become delisted from, Nasdaq for any reason, including for failure to maintain compliance with rules for continued listing on Nasdaq, and are quoted on the OTC Bulletin Board or OTC Pink, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange.

Our business could be negatively affected as a result of actions of activist stockholders or others.

We may be subject to actions or proposals from stockholders or others that may not align with our business strategies or the interests of our other stockholders. Responding to such actions can be costly and time-consuming, disrupt our business and operations, and divert the attention of our Board, management, and employees from the pursuit of our business strategies. Such activities could interfere with our ability to execute our strategic plan. Activist stockholders or others may create perceived uncertainties as to the future direction of our business or strategy which may be exploited by our competitors and may make it more difficult to attract and retain qualified personnel and potential guests, and may affect our relationships with current guests, vendors, investors, and other third parties. In addition, a proxy contest for the election of directors at our annual meeting would require us to incur significant legal fees and proxy solicitation expenses and require significant time and attention by management and our Board. The perceived uncertainties as to our future direction also could affect the market price and volatility of our securities.

Risks Related to Our Vendors

Our reliance on third-party providers could have a material adverse effect on our business.

We rely heavily on third-party providers, including subcontractors, manufacturers, software vendors, software application developers, and utility and network providers, to meet their obligations to us in a timely and high-quality manner. For example, we rely on third parties such as the National Law Enforcement Telecommunications System, Polk, DMVDesk, CVR and Dealertrack to provide a direct connection to state departments of motor vehicles (and their European equivalents) and other governmental agencies with which we do not have direct relationships for the driver and other information we use in our business. Our ability to offer our solutions would be materially affected if this access was unavailable or materially restricted, or if the price we pay increased significantly. Our Government Solutions business also relies on a number of third-party manufacturers, including camera manufacturers and automated license plate recognition providers, and outsources some engineering, construction, maintenance, printing and mailing, call center, image review and event processing work. Further, if one or more tolling authorities cancels our accounts, or stops providing transponders and we are unable to obtain transponders through other sources, our Commercial Services business would be affected. Our Parking Solutions business also relies on a number of domestic and foreign third-party manufacturers in the production of our Pay Station, PARCS and PE hardware solutions, and our inability to access third-party providers could have a material adverse effect on our business.

We also outsource a meaningful percentage of our software development work to third parties. Some of our agreements with these third parties include termination rights, allowing the third party to terminate the arrangement in certain circumstances. For example, the agreements with our third-party payment processors give them the right to terminate the relationship if we fail to keep credit card chargeback and retrieval rates below certain thresholds. If any of our third-party providers are unable or unwilling to meet their obligations to us, fail to satisfy our expectations or those of our customers, including those imposed through flow-down provisions in prime contracts, or if they terminate or refuse to renew their relationships with us on substantially similar terms, we may be unable to find adequate replacements within a reasonable time frame, on favorable commercial terms or at all, and our business, financial condition and results of operations could be materially and adversely affected.

While we perform some due diligence on these third parties and take measures to ensure that they comply with applicable laws and regulations, we do not have an extensive screening or review process and ultimately cannot guarantee our third-party providers will comply with applicable laws, the terms of their agreements or flow-down requirements from our customers. Misconduct or performance deficiencies by any of our third-party providers may be perceived as misconduct or poor performance by us, cause us to fall short on our contractual obligations to our

customers or harm our reputation, any of which could have a material adverse effect on our business, financial condition and results of operations.

We rely on communications networks and information systems and any interruption could have a material adverse effect on our business.

We rely heavily on the satisfactory performance and availability of our information technology infrastructure and systems, including our websites and network infrastructure, to conduct our business. We rely on third-party communications service and system providers to provide technology services and link our systems with our customers' networks and systems, including a reliable network backbone with the necessary speed, data capacity and security. We also rely on third-party vendors, including data center, bandwidth and telecommunications equipment providers. A failure or interruption that results in the unavailability of any of our information systems or a major disruption of communications between a system and the customers we serve could disrupt the effective operation of our solutions and otherwise adversely impact our ability to manage our business effectively. We may experience system and service interruptions or disruptions for a variety of reasons, including as the result of network failures, power outages, cyber-attacks, employee errors, software errors, an unusually high volume of transactions, or localized conditions such as fire, explosions or power outages or broader geographic events such as earthquakes, storms, floods, epidemics, strikes, acts of war, civil unrest or terrorist acts. We have taken steps to mitigate our exposure to certain service disruptions by investing in redundant or blended circuits, although the redundant or blended circuits may also suffer disruption. Because we are dependent in part on independent third parties for the implementation and maintenance of certain aspects of our systems and because some of the causes of system interruptions may be outside of our control, we may not be able to remedy such interruptions in a timely manner, or at all. Any interruption or delay in or cessation of these services and systems could significantly disrupt operations, impact customers, damage our reputation, result in litigation, decrease the overall use and acceptance of our solutions, result in lost data and be costly, time consuming and difficult to remedy, any of which could have a material adverse effect on our business, financial condition and results of operations.

General Risk Factors

Uncertainty about current and future economic conditions and other adverse changes in general political conditions.

Adverse and uncertain macroeconomic conditions, including higher interest rates, inflation, slower growth or recession, barriers to trade, changes to fiscal and monetary policy, tighter credit, high unemployment, currency fluctuations, and other events beyond our control, such as economic sanctions, natural disasters, pandemics, epidemics, political instability, armed conflicts and wars, can materially adversely affect demand for our products and services. In addition, consumer spending and activities may be materially adversely affected in response to financial market volatility, negative financial news, conditions in the real estate and mortgage markets, declines in income or asset values, energy shortages and cost increases, labor and healthcare costs and other economic factors, all of which may have a negative affect on our business and results of operations.

Additionally, uncertainty about, or a decline in, global or regional economic conditions may have a significant impact on our suppliers, manufacturers, logistics providers, distributors and other partners. Potential effects on our suppliers and partners include financial instability, inability to obtain credit to finance operations, and insolvency. A downturn in the economic environment can also lead to increased credit and collectability risk on our trade receivables, the failure of derivative counterparties and other financial institutions, limitations on our ability to issue new debt, reduced liquidity, and declines in the fair value of our financial instruments. These and other economic factors can materially adversely affect our business, results of operations, financial condition and stock price.

If we fail to maintain an effective system of internal controls or identify a material weakness or significant deficiency in our internal control over financial reporting, our ability to report our financial condition and results of operations in a timely and accurate manner could be adversely affected, investor confidence in our company could diminish, and the value of our securities may decline.

As a public company, we are required to comply with Section 404 of the Sarbanes Oxley Act of 2002 ("SOX"), which requires, among other things, that companies maintain disclosure controls and procedures to ensure timely disclosure of material information, and that management reviews the effectiveness of those controls on a quarterly basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. While we continually undertake steps to improve our internal

control over financial reporting as our business changes, we may not be successful in making the improvements and changes necessary to be able to identify and remediate control deficiencies or material weaknesses on a timely basis.

During fiscal year 2023, we identified a material weakness in our internal controls over financial reporting related to the lack of information technology general controls to prevent the risk of management override, which we are currently working to remediate as further discussed in “*Controls and Procedures*” in *Part II, Item 9A* of this Annual Report.

Additionally, during fiscal year 2021, we identified material weaknesses in our internal controls over financial reporting related to: (i) the monitoring and control activities over the acquisition of Redflex Holdings Pty Ltd. due to the lack of sufficient qualified accounting resources to timely identify and assess accounting implications of revenue arrangements assumed as part of the acquisition and to provide adequate controls over the completeness and accuracy of inputs used in accounting for the business combination; and (ii) the design and maintenance of certain revenue and reporting controls related to a third-party application utilized in performing certain control activities and used in the preparation of our consolidated financial statements. As a result of these material weaknesses, management concluded that our internal control over financial reporting was not effective as of December 31, 2021.

During fiscal year 2021, we also identified a material weakness in our internal control over the operation of certain controls over the review of the accounting for our warrants originally issued to Gores Sponsor II, LLC in a private placement in connection with the IPO (the “*Private Placement Warrants*”) related to the April 12, 2021 SEC Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies. This material weakness resulted in a material misstatement of our private placement warrant liability, change in fair value of private placement warrant liability, additional paid-in capital and accumulated deficit as of December 31, 2020 and 2019 and for years ended December 31, 2020, 2019 and 2018. We restated our consolidated financial statements as of December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 upon completing our management’s evaluation of the SEC Staff statement as a part of our remediation measures. As a result of these material weaknesses, management concluded that our internal control over financial reporting was not effective as of December 31, 2020. We completed the remediation measures related to the material weakness relating to the accounting for warrants during fiscal year 2021.

We cannot be certain that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to comply with our obligations under Section 404 of SOX. If we fail to maintain the adequacy of our internal controls, we cannot assure our stockholders that we will be able to conclude in the future that we have effective internal control over financial reporting, and/or we may encounter difficulties in implementing or improving our internal controls, which could harm our operating results or cause us to fail to meet our reporting obligations. If we fail to maintain effective internal controls, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our securities may be negatively affected, and we could be subject to sanctions or investigation by regulatory authorities, such as the SEC or Nasdaq.

Continued changes in corporate governance requirements, policies and practices may impact our business.

Corporate governance, public disclosure and compliance practices continue to evolve based upon continuing legislative action, SEC rulemaking and policy positions taken by large institutional stockholders and proxy advisors. As a result, the number of rules, regulations and standards applicable to us may become more burdensome to comply with, could increase scrutiny of our practices and policies by these or other groups and increase our legal and financial compliance costs and the amount of time management must devote to governance and compliance activities. For example, the SEC has recently adopted rules requiring that issuers provide significantly increased disclosures concerning cybersecurity risk management, strategy, governance and incident reporting and adopt more stringent executive compensation clawback policies. Increasing regulatory burdens and corporate governance requirements could make it more difficult for us to attract and retain qualified members of our Board and qualified executive officers.

Litigation and other disputes and regulatory investigations could have a material adverse effect on our business.

From time to time, and as more discussed in the section entitled “*Legal Proceedings*,” we may be involved in litigation and other disputes or regulatory investigations that arise in and outside the ordinary course of business. We expect that the number, frequency and significance of these matters may increase as our business expands and we

grow as a company. Litigation, disputes, or regulatory investigations may relate to, among other things, intellectual property, antitrust claims, commercial arrangements, negligence and fiduciary duty claims, vicarious liability based

upon conduct of individuals or entities outside of our control, including our third-party service providers, deceptive trade practices, claims related to invoicing, personal injury claims, claims related to licensing, general fraud claims and employment law claims, including compliance with wage and hour regulations and contractual requirements. An adverse determination may result in liability to us for the claim and may also result in the imposition of penalties and/or fines. Like other companies that handle sensitive personal and payment information, we also face the possibility of allegations regarding employee fraud or misconduct. In addition to more general litigation, at times we are also a named party in claims made against our customers, including putative class actions challenging the legality and constitutionality of automated photo enforcement and other similar programs of our Government Solutions customers and consumer fraud claims brought against our RAC customers alleging faulty disclosures regarding our services.

As a public company, we may also be subject to securities class action and stockholder derivative lawsuits. From time to time, we may also be reviewed or investigated by U.S. federal, state, or local regulators or regulators in the foreign jurisdictions in which we operate regarding similar and other matters, including tax assessments.

These investigations can be commenced at the initiative of the governmental authority or as a result of complaints by private citizens, regardless of whether the complaint has any merit. At times, we are also required to obtain licensing and permitting, including with respect to matters such as general contracting, performance of engineering services, performance of electrical work and performance of private investigative work. Although we carry general liability insurance coverage, our insurance may not cover all potential claims to which we are exposed, whether as a result of a dispute, litigation or governmental investigation, and it may not adequately indemnify us for all liability that may be imposed.

Any potential claims against us or investigation into our business and activities, whether meritorious or not, could be time consuming, result in significant legal and other expenses, require significant amounts of management time and result in the diversion of significant operational resources. Class action lawsuits can often be particularly burdensome given the breadth of claims, large potential damages and significant costs of defense. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in our business and injunctions prohibiting our use of business processes or technology that is subject to third-party patents or other third-party intellectual property rights. Legal or regulatory matters involving our directors, officers or employees in their individual capacities can also create exposure for us because we may be obligated or may choose to indemnify the affected individuals against liabilities and expenses they incur in connection with such matters. Regulatory investigations, including with respect to proper licensing, payment of wages, procurement practices or permitting, can also lead to enforcement actions, fines and penalties, the loss of a license or permit or the assertion of private litigation claims. Risks associated with these liabilities are often difficult to assess or quantify and their existence and magnitude can remain unknown for significant periods of time, making the amount of any legal reserves related to these legal liabilities difficult to determine and, if a reserve is established, subject to future revision. Future results of operations could be adversely affected if any reserve that we establish for a legal liability is increased or the underlying legal proceeding, investigation or other contingency is resolved for an amount in excess of established reserves. Because litigation and other disputes and regulatory investigations are inherently unpredictable, the results of any of these matters may have a material adverse effect on our business, financial condition and results of operations.

Risks related to laws and regulations and any changes in those laws could have a material adverse effect on our business.

We are subject to multiple, and sometimes conflicting, laws and regulations in the countries, states and localities in which we operate. We are required to comply with certain SEC, Nasdaq and other legal or regulatory requirements. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly.

In addition to the laws and regulations discussed elsewhere in these risk factors regarding data privacy, foreign operations and other matters, we are subject to laws regarding transportation safety, consumer protection, procurement, anti-kickback, labor and employment matters, competition and antitrust, payment processing, intellectual property, environmental matters, and other trade-related laws and regulations. Certain of our operations are also subject to oversight by the USDOT, the Federal Communications Commission, the U.S. Consumer Product Safety Commission, and the Environmental Protection Agency, as well as comparable state and local agencies, including departments of transportation, departments of motor vehicles, professional licensing authorities and offices

of inspector general. Our Government Solutions segment is also subject to laws related to the use of automated traffic enforcement, the capture, access and retention of data and matters related to government contracting.

Recent years have seen a substantial increase in the number of new laws and regulations and the rate of change and enforcement of many of these types of laws and regulations. We cannot predict the nature, scope or impact of future laws, regulatory requirements or similar standards may have on our business, whether implemented through changes to existing laws or the way they are administered or interpreted, or through entirely new regulations. Future

laws, regulations, and standards or any changed interpretation or administration of existing laws or regulations could limit the continued use or adoption of one or more of our solutions, require us to incur additional costs, impact our ability to develop and market new solutions or impact our ability to retain existing business and secure new business. We may not be able to respond in a reasonable or cost-effective manner, or at all. Even if we make what we believe are appropriate changes, there is no certainty those actions will comply.

Any alleged or actual violations of any law or regulation, change in law or regulation or changes in the interpretation of existing laws or regulations may subject us to government scrutiny, including government or regulatory investigations and enforcement actions, civil and criminal fines and penalties, and negative publicity, or otherwise have a material adverse effect on our business, financial condition and results of operations.

Our failure to properly perform under our contracts or otherwise satisfy our customers could have a material adverse effect on our business.

Our business model depends in large part on our ability to retain existing work and attract new work from existing customers. If a customer is not satisfied with our products, services or solutions or the timeliness or quality of our work, we may incur additional costs to address the problem, the profitability of that contract may be impaired, we may experience payment delays, it could do harm to our reputation and hinder our ability to win new work from prospective customers. Failure to properly transition new customers to our systems or existing customers to our different systems, properly budget transition costs or accurately estimate contract costs could also result in delays and general customer dissatisfaction. Many of our contracts may be terminated by the customer upon specified advance notice without cause. Any failure to properly perform under our contracts or meet our customers' expectations could have a material adverse effect on our business, financial condition and results of operations.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations.

We are subject to income taxes in numerous countries, and our domestic tax liabilities are subject to the allocation of expenses in differing jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- costs related to intercompany restructurings;
- changes in tax laws, regulations or interpretations thereof; or
- lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates.

In addition, we are subject to audits of our income, sales and other transaction taxes by U.S. federal and state authorities, as well as foreign tax authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Our Board recognizes the importance of maintaining the trust and confidence of our customers, clients, business partners and employees. Our Board, through the Audit Committee, oversees our cybersecurity program as part of our enterprise-wide approach to risk management. Our cybersecurity policies, standards, processes and practices are fully integrated into our risk management approach and are based on recognized frameworks established by the National Institute of Standards and Technology, the International Organization for Standardization

and other applicable industry standards. In general, we seek to address cybersecurity risks through a comprehensive, cross-functional

approach that is focused on preserving the confidentiality, security and availability of the information that we collect and store by identifying, preventing and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

Risk Management and Strategy

As one of the critical elements of enterprise-wide approach to risk management, our cybersecurity program is focused on the following key areas:

Governance: As discussed in more detail under the heading “Governance” below, our cybersecurity program is led by our Vice President of Cybersecurity, who reports to our Chief Technology Officer, and is responsible for publishing cybersecurity policies and standards, conducting annual risk assessments and maintaining our compliance. Our Chief Technology Officer leads our cybersecurity team and regularly reports to our Audit Committee.

Collaboration: We have implemented a comprehensive, cross-functional approach to identifying, preventing and mitigating cybersecurity threats and incidents, while also implementing controls and procedures that provide for the prompt escalation of certain cybersecurity incidents so that decisions regarding the public disclosure and reporting of such incidents can be made by management in a timely manner. We work with third-party firms to monitor our cybersecurity environment and report findings to executive leadership, internal audit and the Audit Committee regularly.

Technical Safeguards: We deploy technical safeguards that are designed to protect our information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, antimalware functionality and access controls, which are evaluated and improved through vulnerability assessments, certifications, audits and cybersecurity threat intelligence.

Incident Response and Recovery Planning: We have established and maintained comprehensive incident response and recovery plans that fully address our response to a cybersecurity incident, and such plans are tested and evaluated on a regular basis.

Third-Party Risk Management: We maintain a comprehensive, risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of our systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems. Additionally, we have in place insurance coverage designed to provide coverage in connection with cybersecurity breaches, provided, however, that such insurance coverage may be insufficient to cover all insured losses or all types of claims that may arise.

Education and Awareness: We provide regular, mandatory training for personnel regarding cybersecurity threats as a means to equip our personnel with effective tools to address cybersecurity threats, and to communicate our evolving information security policies, standards, processes and practices.

We engage in the periodic assessment and testing of our policies, standards, processes and practices that are designed to address cybersecurity threats and incidents. These efforts include a wide range of activities, including audits, assessments, tabletop exercises, threat modeling, vulnerability testing and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning. We regularly engage third parties to perform assessments on our cybersecurity measures, including information security maturity assessments, audits and independent reviews of our information security control environment and operating effectiveness. The results of such assessments, audits and reviews are reported to our Board and Audit Committee by our Chief Technology Officer based on materiality. We adjust our cybersecurity policies, standards, processes and practices as necessary based on the information provided by these assessments, audits and reviews.

Governance

Our Board, through the Audit Committee, oversees our enterprise-wide approach to risk management, including the risks arising from cybersecurity threats. Our Audit Committee regularly receives presentations and reports on cybersecurity risks, which address a wide range of topics, including recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends and information security considerations arising with respect to our peers and third parties. Our Audit Committee also receives prompt and timely information regarding any cybersecurity incident that meets established reporting thresholds, as well as ongoing updates regarding any such incident until it has been addressed. On an annual basis, our Audit Committee discusses our Company's approach to cybersecurity risk management with management.

Our Audit Committee, in connection with management led by our Chief Technology Officer and Vice President of Cybersecurity, works collaboratively across our Company to implement a program designed to protect our information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with our incident response and recovery plans. To facilitate the success of our cybersecurity risk management program, multidisciplinary teams are deployed to address cybersecurity threats and respond to cybersecurity incidents. Through ongoing communications with these teams, our Audit Committee monitors the prevention, detection, mitigation, and remediation of cybersecurity threats and incidents in real-time and report such threats and incidents to management when appropriate.

Our Vice President of Cybersecurity has served in various roles in technology leadership and cybersecurity for over 20 years. Our Chief Technology Officer has served in various roles in technology and business leadership for more than 29 years, including leading research and development for a division of 3M, a leader in designing and developing innovative products. Our Chief Executive Officer, Chief Financial Officer and Chief Legal Officer each hold undergraduate and/or graduate degrees in their respective fields, and each has experience managing risks at our Company and at similar companies including risks arising from cybersecurity threats.

Cybersecurity Threats

As of the date of this Annual Report on Form 10-K, we do not believe that any risks from cybersecurity threats, including as a result of previous cybersecurity incidents, are reasonably likely to have a material effect on us, our business strategy, results of operations, cash flows or financial condition.

Item 2. Properties

We lease all of the properties used in our business, including 108,956 square feet of office space for our corporate headquarters in Mesa, Arizona. In addition to the corporate headquarters, we lease office space in various locations for corporate and administrative purposes and multiple small warehouse locations. We do not consider any of these properties to be material to our overall business.

Item 3. Legal Proceedings

We are subject to legal and regulatory actions that arise from time to time in the ordinary course of business, and may be subject to similar or other claims in the future. Legal disputes and other claims and proceedings may relate to, among other things, intellectual property, commercial arrangements, negligence and fiduciary duty claims, vicarious liability based on conduct of individuals or entities outside of our control, including our third-party service providers, antitrust claims, deceptive trade practices, general fraud claims and employment law claims, including compliance with wage and hour regulations. In addition to more general litigation, at times we have also been a named party in claims made against our customers, including putative class actions challenging the legality and constitutionality of automated photo enforcement and other similar programs of our Government Solutions customers, and consumer fraud claims brought against us and our Commercial Services customers alleging faulty disclosures regarding our services. From time to time, we may also be reviewed or investigated by U.S. federal, state or local regulators or regulators in the foreign jurisdictions in which we operate regarding these and other matters, including proper licensing and tax assessments. All litigation is inherently unpredictable and we could incur judgments or enter into settlements or claims in the future that could materially impact our results.

On November 2, 2020, PlusPass, Inc. (“*PlusPass*”) commenced an action in the United States District Court, Central District of California, against Verra Mobility, The Gores Group LLC, Platinum Equity LLC and ATS Processing Services, Inc., alleging civil violations of Section 7 of the Clayton Antitrust Act of 1914 and Sections 1 and 2 of the Sherman Act. In February 2024, Verra Mobility and PlusPass entered into a confidential business arrangement pursuant to which Verra Mobility (i) acquired certain assets from PlusPass and (ii) fully and finally resolved all litigation and disputes between the parties. Verra Mobility accrued \$31.5 million for this matter at December 31, 2023, which is presented within selling, general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2023. For more information, please refer to Note 18, *Subsequent Events*, in “Item 8, *Financial Statements and Supplementary Data*.”

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Class A Common Stock is currently quoted on Nasdaq under the symbol "VRRM".

The following table sets forth the high and low sales prices per share of our Class A Common Stock as reported on Nasdaq for the two most recent fiscal years:

	Fiscal Year 2023		Fiscal Year 2022	
	High	Low	High	Low
First Quarter	\$ 17.87	\$ 13.48	\$ 18.13	\$ 14.10
Second Quarter	\$ 19.82	\$ 16.22	\$ 16.73	\$ 12.70
Third Quarter	\$ 21.54	\$ 17.04	\$ 17.31	\$ 14.92
Fourth Quarter	\$ 23.29	\$ 18.62	\$ 17.60	\$ 12.76

Holders of Record

As of February 23, 2024, we had eight holders of record of our Class A Common Stock. Because many of our shares of Class A Common Stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Warrants

As of December 31, 2022, there were warrants outstanding to acquire 19,999,967 shares of our Class A Common Stock including: (i) 6,666,666 Private Placement Warrants; and (ii) 13,333,301 warrants issued in connection with the IPO (the "*Public Warrants*" and, together with the Private Placement Warrants, the "*Warrants*"). The Warrants had a five-year term and expired in October 2023, unless they were redeemed or exercised prior to expiration.

During the fiscal year ended December 31, 2023, we processed the exercise of 19,999,333 Warrants in exchange for the issuance of 16,273,406 shares of Class A Common Stock. There were 14,035,449 shares issued in exchange for cash-basis warrant exercises resulting in the receipt of \$161.4 million in cash proceeds as of December 31, 2023. The remaining Warrant exercises were completed on a cashless basis. In addition, we redeemed 634 Public Warrants at a price of \$0.01 per warrant, as the last sale price of the Class A Common Stock was equal to or exceeded \$18.00 per share for 20 trading days within a 30 trading-day period before we sent the notice of redemption to the Warrant holders. As of December 31, 2023, all Warrants were either exercised by the holder or redeemed by the Company.

Dividends

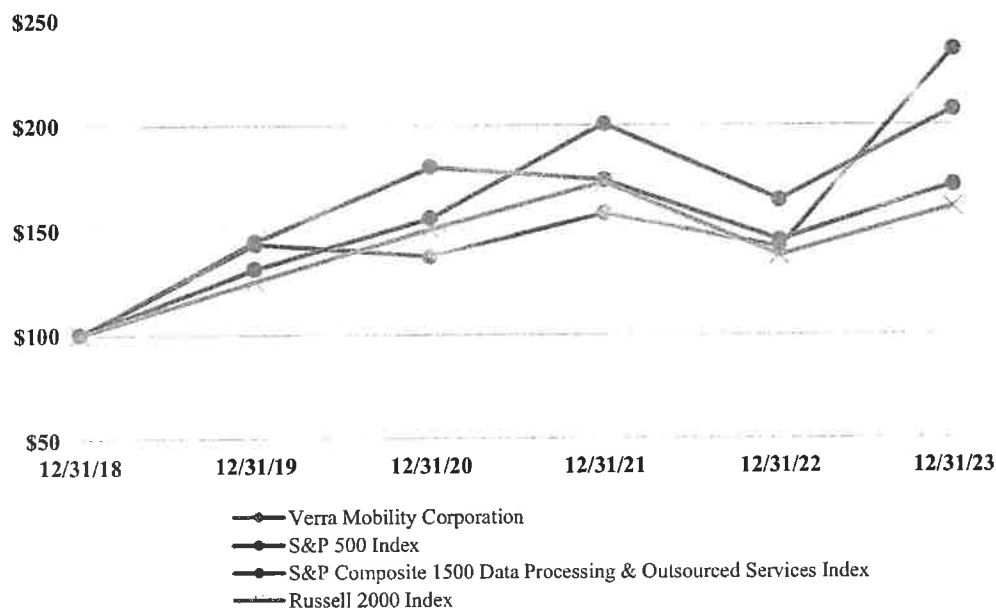
We have not paid any cash dividends on our Class A Common Stock to date. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends is within the discretion of our Board. In addition, our Board is not currently contemplating and does not anticipate declaring any stock dividends in the foreseeable future. Further, our ability to declare dividends is limited by restrictive covenants in the agreements governing our indebtedness.

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this item with respect to our equity compensation plans is incorporated by reference to our proxy statement for the 2024 annual meeting of stockholders.

Stock Performance Graph

Comparison of Cumulative Total Return



The graph above compares the cumulative total return on our Class A Common Stock with that of the S&P 500 Index, the S&P Composite 1500 Data Processing & Outsourced Services Index and the Russell 2000 Index. The period shown commences on December 31, 2018 and ends on December 31, 2023, the end of our last fiscal year. The graph assumes an investment of \$100 in each of the above on the close of market on December 31, 2018. We did not declare or pay any dividends on our Class A Common Stock during the comparison period. The stock performance graph is not necessarily indicative of future price performance.

This performance graph is not deemed to be incorporated by reference into any of our other filings under the Exchange Act, or the Securities Act, except to the extent we specifically incorporate it by reference into such filings.

Recent Sales of Unregistered Securities and Use of Proceeds

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In November 2022, our Board of Directors authorized a share repurchase program for up to an aggregate amount of \$100.0 million of our outstanding shares of Class A Common Stock over an 18-month period in open market, ASR or privately negotiated transactions, each as permitted under applicable rules and regulations, any of which may use pre-arranged trading plans that are designed to meet the requirements of Rule 10b5-1 of the Exchange Act.

We paid \$8.1 million to repurchase 449,432 shares of our Class A Common Stock through open market transactions during the third quarter of fiscal year 2023, which we subsequently retired. On September 5, 2023, we used the remaining availability under the share repurchase program for an ASR and paid approximately \$91.9 million to receive an initial delivery of 4,131,551 shares of our Class A Common Stock in accordance with an ASR agreement with a third-party financial institution. The final settlement occurred on January 12, 2024, at which time,

we received 534,499 additional shares calculated using a volume-weighted average price over the term of the ASR agreement.

There were no repurchases of our Class A Common Stock during the three months ended December 31, 2023. We paid a total of \$100.0 million for share repurchases during the twelve months ended December 31, 2023.

On October 30, 2023, our Board of Directors authorized a new share repurchase program for up to an aggregate amount of \$100.0 million of our outstanding shares of Class A Common Stock over an 18-month period, in open market, ASR or privately negotiated transactions. The level at which we repurchase depends on a number of factors, including our financial condition, capital requirements, cash flows, results of operations, future business prospects and other factors that our management may deem relevant. The timing, volume and nature of repurchases are subject to market conditions, applicable securities laws and other factors and may be amended, suspended or discontinued at any time. We have not yet repurchased shares under this program.

Earn-Out under Merger Agreement

Under the Merger Agreement, the Platinum Stockholder was entitled to receive additional shares of Class A Common Stock (the “*Earn-Out Shares*”) if the volume weighted average closing sale price of one share of Class A Common Stock on the Nasdaq exceeded certain thresholds for a period of at least 10 days out of 20 consecutive trading days at any time during the five-year period following the closing of the Business Combination (the “*Common Stock Price*”).

The Earn-Out Shares were issued by the Company to the Platinum Stockholder upon meeting the below Common Stock Price Thresholds (each, a “*Triggering Event*”):

Common Stock Price Thresholds	One-time Issuance of Shares
> \$13.00 ^(a)	2,500,000
> \$15.50 ^(a)	2,500,000
> \$18.00 ^(a)	2,500,000
> \$20.50 ^(a)	2,500,000

(a) All four tranches of Earn-Out Shares have been issued, as discussed below.

We estimated the original fair value of the contingently issuable shares to be \$73.15 million, which was not subject to future revisions during the five-year period discussed above. We used a Monte Carlo simulation option-pricing model to arrive at our original estimate. Each tranche was valued separately giving specific consideration to the tranche’s price target. The simulation considered volatility and risk-free rates utilizing a peer group based on a five-year term. This was initially recorded as a distribution to shareholders and was presented as common stock contingent consideration. Upon the occurrence of each Triggering Event, any issuable shares were transferred from common stock contingent consideration to common stock and additional paid-in capital accounts.

On April 26, 2019, January 27, 2020, June 14, 2023, and July 26, 2023, the Triggering Events for the issuance of the first, second, third, and fourth tranches of Earn-Out Shares occurred, as the volume weighted average closing sale price per share of our Class A Common Stock as of that date had been greater than \$13.00, \$15.50, \$18.00, and \$20.50, respectively, for 10 out of 20 consecutive trading days. These Triggering Events resulted in the issuance of an aggregate 10,000,000 shares of our Class A Common Stock to the Platinum Stockholder and an increase in our common stock and additional paid-in capital accounts of \$73.15 million, with a corresponding decrease to the common stock contingent consideration account. At December 31, 2023, there are no shares that remain contingently issuable under the earn-out provided by the Merger Agreement.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with the consolidated financial statements and the related notes that are included in Item 8 of Part II of this Annual Report. This Item generally discusses fiscal years 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussions of 2021 items and year-to-year comparisons between fiscal years 2022 and 2021 are not included, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which specific discussions and comparisons are incorporated herein by reference.

Business Overview

We are a leading provider of smart mobility technology solutions, principally operating throughout the United States, Australia, Europe and Canada. We make transportation safer, smarter and more connected through our integrated, data-driven solutions, including toll and violations management, title and registration services, automated safety and traffic enforcement and commercial parking management. We bring together vehicles, hardware, software, data and people to solve transportation challenges for customers around the world, including commercial fleet owners such as RACs, Direct Fleets and FMCs, as well as governments, universities, parking operators, healthcare facilities, transportation hubs and other violation-issuing authorities. Our vision is to continue to develop and use technology and data intelligence to make transportation safer, smarter and more connected globally.

Executive Summary

We operate under long-term contracts and a highly reoccurring service revenue model. We continue to execute our strategy to grow revenue organically year over year and focus on initiatives that support our long-term vision. During the periods presented, we:

- Increased total revenue by \$75.7 million, or 10%, from \$741.6 million in fiscal year 2022 to \$817.3 million in fiscal year 2023. The increase was mainly due to service revenue resulting from increased travel volume and higher adoption of the all-inclusive product offering in the Commercial Services segment and expansion of speed programs in the Government Solutions segment.
- Generated cash flows from operating activities of \$206.1 million and \$218.3 million for fiscal years 2023 and 2022, respectively. Our cash on hand was \$136.3 million as of December 31, 2023.
- Used existing cash on hand of \$100.0 million during fiscal year 2023 to repurchase shares authorized under a 2022 repurchase program, and authorized a new share repurchase program for \$100.0 million during October 2023. No shares have been repurchased under the new program.
- Continued to focus on debt management and lowering our exposure to higher interest rates, and as a result, made early repayments totaling \$172.5 million on our 2021 Term Loan during fiscal year 2023.

Recent Events

Share Repurchases

We paid \$8.1 million to repurchase 449,432 shares of our Class A Common Stock through open market transactions during the third quarter of fiscal year 2023, which we subsequently retired. On September 5, 2023, we used the remaining availability under the share repurchase program for an ASR and paid approximately \$91.9 million to receive an initial delivery of 4,131,551 shares of our Class A Common Stock in accordance with an ASR agreement with a third-party financial institution. The final settlement occurred on January 12, 2024, at which time, we received 534,499 additional shares calculated using a volume-weighted average price over the term of the ASR agreement. We paid a total of \$100.0 million for share repurchases during the twelve months ended December 31, 2023.

On October 30, 2023, our Board of Directors authorized a new share repurchase program for up to an aggregate amount of \$100.0 million of our outstanding shares of Class A Common Stock over the next eighteen months. The level at which we repurchase depends on a number of factors, including our financial condition, capital requirements.

cash flows, results of operations, future business prospects and other factors that our management may deem relevant. The timing, volume and nature of repurchases are subject to market conditions, applicable securities laws and other factors and may be amended, suspended or discontinued at any time. We have not yet repurchased shares under this program.

Warrants

During fiscal year 2023, we processed the exercise of 19,999,333 Warrants in exchange for the issuance of 16,273,406 shares of Class A Common Stock. There were 14,035,449 shares issued in exchange for cash-basis warrant exercises resulting in the receipt of \$161.4 million in cash proceeds in fiscal year 2023, and the remaining Warrant exercises were completed on a cashless basis. In addition, there were 634 Public Warrants that were redeemed and as a result, there are no outstanding Warrants as of the date hereof.

Segments

We have three operating and reportable segments, Commercial Services, Government Solutions and Parking Solutions:

- Our Commercial Services segment offers toll and violation management solutions and title and registration services for commercial fleet customers, including RACs, Direct Fleets and FMCs in North America. In Europe, we provide tolling and violations processing services.
- Our Government Solutions segment offers photo enforcement solutions and services to its customers. We provide complete, end-to-end speed, red-light, school bus stop arm and bus lane enforcement solutions, principally within the United States and Canada. Our international operations primarily involve the sale of traffic enforcement products and related maintenance services.
- Our Parking Solutions segment provides an integrated suite of parking software, transaction processing and hardware solutions to universities, municipalities, healthcare facilities and commercial parking operators in the United States and Canada.

Segment performance is based on revenues and income from operations before depreciation, amortization, and stock-based compensation. The measure also excludes interest expense, net, income taxes and certain other transactions and is inclusive of other income, net.

Primary Components of Our Operating Results

Revenues

Service Revenue. Our Commercial Services segment generates service revenue primarily through the operation and management of tolling programs and processing violations for RACs, FMCs and other large fleet customers. These solutions are full-service offerings by which we enroll the license plates of our customers' vehicles and transponders with tolling authority accounts, pay tolls and violations on the customers' behalf and, through proprietary technology, integrate with customer data to match the toll or violation to the driver and then bill the driver (or our customer, as applicable) for use of the service. The cost of certain tolls, violations and our customers' share of administration fees are netted against revenue. We also generate service revenue in our Commercial Services segment through processing titles and registrations.

Our Government Solutions segment generates service revenue through the operation and maintenance of photo enforcement systems. Revenue drivers in this segment include the number of systems installed and the monthly revenue per system. Ancillary service revenue is generated in our Government Solutions segment from payment processing, pass-through fees for collection expense, and other fees.

Our Parking Solutions segment generates service revenue mainly from offering software as a service, subscription fees, professional services and citation processing services related to parking management solutions to its customers.

Product Sales. Product sales are generated by the sale of photo enforcement equipment in the Government Solutions segment and specialized hardware in the Parking Solutions segment. Customer buying patterns vary greatly from period to period related to product sales.

Costs and Expenses

Cost of Service Revenue, Excluding Depreciation and Amortization. Cost of service revenue, excluding depreciation and amortization consists of recurring service costs, collection and other third-party costs in our segments.

Cost of Product Sales. Cost of product sales consists of the cost to acquire and install photo enforcement equipment purchased by Government Solutions customers and costs to develop hardware sold to Parking Solutions customers.

Operating Expenses. Operating expenses primarily include payroll and payroll-related costs (including stock-based compensation), subcontractor costs, payment processing and other operational costs, including print, postage and communication costs.

Selling, General and Administrative Expenses. Selling, general and administrative expenses include payroll and payroll-related costs (including stock-based compensation), real estate lease expense, insurance costs, professional services fees, acquisition costs and general corporate expenses.

Depreciation, Amortization and (Gain) Loss on Disposal of Assets, Net. Depreciation, amortization and (gain) loss on disposal of assets, net includes depreciation on property, plant and equipment, and amortization of definite-lived intangible assets. This line item also includes any one-time gains or losses incurred in connection with the disposal of certain assets.

Interest Expense, Net. This includes interest expense and amortization of deferred financing costs and discounts and is net of interest income.

Change in Fair Value of Private Placement Warrants. Change in fair value of private placement warrants consists of liability adjustments related to the Private Placement Warrants originally issued to Gores Sponsor II, LLC re-measured to fair value at the end of each reporting period, and the final re-measurement upon their exercise.

Tax Receivable Agreement Liability Adjustment. This consists of adjustments made to our tax receivable agreement liability due to changes in estimates.

Loss (Gain) on Interest Rate Swap. Loss (gain) on interest rate swap relates to the changes associated with the derivative instrument re-measured to fair value at the end of each reporting period and the related periodic cash payments.

Loss (Gain) on Extinguishment of Debt. Loss (gain) on extinguishment of debt consists of losses from the write-off of pre-existing original issue discounts and deferred financing costs associated with debt extinguishment, and any gains recognized as a result of loan forgiveness.

Other Income, Net. Other income, net primarily consists of volume rebates earned from total spend on purchasing cards, gains or losses on foreign currency transactions and other non-operating expenses.

Results of Operations

Fiscal Year 2023 Compared to Fiscal Year 2022

The following table sets forth our statements of operations data and expresses each item as a percentage of total revenue for the periods presented as well as the changes between periods. The tables and information provided in this section were derived from exact numbers and may have immaterial rounding differences.

(\$ in thousands)	Year Ended December 31,					
	2023	2022	Percentage of Revenue		Increase (Decrease) 2023 vs 2022	
			2023	2022	\$	%
Service revenue	\$ 783,595	\$ 695,218	95.9%	93.7%	\$ 88,377	12.7%
Product sales	33,715	46,380	4.1%	6.3%	(12,665)	(27.3)%
Total revenue	817,310	741,598	100.0%	100.0%	75,712	10.2%
Cost of service revenue, excluding depreciation and amortization	18,232	16,330	2.2%	2.2%	1,902	11.6%
Cost of product sales	25,231	30,932	3.1%	4.2%	(5,701)	(18.4)%
Operating expenses	273,288	226,324	33.4%	30.5%	46,964	20.8%
Selling, general and administrative expenses	198,550	163,133	24.3%	22.0%	35,417	21.7%
Depreciation, amortization and (gain) loss on disposal of assets, net	113,195	140,174	13.9%	18.9%	(26,979)	(19.2)%
Total costs and expenses	628,496	576,893	76.9%	77.8%	51,603	8.9%
Income from operations	188,814	164,705	23.1%	22.2%	24,109	14.6%
Interest expense, net	86,701	69,372	10.6%	9.4%	17,329	25.0%
Change in fair value of private placement warrants	24,966	(14,400)	3.1%	(2.0)%	39,366	(273.4)%
Tax receivable agreement liability adjustment	(3,077)	(720)	(0.4)%	(0.1)%	(2,357)	327.4%
Loss (gain) on interest rate swap	817	(996)	0.1%	(0.1)%	1,813	(182.0)%
Loss (gain) on extinguishment of debt	3,533	(3,005)	0.4%	(0.4)%	6,538	(217.6)%
Other income, net	(11,123)	(12,654)	(1.3)%	(1.7)%	1,531	(12.1)%
Total other expenses	101,817	37,597	12.5%	5.1%	64,220	170.8%
Income before income taxes	86,997	127,108	10.6%	17.1%	(40,111)	(31.6)%
Income tax provision	29,982	34,633	3.6%	4.6%	(4,651)	(13.4)%
Net income	\$ 57,015	\$ 92,475	7.0%	12.5%	\$ (35,460)	(38.3)%

Service Revenue. Service revenue increased by \$88.4 million, or 12.7%, to \$783.6 million for fiscal year 2023 from \$695.2 million in fiscal year 2022, representing 95.9% and 93.7% of total revenue, respectively. The following table depicts service revenue by segment:

(\$ in thousands)	Year Ended December 31,					
	2023	2022	Percentage of Revenue		Increase (Decrease) 2023 vs 2022	
			2023	2022	\$	%
Service revenue						
Commercial Services	\$ 372,786	\$ 325,971	45.6%	44.0%	\$ 46,815	14.4%
Government Solutions	344,034	307,639	42.1%	41.4%	36,395	11.8%
Parking Solutions	66,775	61,608	8.2%	8.3%	5,167	8.4%

Total service revenue	<u>\$ 783,595</u>	<u>\$ 695,218</u>	<u>95.9%</u>	<u>93.7%</u>	<u>\$ 88,377</u>	12.7%
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Commercial Services service revenue includes mainly toll and violation management revenues from RACs and FMCs. Commercial Services service revenue increased by \$46.8 million, or 14.4%, from \$326.0 million in fiscal year 2022 to \$372.8 million in fiscal year 2023. This increase was primarily due to increased travel volume and related tolling activity compared to the prior year which was still recovering from the COVID-19 pandemic, especially during January and February of 2022. An increase in the volume of tolls incurred by RAC vehicles along with the continued adoption of the all-inclusive fee structure, shifting from an incidental or daily usage rate by our large RAC customers,

contributed to a \$41.7 million growth in revenue. In addition, the increase in enrolled vehicles as well as higher tolling activity for our FMC customers contributed to a \$9.9 million growth in revenue during the year ended December 31, 2023, compared to the same period in 2022. These increases were partially offset by lower revenue generated from processing titles and registrations compared to the prior year.

Government Solutions service revenue includes revenue from speed, red-light, school bus stop arm and bus lane photo enforcement systems. Service revenue increased by \$36.4 million to \$344.0 million in fiscal year 2023 compared to \$307.6 million in fiscal year 2022. The increase was primarily driven by the expansion of speed programs, as speed is the largest product in this segment and contributed approximately \$29.9 million to the service revenue increase this year. The remaining increase is attributable to expansions across red-light, school bus stop arm and bus lane programs.

Parking Solutions service revenue increased by \$5.2 million to \$66.8 million in fiscal year 2023 compared to \$61.6 million in fiscal year 2022. The increase was primarily due to increased revenue from professional services, software as a service product offerings and citation processing services related to parking management solutions.

Product Sales. Product sales decreased approximately \$12.7 million year over year and were \$33.7 million and \$46.4 million for fiscal years 2023 and 2022, respectively. The decrease was primarily due to a \$14.7 million decrease in product sales to Government Solutions customers, offset by a \$2.0 million growth in the Parking Solutions segment. Customer buying patterns vary greatly from period to period related to product sales.

Cost of Service Revenue, Excluding Depreciation and Amortization. Cost of service revenue, excluding depreciation and amortization increased from \$16.3 million for fiscal year 2022 to \$18.2 million for fiscal year 2023. The \$1.9 million increase was mainly due to increased recurring service costs in the Parking Solutions segment.

Cost of Product Sales. Cost of product sales decreased year over year and was \$25.2 million and \$30.9 million for the fiscal years 2023 and 2022, respectively. The decrease was in line with the decrease in product sales in the Government Solutions segment offset by an increase in cost in the Parking Solutions segment.

Operating Expenses. Operating expenses increased by \$47.0 million, or 20.8%, from \$226.3 million for fiscal year 2022 to \$273.3 million in fiscal year 2023. The increase in 2023 was primarily attributable to increases of \$25.3 million in wages expense, \$5.2 million for subcontractor costs, \$5.2 million of recurring service costs, \$4.8 million of operational equipment costs and \$4.1 million of information technology costs compared to the prior period. Operating expenses as a percentage of total revenue increased from 30.5% to 33.4% in fiscal years 2022 and 2023, respectively. The following table presents operating expenses by segment:

(\$ in thousands)	Year Ended December 31,					
			Percentage of Revenue		Increase (Decrease) 2023 vs 2022	
	2023	2022	2023	2022	\$	%
Operating expenses						
Commercial Services	\$ 83,828	\$ 72,328	10.3%	9.8%	\$ 11,500	15.9%
Government Solutions	168,736	139,961	20.6%	18.9%	28,775	20.6%
Parking Solutions	18,236	12,905	2.2%	1.7%	5,331	41.3%
Total operating expenses before stock-based compensation	270,800	225,194	33.1%	30.4%	45,606	20.3%
Stock-based compensation	2,488	1,130	0.3%	0.1%	1,358	120.2%
Total operating expenses	<u>\$ 273,288</u>	<u>\$ 226,324</u>	<u>33.4%</u>	<u>30.5%</u>	<u>\$ 46,964</u>	<u>20.8%</u>

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$35.4 million to approximately \$198.6 million for fiscal year 2023 compared to \$163.1 million for fiscal year 2022. The increase is primarily due to a \$31.5 million legal settlement, \$5.1 million in higher wage expenses, and increases in other general expenses, which are partially offset by a decrease in \$5.4 million of credit loss expense

based on customer payment trends in the last 12 months and lower stock-based compensation expense compared to prior year. Selling, general and administrative expenses as a percentage of total revenue increased from 22.0% to 24.3% in fiscal

years 2022 and 2023, respectively. The following table presents selling, general and administrative expenses by segment:

(\$ in thousands)	Year Ended December 31,					
	2023	2022	Percentage of Revenue		Increase (Decrease) 2023 vs 2022	
			2023	2022	\$	%
Selling, general and administrative expenses						
Commercial Services	\$ 61,607	\$ 56,105	7.5%	7.5%	\$ 5,502	9.8%
Government Solutions	62,597	61,235	7.7%	8.3%	1,362	2.2%
Parking Solutions	23,988	27,104	2.9%	3.7%	(3,116)	(11.5)%
Corporate and other	35,370	3,156	4.4%	0.4%	32,214	1020.7%
Total selling, general and administrative expenses before stock-based compensation	183,562	147,600	22.5%	19.9%	35,962	24.4%
Stock-based compensation	14,988	15,533	1.8%	2.1%	(545)	(3.5)%
Total selling, general and administrative expenses	<u>\$ 198,550</u>	<u>\$ 163,133</u>	<u>24.3%</u>	<u>22.0%</u>	<u>\$ 35,417</u>	<u>21.7%</u>

Depreciation, Amortization and (Gain) Loss on Disposal of Assets, Net. Depreciation, amortization and (gain) loss on disposal of assets, net, decreased by \$27.0 million to \$113.2 million for 2023 from \$140.2 million for 2022. This was mainly due to certain non-compete and developed technology intangible assets being fully amortized in fiscal year 2023 as compared to the prior year. This decrease was partially offset by an increase in depreciation expense in fiscal year 2023.

Interest Expense, Net. Interest expense, net increased by \$17.3 million from \$69.4 million in fiscal year 2022 to \$86.7 million in fiscal year 2023. This increase is primarily attributable to higher interest rates in 2023 compared to 2022. The average variable interest rate on the 2021 Term Loan was approximately 350 basis points higher for the twelve months ended December 31, 2023 compared to the prior period. See "Liquidity and Capital Resources" below.

Change in Fair Value of Private Placement Warrants. We recorded a loss of \$25.0 million and a gain of \$14.4 million in fiscal years 2023 and 2022, respectively, related to the changes in fair value of our Private Placement Warrants which were accounted for as liabilities on our consolidated balance sheets. The change in fair value was the result of re-measurement of the liability at the end of each reporting period, and the final re-measurement upon their exercise.

Tax Receivable Agreement Liability Adjustment. We recorded a gain of approximately \$3.1 million in fiscal year 2023 as a result of tax settlement adjustments related to a previous acquisition. We recorded a gain of \$0.7 million in fiscal year 2022 as a result of lower estimated state tax rates due to changes in apportionment.

Loss (Gain) on Interest Rate Swap. We recorded a \$0.8 million loss in fiscal year 2023 of which approximately \$1.1 million related to the monthly cash payments on the interest rate swap net of \$(0.3) million associated with the derivative instrument re-measured to fair value at the end of the reporting period. We recorded a \$1.0 million gain in fiscal year 2022 associated with the derivative instrument re-measured to fair value at the end of the reporting period.

Loss (Gain) on Extinguishment of Debt. We recorded a \$3.5 million loss on extinguishment of debt during the year ended December 31, 2023 related to the write-off of pre-existing deferred financing costs and discounts in connection with the early repayment of \$172.5 million on the 2021 Term Loan. Gain on extinguishment of debt was \$3.0 million for the year ended December 31, 2022 related to the forgiveness of the PPP loan, discussed below.

Other Income, Net. Other income, net was \$11.1 million in fiscal year 2023 compared to \$12.7 million in fiscal year 2022. The decrease was primarily due to a \$5.6 million tax settlement payment related to a prior year

acquisition, partially offset by an increase in volume rebates earned from total spend on purchasing cards from increased tolling and travel activity.

Income Tax Provision. Income tax provision was \$30.0 million representing an effective tax rate of 34.5% for fiscal year 2023 compared to \$34.6 million, representing an effective tax rate of 27.2% for fiscal year 2022. Our effective tax rate for 2023 was higher compared to 2022 primarily due to a decrease in pre-tax income in 2023 combined with the impact of permanent differences related to the mark-to-market adjustment on the Private Placement Warrants and the adjustments to the carrying value of our tax receivable agreement liability.

Net Income. We had net income of \$57.0 million for fiscal year 2023 compared to a net income of \$92.5 million for 2022. The \$35.5 million decrease in net income was primarily due to the change in the fair value of the Private Placement Warrants liability, legal settlement and higher interest expenses recorded in fiscal year 2023 and the other statement of operations activity discussed above.

Liquidity and Capital Resources

Our principal sources of liquidity are cash flows from operations and the available borrowing under our Revolver (defined below).

We believe that our existing cash and cash equivalents, cash flows provided by operating activities and our ability to borrow under our Revolver (as defined below) will be sufficient to meet operating cash requirements, service debt obligations and fund potential share repurchases for at least the next 12 months and thereafter for the foreseeable future. Our ability to generate sufficient cash from our operating activities depends on our future performance, which is subject to general economic, political, financial, competitive and other factors beyond our control. In addition, our future capital expenditures and other cash requirements could be higher than currently expected due to various factors, including any expansion of our business or strategic acquisitions. Should we pursue strategic acquisitions, we may need to raise additional capital, which may be in the form of additional long-term debt, borrowing on our Revolver, or equity financings, all of which may not be available to us on favorable terms or at all.

We have the ability to borrow under our Revolver to meet obligations as they come due. As of December 31, 2023, we had \$74.8 million available for borrowing, net of letters of credit, under our Revolver. Our cash on hand was \$136.3 million as of December 31, 2023.

We have incurred significant long-term debt as a result of acquisitions completed in prior years. We made early repayments totaling \$172.5 million on our 2021 Term Loan during the fiscal year ended December 31, 2023. Subsequent to December 31, 2023, we amended the 2021 Term Loan agreement to refinance the entire outstanding amount under the 2021 Term Loan. In connection with the amended 2021 Term Loan agreement, the interest rate was reduced and the credit spread adjustment was eliminated. See Note 18, *Subsequent Events*, in Item 8, *Financial Statements and Supplementary Data*, for additional information.

At December 31, 2023, the tax receivable agreement liability was approximately \$53.5 million. We expect to make payments of approximately \$5.0 million per year for the next 11 years.

Share Repurchases

In November 2022, our Board of Directors authorized a share repurchase program for up to an aggregate amount of \$100.0 million of our outstanding shares of Class A Common Stock over an 18-month period in open market, ASR or privately negotiated transactions, each as permitted under applicable rules and regulations, any of which may use pre-arranged trading plans that are designed to meet the requirements of Rule 10b5-1 of the Exchange Act.

We paid \$8.1 million to repurchase 449,432 shares of our Class A Common Stock through open market transactions during the third quarter of fiscal year 2023, which we subsequently retired. On September 5, 2023, we used the remaining availability under the share repurchase program for an ASR and paid approximately \$91.9 million to receive an initial delivery of 4,131,551 shares of our Class A Common Stock in accordance with an ASR agreement with a third-party financial institution. The final settlement occurred on January 12, 2024, at which time, we received 534,499 additional shares calculated using a volume-weighted average price over the term of the ASR

agreement. We paid a total of \$100.0 million for share repurchases during the twelve months ended December 31, 2023.

On October 30, 2023, our Board of Directors authorized a new share repurchase program for up to an aggregate amount of \$100.0 million of our outstanding shares of Class A Common Stock over an 18-month period in open market, ASR or privately negotiated transactions. The level at which we repurchase depends on a number of factors, including our financial condition, capital requirements, cash flows, results of operations, future business prospects and other factors that our management may deem relevant. The timing, volume and nature of repurchases are subject to market conditions, applicable securities laws and other factors and may be amended, suspended or discontinued at any time. We have not yet repurchased shares under this program.

Warrants

During fiscal year 2023, we processed the exercise of 19,999,333 Warrants in exchange for the issuance of 16,273,406 shares of Class A Common Stock. There were 14,035,449 shares issued in exchange for cash-basis warrant exercises resulting in the receipt of \$161.4 million in cash proceeds in fiscal year 2023, and the remaining Warrant exercises were completed on a cashless basis. In addition, there were 634 Public Warrants that were redeemed and as a result, there are no outstanding Warrants as of the date hereof.

Concentration of Credit Risk

The NYCDOT represented 18% and 22% of total accounts receivable, net as of December 31, 2023 and 2022, respectively. There is no material reserve related to NYCDOT open receivables as amounts are deemed collectible based on current conditions and expectations. The NYCDOT represented 16.9% and 19.5% of total revenue for the years ended December 31, 2023 and 2022, respectively. Our contract with NYCDOT expires December 31, 2024 and we anticipate the next contract will be subject to a competitive procurement process. The loss of this contract or the renewed contract at significantly reduced pricing could have a material adverse impact on our business.

The following table sets forth certain captions on our statements of cash flows for the respective periods:

<i>(\$ in thousands)</i>	For the Year Ended December 31,	
	2023	2022
Net cash provided by operating activities	\$ 206,101	\$ 218,337
Net cash used in investing activities	(58,290)	(48,592)
Net cash used in financing activities	(117,793)	(164,932)

Cash Flows from Operating Activities

Cash provided by operating activities decreased by \$12.2 million, from \$218.3 million in 2022 to \$206.1 million in 2023. Net income decreased \$35.5 million from \$92.5 million in 2022 compared to \$57.0 million in 2023 primarily due to an increase in interest expense year over year. The adjustments to net income included increases of \$50.2 million from changes in the fair value of private placement warrants, loss (gain) on extinguishment of debt and impairment of long-lived assets and ROU assets year over year, partially offset by decreases of \$40.7 million from lower amortization, credit loss expense and changes in deferred income taxes year over year. The aggregate changes in operating assets and liabilities increased by \$18.1 million in 2023 primarily due to a legal settlement accrual and increase in other current liabilities, partially offset by an increase in accounts receivable balances mainly in our Commercial Services business.

Cash Flows from Investing Activities

Cash used in investing activities in 2023 and 2022 was primarily related to purchases of installation and service parts and property and equipment mainly in our Government Solutions business of \$57.0 million and \$48.2 million, respectively.

Cash Flows from Financing Activities

Cash used in financing activities was \$117.8 million in 2023 mainly due to early repayments totaling \$172.5 million on our 2021 Term Loan and \$100.0 million of share repurchases, which were partially offset by \$161.4 million of proceeds from the exercise of warrants issued in connection with the IPO.

Cash used in financing activities was \$164.9 million in 2022 mainly due to share repurchases for \$125.1 million in the second and third quarters of 2022, the repayment of \$25.0 million of borrowing on the Revolver (defined below) in January 2022 and the quarterly principal payments on the 2021 Term Loan.

Long-term Debt

2021 Term Loan

In March 2021, VM Consolidated, our wholly owned subsidiary, entered into an Amendment and Restatement Agreement No.1 to the First Lien Term Loan Credit Agreement (the “***2021 Term Loan***”) with a syndicate of lenders. The 2021 Term Loan has an aggregate borrowing of \$900.0 million, maturing on March 24, 2028, which includes the incremental borrowing of \$250.0 million in December 2021 as a result of exercising the accordion feature available under the agreement. In connection with the 2021 Term Loan borrowings, we had \$4.6 million of offering discount costs and \$4.5 million in deferred financing costs, both of which were capitalized and are being amortized over the remaining life of the 2021 Term Loan.

During fiscal year 2023, we made early repayments of \$172.5 million on the 2021 Term Loan and as a result, the total principal outstanding was \$704.6 million as of December 31, 2023. We recognized losses on extinguishment of debt of \$3.5 million and \$5.3 million for fiscal years 2023 and 2021, respectively, related to the write-off of pre-existing deferred financing costs and discounts, and lender and third-party costs.

The 2021 Term Loan is repayable at 1.0% per annum of the amount initially borrowed, paid in quarterly installments. It bears interest based, at our option, on either (1) LIBOR plus an applicable margin of 3.25% per annum, or (2) an alternate base rate plus an applicable margin of 2.25% per annum. In March 2023, we amended our 2021 Term Loan agreement (the “***Second Amendment***”) to transition away from LIBOR to Term SOFR with the cessation of LIBOR in June 2023. To compensate for the differences in reference rates utilized, the Second Amendment also includes a credit spread adjustment of 0.11448% for an interest period of one-month duration, 0.26161% for a three-month duration, 0.42826% for a six-month duration, and 0.71513% for twelve-months duration in addition to Term SOFR and the applicable margin. As of December 31, 2023, the new all-in interest rate on the 2021 Term Loan was 8.7%.

In addition, the 2021 Term Loan requires mandatory prepayments equal to the product of the excess cash flows of the Company (as defined in the 2021 Term Loan agreement) and the applicable prepayment percentages (calculated as of the last day of the fiscal year), as set forth in the following table:

Consolidated First Lien Net Leverage Ratio (As Defined by the 2021 Term Loan Agreement)	Applicable Prepayment Percentage
> 3.70:1.00	50%
≤ 3.70:1.00 and > 3.20:1.00	25%
≤ 3.20:1.00	0%

We did not have mandatory prepayments of excess cash flows for the fiscal years ended December 31, 2023 or 2022.

Subsequent to December 31, 2023, we amended the 2021 Term Loan agreement to refinance the entire outstanding amount under the 2021 Term Loan. In connection with the amended 2021 Term Loan agreement, the interest rate was reduced and the credit spread adjustment was eliminated. See Note 18, *Subsequent Events*, in Item 8, *Financial Statements and Supplementary Data*, for additional information.

Senior Notes

In March 2021, VM Consolidated issued an aggregate principal amount of \$350.0 million in Senior Notes due on April 15, 2029. In connection with the issuance of the Senior Notes, we incurred \$5.7 million in lender and

third-party costs, which were capitalized as deferred financing costs and are being amortized over the remaining life of the Senior Notes.

Interest on the Senior Notes is fixed at 5.50% per annum and is payable on April 15 and October 15 of each year. On or after April 15, 2024, we may redeem all or a portion of the Senior Notes at the redemption prices set forth below in percentages by year, plus accrued and unpaid interest:

Year	Percentage
2024	102.750%
2025	101.375%
2026 and thereafter	100.000%

In addition, we may redeem up to 40% of the Senior Notes before April 15, 2024, with the net cash proceeds from certain equity offerings at a redemption price of 105.50%.

PPP Loan

During fiscal year 2020, one of our wholly owned subsidiaries received a \$2.9 million loan from the U.S. Small Business Administration (“SBA”) as part of the Paycheck Protection Program (“PPP Loan”) to offset certain employment and other allowable costs incurred as a result of the COVID-19 pandemic. In early 2021, we applied for forgiveness of this loan, and on September 23, 2022, we were notified by the SBA that the loan, together with accrued interest, had been fully forgiven under the provisions of the PPP Loan program. Accordingly, we recognized a \$3.0 million gain on extinguishment of debt in the consolidated statements of operations for the year ended December 31, 2022.

The Revolver

We have a Revolving Credit Agreement (the “Revolver”) with a commitment of up to \$75.0 million available for loans and letters of credit. The Revolver matures on December 18, 2026. Borrowing eligibility under the Revolver is subject to a monthly borrowing base calculation based on (i) certain percentages of eligible accounts receivable and inventory, less (ii) certain reserve items, including outstanding letters of credit and other reserves. The Revolver bears interest on either (1) Term SOFR plus an applicable margin, or (2) an alternate base rate, plus an applicable margin. The margin percentage applied to (1) Term SOFR is either 1.25%, 1.50%, or 1.75%, or (2) the base rate is either 0.25%, 0.50%, or 0.75%, depending on our average availability to borrow under the commitment. There is a credit spread adjustment of 0.10% for a one-month duration, 0.15% for a three-month duration, and 0.25% for a six-month duration, in addition to Term SOFR and the applicable margin percentages. There are no outstanding borrowings on the Revolver as of December 31, 2023 or 2022. At December 31, 2023, the availability to borrow was \$74.8 million, net of \$0.2 million of outstanding letters of credit.

Interest on the unused portion of the Revolver is payable quarterly at 0.375% and we are also required to pay participation and fronting fees at 1.38% on \$0.2 million of outstanding letters of credit as of December 31, 2023.

All borrowings and other extensions of credits under the 2021 Term Loan, Senior Notes and the Revolver are subject to the satisfaction of customary conditions and restrictive covenants including absence of defaults and accuracy in material respects of representations and warranties. Substantially all of our assets are pledged as collateral to secure our indebtedness under the 2021 Term Loan. At December 31, 2023, we were compliant with all debt covenants.

Interest Expense, Net

We recorded interest expense, net of interest income, including amortization of deferred financing costs and discounts, of \$86.7 million, \$69.4 million and \$44.9 million for the fiscal years ended December 31, 2023, 2022 and 2021 respectively. Interest income earned was \$4.2 million for the fiscal year ended December 31, 2023 and less than \$0.1 million for both fiscal years ended December 31, 2022 and 2021.

See Note 2, *Significant Accounting Policies*, in Item 8, Financial Statements and Supplementary Data for additional information on the interest rate swap entered into in December 2022 to hedge our exposure against rising interest rates.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America (“*GAAP*”) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that its estimates and assumptions are reasonable in the circumstances; however, actual results could differ materially from those estimates.

Our significant accounting policies are described in Note 2, *Significant Accounting Policies*, in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report. We believe that the critical accounting estimates listed below involve our more significant judgments, assumptions, and estimates and, therefore, could have the greatest potential impact on the financial statements.

Revenue Recognition

Judgment is required for the estimation of the standalone selling price (“*SSP*”) and the allocation of the transaction price by relative *SSPs*. Within our Government Solutions and Parking Solutions operating segments, some customer arrangements include multiple performance obligations. Government Solutions’ customer arrangements containing multiple performance obligations typically include the sale and installation of photo-enforcement cameras, license of back-office software, processing payments on behalf of the customer and the performance of maintenance services on such cameras over a contractual term. Parking Solutions’ customer arrangements containing multiple performance obligations typically include the sale of parking access hardware systems, the licensing of SaaS products, installation and/or the performance of maintenance services over a contractual term. In most instances, we have determined these performance obligations qualify as distinct performance obligations, as the customer can benefit from the service on its own or together with other resources that are readily available to the customer, and our promise to transfer the service is separately identifiable from other promises in the contract. For arrangements that contain multiple performance obligations, we exercise judgment in allocating the transaction price based on the relative *SSP* method by comparing the *SSP* of each distinct performance obligation to the total value of the contract. We apply judgment in determining the *SSP* for each distinct performance obligation.

See Note 2, *Significant Accounting Policies*, in Item 8, *Financial Statements and Supplementary Data* for additional information on the Company’s policy for recognition of revenue.

Allowance for Credit Losses

We review historical credit losses and customer payment trends on receivables and develop loss rate estimates as of the balance sheet date, which includes adjustments for current and future expectations. We periodically evaluate the adequacy of our allowance for expected credit losses by comparing our actual historical write-offs to our previously recorded estimates and adjust appropriately. This includes evaluation by portfolio segment the changes in expectations based on the newest information available on customer payment trends, travel forecasts and other risk characteristics and adjusting the probability-weighting either upward or downward that is most representative of the expected credit losses. Administration fees charged to drivers of rented vehicles that we cannot recover from our customers represent higher risk of credit loss compared to our other portfolio segments.

Acquisitions

We apply the acquisition method to account for business combinations. We allocate the fair value of the purchase price consideration to assets acquired and liabilities assumed based on their estimated fair values. The

excess of the purchase consideration over the fair value of the identifiable assets and liabilities is recorded as goodwill.

The determination and allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions and valuation methodologies requiring considerable management judgment and includes the use of independent valuation specialists to assist us in estimating fair values of acquired tangible and intangible assets. Fair values of acquired assets and their respective useful lives are based on, among other factors, critical estimates of expected cash flows, customer turnover and anticipated growth from acquired customers, discount rates and royalty cost savings. Although we believe that the assumptions applied in the determination are reasonable based on information available at the date of acquisition, actual results may differ from estimates. Differences between estimates and actual results may result in adjustment to goodwill and acquisition date fair values of assets and liabilities during a measurement period or upon a final determination of asset and liability fair values, whichever occurs first. Adjustments to fair values of assets and liabilities made after the end of the measurement period are recognized within our consolidated statements of operations as a current period gain or loss.

Impairment of Goodwill and Long-Lived Assets

We assess goodwill for impairment annually on October 1, or more frequently if events or circumstances indicate that the carrying amounts may not be fully recoverable. We have four reporting units for the purposes of assessing potential impairment of goodwill which include Commercial Services, Government Solutions North America, Government Solutions International and Parking Solutions. We first consider the option to assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If we conclude that it is more likely than not that the fair value is less than the carrying amount, we then perform a quantitative impairment test by comparing the reporting unit's fair value with its carrying value. An impairment loss is recognized for the amount by which the reporting units' carrying value exceeds its fair value, up to the total amount of goodwill allocated to the reporting unit. No impairment is recognized if the fair value of the reporting unit exceeds its carrying value.

The process of evaluating goodwill requires significant judgment including the identification of reporting units and the determination of the fair value of each reporting unit. We estimate the fair value of our reporting units based on a combination of an income approach or more specifically, a discounted cash flow method ("*DCF Method*") and a market approach employing the public company market multiple method. The DCF Method is based on projected future cash flows and terminal value estimates discounted to their present values using a market-participant weighted average cost of capital. Significant estimates and assumptions used in the DCF Method include forecasts of future revenue growth rates, EBITDA margin percentages, terminal growth rates and discount rates. We apply discount rates that are commensurate with the risks and uncertainties inherent in the respective reporting units and our internally developed projections of future cash flows. The market approach utilizes a blend of revenue and EBITDA multiples from guideline public companies which are comparable to us in size, profitability and other factors to estimate the fair value of the reporting units. Significant estimates and assumptions used in the market approach include the selection of guideline public companies, revenue and EBITDA projections, the selection of revenue and EBITDA multiples and the application of a control premium.

In connection with our 2023 assessment of goodwill impairment, we qualitatively concluded that our Commercial Services, Government Solutions North America and Government Solutions International reporting units did not have indicators of impairment. We performed a quantitative impairment test for our Parking Solutions reporting unit as of October 1, 2023 which has goodwill of \$199.1 million. The fair value of this reporting unit was determined by equally weighting the results of the DCF and market approach methods described above. Based on the results of our quantitative review, we concluded no impairment to goodwill was necessary because the estimated fair value exceeded the reporting unit's carrying value by approximately 7%. A 100 basis point increase to the discount rate or an approximate 100 basis point decrease in compounded annual revenue growth rate for the forecast period would yield a fair value that is approximately 1% greater than the reporting unit's carrying value. The Parking Solutions reporting unit's fair value includes revenue growth assumptions for a new program, UNIFI Mobile, in which the business will receive a share of transactional parking fees earned by the customer as well as fees charged for parking citations. The fair values of our other reporting units for which a qualitative assessment was performed were estimated by applying guideline public company multiples to EBITDA projections. To corroborate their

reasonableness, the total of our reporting units' estimated fair values were reconciled to the Company's enterprise value, adjusted for a control premium, as of October 1, 2023.

Although we believe the estimated fair value of the Parking Solutions reporting unit as of October 1, 2023 is reasonable based on current conditions, changes in assumptions used in estimating fair value, such as the composition of guideline public companies including the selection of revenue and EBITDA multiples, discount rates, fixed-costs, SaaS and UNIFI Mobile revenue growth estimates and shortfalls in the financial performance relative to expectations, may result in impairment in future periods.

We review our long-lived assets other than goodwill for impairment whenever events or circumstances indicate that the carrying amount of an asset or asset group may not be fully recoverable. We assess recoverability by comparing the estimated undiscounted future cash flows expected to be generated by the asset or asset group with its carrying value. If the carrying value of the asset or asset group exceeds the estimated undiscounted future cash flows, an impairment loss is recognized for the difference between the estimated fair value and the carrying value. Our estimates of cash flows are subjective judgments based on past experiences adjusted for trends and future expectations, and can be significantly impacted by changes in our business or economic conditions. The determination of asset group' fair value is also subject to significant judgment and utilizes valuation techniques including discounting estimated future cash flows and market-based analyses. If our estimates or underlying assumptions change in the future, our operating results may be materially impacted. During the year ended December 31, 2023, we recorded a \$4.3 million impairment which included a \$3.9 million write-down of installation and service parts that no longer have future use within the operating expenses line item in our Government Solutions segment, and \$0.4 million impairment of an ROU asset within the selling, general and administrative expenses line item in our Parking Solutions segment. We recorded \$0.7 million of impairment related to certain photo enforcement programs that ended during the year ended December 31, 2022 within the depreciation, amortization and (gain) loss on disposal of assets, net line item on the consolidated statements of operations. We did not have any indicators of impairment related to long-lived assets for the year ended December 31, 2021.

Income Taxes

The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year, and to recognize deferred tax assets and liabilities for the expected future consequences of differences between the tax basis of assets or liabilities and their carrying amounts in the financial statements. Deferred tax assets generally represent items that can be used as a tax deduction or credit in our tax return in future years, while deferred tax liabilities generally represent items that generate a future tax liability for items where deductions have been accelerated for tax purposes. We provide a valuation allowance against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized. We calculate the valuation allowance in accordance with the authoritative guidance relating to income taxes, which requires an assessment of both positive and negative evidence regarding the realizability of these deferred tax assets when measuring the need for a valuation allowance. Significant judgment is required in determining any valuation allowance against deferred tax assets. The realization of deferred tax assets can be affected by, among other things, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the length of statutory carryforward periods, our experience with utilizing operating loss and other tax carryforwards by jurisdiction, the reversal of existing taxable temporary differences and tax planning alternatives and strategies that may be available. We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Judgment is required in assessing the future tax consequences of events that have been recognized in our financial statements or tax returns. Variation in the actual outcome of these future tax consequences could materially impact our financial statements.

Private Placement Warrant Liabilities

We accounted for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance. For warrants that met all of the criteria for equity classification, the warrants were required to be recorded as a component of additional paid-in capital at the time of issuance. For warrants that did not meet all the criteria for equity classification, the warrants were required to

be recorded at their fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants were recognized as a non-cash gain or loss on the statements of operations. Our Public

Warrants met the criteria for equity classification and accordingly, were reported as a component of shareholders' equity while our Private Placement Warrants did not meet the criteria for equity classification and were instead classified as a liability. The fair value of the Private Placement Warrants was estimated at period-end using a Black-Scholes option pricing model, which was a Level 3 fair value measurement exposed to valuation risk. The risk of exposure was estimated using a sensitivity analysis of potential changes in the significant unobservable inputs, primarily the volatility input that was the most susceptible to valuation risk. As of December 31, 2023, all Warrants were either exercised by the holder or redeemed by the Company.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, refer to Note 2, *Significant Accounting Policies*, in Item 8, *Financial Statements and Supplementary Data*.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to interest rate market risk due to the variable interest rate on the 2021 Term Loan described in "Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*."

Interest rate risk represents our exposure to fluctuations in interest rates associated with the variable rate debt represented by the 2021 Term Loan, which has an outstanding balance of \$704.6 million at December 31, 2023. The 2021 Term Loan bears interest based, at our option, on either (1) LIBOR plus an applicable margin of 3.25% per annum, or (2) an alternate base rate plus an applicable margin of 2.25% per annum. In March 2023, we amended our 2021 Term Loan agreement to transition away from LIBOR to Term SOFR with the cessation of LIBOR in June 2023. To compensate for the differences in reference rates utilized, the amended agreement also includes a credit spread adjustment of 0.11448% for an interest period of one-month duration, 0.26161% for a three-month duration, 0.42826% for a six-month duration, and 0.71513% for twelve-months duration in addition to Term SOFR and the applicable margin. At December 31, 2023, the all-in interest rate on the 2021 Term Loan was 8.7%.

Based on the December 31, 2023 balance outstanding, each 1% movement in interest rates will result in an approximately \$7.0 million change in annual interest expense. Due to the limited history of the use of the new benchmark rate, we are unable to estimate the future impact to our borrowing costs as a result of the discontinuation of the LIBOR benchmark.

In December 2022, we entered into a cancellable interest rate swap agreement to hedge our exposure to interest rate fluctuations associated with the LIBOR (now transitioned to Term SOFR) portion of the variable interest rate on our 2021 Term Loan. Under the interest rate swap agreement, we pay a fixed rate of 5.17% and the counterparty pays a variable interest rate which is net settled. The notional amount on the interest rate swap is \$675.0 million. We have the option to terminate the interest rate swap agreement starting in December 2023, and monthly thereafter until December 2025, in the event interest rates decrease. We recorded a \$0.8 million loss and a \$1.0 million gain on the interest rate swap for the years ended December 31, 2023 and 2022, respectively. See Note 2, *Significant Accounting Policies*, in "Item 8, *Financial Statements and Supplementary Data*" for additional information on the interest rate swap.

VERRA MOBILITY CORPORATION
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Item 8. Financial Statements and Supplementary Data

	<u>Page</u>
<u>Reports of Independent Registered Public Accounting Firm (PCAOB IDs: 34 and 42)</u>	54
<u>Consolidated Balance Sheets</u>	60
<u>Consolidated Statements of Operations and Comprehensive Income</u>	61
<u>Consolidated Statements of Stockholders' Equity</u>	62
<u>Consolidated Statements of Cash Flows</u>	63
<u>Notes to Consolidated Financial Statements</u>	65

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Verra Mobility Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Verra Mobility Corporation (the "Company") as of December 31, 2023, the related consolidated statements of operations and comprehensive income, stockholders' equity, and cash flows for the year then ended, and the related notes and the financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 29, 2024, expressed an adverse opinion on the Company's internal control over financial reporting because of a material weakness.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill — Parking Solutions Reporting Unit – Refer to Notes 2 and 5 to the financial statements

Critical Audit Matter Description

The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. The Company determines the fair value of its reporting units using the income approach

utilizing the discounted cash flow method and market approach employing the public company market multiple method. The determination of the fair value using the discounted cash flow method requires management to make

significant estimates and assumptions related to the selection of the discount rate and forecasts of future revenue growth rates and earnings before interest, taxes, depreciation, and amortization (EBITDA) margin percentages. The determination of the fair value using the market approach requires management to make significant assumptions related to market revenue and EBITDA multiples from within a peer public company group. Changes in these assumptions could have a significant impact on either the fair value, the amount of any goodwill impairment charge, or both. The goodwill balance was \$835.8 million as of December 31, 2023, of which \$199.1 million is allocated to the Parking Solutions reporting unit (“Parking Solutions”). The fair value of the Parking Solutions reporting unit exceeded its carrying value as of the measurement date and, therefore, no impairment was recognized. The Company has introduced a new product line for Parking Solutions whose forecasted revenues contribute to the fair value of Parking Solutions and for which there is limited historical data.

Given the significant judgments made by management to estimate the fair value of the Parking Solutions reporting unit, performing audit procedures to evaluate the reasonableness of management’s estimates and assumptions related to the selection of the discount rate, forecasts of future revenue growth rates and EBITDA margin percentages, which includes the new product line for which there is limited historical data, and the selection of multiples applied to revenue and EBITDA, required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the selection of the discount rate, forecasts of future revenue growth rates and EBITDA margin percentages, and the selection of the comparable market revenue and EBITDA multiples used by management to estimate the fair value of the Parking Solutions reporting unit included the following procedures:

- We tested the effectiveness of controls over management’s goodwill impairment evaluation, including those over the determination of the fair value of the Parking Solutions reporting unit, such as controls related to management’s selection of the discount rate, forecasts of future revenue growth rates and EBITDA margin percentages, and selection of revenue and EBITDA multiples.
- We evaluated the reasonableness of management’s forecasted revenue growth rates and EBITDA margin percentages by comparing the forecasts to (1) historical results of the Company, (2) internal communications to management and the board of directors, and (3) forecasted information included in industry reports of the Company and companies in its peer groups.
- Due to the limited historical data available for the new product line, we evaluated the reasonableness of management’s revenue forecasts of the new product line by comparing the forecasts to (1) the historical operating results of the Company’s similar existing products, and (2) internal communications to management and the board of directors.
- We evaluated management’s ability to accurately forecast future revenue growth rates and EBITDA margin percentages by comparing actual results to management’s historical forecasts.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rate, including testing the source information underlying the determination of the discount rate, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rate selected by management.
- With the assistance of our fair value specialists, we evaluated the revenue and EBITDA multiples, including testing the underlying source information and mathematical accuracy of the calculations, and evaluated the appropriateness of the Company’s selection of companies in its peer public company group.

Revenue Recognition - Government Solutions Segment — Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company's Government Solutions segment principally generates revenue by providing complete, end-to-end speed, red-light, school bus stop arm, and bus lane enforcement solutions. Contractual promises include providing a

photo enforcement system to capture images contemporaneously with a suite of services (which may include maintenance, processing images taken by the camera, forwarding eligible images to the police department and processing payments on behalf of the municipality). Management applies judgment in determining whether providing a photo enforcement system and a suite of services represents separate or combined performance obligations. Management has determined that they generally represent a separate performance obligation as the photo enforcement system and the related suite of services, individually, are capable of being distinct and are not highly interdependent and interrelated. For customer contracts where title to the photo enforcement system does not transfer to the customer and is bundled with the suite of services, management has determined there is a single combined performance obligation. This is because the right to use the photo enforcement system and suite of services are transferred to the customer concurrently over the same period of time.

Given the significant judgment required by management in determining whether the photo enforcement system and the related suite of services should be accounted for as separate or combined performance obligations, our associated audit procedures required a high degree of auditor judgment and an increased extent of effort. Accordingly, we considered the determination that the photo enforcement system and related suite of services represents a separate or combined performance obligation to be a critical audit matter.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures for the Government Solutions segment related to management's conclusion that the photo enforcement system and related suite of services represents a separate or combined performance obligation included the following, among others:

- We tested the design and operating effectiveness of certain controls over revenue recognition, including management's controls over the review of customer contracts. Such controls included an assessment of the appropriate identification of performance obligations.
- We evaluated management's accounting policy papers which included their assessment of the identification of performance obligations, including their assessment of the nature, interdependency, and level of integration between the photo enforcement system and suite of services. This included, among other things, gaining a detailed understanding of the nature of the Company's system and services, how they function, and how they are marketed to customers, and confirming our understanding with key individuals in the Company's sales, engineering, and product functions.
- For a sample of the Company's revenue arrangements, we read the contracts and assessed the relationship between the photo enforcement system and suite of services within the context of the contract, to determine whether such relationship provided supporting or contradictory evidence related to management's conclusion that the photo enforcement systems and related suite of services represents a combined or separate performance obligation. We then verified that such revenue arrangements were presented appropriately within the financial statements.

/s/ Deloitte & Touche LLP

Tempe, Arizona
February 29, 2024

We have served as the Company's auditor since 2023.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Verra Mobility Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Verra Mobility Corporation (the “Company”) as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, because of the effect of the material weakness identified below on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and schedule as of and for the year ended December 31, 2023, of the Company and our report dated February 29, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment:

Management identified a material weakness in the design and operation of the Company's internal controls over financial reporting in the Control Activities component of the COSO framework related to a lack of information technology general controls to prevent the risk of management override. Specifically, management identified system limitations that do not facilitate proper segregation of duties within multiple systems and a lack of mitigating business process level controls to address the risk of management override over the preparation and review of manual journal entries and certain manual revenue invoices.

This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended December 31, 2023, of the Company, and this report does not affect our report on such financial statements.

/s/ Deloitte & Touche LLP

Tempe, Arizona
February 29, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Verra Mobility Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Verra Mobility Corporation (the Company) as of December 31, 2022, and the related consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2022, and the related notes and the financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We served as the Company's auditor from 2013 to 2023.

Phoenix, Arizona
March 1, 2023

VERRA MOBILITY CORPORATION
CONSOLIDATED BALANCE SHEETS

<u>(In thousands, except per share data)</u>	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 136,309	\$ 105,204
Restricted cash	3,413	3,911
Accounts receivable (net of allowance for credit losses of \$18.5 million and \$15.9 million at December 31, 2023 and 2022, respectively)	197,824	163,786
Unbilled receivables	37,065	30,782
Inventory	17,966	19,307
Prepaid expenses and other current assets	46,961	39,604
Total current assets	439,538	362,594
Installation and service parts, net	22,895	22,923
Property and equipment, net	123,248	109,775
Operating lease assets	33,523	37,593
Intangible assets, net	301,025	377,420
Goodwill	835,835	833,480
Other non-current assets	33,919	12,484
Total assets	\$ 1,789,983	\$ 1,756,269
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 78,749	\$ 79,869
Deferred revenue	28,788	31,164
Accrued liabilities	93,119	48,847
Tax receivable agreement liability, current portion	5,098	4,994
Current portion of long-term debt	9,019	21,935
Total current liabilities	214,773	186,809
Long-term debt, net of current portion	1,029,113	1,190,045
Operating lease liabilities, net of current portion	29,124	33,362
Tax receivable agreement liability, net of current portion	48,369	50,900
Private placement warrant liabilities	—	24,066
Asset retirement obligations	14,580	12,993
Deferred tax liabilities, net	18,360	21,149
Other long-term liabilities	14,197	5,875
Total liabilities	1,368,516	1,525,199
Commitments and contingencies (Note 16)		
Stockholders' equity		
Preferred stock, \$0.0001 par value, 1,000 shares authorized with no shares issued and outstanding at December 31, 2023 and 2022	—	—
Common stock, \$0.0001 par value, 260,000 shares authorized with 166,555 and 148,962 shares issued and outstanding at December 31, 2023 and 2022, respectively	17	15
Common stock contingent consideration	—	36,575
Additional paid-in capital	557,513	305,423
Accumulated deficit	(125,887)	(98,078)
Accumulated other comprehensive loss	(10,176)	(12,865)

Total stockholders' equity	<u>421,467</u>	<u>231,070</u>
Total liabilities and stockholders' equity	<u>\$ 1,789,983</u>	<u>\$ 1,756,269</u>

See accompanying Notes to Consolidated Financial Statements.

VERRA MOBILITY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME

<u>(In thousands, except per share data)</u>	For the Year Ended December 31,		
	2023	2022	2021
Service revenue	\$ 783,595	\$ 695,218	\$ 492,846
Product sales	33,715	46,380	57,744
Total revenue	817,310	741,598	550,590
Cost of service revenue, excluding depreciation and amortization	18,232	16,330	5,337
Cost of product sales	25,231	30,932	29,809
Operating expenses	273,288	226,324	163,370
Selling, general and administrative expenses	198,550	163,133	123,407
Depreciation, amortization and (gain) loss on disposal of assets, net	113,195	140,174	116,801
Total costs and expenses	628,496	576,893	438,724
Income from operations	188,814	164,705	111,866
Interest expense, net	86,701	69,372	44,942
Change in fair value of private placement warrants	24,966	(14,400)	7,600
Tax receivable agreement liability adjustment	(3,077)	(720)	(1,016)
Loss (gain) on interest rate swap	817	(996)	—
Loss (gain) on extinguishment of debt	3,533	(3,005)	5,334
Other income, net	(11,123)	(12,654)	(12,895)
Total other expenses	101,817	37,597	43,965
Income before income taxes	86,997	127,108	67,901
Income tax provision	29,982	34,633	26,452
Net income	\$ 57,015	\$ 92,475	\$ 41,449
Other comprehensive income (loss):			
Change in foreign currency translation adjustment	2,689	(7,771)	(5,305)
Total comprehensive income	\$ 59,704	\$ 84,704	\$ 36,144
Net income per share:			
Basic	\$ 0.36	\$ 0.61	\$ 0.26
Diluted	\$ 0.36	\$ 0.50	\$ 0.25
Weighted average shares outstanding:			
Basic	158,777	152,848	159,983
Diluted	160,017	159,026	163,778

See accompanying Notes to Consolidated Financial Statements.

VERRA MOBILITY CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)	Common Stock		Common Stock Contingent Consideration	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	—	—	—	—	—
Balance as of December 31, 2020	162,269	\$ 16	\$ 36,575	\$ 373,620	\$ (94,850)	\$ 211	\$ 315,572
Net income	—	—	—	—	41,449	—	41,449
Share repurchases and retirement	(6,849)	—	—	(71,985)	(28,015)	—	(100,000)
Vesting of restricted stock units ("RSUs")	647	—	—	—	—	—	—
Exercise of stock options	12	—	—	155	—	—	155
Payment of employee tax withholding related to RSUs vesting	—	—	—	(5,691)	—	—	(5,691)
Stock-based compensation	—	—	—	13,784	—	—	13,784
Other comprehensive loss, net of tax	—	—	—	—	—	(5,305)	(5,305)
Balance as of December 31, 2021	156,079	\$ 16	\$ 36,575	\$ 309,883	\$ (81,416)	\$ (5,094)	\$ 259,964
Net income	—	—	—	—	92,475	—	92,475
Share repurchases and retirement	(7,874)	(1)	—	(15,933)	(109,137)	—	(125,071)
Vesting of RSUs	654	—	—	—	—	—	—
Exercise of stock options	103	—	—	1,334	—	—	1,334
Payment of employee tax withholding related to RSUs vesting	—	—	—	(6,524)	—	—	(6,524)
Stock-based compensation	—	—	—	16,663	—	—	16,663
Other comprehensive loss, net of tax	—	—	—	—	—	(7,771)	(7,771)
Balance as of December 31, 2022	148,962	\$ 15	\$ 36,575	\$ 305,423	\$ (98,078)	\$ (12,865)	\$ 231,070
Net income	—	—	—	—	57,015	—	57,015
Earn-out shares issued to Platinum Stockholder	5,000	—	(36,575)	36,575	—	—	—
Share repurchases and retirement	(4,581)	—	—	(15,176)	(84,824)	—	(100,000)
Vesting of RSUs and performance share units ("PSUs")	449	—	—	—	—	—	—
Exercise of stock options	451	—	—	5,919	—	—	5,919
Payment of employee tax withholding related to RSUs and PSUs vesting	—	—	—	(3,142)	—	—	(3,142)
Exercise of warrants	16,274	2	—	210,438	—	—	210,440
Stock-based compensation	—	—	—	17,476	—	—	17,476
Other comprehensive gain, net of tax	—	—	—	—	—	2,689	2,689
Balance as of December 31, 2023	166,555	\$ 17	\$ —	\$ 557,513	\$ (125,887)	\$ (10,176)	\$ 421,467

See accompanying Notes to Consolidated Financial Statements.

VERRA MOBILITY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(\$ in thousands)	For the Year Ended December 31,		
	2023	2022	2021
Cash Flows from Operating Activities:			
Net income	\$ 57,015	\$ 92,475	\$ 41,449
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	113,067	138,684	116,753
Amortization of deferred financing costs and discounts	4,679	5,472	5,170
Change in fair value of private placement warrants	24,966	(14,400)	7,600
Tax receivable agreement liability adjustment	(3,077)	(720)	(1,016)
Gain on interest rate swap	(320)	(996)	—
Loss (gain) on extinguishment of debt	3,533	(3,005)	5,334
Credit loss expense	9,054	14,481	9,588
Deferred income taxes	(27,037)	(17,355)	(10,640)
Stock-based compensation	17,476	16,663	13,784
Impairment of long-lived assets and ROU assets	4,280	—	—
Impairment on a privately-held equity investment	—	1,340	—
Other	359	1,654	308
Changes in operating assets and liabilities:			
Accounts receivable	(42,459)	(17,685)	14,946
Unbilled receivables	(6,252)	(1,936)	(7,753)
Inventory	1,148	(10,310)	2,798
Prepaid expenses and other assets	(2,161)	4,306	(5,097)
Deferred revenue	(2,400)	4,591	(3,966)
Accounts payable and other current liabilities	50,512	6,513	8,296
Other liabilities	3,718	(1,435)	(4,383)
Net cash provided by operating activities	206,101	218,337	193,171
Cash Flows from Investing Activities:			
Acquisitions, net of cash and restricted cash acquired	—	—	(451,237)
Payment of contingent consideration	—	(647)	—
Payments for interest rate swap	(1,137)	—	—
Purchase of intellectual property	(500)	—	—
Purchases of installation and service parts and property and equipment	(56,985)	(48,186)	(24,998)
Cash proceeds from the sale of assets	332	241	265
Net cash used in investing activities	(58,290)	(48,592)	(475,970)
Cash Flows from Financing Activities:			
Borrowings on revolver	—	—	25,000
Repayment on revolver	—	(25,000)	—
Borrowings of long-term debt	—	—	1,245,500
Repayment of long-term debt	(181,519)	(9,019)	(884,530)
Payment of debt issuance costs	(459)	(447)	(10,646)
Payment of debt extinguishment costs	—	—	(1,066)
Proceeds from the exercise of warrants	161,408	—	—
Share repurchases and retirement	(100,000)	(125,071)	(100,000)
Proceeds from exercise of stock options	5,919	1,334	155
Payment of employee tax withholding related to RSUs and PSUs vesting	(3,142)	(6,524)	(5,691)
Payment of contingent consideration	—	(205)	—
Net cash (used in) provided by financing activities	(117,793)	(164,932)	268,722
Effect of exchange rate changes on cash and cash equivalents	589	(130)	(2,383)

Net increase (decrease) in cash, cash equivalents and restricted cash	30,607	4,683	(16,460)
Cash, cash equivalents and restricted cash - beginning of period	<u>109,115</u>	<u>104,432</u>	<u>120,892</u>
Cash, cash equivalents and restricted cash - end of period	<u>\$ 139,722</u>	<u>\$ 109,115</u>	<u>\$ 104,432</u>

See accompanying Notes to Consolidated Financial Statements.

VERRA MOBILITY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	For the Year Ended December 31,		
	2023	2022	2021
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets			
Cash and cash equivalents	\$ 136,309	\$ 105,204	\$ 101,283
Restricted cash	3,413	3,911	3,149
Total cash, cash equivalents, and restricted cash	\$ 139,722	\$ 109,115	\$ 104,432
Supplemental cash flow information:			
Interest paid	\$ 86,113	\$ 63,663	\$ 35,786
Income taxes paid, net of refunds	54,002	47,623	35,774
Supplemental non-cash investing and financing activities:			
Earn-out shares issued to Platinum Stockholder	36,575	—	—
Additions related to asset retirement obligations and property and equipment ^(a)	1,173	946	1,397
Purchases of installation and service parts and property and equipment in accounts payable and accrued liabilities at year-end	5,120	10,421	1,714
Increase in additional paid-in capital due to exercise of private placement warrants	49,032	—	—
Contingent consideration related to NuPark acquisition	—	—	1,450

(a) Asset retirement obligations of \$3.9 million assumed as part of the Redflex acquisition in 2021 are excluded from these additions.

See accompanying Notes to Consolidated Financial Statements.

VERRA MOBILITY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Verra Mobility Corporation (collectively with its subsidiaries, the “*Company*” or “*Verra Mobility*”) offers integrated technology solutions and services to its customers who are located throughout the world, primarily within the United States, Australia, Canada and Europe. The Company is organized into three operating segments: Commercial Services, Government Solutions and Parking Solutions (see Note 17, *Segment Reporting*).

The Company’s Commercial Services segment offers toll and violation management solutions for commercial fleet operators by partnering with the leading fleet management and rental car companies in North America. Electronic toll payment services enable drivers of fleet vehicles and rental car customers to use high-speed cashless toll lanes or all-electronic cashless toll roads. The service helps commercial fleets reduce toll management costs, while it provides rental car companies with a revenue-generating, value-added service for their customers. Electronic violation processing services reduce the cost and risk associated with vehicle-issued violations, such as toll, parking or camera-enforced tickets. Title and registration services offer title and registration processing for individuals and commercial fleet customers, including RACs, Direct Fleets and FMCs. In Europe, the Company provides violations processing through Euro Parking Collection plc and consumer tolling services through Pagatelia S.L.U.

The Company’s Government Solutions segment offers photo enforcement solutions and services to its customers. The Government Solutions segment provides complete, end-to-end speed, red-light, school bus stop arm and bus lane enforcement solutions within the United States and Canada. These programs are designed to reduce traffic violations and resulting collisions, injuries and fatalities. The Company implements and administers traffic safety programs for municipalities, counties, school districts and law enforcement agencies of all sizes. The international operations for this segment primarily involve the sale of traffic enforcement products and related maintenance services.

The Company’s Parking Solutions segment offers an integrated suite of parking software, transaction processing and hardware solutions to its customers, which include universities, municipalities, healthcare facilities and commercial parking operators. This segment develops specialized hardware and parking management software that provides a platform for the issuance of parking permits, enforcement, gateless vehicle counting, event parking and citation services. It also produces and markets its proprietary software as a service to its customers throughout the United States and Canada.

The Company was originally incorporated in Delaware on August 15, 2016, under the name “Gores Holdings II, Inc.” (“*Gores*”) as a special purpose acquisition company. On January 19, 2017, Gores consummated its initial public offering (the “*IPO*”), following which its shares began trading on Nasdaq. On June 21, 2018, Gores entered into an Agreement and Plan of Merger (as amended, the “*Merger Agreement*”) with Greenlight Holding II Corporation, PE Greenlight Holdings, LLC (the “*Platinum Stockholder*”), AM Merger Sub I, Inc., a direct, wholly owned subsidiary of Gores, and AM Merger Sub II, LLC, a direct, wholly owned subsidiary of Gores. On October 17, 2018, the Company consummated the transactions contemplated by the Merger Agreement (the “*Business Combination*”) and changed its name to “Verra Mobility Corporation.” As a result of the Business Combination, Verra Mobility Corporation became the owner, directly or indirectly, of all of the equity interests of Verra Mobility Holdings, LLC and its subsidiaries.

2. Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company prepared in accordance with generally accepted accounting principles in the United States of America (“*GAAP*”). All intercompany balances and transactions have been eliminated in consolidation. In the opinion of the Company’s management, the consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates and assumptions include those related to the fair values assigned to net assets acquired (including identifiable intangibles) in business combinations, allocating the transaction price for revenue recognition, inventory valuation, allowance for credit losses, fair value of the private placement warrant liabilities, fair value of the interest rate swap, self-insurance liability, valuation allowance on deferred tax assets, uncertain tax positions, apportionment for state income taxes, the tax receivable agreement liability, fair value of privately-held securities, impairment assessments of goodwill, intangible assets and other long-lived assets, asset retirement obligations, contingent consideration and the recognition and measurement of loss contingencies.

Management believes that its estimates and assumptions are reasonable in the circumstances; however, actual results could differ materially from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a remaining maturity of three months or less when acquired to be cash equivalents.

Restricted Cash

The Company collects cash on behalf of customers under certain contracts which it deposits daily into Company bank accounts and transfers regularly to customer bank accounts. Restricted cash primarily represents customer cash collected but not yet remitted to the customer. Restricted cash is classified as a current asset and the corresponding liability for amounts due to customers is within current liabilities.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, accounts receivable and unbilled receivables. The Company limits cash and cash equivalents to highly rated financial institutions.

Significant customers are those which represent more than 10% of the Company's total revenue or accounts receivable, net. Revenue from the single Government Solutions customer exceeding 10% of total revenue is presented below:

	For the Year Ended December 31,		
	2023	2022	2021
City of New York Department of Transportation	16.9 %	19.5 %	26.6 %

The City of New York Department of Transportation ("*NYCDOT*") represented 18% and 22% of total accounts receivable, net as of December 31, 2023 and 2022, respectively. There is no material reserve related to NYCDOT open receivables as amounts are deemed collectible based on current conditions and expectations. No other Government Solutions customer exceeded 10% of total accounts receivable, net as of any period presented.

Significant customer revenue concentrations generated through the Company's Commercial Services partners as a percent of total revenue are presented below:

	For the Year Ended December 31,		
	2023	2022	2021
Hertz Corporation	11.8 %	11.1 %	12.6 %
Avis Budget Group, Inc.	13.6 %	13.0 %	12.3 %

Enterprise Mobility

10.4%

9.3%

11.4%

The Avis Budget Group, Inc. was 10% of total accounts receivable, net as of December 31, 2022. No Commercial Services customer exceeded 10% of total accounts receivable, net as of December 31, 2023.

There were no significant customer concentrations that exceeded 10% of total revenue or accounts receivables, net for the Parking Solutions segment as of or for any period presented.

Allowance for Credit Losses

Accounts receivable and unbilled receivables are uncollateralized customer obligations arising from the sale of products or services. Accounts receivable and unbilled receivables have normal trade terms of less than one year and are initially stated at the amounts billed to the customers and subsequently measured at amortized cost net of allowance for credit losses. Unbilled receivables are recorded when revenues have been earned but have not been included on a customer invoice through the end of the current period. Unbilled receivables were \$37.1 million and \$30.8 million as of December 31, 2023 and 2022, respectively.

The Company reviews historical credit losses and customer payment trends on receivables and develops loss rate estimates as of the balance sheet date, which includes adjustments for current and future expectations using probability-weighted assumptions about potential outcomes. Receivables are written off against the allowance for credit losses when it is probable that amounts will not be collected based on the terms of the customer contracts, and subsequent recoveries reverse the previous write-off and apply to the receivable in the period recovered. No interest or late fees are charged on delinquent accounts. The Company evaluates the adequacy of its allowance for expected credit losses by comparing its actual write-offs to its previously recorded estimates and adjusts appropriately.

The Company identified portfolio segments based on the type of business, industry in which the customer operates and historical credit loss patterns. The following presents the activity in the allowance for credit losses for the years ended December 31, 2022 and 2023, respectively:

(\$ in thousands)	Commercial Services (Driver-billed) ⁽¹⁾	Commercial Services (All other)	Government Solutions	Parking Solutions	Total
Balance at January 1, 2022	\$ 5,397	\$ 3,092	\$ 3,649	\$ —	\$ 12,138
Credit loss expense	11,739	1,307	950	485	14,481
Write-offs, net of recoveries	(7,536)	(2,822)	(26)	(328)	(10,712)
Balance at December 31, 2022	\$ 9,600	\$ 1,577	\$ 4,573	\$ 157	\$ 15,907
Credit loss expense (income)	11,066	87	(1,953)	(146)	9,054
Write-offs, net of recoveries	(6,940)	271	(194)	415	(6,448)
Balance at December 31, 2023	\$ 13,726	\$ 1,935	\$ 2,426	\$ 426	\$ 18,513

- (1) Driver-billed consists of receivables from drivers of rental cars for which the Company bills on behalf of its customers. Receivables not collected from drivers within a defined number of days are transferred to customers subject to applicable bad debt sharing agreements.

Inventory

Inventories consist of parts and electronic components used in the production of parking management related hardware sold to certain Parking Solutions customers and photo enforcement systems sold to certain Government Solutions customers. Inventories for the Parking Solutions business were stated at cost on a first-in, first-out basis and the total carrying value was approximately \$10.0 million and \$11.1 million as of December 31, 2023 and 2022, respectively. Inventories for the Government Solutions international business were stated at a weighted average cost and the total carrying value was \$8.0 million and \$8.2 million as of December 31, 2023 and 2022, respectively. The Company assesses the value of its inventory and writes down the cost to net realizable value upon evaluation of historical experience and assumptions regarding future usage, and any such write down establishes a new cost basis for the items. Total finished goods were approximately \$3.4 million and \$5.1 million as of December 31, 2023 and 2022, respectively.

Installation and Service Parts

Installation and service parts consist of components used in the construction and maintenance of the Company's photo enforcement systems. Installation and service parts are stated at cost and are reclassified to property and

equipment upon initiation of construction and subsequently placed in service. Installation and service parts used in repairs and maintenance are recorded as operating expenses.

During the year ended December 31, 2023, the Company recorded a \$3.9 million write-down of installation and service parts that no longer have future use within the operating expenses line item on the consolidated statement of operations.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. All repairs and maintenance costs are expensed as incurred. Depreciation is recorded on a straight-line basis over the estimated useful lives of the related assets as follows:

Equipment installed at customer sites	3-7 years
Computer equipment	3-5 years
Furniture	3-10 years
Automobiles	3-7 years
Software	3-7 years
Leasehold improvements	Shorter of lease term or estimated useful life

Equipment installed at customer sites includes certain installation costs that qualify for capitalization. Software costs include certain internal and external costs associated with the development of software that are incurred during the application development stage. In addition, a modification or upgrade to existing software is capitalized only to the extent it results in additional functionality to existing software. Software maintenance and training costs are expensed as incurred.

Investment in Privately-held Securities

The Company holds an investment in privately-held equity securities which is recorded at cost and adjusted based on observable transactions for same or similar investments or for impairment. Investment gains and losses are recorded in other income, net.

Valuation of privately-held securities requires judgment due to the lack of readily available observable market data. The carrying value is not adjusted if there are no identified events that would indicate a need for upward or downward adjustments or changes in circumstances that may indicate impairment. In determining the estimated fair value of its investment, the Company utilizes the most recent data available. The Company assesses its investment for impairment quarterly using both qualitative and quantitative factors. If an investment is considered impaired, an impairment loss is recognized and a new carrying value is established for the investment.

There were no indicators of impairment during the years ended December 31, 2023 or December 31, 2021. The Company recorded a \$1.3 million impairment during the year ended December 31, 2022 within other income, net on the consolidated statements of operations.

Goodwill

Goodwill represents the excess of the purchase price over the estimated fair value of net tangible and identifiable intangible assets acquired in business combinations. Goodwill is assessed for impairment at least annually at the reporting unit level or more frequently if events or changes in circumstances indicate the carrying value may not be recoverable. If, based on a qualitative analysis, it is determined more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, a quantitative impairment test is performed. Reporting units are identified by assessing whether the components of the Company's operating segments constitute businesses for which discrete financial information is available and if segment management regularly reviews the operating results of those components. Application of the goodwill impairment test requires judgment, including the identification of reporting units, the assignment of assets (including goodwill) to those reporting units and the

determination of the fair value of each reporting unit. The date of the Company's annual impairment analysis is October 1. The Company has four reporting units for the purposes of assessing potential impairment of goodwill which include Commercial Services, Government Solutions North America, Government Solutions International and Parking Solutions.

The Company estimates the fair value of its reporting units based on a combination of an income approach or more specifically, a discounted cash flow method ("*DCF Method*") and a market approach employing the public company market multiple method. The DCF Method is based on projected future cash flows and terminal value estimates discounted to their present values using a market-participant weighted average cost of capital. Significant estimates and assumptions used in the DCF Method include forecasts of future revenue growth rates, EBITDA margin percentages, terminal growth rates and discount rates. The Company applies discount rates that are commensurate with the risks and uncertainties inherent in the respective reporting units and its internally developed projections of future cash flows. The market approach utilizes a blend of revenue and EBITDA multiples from guideline public companies which are comparable to it in size, profitability and other factors to estimate the fair value of the reporting units. Significant estimates and assumptions used in the market approach include the selection of guideline public companies, revenue and EBITDA projections, the selection of revenue and EBITDA multiples and the application of a control premium.

In connection with its 2023 assessment of goodwill impairment, the Company qualitatively concluded that its Commercial Services, Government Solutions North America and Government Solutions International reporting units did not have indicators of impairment. It performed a quantitative impairment test for the Parking Solutions reporting unit as of October 1, 2023 which has goodwill of \$199.1 million. The fair value of this reporting unit was determined by equally weighting the results of the DCF and market approach methods described above. Based on the results of its quantitative review, it concluded no impairment to goodwill was necessary because the estimated fair value exceeded the reporting unit's carrying value by approximately 7%. The Parking Solutions reporting unit's fair value includes revenue growth assumptions for a new program, UNIFI Mobile, in which the business will receive a share of transactional parking fees earned by the customer as well as fees charged for parking citations. The fair values of the Company's other reporting units for which a qualitative assessment was performed were estimated by applying guideline public company multiples to EBITDA projections. To corroborate their reasonableness, the total of the reporting units' estimated fair values were reconciled to the Company's enterprise value, adjusted for a control premium, as of October 1, 2023.

Although the Company believes the estimated fair value of the Parking Solutions reporting unit as of October 1, 2023 is reasonable based on current conditions, changes in assumptions used in estimating fair value, such as the composition of guideline public companies including the selection of revenue and EBITDA multiples, discount rates, fixed-costs, SaaS and UNIFI Mobile revenue growth estimates and shortfalls in the financial performance relative to expectations, may result in impairment in future periods.

Intangible Assets

Intangible assets represent existing customer relationships, trademarks, patents, developed technology (hardware and software) and non-compete agreements. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, which approximates the utilization of their expected future benefits. Amortization of intangible assets is included in depreciation, amortization and (gain) loss on disposal of assets, net in the consolidated statements of operations.

The Company annually evaluates the estimated remaining useful lives of its intangible assets to determine whether events or changes in circumstances warrant a revision to the remaining period of amortization.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets (including intangible assets with finite useful lives and installation and service parts) for impairment whenever events or circumstances indicate that the carrying amount of an asset or an asset group may not be fully recoverable. The Company assesses recoverability by comparing the estimated undiscounted future cash flows expected to be generated by the asset or asset group with its carrying value. If the carrying value of the asset or asset group exceeds the estimated undiscounted future cash flows, an impairment loss is recognized for the difference between the estimated fair value and the carrying value.

During the year ended December 31, 2023, the Company recorded a \$4.3 million impairment which included a \$3.9 million write-down of installation and service parts that no longer have future use within the operating expenses line item in our Government Solutions segment (discussed above), and \$0.4 million impairment of an ROU asset within the selling, general and administrative expenses line item in our Parking Solutions segment. The Company had \$0.7 million of impairment related to certain photo enforcement programs that ended during the year ended December

31, 2022 within the depreciation, amortization and (gain) loss on disposal of assets, net line item on the consolidated statements of operations. There were no indicators of impairment related to long-lived assets for the year ended December 31, 2021.

Self-Insurance

The Company is self-insured for medical costs and has stop-loss insurance policies to limit its exposure to individual and aggregate claims made. Liabilities for these programs are estimated based on outstanding claims and claims estimated to be incurred but not yet reported using historical loss experience. These estimates are subject to variability due to changes in trends of losses for outstanding claims and incurred but not reported claims, including external factors such as the number, and cost of claims, benefit level changes and claim settlement patterns.

Warrants

As of December 31, 2022, there were warrants outstanding to acquire 19,999,967 shares of the Company's Class A Common Stock including: (i) 6,666,666 Private Placement Warrants and (ii) 13,333,301 warrants issued in connection with the IPO (the "***Public Warrants***" and, together with the Private Placement Warrants, the "***Warrants***"). The Warrants had a five-year term and expired in October 2023, unless they were redeemed or exercised prior to expiration. As of December 31, 2023, all Warrants were either exercised by the holder or redeemed by the Company. See Note 12, *Shareholders' Equity*, for additional details on warrant exercises.

The Company accounted for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance under Financial Accounting Standards Board ("***FASB***") ASC 480, Distinguishing Liabilities from Equity ("***ASC 480***") and ASC 815, Derivatives and Hedging ("***ASC 815***"). The assessment considered whether the warrants were freestanding financial instruments pursuant to ASC 480, met the definition of a liability pursuant to ASC 480, and whether the warrants met all of the requirements for equity classification under ASC 815, including whether the warrants were indexed to the Company's own common shares, among other conditions for equity classification.

For warrants that met all of the criteria for equity classification, the warrants were required to be recorded as a component of additional paid-in capital at the time of issuance. Warrants that did not meet all the criteria for equity classification were recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants were recognized as a non-cash gain or loss on the consolidated statements of operations. The Company's Public Warrants met the criteria for equity classification and accordingly, were reported as a component of stockholders' equity while the Company's Private Placement Warrants were classified as a liability. The fair value of the Private Placement Warrants was estimated at period-end using a Black-Scholes option pricing model. Shares issuable under the Warrants were considered for inclusion in the diluted share count in accordance with GAAP.

Interest Rate Swap

In December 2022, the Company entered into a cancellable interest rate swap agreement to hedge its exposure to interest rate fluctuations associated with the LIBOR (now transitioned to Term Secured Overnight Financing Rate "***SOFR***," as discussed below) portion of the variable interest rate on its 2021 Term Loan. Under the interest rate swap agreement, the Company pays a fixed rate of 5.17% and the counterparty pays a variable interest rate. The Company entered into an International Swaps and Derivatives Association, Inc. Master Agreement with the counterparty which provides for the net settlement of all, or a specified group, of derivative transactions through a single payment. The notional amount on the interest rate swap is \$675.0 million. The Company has the option to terminate the interest rate swap agreement starting in December 2023, and monthly thereafter until December 2025. The Company is treating the interest rate swap as an economic hedge for accounting purposes and any changes in the fair value of the derivative instrument (including accrued interest) and related cash payments are recorded in the consolidated statements of operations within the loss (gain) on interest rate swap line item.

The Company recorded a \$0.8 million loss for the year ended December 31, 2023, of which \$(0.3) million is associated with the derivative instrument re-measured to fair value at the end of the reporting period, netted by \$1.1 million related to the monthly cash payments. The Company recorded a \$1.0 million gain for the year ended

December 31, 2022 associated with the derivative instrument re-measured to fair value at the end of the reporting period. The effect of remeasurement to fair value is recorded within the operating activities section and the monthly cash payments are recorded within the investing activities section in the consolidated statements of cash flows. See below for further discussion on the fair value measurement of the interest rate swap, and Note 8, *Long-term Debt*, for additional information on the Company's mix of fixed and variable debt.

Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurement*, includes a single definition of fair value to be used for financial reporting purposes, provides a framework for applying this definition and for measuring fair value under GAAP, and establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are summarized as follows:

Level 1 – Fair value is based on observable inputs such as quoted prices for identical assets or liabilities in active markets.

Level 2 – Fair value is determined using quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are directly or indirectly observable.

Level 3 – Fair value is determined using one or more significant inputs that are unobservable in active markets at the measurement date, such as a pricing model, discounted cash flow, or similar technique.

The carrying amounts reported in the Company's consolidated balance sheets for cash, accounts receivable, accounts payable and accrued liabilities approximate fair value due to the immediate to short-term maturity of these financial instruments. The estimated fair value of the Company's long-term debt was calculated based upon available market information. The carrying value and the estimated fair value of long-term debt are as follows:

<u>(\$ in thousands)</u>	Level in Fair Value Hierarchy	December 31, 2023		December 31, 2022	
		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
2021 Term Loan		691,82	709,87	866,36	883,89
	2	\$ 1	\$ 2	\$ 5	\$ 1
Senior Notes		346,31	335,12	345,61	313,25
	2	1	5	5	0

The Company had issued Private Placement Warrants in connection with the IPO to acquire shares of the Company's Class A Common Stock which had a five-year term and expired in October 2023. As of December 31, 2023, all Private Placement Warrants were exercised by the warrant holders. The fair value of the Private Placement Warrant liabilities was measured on a recurring basis and was estimated using the Black-Scholes option pricing model using significant unobservable inputs, primarily related to estimated volatility, and was therefore classified within level 3 of the fair value hierarchy. The key assumptions used were as follows:

	December 31, 2022
Stock price	\$ 13.83
Strike price	\$ 11.50
Volatility	44.0%
Remaining life (in years)	0.8
Risk-free interest rate	4.74%
Expected dividend yield	0.0%
Estimated fair value	\$ 3.61

The following summarizes the changes in fair value of Private Placement Warrant liabilities included in net income and the impact of exercises for the respective periods:

<u>(\$ in thousands)</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Beginning balance	\$ 24,066	\$ 38,466
Change in fair value of private placement warrants	24,966	(14,400)
Exercise of warrants	(49,032)	—
Ending balance	<u>\$ —</u>	<u>\$ 24,066</u>

Change in fair value of private placement warrants consists of adjustments related to the Private Placement Warrants liabilities re-measured to fair value at the end of each reporting period and the final mark-to-market adjustments for exercised warrants. During the year ended December 31, 2023, 6.7 million Private Placement Warrants were exercised, which reduced our Private Placement Warrants liabilities by \$49.0 million with an offset to common stock at par value and the remaining to additional paid in capital.

The Company has an equity investment measured at cost with a carrying value of \$2.1 million as of both December 31, 2023 and 2022, and is only adjusted to fair value if there are identified events that would indicate a need for an upward or downward adjustment or changes in circumstances that may indicate impairment. The estimation of fair value requires the use of significant unobservable inputs, such as voting rights and obligations in the securities held, and is therefore classified within level 3 of the fair value hierarchy. There were no identified events that required a fair value adjustment during the year ended December 31, 2023. The Company recorded a \$1.3 million impairment during the year ended December 31, 2022.

The recurring fair value measurement of the interest rate swap was valued based on observable inputs for similar assets and liabilities including swaption values and other observable inputs for interest rates and yield curves and is classified within level 2 of the fair value hierarchy. The following presents the changes in the fair value of the interest rate swap in the gross balances within the below line items for the respective periods:

<u>(\$ in thousands)</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Prepaid expenses and other current assets		
Beginning balance	\$ —	\$ —
Change in fair value of interest rate swap	689	—
Ending balance	<u>\$ 689</u>	<u>\$ —</u>
Other non-current assets		
Beginning balance	\$ 1,973	\$ —
Change in fair value of interest rate swap	(1,346)	1,973
Ending balance	<u>\$ 627</u>	<u>\$ 1,973</u>
Accrued liabilities		
Beginning balance	\$ 977	\$ —
Change in fair value of interest rate swap	(977)	977
Ending balance	<u>\$ —</u>	<u>\$ 977</u>

The Company separately classifies the current and non-current components based on the value of settlements due within 12 months (current) and greater than 12 months (non-current).

Asset Retirement Obligations

The Company records obligations to perform certain retirement activities on camera and speed enforcement systems in the period that the related assets are placed in service. Asset retirement obligations are contractual obligations to restore property to its initial state. These obligations, which are initially estimated based on discounted cash flow estimates, are accreted to full value over time through charges to operating expenses in the consolidated

statements of operations. The associated asset retirement obligation is capitalized as part of the related asset's carrying value and is depreciated over the asset's estimated remaining useful life. When events and circumstances indicate that the original estimates used for asset retirement obligations may need revision, the Company reassesses the assumptions used and adjusts the liability appropriately.

Deferred Financing Costs

Deferred financing costs consist of the costs incurred to obtain long-term financing, including the Company's credit facilities (see Note 8, *Long-Term Debt*). These costs, which are a reduction to long-term debt on the consolidated balance sheets, are amortized over the term of the related debt, using the effective interest method for term debt and the straight-line method for revolving credit facilities. Amortization of deferred financing costs for fiscal years 2023, 2022 and 2021 was \$4.7 million, \$5.5 million and \$5.2 million respectively.

Income Taxes

Income tax expense includes U.S. and international current and deferred income taxes and interest and penalties on uncertain tax positions. Certain income and expenses are not reported in tax returns and financial statements in the same year. The tax effect of these temporary differences is reported as deferred income taxes. Deferred tax assets are reported net of a valuation allowance when it is more likely than not that a tax benefit will not be realized. All deferred income taxes are classified as long-term on our consolidated balance sheets.

Stock-based Compensation

In October 2018, the Company established the Verra Mobility 2018 Equity Incentive Plan which provides for a variety of stock-based awards for issuance to employees and directors. In May 2023, the Company's stockholders approved the Verra Mobility Corporation Amended and Restated 2018 Equity Incentive Plan (the "*2018 Plan*"), which, among other things, increased the maximum number of shares available for awards by 5,000,000 shares. The Company grants RSUs, stock options and PSUs.

The Company recognizes the fair value of RSUs based on the Company's common stock price at market close on the date of the grant. The Company uses the Black-Scholes option pricing model to determine the fair value of stock options, and uses the Monte Carlo simulation model to determine the fair value of PSUs containing market conditions. The Black-Scholes model requires an assumption regarding the expected life of the stock option, which the Company estimated to be 6.25 years by applying the short-cut method permitted under SEC Staff Accounting Bulletin No. 110. PSUs granted vest at the end of a three-year period (or ratably over three years for certain grants), which matches the awards' performance period. RSUs and stock options vest based on the continued service of the recipient. PSUs are issued upon continued service along with the relative satisfaction of a market condition that measures the Company's total stockholder return relative to a comparably calculated return for a peer group during the performance period or to the Company's absolute total stockholder return. In addition, the Black-Scholes and the Monte Carlo models require assumptions to be made regarding the expected volatility of the Company's stock price. Stock price volatility is determined by averaging an implied volatility with the measure of historical volatility for stock options and using the historical volatility for PSUs.

The following represents our weighted average assumptions for stock options and PSUs granted for the respective periods:

	For the Year Ended December 31,		
	2023	2022	2021
<u>Stock options</u>			
Weighted average expected volatility	38.5%	45.1%	47.7%
Weighted average risk-free interest rate	4.28%	2.94%	0.94%
<u>PSUs</u>			
Weighted average expected volatility	43.8%	48.0%	50.4%
Weighted average risk-free interest rate	4.29%	2.78%	0.33%

Compensation expense for share-based awards is determined based on the grant date fair value. The Company recognizes these compensation costs on a straight-line basis over the requisite service period of the award, which is

generally the vesting term of the share-based award. The compensation expense for the PSUs is recognized over the requisite service period regardless of whether the market condition is satisfied. Forfeitures are accounted for as they occur. See Note 13, *Equity Incentive Plan*, for more information on the Company's share-based awards.

Revenue Recognition

Nature of Goods and Services

The following is a description of principal activities, separated by reportable segments, from which the Company generates revenue:

Commercial Services. The Commercial Services segment offers toll and violation management solutions for commercial fleet operators, including RACs, Direct Fleets and FMCs. The Company determined its performance obligation is a distinct stand-ready obligation, as there is an unspecified quantity of services provided that does not diminish, and the customer is being charged only when it uses the Company's services, such as toll payment, title and registration, etc. Payment terms for contracts with commercial fleet and rental car companies vary, but are usually billed as services are performed. The Company recognizes revenue over time based on the number of transactions processed on behalf of customers during the period. It recognizes revenue on a net basis when it acts as an agent in the transaction.

Government Solutions. The Government Solutions segment principally generates revenue by providing complete, end-to-end speed, red-light, school bus stop arm, and bus lane enforcement solutions. Products, when sold, are typically sold together with the services in a bundle for a majority of customers. The average initial term of a contract is three to five years. Payment terms for contracts with government agencies vary depending on whether the consideration is fixed or variable. Payment terms for contracts with fixed consideration are usually based on equal installments over the duration of the contract. Payment terms for contracts with variable consideration are usually billed and collected as citations are issued or paid. Certain mobile speed programs are billed per camera system deployed. In instances when the consideration expected from the customer is subject to variation, any variable consideration affecting revenue recognition is allocated to the distinct period (the monthly period) that it relates to.

- Product sales (sale of camera systems and installation) – the camera systems and related installation services are an integrated solution and are accounted for as a single performance obligation. The revenues for this performance obligation are generally recognized at a point in time when the installation process is completed and the camera system is ready to perform the services as expected by the customer. Generally, this occurs at site acceptance.
- Service revenue – the Company provides a suite of services which may include camera maintenance, processing images taken by the camera, forwarding eligible images to the police department and processing payments on behalf of the municipality. The Company concluded that the suite of services as a whole represents one service offering and is a single performance obligation. The service offering is accounted for as a single continuous service. The Company applies the series guidance for those services as it stands ready to deliver those services over the contract period. The Company recognizes revenue from services over time, as they are performed.

Many of the Company's customer contracts include both product sales and service revenue. The Company applies judgment when determining whether the product sales and service offering are accounted for as combined performance obligation or distinct performance obligations. In contracts where title to the camera system does not transfer to the customer, the Company accounts for the contract as a single, combined performance obligation. This is because the customer receives the right to use the photo enforcement system and the service offering concurrently. For other contracts, the Company accounts for the products and services as distinct performance obligations because the camera systems and the related service solution are both capable of being distinct and are not highly interdependent and interrelated.

In contracts with multiple performance obligations, consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices ("*SSP*"). The Company estimates the SSP for its product sales using expected cost plus margin. The Company is unable to establish the SSP for its service offering based on observable prices as the services are sold for a wide range of amounts (the selling price is highly variable). As such, the SSP for service offerings included in these contracts is generally determined by applying a residual approach.

Parking Solutions. The T2 Systems business offers an integrated suite of parking software, transaction processing and hardware solutions to its customers. Revenue is derived primarily from the sale of software as a service (“*SaaS*”) and specialized hardware. For bundled offerings, the Company accounts for individual products and services separately if they are distinct and allocates the transaction price based on the relative SSP. The Company is able to

establish the SSP for its product sales based on the observable prices of products sold separately in comparable transactions. For professional services, the Company's estimate of the standalone selling price is comprised of multiple factors which include a cost plus margin approach and the historical sales price of similar services. The Company is unable to establish the SSP for its software licenses based on observable prices given the same products are sold at a broad range of prices and a representative SSP is not discernible from past transactions or other observable evidence, as such, the SSP for software licenses included in a contract with multiple performance obligations is generally determined by applying a residual approach. The Company's estimates of SSP are reassessed on a periodic basis or when facts and circumstances change.

- The Company's hosted parking management software products provide customers the ability to manage access to their parking lots and garages, issue physical or virtual parking permits and manage citations issued through enforcement devices. Revenue derived from these SaaS products is recognized ratably over the contractual service period beginning on the date the service is made available to the customer.
- Service revenue derived from the Company's professional services are recognized over time as the services are performed. Revenues for fixed-price service projects are generally recognized over time applying input methods to estimate progress to completion.
- Revenue from product sales is recognized at a point in time when a customer takes control of the hardware, which typically occurs when the product is delivered to the customer and ownership is transferred to the customer.

Remaining Performance Obligations

Deferred revenue represents amounts that have been invoiced in advance which are expected to be recognized as revenue in future periods, and it primarily relates to the Government Solutions and Parking Solutions customers. As of December 31, 2023 and 2022, the Company had approximately \$13.1 million and \$12.2 million of deferred revenue in the Government Solutions segment, respectively. During the twelve months ended December 31, 2023 and 2022, the Company recognized \$5.2 million and \$3.7 million, respectively, of revenue related to amounts that were included in deferred revenue as of December 31, 2022 and 2021, respectively. As of December 31, 2023 and 2022, the Company had approximately \$19.7 million and \$21.2 million of deferred revenue in the Parking Solutions segment, respectively. During the twelve months ended December 31, 2023 and 2022, the Company recognized \$20.7 million and \$20.1 million, respectively, of revenue related to amounts that were included in deferred revenue as of December 31, 2022 and 2021, respectively.

Transaction price allocated to the remaining performance obligations includes deferred revenue above and unbilled amounts that are expected to be recognized as revenue in future periods. As of December 31, 2023, total transaction price allocated to performance obligations in the Government Solutions segment that were unsatisfied or partially unsatisfied was \$317.6 million, of which \$204.3 million is expected to be recognized as revenue in the next twelve months and the rest over the remaining performance obligation period. The Company elected the practical expedients to omit disclosure for the amount of the transaction price allocated to remaining performance obligations with original expected contract length of one year or less and the amount that relates to variable consideration allocated to a wholly unsatisfied performance obligation to transfer a distinct good or service within a series of distinct goods or services that form a single performance obligation.

Credit Card Rebates

The Company earns volume rebates from total spend on purchasing cards and recognizes the income in other income, net in the consolidated statements of operations. For the fiscal years ended December 31, 2023, 2022 and 2021, the Company recorded \$17.8 million, \$14.5 million, and \$11.3 million respectively, related to rebates.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising costs for the fiscal years ended December 31, 2023, 2022 and 2021, were \$1.1 million, \$1.0 million and \$0.7 million, respectively, and were included in selling, general, and administrative expenses in the consolidated statements of operations.

Foreign Currency

Assets and liabilities denominated in foreign currencies that differ from their functional currencies are re-measured at the exchange rate on the balance sheet date. The foreign currency effect of the re-measurement is included in other income, net in the consolidated statements of operations. The impact of foreign currency re-measurement was losses of \$1.7 million, \$0.7 million and \$0.2 million for the fiscal years ended December 31, 2023, 2022 and 2021, respectively.

The assets and liabilities of our foreign subsidiaries whose functional currency is not the U.S. dollar are translated into U.S. dollars at current exchange rates while revenue and expenses are translated from functional currencies at average monthly exchange rates. The resulting translation adjustments are recorded in accumulated other comprehensive loss in stockholders' equity.

Acquisitions

The Company applies the acquisition method to account for business combinations. The Company allocates the fair value of the purchase price consideration to assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase consideration over the fair value of the identifiable assets and liabilities is recorded as goodwill. The Company includes the results of operations of businesses acquired from the date of the respective acquisition. Any transaction costs associated with acquisitions are expensed as incurred.

Measurement period adjustments to preliminary purchase price allocations are recognized in the period in which they are determined, with the effect on earnings of any changes in depreciation, amortization or other income resulting from such changes calculated as if the accounting had been completed at the acquisition date. If applicable, we estimate the fair value of contingent consideration payments in determining the purchase price. Contingent consideration is adjusted to fair value in subsequent periods as an increase or decrease in selling, general and administrative expenses.

The determination and allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions and valuation methodologies requiring considerable management judgment, and includes the use of independent valuation specialists to assist the Company in estimating fair values of acquired tangible and intangible assets. Although the Company believes that the assumptions applied in the determination are reasonable based on information available at the date of acquisition, actual results may differ from estimates.

Recent Accounting Pronouncements

Accounting Standards Adopted

In March 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The ASU provided temporary optional guidance to ease the potential burden in accounting for reference rate reform. It provided optional expedients and exceptions for applying GAAP to contract modifications, subject to meeting certain criteria, that reference LIBOR or another reference rate that is discontinued. In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, which clarifies that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition.

In March 2023, the Company amended its 2021 Term Loan agreement to transition away from LIBOR to Term SOFR with the cessation of LIBOR in June 2023. As a result, the Company adopted the standard and elected to apply the optional expedients which enabled it to consider the change in the benchmark interest rate as a continuation of the existing loan agreement and account for it prospectively. The adoption of this standard did not have a material impact to the consolidated financial statements.

Accounting Standards Not Yet Adopted

On June 30, 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The ASU clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. It also requires entities with investments in equity securities subject to contractual sale restrictions to disclose certain qualitative and quantitative information about such securities. The guidance is effective for fiscal years, including interim periods beginning after December 15, 2023. The Company does not expect this standard to have a material impact on its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The ASU intends to enhance disclosure related to significant segment expenses regularly provided to the CODM, amounts presented as “other” within segment profit (loss), require that all annual disclosures are also reported for interim periods, further define the CODM and how they use segment profit (loss) to allocate resources, and require that entities with only a single reportable segment provide all required segment disclosures. The guidance is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU requires companies to disclose specific categories in the rate reconciliation, provide additional disclosure for reconciling items that exceed proscribed thresholds, and enhance disclosure regarding income taxes paid and sources of income (loss) from continuing operations including the tax expense (or benefit) disaggregated by federal, state and foreign taxes. The guidance is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statements.

3. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following at December 31:

<u>(\$ in thousands)</u>	<u>2023</u>	<u>2022</u>
Prepaid services	\$ 10,496	\$ 9,171
Prepaid tolls	9,174	9,978
Prepaid income taxes	9,830	4,629
Prepaid computer maintenance	6,775	5,492
Costs to fulfill a customer contract	5,852	3,193
Deposits	2,322	2,057
Prepaid insurance	1,755	3,112
Other	757	1,972
Total prepaid expenses and other current assets	<u>\$ 46,961</u>	<u>\$ 39,604</u>

4. Property and Equipment, Net

Property and equipment, net, consists of the following at December 31:

<u>(\$ in thousands)</u>	<u>2023</u>	<u>2022</u>
Equipment	\$ 159,151	\$ 122,507
Software	37,415	30,288
Leasehold improvements	10,031	9,806
Computer equipment	21,415	20,274
Furniture	2,651	2,648

Automobiles	14,422	12,933
Construction in progress	<u>17,781</u>	<u>19,357</u>
Property and equipment	<u>262,866</u>	<u>217,813</u>
Less: accumulated depreciation	<u>(139,618)</u>	<u>(108,038)</u>
Property and equipment, net	<u>\$ 123,248</u>	<u>\$ 109,775</u>

Depreciation expense was \$35.2 million, \$32.2 million and \$26.8 million for the fiscal years ended December 31, 2023, 2022 and 2021, respectively.

5. Goodwill and Intangible Assets

The following table presents the changes in the carrying amount of goodwill by reportable segment:

<u>(\$ in thousands)</u>	<u>Commercial Services</u>	<u>Government Solutions</u>	<u>Parking Solutions</u>	<u>Total</u>
Balance at December 31, 2021	\$ 425,081	\$ 215,400	\$ 198,386	\$ 838,867
Measurement period adjustment ^(a)	—	—	756	756
Foreign currency translation adjustment	(5,361)	(782)	—	(6,143)
Balance at December 31, 2022	419,720	214,618	199,142	833,480
Foreign currency translation adjustment	2,371	(16)	—	2,355
Balance at December 31, 2023	<u>\$ 422,091</u>	<u>\$ 214,602</u>	<u>\$ 199,142</u>	<u>\$ 835,835</u>

(a) The measurement period adjustment is related to the T2 Systems acquisition completed in December 2021.

Intangible assets consist of the following as of the respective period-ends:

<u>(\$ in thousands)</u>	<u>Weighted Average Remaining Useful Life</u>	<u>Weighted Average Amortization Period</u>	<u>At December 31, 2023</u>	
			<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Trademarks	0.3 years	3.7 years	\$ 36,190	\$ 32,882
Patent	4.8 years	5.0 years	500	17
Non-compete agreements	0.0 years	5.0 years	62,540	62,540
Customer relationships	4.5 years	9.3 years	558,801	288,065
Developed technology	0.8 years	5.8 years	201,657	175,159
Gross carrying value of intangible assets			859,688	<u>\$ 558,663</u>
Less: accumulated amortization			(558,663)	
Intangible assets, net			<u>\$ 301,025</u>	

<u>(\$ in thousands)</u>	<u>Weighted Average Remaining Useful Life</u>	<u>Weighted Average Amortization Period</u>	<u>At December 31, 2022</u>	
			<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Trademarks	0.4 years	3.7 years	\$ 36,151	\$ 32,233
Non-compete agreements	0.1 years	5.0 years	62,529	60,926
Customer relationships	5.5 years	9.3 years	557,570	227,102
Developed technology	1.2 years	5.8 years	201,548	160,117
Gross carrying value of intangible assets			857,798	<u>\$ 480,378</u>
Less: accumulated amortization			(480,378)	
Intangible assets, net			<u>\$ 377,420</u>	

Amortization expense was \$77.6 million, \$106.2 million and \$89.9 million for fiscal years ended December 31, 2023, 2022 and 2021, respectively.

Estimated amortization expense in future years is expected to be:

<u>(\$ in thousands)</u>	
2024	\$ 67,131
2025	64,433
2026	57,431
2027	28,523
2028	22,580
Thereafter	60,927
Total	<u>\$ 301,025</u>

6. Accrued Liabilities

Accrued liabilities consist of the following at December 31:

<u>(\$ in thousands)</u>	<u>2023</u>	<u>2022</u>
Accrued legal settlement	\$ 31,500	\$ —
Accrued salaries and wages	27,905	19,109
Current deferred tax liabilities	7,574	7,559
Current portion of operating lease liabilities	7,133	6,355
Accrued interest payable	4,594	4,459
Payroll liabilities	3,214	2,136
Restricted cash due to customers	2,835	3,541
Advanced deposits	2,308	1,029
Self-insurance liability	1,802	858
Current portion of interest rate swap liability	—	977
Other	4,254	2,824
Total accrued liabilities	<u>\$ 93,119</u>	<u>\$ 48,847</u>

7. Asset Retirement Obligations

The following summarizes the changes in the Company's asset retirement obligations for the years ended December 31:

<u>(\$ in thousands)</u>	<u>2023</u>	<u>2022</u>
Asset retirement obligations, beginning balance	\$ 12,993	\$ 11,824
Liabilities incurred ^(a)	1,176	944
Accretion expense	760	445
Liabilities settled	(349)	(220)
Asset retirement obligations, ending balance	<u>\$ 14,580</u>	<u>\$ 12,993</u>

(a) For the year ended December 31, 2022, this included \$0.4 million increase resulting from a change in estimate for the impact of inflation.

8. Long-term Debt

The following table provides a summary of the Company's long-term debt at December 31:

<u>(\$ in thousands)</u>	<u>2023</u>	<u>2022</u>
2021 Term Loan, due 2028	\$ 704,587	\$ 886,106
Senior Notes, due 2029	350,000	350,000
Less: original issue discounts	(3,646)	(5,637)
Less: unamortized deferred financing costs	(12,809)	(18,489)
Total long-term debt	<u>1,038,132</u>	<u>1,211,980</u>
Less: current portion of long-term debt	(9,019)	(21,935)
Total long-term debt, net of current portion	<u>\$ 1,029,113</u>	<u>\$ 1,190,045</u>

The following table presents the aggregate principal and interest payments in future years on long-term debt as of December 31, 2023:

<u>(\$ in thousands)</u>	<u>Principal</u>	<u>Interest ⁽¹⁾</u>
2024	\$ 9,019	\$ 81,757
2025	9,019	80,448
2026	9,019	79,651
2027	9,019	78,853
2028	668,511	33,177
Thereafter	350,000	5,561
Total	<u>\$ 1,054,587</u>	<u>\$ 359,447</u>

(1) The variable interest rate in effect as of December 31, 2023 was used to calculate interest payments for the 2021 Term Loan.

2021 Term Loan

In March 2021, VM Consolidated, Inc. ("*VM Consolidated*"), the Company's wholly owned subsidiary, entered into an Amendment and Restatement Agreement No.1 to the First Lien Term Loan Credit Agreement (the "*2021 Term Loan*") with a syndicate of lenders. The 2021 Term Loan has an aggregate borrowing of \$900.0 million, maturing on March 24, 2028, which includes the incremental borrowing of \$250.0 million in December 2021 as a result of exercising the accordion feature available under the agreement. In connection with the 2021 Term Loan borrowings, the Company had \$4.6 million of offering discount costs and \$4.5 million in deferred financing costs, both of which were capitalized and are being amortized over the remaining life of the 2021 Term Loan.

During fiscal year 2023, the Company made early repayments of \$172.5 million on the 2021 Term Loan and as a result, the total principal outstanding was \$704.6 million as of December 31, 2023. The Company recognized losses on extinguishment of debt of \$3.5 million and \$5.3 million for fiscal years 2023 and 2021, respectively, related to the write-off of pre-existing deferred financing costs and discounts, and lender and third party costs.

The 2021 Term Loan is repayable at 1.0% per annum of the amount initially borrowed, paid in quarterly installments. It bears interest based, at the Company's option, on either (1) LIBOR plus an applicable margin of 3.25% per annum, or (2) an alternate base rate plus an applicable margin of 2.25% per annum. In March 2023, the Company amended its 2021 Term Loan agreement (the "*Second Amendment*") to transition away from LIBOR to Term SOFR with the cessation of LIBOR in June 2023. To compensate for the differences in reference rates utilized, the Second Amendment also includes a credit spread adjustment of 0.11448% for an interest period of one-month duration, 0.26161% for a three-month duration, 0.42826% for a six-month duration, and 0.71513% for twelve-months duration in addition to Term SOFR and the applicable margin. The Company has applied the optional expedients in ASC 848, *Reference Rate Reform*, and elected to treat the change in the benchmark interest rate to

Term SOFR as a continuation of the existing loan agreement and account for it prospectively. As of December 31, 2023, the new all-in interest rate on the 2021 Term Loan was 8.7%.

In addition, the 2021 Term Loan requires mandatory prepayments equal to the product of the excess cash flows of the Company (as defined in the 2021 Term Loan agreement) and the applicable prepayment percentages (calculated as of the last day of the fiscal year), as set forth in the following table:

Consolidated First Lien Net Leverage Ratio (As Defined by the 2021 Term Loan Agreement)	Applicable Prepayment Percentage
> 3.70:1.00	50%
≤ 3.70:1.00 and > 3.20:1.00	25%
≤ 3.20:1.00	0%

The Company did not have mandatory prepayments of excess cash flows for the fiscal years ended December 31, 2023 or 2022.

Subsequent to December 31, 2023, the Company amended the 2021 Term Loan agreement to refinance the entire outstanding amount under the 2021 Term Loan. In connection with the amended 2021 Term Loan agreement, the interest rate was reduced and the credit spread adjustment was eliminated. See Note 18, *Subsequent Events*, for additional information.

Senior Notes

In March 2021, VM Consolidated issued an aggregate principal amount of \$350.0 million in Senior Unsecured Notes (the “*Senior Notes*”), due on April 15, 2029. In connection with the issuance of the Senior Notes, the Company incurred \$5.7 million in lender and third-party costs, which were capitalized as deferred financing costs and are being amortized over the remaining life of the Senior Notes.

Interest on the Senior Notes is fixed at 5.50% per annum and is payable on April 15 and October 15 of each year. On or after April 15, 2024, the Company may redeem all or a portion of the Senior Notes at the redemption prices set forth below in percentages by year, plus accrued and unpaid interest:

Year	Percentage
2024	102.750%
2025	101.375%
2026 and thereafter	100.000%

In addition, the Company may redeem up to 40% of the Senior Notes before April 15, 2024, with the net cash proceeds from certain equity offerings at a redemption price of 105.50%.

PPP Loan

During fiscal year 2020, one of the Company's wholly owned subsidiaries received a \$2.9 million loan from the U.S. Small Business Administration (“*SBA*”) as part of the Paycheck Protection Program (“*PPP Loan*”) to offset certain employment and other allowable costs incurred as a result of the COVID-19 pandemic. In early 2021, the Company applied for forgiveness of this loan, and on September 23, 2022, it was notified by the SBA that the loan, together with accrued interest, had been fully forgiven under the provisions of the PPP Loan program. Accordingly, the Company recognized a \$3.0 million gain on extinguishment of debt in the consolidated statements of operations for the year ended December 31, 2022.

The Revolver

The Company has a Revolving Credit Agreement (the “*Revolver*”) with a commitment of up to \$75.0 million available for loans and letters of credit. The Revolver matures on December 18, 2026. Borrowing eligibility under the Revolver is subject to a monthly borrowing base calculation based on (i) certain percentages of eligible accounts receivable and inventory, less (ii) certain reserve items, including outstanding letters of credit and other reserves.

The Revolver bears interest on either (1) Term SOFR plus an applicable margin, or (2) an alternate base rate, plus an applicable margin. The margin percentage applied to (1) Term SOFR is either 1.25%, 1.50%, or 1.75%, or (2) the base

rate is either 0.25%, 0.50%, or 0.75%, depending on the Company's average availability to borrow under the commitment. There is a credit spread adjustment of 0.10% for a one-month duration, 0.15% for a three-month duration, and 0.25% for a six-month duration, in addition to Term SOFR and the applicable margin percentages. There are no outstanding borrowings on the Revolver as of December 31, 2023 or 2022. At December 31, 2023, the availability to borrow was \$74.8 million, net of \$0.2 million of outstanding letters of credit.

Interest on the unused portion of the Revolver is payable quarterly at 0.375% and the Company is also required to pay participation and fronting fees at 1.38% on \$0.2 million of outstanding letters of credit as of December 31, 2023.

All borrowings and other extensions of credits under the 2021 Term Loan, Senior Notes and the Revolver are subject to the satisfaction of customary conditions and restrictive covenants including absence of defaults and accuracy in material respects of representations and warranties. Substantially all of the Company's assets are pledged as collateral to secure the Company's indebtedness under the 2021 Term Loan. At December 31, 2023, the Company was compliant with all debt covenants.

Interest Expense, Net

The Company recorded interest expense, net of interest income, including amortization of deferred financing costs and discounts, of \$86.7 million, \$69.4 million and \$44.9 million for the fiscal years ended December 31, 2023, 2022 and 2021 respectively. Interest income earned was \$4.2 million for the fiscal year ended December 31, 2023 and less than \$0.1 million for both fiscal years ended December 31, 2022 and 2021.

The weighted average effective interest rates on the Company's outstanding borrowings were 7.7% and 7.0% at December 31, 2023 and December 31, 2022, respectively.

See Note 2, *Significant Accounting Policies*, for additional information on the interest rate swap entered into in December 2022 to hedge the Company's exposure against rising interest rates.

9. Leases

The Company's operating leases primarily consist of office, equipment and vehicle leases expiring at various dates through April 2035. The Company has lease agreements with lease and non-lease components and has elected to account for such components as a single lease component. The Company measures and recognizes contracts containing a lease and determines lease classification at commencement. Right of use operating assets and lease liabilities are measured based on the estimated present value of lease payments over the lease term. In determining the present value of lease payments, the Company uses its estimated incremental borrowing rate when the rate implicit in the lease cannot be readily determined. The estimated incremental borrowing rate is based upon information available at lease commencement including publicly available data for debt instruments. The lease term includes periods covered by options to extend when it is reasonably certain the Company will exercise such options as well as periods subsequent to an option to terminate the lease if it is reasonably certain the Company will not exercise the termination option. Certain of the lease agreements have rent abatement and escalating rental payment provisions. Operating lease costs are recognized on a straight-line basis over the lease term. Variable lease costs are recognized as incurred. The Company's lease agreements do not contain any material residual value guarantees or restrictive covenants. The Company does not have material short-term leases and does not engage in material subleasing activities.

As of December 31, 2023, operating leases had a remaining weighted average lease term of 8.0 years and operating lease liabilities were measured using a weighted average discount rate of 5.4%. The total operating lease costs for the fiscal years ended December 31, 2023, 2022 and 2021 were \$9.5 million, \$8.8 million and \$7.5 million, respectively. Variable lease costs for fiscal years ended December 31, 2023, 2022 and 2021 were approximately \$2.7 million, \$1.5 million and \$1.4 million, respectively. Finance leases for the Company are not material.

The following is a summary of the operating lease liabilities as of December 31:

<u>(\$ in thousands)</u>	<u>2023</u>	<u>2022</u>
Operating lease liabilities, net of current portion	\$ 29,124	\$ 33,362
Current portion	7,133	6,202
Total operating lease liabilities	<u>\$ 36,257</u>	<u>\$ 39,564</u>

The following provides future maturities of operating lease liabilities as of December 31, 2023:

<u>(\$ in thousands)</u>		
2024	\$	8,855
2025		6,531
2026		5,030
2027		3,707
2028		3,039
Thereafter		<u>18,160</u>
Total minimum payments		45,322
Less: amount representing interest		<u>(9,065)</u>
Total	<u>\$</u>	<u>36,257</u>

10. Net Income Per Share

Basic net income per share is calculated by dividing net income by the weighted average shares outstanding during the period, without consideration of common stock equivalents. Diluted net income per share is calculated by adjusting the weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period, determined using the treasury-stock method.

The components of basic and diluted net income per share are as follows:

<u>(In thousands, except per share data)</u>	<u>For the Year Ended December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Numerator:			
Net income	\$ 57,015	\$ 92,475	\$ 41,449
Denominator:			
Weighted average shares - basic	158,777	152,848	159,983
Common stock equivalents	1,240	6,178	3,795
Weighted average shares - diluted	<u>160,017</u>	<u>159,026</u>	<u>163,778</u>
Net income per share - basic	\$ 0.36	\$ 0.61	\$ 0.26
Net income per share - diluted	\$ 0.36	\$ 0.50	\$ 0.25
Antidilutive shares excluded from diluted net income per share:			
Contingently issuable shares ⁽¹⁾	—	5,000	5,000
ASR shares ⁽²⁾	566	—	—
Private placement warrants	—	—	6,667
Non-qualified stock options	222	1,149	1,018
Performance share units	22	157	130
Restricted stock units	219	742	432
Total antidilutive shares excluded	<u>1,029</u>	<u>7,048</u>	<u>13,247</u>

(1) Contingently issuable shares related to the earn-out agreement as discussed in Note 15, *Other Transactions*.

(2) Had the accelerated share repurchase ("ASR") initiated in the third quarter of 2023 described in Note 12, *Stockholders' Equity*, been settled as of December 31, 2023, determined based on the volume-weighted average price per share since its effective date, the counterparties would have been required to deliver these additional estimated shares to the Company. The final settlement for the ASR occurred during the first quarter of fiscal year 2024, at which time, the Company received 534,499 additional shares.

11. Income Taxes

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022, which was effective January 1, 2023 and contained provisions implementing a 15% minimum corporate income tax on book income of certain large corporations, a 1% excise tax on net stock repurchases and several tax incentives to promote clean energy. The enacted provisions did not have a material impact on the Company's consolidated financial statements for the years ended December 31, 2023 and 2022.

Income before income taxes consisted of the following:

(\$ in thousands)	For the Year Ended December 31,		
	2023	2022	2021
U.S.	\$ 92,425	\$ 140,858	\$ 77,101
Foreign	(5,428)	(13,750)	(9,200)
Total income before incomes taxes	\$ 86,997	\$ 127,108	\$ 67,901

The income tax provision consisted of the following:

(\$ in thousands)	For the Year Ended December 31,		
	2023	2022	2021
Current			
Federal	\$ 38,109	\$ 34,071	\$ 25,361
State	15,794	14,779	10,523
Foreign	3,113	1,777	160
Total current	57,016	50,627	36,044
Deferred			
Federal	(16,522)	(8,069)	(7,434)
State	(6,335)	(4,863)	(1,627)
Foreign	(4,177)	(3,062)	(531)
Total deferred	(27,034)	(15,994)	(9,592)
Income tax provision	\$ 29,982	\$ 34,633	\$ 26,452

A reconciliation to the income tax provision from the amounts computed by applying the statutory U.S. federal income tax rate is as follows:

(\$ in thousands)	For the Year Ended December 31,		
	2023	2022	2021
Income tax provision at statutory rate	\$ 18,270	\$ 26,693	\$ 14,259
State income taxes, net of federal income tax effect	7,762	8,588	6,748
Tax rate changes/ valuation of deferred tax items	—	—	586
162(m) limitation	1,000	1,766	1,325
Non-deductible expenses	49	30	174
Stock-based compensation	796	(545)	(752)
Unrecognized tax benefits	1,831	1,215	174
Tax impact for change in fair value of warrants	5,243	(3,024)	1,596
Change in valuation allowance	297	1,429	1,435
Non-deductible transaction costs	—	—	1,078
Research and development credits	(1,032)	(517)	(125)
Tax receivable agreement imputed interest	(3,641)	—	—
Other	(593)	(1,002)	(46)
Total income tax provision	<u>\$ 29,982</u>	<u>\$ 34,633</u>	<u>\$ 26,452</u>

Significant components of the Company's deferred income tax assets and liabilities consist of the following at December 31:

(\$ in thousands)	2023	2022
Deferred tax assets:		
Accrued expenses and other	\$ 12,649	\$ 6,255
Allowance for credit losses	7,894	9,108
Net operating loss carryforward	16,489	16,476
Interest expense limitation carryforward	5,656	5,108
Federal and state income tax credits	4,446	4,965
ASC 842 operating lease liabilities	10,005	10,986
R&D Section 174 capitalization	9,235	3,248
Stock compensation	2,655	1,995
Tax receivable agreement imputed interest	3,641	—
Transaction costs	305	458
Other	1,252	2,026
Gross deferred tax assets	<u>74,227</u>	<u>60,625</u>
Valuation allowance	<u>(7,011)</u>	<u>(5,263)</u>
Deferred tax assets, net of valuation allowance	67,216	55,362
Deferred tax liabilities:		
Intangible assets and transaction costs	(31,663)	(42,206)
Property and equipment	(13,719)	(15,265)
Financing costs	(1,206)	(2,392)
Prepaid assets	(2,255)	(2,269)
ASC 842 operating lease assets	(9,255)	(10,403)
Gross deferred tax liabilities	<u>(58,098)</u>	<u>(72,535)</u>
Total deferred tax assets (liabilities), net	<u>\$ 9,118</u>	<u>\$ (17,173)</u>

As of December 31, 2023 and 2022, the Company presented \$27.5 million and \$4.0 million, respectively, of deferred tax assets, net, to reflect U.S. entity deferred taxes within other non-current assets in the Company's consolidated balance sheets.

As of December 31, 2023, the Company has provided income taxes on the earnings of foreign subsidiaries, except to the extent such earnings are considered indefinitely reinvested. The amount of the unrecognized deferred tax liability related to these temporary differences is approximately \$0.8 million.

In accordance with ASC 740, *Income Taxes*, deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets can be affected by, among other things, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, limitations on the use of acquired tax attributes due to an ownership change under IRC section 382, the length of statutory carryforward periods, the Company's experience with utilizing operating losses and tax credit carryforwards by jurisdiction, and tax planning alternatives and strategies that may be available.

The Company performed an analysis of the reversal of the deferred tax assets and considered the overall business environment, historical earnings, the outlook for future years and the impact of limitations on the use of acquired tax attributes due to an ownership change under IRC section 382. The Company determined that it is more likely than not that the benefit from certain foreign net operating loss carryforwards will not be realized as of the years ended December 31, 2023 and 2022, and as such provided a valuation allowance of \$7.0 million and \$5.3 million, respectively. The valuation allowance could be adjusted in future periods if estimates of future taxable income during the carryforward period are increased or if objective negative evidence in the form of cumulative losses is no longer present.

The net operating loss carryforwards represent \$118.0 million and \$124.4 million of federal, state and foreign net operating losses at December 31, 2023 and 2022, respectively. The federal net operating loss carryforward at December 31, 2023 consists of \$17.7 million of losses that were generated after 2017 with no expiration date. The Company also has certain tax credits of \$4.2 million and \$5.6 million at December 31, 2023 and 2022, respectively, which if unused will begin to expire in 2025.

The following table summarizes the activity related to the Company's unrecognized tax benefits as of December 31:

<u>(\$ in thousands)</u>	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	\$ 10,675	\$ 2,878
Increases/(decreases) related to current year tax positions	5,401	8,076
Increases/(decreases) related to prior year tax positions	592	(132)
Expiration due to statute of limitations	(511)	(147)
Balance at the end of the year	<u>\$ 16,157</u>	<u>\$ 10,675</u>

Included in the balance of unrecognized tax benefits as of December 31, 2023 were \$8.7 million of tax benefits that, if recognized, would impact the effective tax rate. The Company does not expect its unrecognized tax benefits to change significantly over the next 12 months.

The Company recognizes interest and penalties related to unrecognized tax benefits as income tax expense. The Company recognized \$0.7 million for fiscal year 2023 and \$0.5 million for fiscal year 2022 in interest and penalties. The Company had accrued interest and penalties of \$1.2 million and \$0.5 million at December 31, 2023 and 2022, respectively. The Company accounts for uncertain tax positions by recognizing the financial statement effects of a tax position only when, based on technical merits, it is more likely than not that the tax position will be sustained under examination.

The Company is subject to examination by the Internal Revenue Service and taxing authorities in various jurisdictions. The Company files U.S. federal and various foreign income tax returns which are subject to examination by the taxing authorities in the respective jurisdictions, generally for three or four years after they are filed. The Company's state income tax returns are generally no longer subject to income tax examination by tax authorities prior to 2019; however, the Company's net operating loss carryforwards and research credit carryforwards arising prior to that year are subject to adjustment. The Company is currently under audit by various state tax jurisdictions for the years 2018 through 2020; however, no material adjustments are anticipated. The Company regularly assesses the likelihood of tax deficiencies in each of the tax jurisdictions and, accordingly, makes appropriate adjustments to the tax provision as deemed necessary.

12. Stockholders' Equity

The Company's Amended and Restated Certificate of Incorporation authorizes the issuance of 261,000,000 shares of capital stock, consisting of (i) 260,000,000 shares of Class A Common Stock, and (ii) 1,000,000 shares of preferred stock, each at par value of \$0.0001 per share. The outstanding shares of the Company's common stock are duly authorized, validly issued, fully paid and non-assessable.

Warrants

As of December 31, 2022, there were 19,999,967 warrants outstanding to acquire shares of the Company's Class A Common Stock, including (i) 6,666,666 Private Placement Warrants and (ii) the remaining Public Warrants. The Warrants had a five-year term and expired in October 2023, unless they were redeemed or exercised prior to expiration. As of December 31, 2023, all Warrants were either exercised by the holder or redeemed by the Company.

During the fiscal year ended December 31, 2023, the Company processed the exercise of 19,999,333 Warrants in exchange for the issuance of 16,273,406 shares of Class A Common Stock. There were 14,035,449 shares issued in exchange for cash-basis warrant exercises resulting in the receipt of \$161.4 million in cash proceeds as of December 31, 2023. The remaining Warrant exercises were completed on a cashless basis. In addition, the Company redeemed 634 Public Warrants at a price of \$0.01 per warrant, as the last sale price of the Class A Common Stock was equal to or exceeded \$18.00 per share for 20 trading days within a 30 trading-day period before the Company sent the notice of redemption to the Warrant holders.

For details on the Private Placement Warrants liabilities as a result of the Warrant exercises and the changes in fair value of the liabilities recorded in the consolidated statements of operations, refer to the respective section within Note 2, *Significant Accounting Policies*.

Share Repurchases and Retirement - 2023

In November 2022, the Company's Board of Directors authorized a share repurchase program for up to an aggregate amount of \$100.0 million of the Company's outstanding shares of Class A Common Stock over an 18-month period in open market, ASR or privately negotiated transactions, each as permitted under applicable rules and regulations, any of which may use pre-arranged trading plans that are designed to meet the requirements of Rule 10b5-1 of the Exchange Act.

The Company paid \$8.1 million to repurchase 449,432 shares of its Class A Common Stock through open market transactions during the third quarter of fiscal year 2023, which it subsequently retired. On September 5, 2023, the Company used the remaining availability under the share repurchase program for an ASR and paid approximately \$91.9 million to receive an initial delivery of 4,131,551 shares of its Class A Common Stock in accordance with an ASR agreement with a third-party financial institution. The final settlement occurred on January 12, 2024, at which time, the Company received 534,499 additional shares calculated using a volume-weighted average price over the term of the ASR agreement. The Company accounted for the ASR as a common stock repurchase and a forward contract indexed to its own common stock. The Company determined that the equity classification criteria was met for the forward contract, therefore, it did not account for it as a derivative instrument.

The Company paid a total of \$100.0 million for share repurchases during the year ended December 31, 2023, and accounted for the transactions by deducting the par value from common stock, reducing \$15.2 million from additional paid-in capital calculated using an average share price, and by increasing accumulated deficit for the remaining cost of \$84.8 million.

On October 30, 2023, the Company's Board of Directors authorized a new share repurchase program for up to an aggregate amount of \$100.0 million of its outstanding shares of Class A Common Stock over an 18-month period in open market, ASR or privately negotiated transactions. The level at which the Company repurchases depends on a number of factors, including its financial condition, capital requirements, cash flows, results of operations, future business prospects and other factors its management may deem relevant. The timing, volume and nature of repurchases are subject to market conditions, applicable securities laws and other factors and may be amended, suspended or discontinued at any time. The Company has not yet repurchased shares under this repurchase program.

Share Repurchases and Retirement - 2022

In May 2022, the Company's Board of Directors authorized a share repurchase program for up to an aggregate amount of \$125.0 million of its outstanding shares of Class A Common Stock over a twelve-month period.

On May 12, 2022, the Company paid \$50.0 million for an ASR and received an initial delivery of 2,739,726 shares of its Class A Common Stock in accordance with an ASR agreement with a third-party financial institution. The final settlement occurred on August 3, 2022, at which time, the Company received 445,086 additional shares calculated using a volume-weighted average price over the term of the ASR agreement. In addition, during the second and third quarters of 2022, the Company paid \$6.9 million and repurchased 445,791 shares of its Class A Common Stock through open market transactions. The Company's Board of Directors authorized a second ASR during the third quarter of 2022 for the remaining availability under the share repurchase program. On August 19, 2022, the Company paid \$68.1 million for a second ASR, and received an initial delivery of 3,300,000 shares of its Class A Common Stock in accordance with an ASR agreement with a third-party financial institution. The final settlement occurred on November 4, 2022, at which time, the Company received 943,361 additional shares calculated using a volume-weighted average price over the term of the ASR agreement. The Company accounted for each ASR transaction as a common stock repurchase and a forward contract indexed to its own common stock. The Company determined that the equity classification criteria was met for the forward contracts, therefore, it did not account for them as derivative instruments. The Company incurred \$0.1 million of direct costs in connection with share repurchase transactions during fiscal year 2022, which it included in the cost of the shares acquired.

The Company paid a total of \$125.0 million for shares repurchases and \$0.1 million for direct costs during fiscal year 2022 and accounted for the transactions by deducting the par value from the common stock, reducing \$15.9 million from additional paid-in capital calculated using an average share price, and by increasing accumulated deficit for the remaining cost of \$109.1 million.

13. Equity Incentive Plan

In October 2018, the Company established the Verra Mobility 2018 Equity Incentive Plan which provides for a variety of stock-based awards including restricted stock units ("*RSUs*"), performance share units ("*PSUs*") and non-qualified stock options to employees and non-employee directors. In May 2023, the stockholders approved the Verra Mobility Corporation Amended and Restated 2018 Equity Incentive Plan (the "*2018 Plan*"), which, among other things, increased the maximum number of shares available for awards by 5,000,000 shares. The maximum number of shares of the Company's common stock that may be subject to awards under the 2018 Plan was 15,864,000 as of December 31, 2023, subject to adjustment in accordance with the terms of the 2018 Plan. At December 31, 2023, the Company had an aggregate of 7,110,881 shares of common stock available for future grants under the 2018 Plan.

RSUs and PSUs

The Company's RSUs consist of a right to receive shares on one or more vesting dates in the future. RSUs granted to employees vest ratably over four years from their individual award dates, subject to continued employment on the applicable vesting dates. RSUs granted to non-employee directors vest on the earlier of (a) the first anniversary of the vesting start date, or (b) the date immediately prior to the next annual stockholders meeting held by the Company occurring after the date of grant.

The Company grants PSUs to senior executives which consist of a right to receive shares generally at the end of a three-year period (or ratably over three years for certain grants). PSUs are issued upon continued service along with the relative satisfaction of a market condition that generally measures either the Company's total stockholder return relative to a comparably calculated return for a peer group during the performance period or to the Company's absolute total stockholder return. The level at which the performance condition is attained upon the completion of the

performance period determines the actual number of shares of the Class A Common Stock into which the PSUs will be converted. The conversion percentage ranges from 0% up to 150% of the target level.

The following table summarizes the activity of the Company's RSUs and PSUs:

	RSUs		PSUs	
	Shares (in thousands)	Weighted Average Grant Date Fair Value	Shares (in thousands)	Weighted Average Grant Date Fair Value
Balance at December 31, 2020	2,203	\$ 10.64	106	\$ 13.88
Granted	736	\$ 14.12	154	\$ 16.28
Vested	(1,018)	\$ 10.41	—	\$ —
Forfeited	(229)	\$ 13.40	(31)	\$ 16.97
Balance at December 31, 2021	1,692	\$ 11.92	229	\$ 15.07
Granted	1,093	\$ 14.09	179	\$ 15.58
Vested	(1,030)	\$ 11.10	—	\$ —
Forfeited	(260)	\$ 13.39	(94)	\$ 15.17
Balance at December 31, 2022	1,495	\$ 13.82	314	\$ 15.33
Granted	1,452	\$ 18.16	1,970	\$ 11.42
Vested	(523)	\$ 13.77	(101)	\$ 13.88
Forfeited	(358)	\$ 16.18	(85)	\$ 11.64
Balance at December 31, 2023	2,066	\$ 16.49	2,098	\$ 11.88

The fair value of RSUs vested during fiscal years 2023, 2022 and 2021 was \$7.2 million, \$11.4 million and \$10.6 million, respectively. The fair value of PSUs vested during fiscal year 2023 was \$1.4 million. There were no PSU awards that vested during fiscal years 2022 or 2021. As of December 31, 2023, the Company had \$25.5 million and \$18.9 million of unrecognized stock-based compensation expense related to unvested RSUs and PSUs, respectively, which is expected to be recognized over a weighted average period of 2.6 years and 3.1 years, respectively.

Stock Options

Stock options granted vest ratably over four years from their individual award dates, subject to continued employment on the applicable vesting dates, with a contractual term of ten years. The following table summarizes the activity of the Company's stock options:

	Stock Options Outstanding			
	Shares (in thousands)	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (\$ in thousands)
Balance at December 31, 2020	614	\$ 12.56		
Granted	731	\$ 13.95		
Exercised	(12)	\$ 12.62		\$ 36
Forfeited	(170)	\$ 14.29		
Balance at December 31, 2021	1,163	\$ 13.18	8.7 years	\$ 2,636
Granted	846	\$ 13.97		
Exercised	(103)	\$ 12.98		\$ 348
Forfeited	(329)	\$ 13.59		
Balance at December 31, 2022	1,577	\$ 13.53	8.5 years	\$ 619
Granted	25	\$ 17.75		
Exercised	(451)	\$ 13.08		\$ 2,671

Forfeited	<u>(91)</u>	\$	13.89			
Balance at December 31, 2023	<u>1,060</u>	\$	13.78	7.7 years	\$	9,798
Exercisable at December 31, 2023	260	\$	13.55	7.4 years	\$	2,465

The weighted average fair value of options granted in fiscal years 2021, 2022 and 2023 was \$6.47, \$6.66 and \$8.08 per share, respectively. The Company received approximately \$0.2 million, \$1.3 million and \$5.9 million related to stock options exercised during fiscal years 2021, 2022 and 2023, respectively. As of December 31, 2023, the Company had \$3.4 million of unrecognized stock-based compensation expense related to unvested stock options which is expected to be recognized over a weighted average period of 1.8 years.

The following details the components of stock-based compensation for the respective periods:

<u>(\$ in thousands)</u>	<u>For the Year Ended December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating expenses	\$ 2,488	\$ 1,130	\$ 815
Selling, general and administrative expenses	14,988	15,533	12,969
Total stock-based compensation expense	<u>\$ 17,476</u>	<u>\$ 16,663</u>	<u>\$ 13,784</u>

Tax benefits attributable to stock-based compensation represented approximately \$3.3 million, \$4.6 million and \$4.6 million, before limitations under section 162(m) of the Internal Revenue Code, during the years ended December 31, 2023, 2022 and 2021, respectively.

14. Employee Benefit Plan

The Company has a 401(k) plan that covers U.S. employees who meet certain eligibility requirements. Covered employees may elect to have a portion of their compensation withheld up to the statutory limit. The 401(k) plan includes a company match that vests immediately. The Company made employer contributions of \$3.9 million, \$2.5 million and \$1.9 million during the fiscal years ended December 31, 2023, 2022 and 2021, respectively.

The Company also makes superannuation contributions for eligible non-U.S. based employees in accordance with the employer contribution rate set by the applicable country. The expense related to these contributions was \$1.9 million, \$1.7 million and \$1.1 million during the fiscal years ended December 31, 2023, 2022 and 2021, respectively.

15. Other Transactions

Tax Receivable Agreement

At the closing of the Business Combination, the Company entered into the Tax Receivable Agreement (“*Tax Receivable Agreement*”) with the Platinum Stockholder. On August 3, 2022, the Platinum Stockholder sold and transferred to Lakeside Smart Holdco L.P. (“*Lakeside*”), all of its rights, remaining interests and obligations as of that date under the agreement. The Tax Receivable Agreement generally provides for the payment to Lakeside of 50.0% of the net cash savings, if any, in U.S. federal, state and local income tax that the Company actually realizes (or is deemed to realize in certain circumstances) in periods after the closing of the Business Combination as a result of the increased tax basis of certain acquired intangibles prior to the Business Combination. The Company generally retains the benefit of the remaining 50.0% of these cash savings. The Company estimated the potential maximum benefit to be paid will be approximately \$70.0 million, and recorded an initial liability and corresponding charge to equity at the closing of the Business Combination.

At December 31, 2023, the Tax Receivable Agreement liability was approximately \$53.5 million of which \$5.1 million was the current portion and \$48.4 million was the non-current portion, both of which are included in the respective tax receivable agreement liability line items on the consolidated balance sheets. During the fourth quarter, the Company made a tax settlement payment for \$5.6 million recorded in other income, net related to a previous acquisition which was partially offset by a \$5.0 million reduction to the liability per the terms of the Tax Receivable Agreement.

The Company recorded a gain of approximately \$3.1 million in fiscal year 2023 as a result of tax settlement adjustments related to a previous acquisition. The Company recorded a gain of \$0.7 million in fiscal year 2022 as a result of lower estimated state tax rates due to changes in apportionment.

Earn-Out Agreement

Under the Merger Agreement, the Platinum Stockholder was entitled to receive additional shares of Class A Common Stock (the “*Earn-Out Shares*”) if the volume weighted average closing sale price of one share of Class A Common Stock on the Nasdaq exceeded certain thresholds for a period of at least 10 days out of 20 consecutive trading days at any time during the five-year period following the closing of the Business Combination (the “*Common Stock Price*”).

The Earn-Out Shares were issued by the Company to the Platinum Stockholder upon meeting the below Common Stock Price Thresholds (each, a “*Triggering Event*”):

Common Stock Price Thresholds	One-time Issuance of Shares
> \$13.00 ^(a)	2,500,000
> \$15.50 ^(a)	2,500,000
> \$18.00 ^(a)	2,500,000
> \$20.50 ^(a)	2,500,000

(a) All four tranches of Earn-Out Shares have been issued, as discussed below.

The Company estimated the original fair value of the contingently issuable shares to be \$73.15 million, which was not subject to future revisions during the five-year period discussed above. The Company used a Monte Carlo simulation option-pricing model to arrive at its original estimate. Each tranche was valued separately giving specific consideration to the tranche’s price target. The simulation considered volatility and risk-free rates utilizing a peer group based on a five-year term. This was initially recorded as a distribution to shareholders and was presented as common stock contingent consideration. Upon the occurrence of each Triggering Event, any issuable shares were transferred from common stock contingent consideration to common stock and additional paid-in capital accounts.

On April 26, 2019, January 27, 2020, June 14, 2023, and July 26, 2023, the Triggering Events for the issuance of the first, second, third and fourth tranches of Earn-Out Shares occurred, as the volume weighted average closing sale price per share of the Company’s Class A Common Stock as of each date had been greater than \$13.00, \$15.50, \$18.00, and \$20.50, respectively, for 10 out of 20 consecutive trading days. These Triggering Events resulted in the issuance of an aggregate 10,000,000 shares of the Company’s Class A Common Stock to the Platinum Stockholder and an aggregate increase in the Company’s common stock and additional paid-in capital accounts of \$73.15 million, with a corresponding decrease to the common stock contingent consideration account. At December 31, 2023, there are no shares that remain contingently issuable under the Earn-Out agreement.

16. Commitments and Contingencies

The Company had \$1.9 million of bank guarantees at December 31, 2023 required to support bids and contracts with certain international customers.

The Company has non-cancelable purchase commitments to certain vendors. The aggregate non-cancelable purchase commitments outstanding at December 31, 2023 were \$18.0 million. The majority of these outstanding commitments are expected to be incurred in the next twelve months and approximately \$2.2 million is expected to be incurred subsequent to December 31, 2024.

The Company is subject to tax audits in the normal course of business and does not have material contingencies recorded related to such audits.

The Company accrues for claims and contingencies when losses become probable and reasonably estimable. As of the end of each applicable reporting period, the Company reviews each of its matters and, where it is probable that a liability has been or will be incurred, the Company accrues for all probable and reasonably estimable losses. Where the Company can reasonably estimate a range of loss it may incur regarding such a matter, the Company records an accrual for the amount within the range that constitutes its best estimate. If the Company can reasonably estimate a range but no amount within the range appears to be a better estimate than any other, the Company uses the amount that is the low end of such range.

Legal Proceedings

The Company is subject to legal and regulatory actions that arise from time to time in the ordinary course of business. The Company records a liability when it believes it is probable a loss will be incurred, and the amount of loss or range of loss can be reasonably estimated. The assessment as to whether a loss is probable, reasonably possible or remote, and as to whether a loss or a range of such loss is estimable, often involves significant judgment about future events. Other than the PlusPass matter discussed below, the Company has determined that resolution of the remaining pending matters is not probable to have a material adverse impact on its consolidated results of operations, cash flows, or financial position.

Brantley v. City of Gretna is a class action lawsuit filed in the 24th Judicial District Court of Jefferson Parish, Louisiana against the City of Gretna (the “City”) and its safety camera vendor, Redflex Traffic Systems, Inc. in April 2016. The Company acquired Redflex Traffic Systems, Inc. as part of its June 2021 purchase of Redflex Holdings Limited. The plaintiff class, which was certified on March 30, 2021, alleges that the City’s safety camera program was implemented and operated in violation of local ordinances and the state constitution, including that the City’s hearing process violated the plaintiffs’ due process rights for lack of a “neutral” arbiter of liability for traffic infractions. Plaintiffs seek recovery of traffic infraction fines paid. The City and Redflex Traffic Systems, Inc. appealed the trial court’s ruling granting class certification, which was denied and their petition for discretionary review of the certification ruling by the Louisiana Supreme Court was declined. Merits discovery in the trial court is underway. Trial is expected to occur in mid- to late 2025. Based on the information available to the Company at present, the Company is unable to estimate a reasonably possible range of loss for this action and, accordingly, it has not accrued any liability associated with this action.

PlusPass Inc. (“*PlusPass*”) v. Verra Mobility Corporation, et al. is a lawsuit filed in the United States District Court, Central District of California, against Verra Mobility, The Gores Group LLC, Platinum Equity LLC and ATS Processing Services, Inc., in November 2020. In February 2024, Verra Mobility and PlusPass entered into a confidential business arrangement pursuant to which Verra Mobility (i) acquired certain assets from PlusPass and (ii) fully and finally resolved all litigation and disputes between the parties. Verra Mobility accrued \$31.5 million for this matter at December 31, 2023, which is presented within selling, general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2023.

17. Segment Reporting

The Company has three operating and reportable segments, Commercial Services, Government Solutions and Parking Solutions. Commercial Services offers toll and violation management solutions and title and registration services to commercial fleet vehicle owners, rental car companies and violation-issuing authorities. Government Solutions implements and administers traffic safety programs and products for municipalities and government agencies of all sizes. Parking Solutions provides an integrated suite of parking software, transaction processing and hardware solutions to its customers. The Company's Chief Operating Decision Maker function ("*CODM*") is comprised of the Company's CEO and certain defined representatives of the Company's executive management team. The Company's CODM monitors operating performance, allocates resources and deploys capital based on these three segments.

Segment performance is based on revenues and income from operations before depreciation, amortization, and stock-based compensation. The measure also excludes interest expense, net, income taxes and certain other transactions and is inclusive of other income, net. The tables below refer to this measure as segment profit. The aforementioned items are not indicative of operating performance, and, as a result are not included in the measures that are reviewed by the CODM for the segments. Other income, net included in segment profit below consists primarily of credit card rebates earned on the prepayment of tolling transactions and gains or losses on foreign currency transactions, and excludes certain non-operating expenses inapplicable to segments.

The Company allocates certain corporate expenses to the three segments using several different factors depending on the item being allocated. These factors range from specific identification to headcount-based to allocate proportionately between the three segments. The corporate and other columns below include items that are designated by the CODM as corporate initiatives and are not included in segment profit.

During fiscal year 2022, the Company changed its measure of segment profit to include loss on disposal of assets, net, and to exclude transaction and transformation expenses that were previously included within the selling, general and administrative expenses and other income line items below. The comparable prior period has been recast to conform to the revised presentation although the impact of this revision to previously reported segment profit was not material.

The following tables set forth financial information by segment for the fiscal years ended December 31, 2023, 2022 and 2021:

	For the Year Ended December 31, 2023				Total
	Commercial Services	Government Solutions	Parking Solutions	Corporate and Other	
(\$ in thousands)					
Service revenue	\$ 372,786	\$ 344,034	\$ 66,775	\$ —	\$ 783,595
Product sales	—	14,385	19,330	—	33,715
Total revenue	372,786	358,419	86,105	—	817,310
Cost of service revenue, excluding depreciation and amortization	2,362	2,252	13,618	—	18,232
Cost of product sales	—	9,751	15,480	—	25,231
Operating expenses	83,828	168,736	18,236	—	270,800
Selling, general and administrative expenses	61,607	62,597	23,988	—	148,192
Loss on disposal of assets, net	—	128	—	—	128
Other (income) expense, net	(17,176)	488	(87)	—	(16,775)
Segment profit	\$ 242,165	\$ 114,467	\$ 14,870	\$ —	\$ 371,502
Segment profit	\$ 242,165	\$ 114,467	\$ 14,870	\$ —	\$ 371,502
Depreciation and amortization	—	—	—	113,067	113,067
Transaction and other related expenses	—	—	—	629	629
Transformation expenses	—	—	—	3,241	3,241
Legal settlement	—	—	—	31,500	31,500
Tax settlement payment related to a prior acquisition	—	—	—	5,652	5,652
Change in fair value of private placement warrants	—	—	—	24,966	24,966
Tax receivable agreement liability adjustment	—	—	—	(3,077)	(3,077)
Loss on interest rate swap	—	—	—	817	817
Stock-based compensation	—	—	—	17,476	17,476
Loss on extinguishment of debt	—	—	—	3,533	3,533
Interest expense, net	—	—	—	86,701	86,701
Income before income taxes	\$ 242,165	\$ 114,467	\$ 14,870	(284,505)	\$ 86,997

	For the Year Ended December 31, 2022				
(\$ in thousands)	Commercial Services	Government Solutions	Parking Solutions	Corporate and Other	Total
Service revenue	\$ 325,971	\$ 307,639	\$ 61,608	\$ —	\$ 695,218
Product sales	—	29,028	17,352	—	46,380
Total revenue	325,971	336,667	78,960	—	741,598
Cost of service revenue, excluding depreciation and amortization	2,869	2,016	11,445	—	16,330
Cost of product sales	—	17,436	13,496	—	30,932
Operating expenses	72,328	139,961	12,905	—	225,194
Selling, general and administrative expenses	56,105	61,235	27,104	—	144,444
Loss on disposal of assets, net	522	931	37	—	1,490
Other income, net	(14,387)	(679)	(266)	—	(15,332)
Segment profit	\$ 208,534	\$ 115,767	\$ 14,239	\$ —	\$ 338,540
Segment profit	\$ 208,534	\$ 115,767	\$ 14,239	\$ —	\$ 338,540
Depreciation and amortization	—	—	—	138,684	138,684
Transaction and other related expenses	—	—	—	3,381	3,381
Transformation expenses	—	—	—	1,113	1,113
Change in fair value of private placement warrants	—	—	—	(14,400)	(14,400)
Tax receivable agreement liability adjustment	—	—	—	(720)	(720)
Gain on interest rate swap	—	—	—	(996)	(996)
Stock-based compensation	—	—	—	16,663	16,663
Impairment on a privately-held equity investment	—	1,340	—	—	1,340
Gain on extinguishment of debt	—	—	—	(3,005)	(3,005)
Interest expense, net	—	—	—	69,372	69,372
Income before income taxes	—	—	—	(210,092)	—
	\$ 208,534	\$ 114,427	\$ 14,239	\$ —	\$ 127,108

	For the Year Ended December 31, 2021				
	Commercia I	Governme nt	Parking Solutions	Corporate and Other	Total
(S in thousands)					
Service revenue	\$ 260,899	\$ 227,992	\$ 3,955	\$ —	\$ 492,846
Product sales	—	55,163	2,581	—	57,744
Total revenue	260,899	283,155	6,536	—	550,590
Cost of service revenue, excluding depreciation and amortization	3,183	1,500	654	—	5,337
Cost of product sales	—	28,381	1,428	—	29,809
Operating expenses	65,718	96,284	553	—	162,555
Selling, general and administrative expenses	42,386	51,052	1,361	—	94,799
Loss on disposal of assets, net	—	48	—	—	48
Other income, net	(10,837)	(2,040)	(18)	—	(12,895)
Segment profit	<u>\$ 160,449</u>	<u>\$ 107,930</u>	<u>\$ 2,558</u>	<u>\$ —</u>	<u>\$ 270,937</u>
Segment profit	\$ 160,449	\$ 107,930	\$ 2,558	\$ —	\$ 270,937
Depreciation and amortization	—	—	—	116,753	116,753
Transaction and other related expenses	—	—	—	13,952	13,952
Transformation expenses	—	—	—	1,687	1,687
Change in fair value of private placement warrants	—	—	—	7,600	7,600
Tax receivable agreement liability adjustment	—	—	—	(1,016)	(1,016)
Stock-based compensation	—	—	—	13,784	13,784
Loss on extinguishment of debt	—	—	—	5,334	5,334
Interest expense, net	—	—	—	44,942	44,942
Income before income taxes	<u>\$ 160,449</u>	<u>\$ 107,930</u>	<u>\$ 2,558</u>	<u>(203,036)</u>	<u>\$ 67,901</u>

The table below details the following assets by reportable segment as of the respective period-ends:

(S in thousands)	December 31, 2023	December 31, 2022
Property and equipment, net		
Commercials Services	\$ 9,547	\$ 7,993
Government Solutions	98,611	92,600
Parking Solutions	13,281	8,942
Corporate and other	1,809	240
Total property and equipment, net	<u>\$ 123,248</u>	<u>\$ 109,775</u>
Total assets		
Commercials Services	\$ 721,192	\$ 758,649
Government Solutions	523,687	534,931
Parking Solutions	404,267	408,230
Corporate and other	140,837	54,459
Total assets	<u>\$ 1,789,983</u>	<u>\$ 1,756,269</u>

In addition, refer to Note 5, *Goodwill and Intangible Assets* for goodwill balances by segment.

The Company primarily operates within the United States, Australia, Canada, United Kingdom and in various other countries in Europe and Asia. Revenues earned from goods transferred to customers at a point in time were approximately \$33.7 million, \$46.4 million and \$57.7 million for the years ended December 31, 2023, 2022 and 2021, respectively. Property and equipment, net located in foreign countries was \$19.3 million as of December 31, 2023, of which Canada represented \$11.7 million and Australia represented \$4.2 million. Property and equipment, net located in foreign countries was \$17.3 million as of December 31, 2022, of which Canada represented \$8.9 million and Australia represented \$6.0 million.

The following table details the revenues from international operations for the respective periods:

(\$ in thousands)	For the Year Ended December 31,		
	2023	2022	2021
Australia	\$ 45,879	\$ 34,356	\$ 13,948
Canada	30,826	32,413	6,874
United Kingdom	23,794	24,017	16,346
All other	3,071	3,532	2,809
Total international revenues	\$ 103,570	\$ 94,318	\$ 39,977

18. Subsequent Events

Third Amendment to 2021 Term Loan

As discussed in the Current Report on 8-K filed with the SEC on February 8, 2024, the Company amended the 2021 Term Loan agreement to refinance the entire outstanding amount under the 2021 Term Loan (the “*Third Amendment*”) in February 2024 and incurred new Term B-2 Loans (the “*New Term Loans*”) in the aggregate principal amount of \$704.6 million. The proceeds from the New Term Loans were used in their entirety to prepay in full the then outstanding principal amount of the existing term loan under the 2021 Term Loan agreement. In connection with the Third Amendment, the interest rate on the approximately \$704.6 million outstanding balance of the New Term Loans was reduced by 50 basis points to SOFR + 2.75% from SOFR + 3.25% with the SOFR floor unchanged at 0.00%. In addition, the credit spread adjustment, which was priced at 0.115% was also eliminated, resulting in a total savings of 61.5 basis points. The New Term Loans will be subject to a prepayment premium of 1.00% of the principal amount repaid for any voluntary prepayment or mandatory prepayment with proceeds of debt that has a lower effective yield than the New Term Loans or any amendment to the New Term Loans that reduces the interest rate thereon, in each case, to the extent occurring within six months of the effective date of the Amendment. The maturity date for the 2021 Term Loan agreement remains March 24, 2028, and no changes were made to the financial covenants or other debt repayment terms.

PlusPass Business Arrangement

On February 8, 2024, the Company and PlusPass entered into a confidential business arrangement (pursuant to which the Company will pay PlusPass \$31.5 million to (i) acquire certain assets from PlusPass and (ii) fully and finally resolve the previously disclosed litigation in the United States District Court, Central District of California. Prior developments in the PlusPass litigation are discussed in the Legal Proceedings section of this Annual Report and in the Company’s previously filed annual reports on Form 10-K and quarterly reports on Form 10-Q.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures**Evaluation of Disclosure Controls and Procedures**

Our disclosure controls and procedures, as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act, are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to ensure that information required to be disclosed is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding disclosure.

Our Chief Executive Officer and Chief Financial Officer, with assistance from other members of management, have evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2023. Based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2023, our disclosure controls and procedures were not effective due to the material weakness in internal control over financial reporting described below.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations (“*COSO*”) of the Treadway Commission. Based on this evaluation, due to the material weakness described below, management concluded that our system of internal control over financial reporting was not effective as of December 31, 2023.

Deloitte & Touche LLP, an independent registered public accounting firm, has issued an attestation report on our internal control over financial reporting as of December 31, 2023, which report appears herein.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Material Weakness

We identified a material weakness in the design and operation of our internal controls over financial reporting in the Control Activities component of the COSO framework related to a lack of information technology general controls to prevent the risk of management override. Specifically, we identified system limitations that do not facilitate proper segregation of duties within multiple systems and a lack of mitigating business process level

controls to address the risk of management override over the preparation and review of manual journal entries and certain manual revenue invoices.

While this deficiency did not result in any material misstatements of our consolidated interim or annual financial statements, it does represent a material weakness in our internal control over financial reporting.

Remediation Efforts to Address the Material Weakness

We are committed to maintaining a strong internal control environment and will make remediation efforts to improve our internal controls as follows:

1. **Comprehensive Assessment:** We have initiated a comprehensive assessment of our internal controls framework to precisely identify the gaps and weaknesses in our inherent system limitations, segregation of duties, and detective business process controls.

2. **Enhancing Segregation of Duties:** We are revising our internal processes to ensure a clear and effective segregation of duties within our accounting and financial reporting functions. This will help prevent errors and fraud, thereby enhancing the integrity of our financial statements. To aid in this process, we are implementing a new software solution that will create system-enforced segregation of duties in our accounting close process.

3. **Implementing Compensating Controls:** In the interim, we are developing and implementing new compensating controls designed to mitigate the identified risks until the system limitations and segregation of duties issues can be fully remediated.

4. **Employee Training and Awareness:** The effectiveness of controls is also dependent on the individuals responsible for their operation, and we are investing in comprehensive training programs. These programs will enhance awareness and understanding of internal controls and segregation of duties best practices among our employees.

Commitment to Transparency and Integrity

We are committed to upholding the highest standards of transparency, integrity, and accountability. We understand the importance of reliable financial reporting to our stakeholders and are dedicated to restoring and maintaining your confidence in our financial processes and controls.

Notwithstanding the material weakness, management has concluded that the financial statements included in this Annual Report present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP.

Inherent Limitations on the Effectiveness of Controls

Because of inherent limitations in all control systems, no internal control over financial reporting can prevent or detect all misstatements, and projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financing Reporting

For the quarter ended December 31, 2023, except for the identified material weakness, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or Rule 15d-15 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Subsequent to December 31, 2023 and in connection with the identification of the material weakness discussed above, we are taking the remediation steps outlined herein to improve our internal control over financial reporting.

Item 9B. Other Information

Insider Trading Arrangements and Policies.

A significant portion of the compensation of our executive officers is delivered in the form of deferred equity awards, including performance share units, stock options and restricted stock unit awards. This compensation design

is intended to align our executive compensation with the interests of our stockholders by emphasizing performance-based incentive compensation focused on objectives that our Board believes have a significant impact on stockholder value. Following the delivery of shares of our common stock under those equity awards, once any applicable service time or performance-based vesting standards have been satisfied, our executive officers from time to time engage in the open-market sale of some of those shares. Our executive officers may also engage from time to time in other transactions involving our securities.

Transactions in our securities by our executive officers are required to be made in accordance with our Insider Trading Policy, which, among other things, requires that the transactions be in accordance with applicable U.S. federal securities laws that prohibit trading while in possession of material nonpublic information. Rule 10b5-1 under the Exchange Act provides an affirmative defense that enables prearranged transactions in securities in a manner that avoids concerns about initiating transactions at a future date while possibly in possession of material nonpublic information. Our Insider Trading Policy permits our executive officers to enter into trading plans designed to comply with Rule 10b5-1. Accordingly, sales under these plans may occur at any time, including possibly before, simultaneously with, or immediately after significant events involving our company.

During the three months ended December 31, 2023, none of our directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this Item is incorporated by reference from our proxy statement to be filed in connection with our 2024 annual meeting of stockholders within 120 days after the end of the fiscal year ended December 31, 2023.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference from our proxy statement to be filed in connection with our 2024 annual meeting of stockholders within 120 days after the end of the fiscal year ended December 31, 2023.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated by reference from our proxy statement to be filed in connection with our 2024 annual meeting of stockholders within 120 days after the end of the fiscal year ended December 31, 2023.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated by reference from our proxy statement to be filed in connection with our 2024 annual meeting of stockholders within 120 days after the end of the fiscal year ended December 31, 2023.

Item 14. Principal Accountant Fees and Services

The information required by this Item is incorporated by reference from our proxy statement to be filed in connection with our 2024 annual meeting of stockholders within 120 days after the end of the fiscal year ended December 31, 2023.

PART IV**Item 15. Exhibits, Financial Statement Schedules**

(a) The following documents are filed as part of this Annual Report:

1. Consolidated Financial Statements

The financial statements filed as part of this Annual Report are listed in the “Index to Consolidated Financial Statements” under Part II, Item 8 of this Annual Report.

2. Financial Statement Schedules

- Appendix A, Schedule II – Consolidated Valuation and Qualifying Accounts

Schedules not listed above are omitted as the required information is inapplicable or the information is presented in the consolidated financial statements or notes to the consolidated financial statements under Part II, Item 8 of this Annual Report.

3. Exhibits.

The exhibits listed below are filed as part of this Annual Report. References under the caption “Incorporated by Reference” to exhibits or other filings indicate that the exhibit or other filing has been filed, that the indexed exhibit and the exhibit referred to are the same and that the exhibit referred to is incorporated by reference.

EXHIBIT INDEX

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
2.1	<u>Merger Agreement, dated as of June 21, 2018, by and among Gores Holdings II, Inc., AM Merger Sub I, Inc., AM Merger Sub II, LLC, Greenlight Holding II Corporation and PE Greenlight Holdings, LLC, in its capacity as the Stockholder Representative.</u>	8-K	001-37979	2.1	June 21, 2018	
2.2	<u>Amendment No. 1 to Agreement and Plan of Merger, dated as of August 23, 2018, by and among Gores Holdings II, Inc., AM Merger Sub I, Inc., AM Merger Sub II, LLC, Greenlight Holding II Corporation and PE Greenlight Holdings, LLC, in its capacity as the Stockholder Representative.</u>	8-K	001-37979	2.2	Aug. 24, 2018	
3.1	<u>Second Amended and Restated Certificate of Incorporation of Verra Mobility Corporation.</u>	8-K	001-37979	3.1	Oct. 22, 2018	
3.2	<u>Amended and Restated Bylaws of Verra Mobility Corporation.</u>	8-K	001-37979	3.1	Nov. 9, 2023	
4.1	<u>Description of Verra Mobility Corporation's Securities Registered Pursuant to Section 12 of the Exchange Act.</u>					X
4.2	<u>Indenture, dated as of March 26, 2021, by and among VM Consolidated, Inc., the Guarantors party thereto and Wilmington Trust, National Association as Trustee.</u>	8-K	001-37979	4.1	Mar. 29, 2021	
4.3	<u>Form of 5.5% Senior Note Due 2029 (included in E9).</u>	8-K	001-37979	4.2	Mar. 29, 2021	
10.1	<u>Form of Indemnity Agreement.</u>	S-1	333-21503	10.7	Dec. 9, 2016	
10.2	<u>Revolving Credit Agreement dated as of March 1, 2018, among Greenlight Acquisition Corporation, ATS Consolidated Inc., each of the other borrowers party thereto, the lenders party thereto and Bank of America, N.A. as Administrative Agent and Collateral Agent.</u>	8-K	001-37979	10.5	Oct. 22, 2018	

10.3

Amendment No. 1 to Revolving Credit Agreement, dated as of July 24, 2018, among Greenlight Acquisition Corporation, VM Consolidated, Inc. (formerly known as ATS Consolidated Inc.), each of the other borrowers party thereto, the lenders party thereto and

8-K

001-37979

10.7

Oct. 22, 2018

	<u>Bank of America, N.A. as Administrative Agent and Collateral Agent.</u>				
10.4	<u>Amendment No. 2 to Revolving Credit Agreement, dated as of October 29, 2021, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., each of the other borrowers party thereto, the lenders party thereto and Bank of America, N.A. as Administrative Agent and Collateral Agent.</u>	10-K	001-37979	10.7	April 22, 2022
10.5	<u>Amendment No. 3 to Revolving Credit Agreement, dated as of December 20, 2021, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., each of the other borrowers party thereto, the lenders party thereto and Bank of America, N.A. as Administrative Agent and Collateral Agent.</u>	8-K	001-37979	10.1	Dec. 20, 2021
10.6	<u>Amendment and Restatement Agreement No. 1 to First Lien Term Loan Credit Agreement, dated as of March 26, 2021, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., American Traffic Solutions, Inc., Lasercraft, Inc. the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent.</u>	8-K	001-37979	10.1	Mar. 29, 2021
10.7	<u>Amendment No. 1 to Amendment and Restatement Agreement No. 1 to First Lien Term Loan Credit Agreement, dated as of March 26, 2021, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., American Traffic Solutions, Inc., Lasercraft, Inc. the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent.</u>	8-K	001-37979	10.1	Dec. 7, 2021
10.8	<u>Amendment No. 2 to Amendment and Restatement Agreement No. 1 to First Lien Term Loan Credit Agreement, dated as of March 26, 2021, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., American Traffic Solutions, Inc.,</u>				X

Lasercraft, Inc. the subsidiary guarantors party thereto the lenders party thereto and Bank of America, N.A. as Administrative Agent and Collateral Agent

10.9	<u>Amendment No. 3 to Amendment and Restatement Agreement No. 1 to First Lien Term Loan Credit Agreement, dated as of March 26, 2021, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., American Traffic Solutions, Inc., Lasercraft, Inc. the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent.</u>	8-K	001-37979	10.1	Feb. 8, 2024
10.10#	<u>Amended and Restated Executive Employment Agreement, dated as of March 25, 2021, by and between VM Consolidated, Inc. and David Roberts.</u>	10-Q	001-37979	10.3	May 17, 2021
10.11#	<u>Executive Employment Agreement by and between VM Consolidated, Inc. and Steven Lalla, dated as of January 31, 2021.</u>	10-K	001-37979	10.15	Mar. 1, 2021
10.12#	<u>Executive Employment Agreement by and between VM Consolidated, Inc. and Craig Conti, dated as of January 29, 2022.</u>	10-K	001-37979	10.15	April 22, 2022
10.13#	<u>Verra Mobility Corporation Amended and Restated 2018 Equity Incentive Plan.</u>	8-K	001-37979	10.1	May 24, 2023
10.14#	<u>Form of Notice of Grant of Restricted Stock Unit and Agreement under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	8-K	001-37979	10.18	Oct. 22, 2018
10.15#	<u>Form of Notice of Grant of Restricted Stock Unit and Agreement for Non-U.S. Participants under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	8-K	001-37979	10.19	Oct. 22, 2018
10.16#	<u>Form of Notice of Grant of Restricted Stock Unit for Non-Employee Directors under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	10-K	001-37979	10.30	Mar. 18, 2019
10.17#	<u>Form of Notice of Grant of Stock Option and Agreement under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	10-K	001-37979	10.24	Mar. 2, 2020

10.18#	<u>Form of Notice of Grant of Performance Share Unit and Agreement under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	10-K	001-37979	10.26	Mar. 2, 2020
10.19#	<u>2020 Form of Notice of Grant of Restricted Stock Unit and Agreement for Non-U.S. Participants under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	10-Q	001-37979	10.1	Nov. 5, 2020

10.20#	<u>Form of Notice of Grant of Stock Option and Agreement for Non-U.S. Participants under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	10-Q	001-37979	10.2	Nov. 5, 2020
10.21#	<u>Amended and Restated Verra Mobility Corporation Short-Term Incentive Plan.</u>	8-K	001-37979	10.1	April 28, 2022
10.22#	<u>Verra Mobility Corporation Non-Employee Director Compensation Policy.</u>	10-K	001-37979	10.26	March 1, 2023
10.23#	<u>Form of Notice of Grant of Performance Share Units and Award Agreement under the Verra mobility Corporation 2018 Equity Incentive Plan.</u>	8-K	001-37979	10.1	June 1, 2022
10.24#	<u>Executive Employment Agreement by and between VM Consolidated, Inc. and Jonathan Baldwin, dated as of January 16, 2022.</u>	10-K	001-37979	10.30	March 1, 2023
10.25#	<u>Amended and Restated Executive Employment Agreement by and between VM Consolidated, Inc. and Adam Blake, dated as of October 20, 2021.</u>	10-K	001-37979	10.31	March 1, 2023
10.26#	<u>Executive Employment Agreement by and between VM Consolidated, Inc. and Jonathan Keyser, dated as of November 8, 2022.</u>	10-K	001-37979	10.32	March 1, 2023
10.27#	<u>Form of Notice of Grant of Restricted Stock Units (U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	8-K	001-37979	10.1	Feb. 17, 2023
10.28#	<u>Form of Notice of Grant of Restricted Stock Units (Non-U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	8-K	001-37979	10.2	Feb. 17, 2023
10.29#	<u>Form of Notice of Grant of Stock Option (U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	8-K	001-37979	10.3	Feb. 17, 2023
10.30#	<u>Form of Notice of Grant of Stock Option (Non-U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.</u>	8-K	001-37979	10.4	Feb. 17, 2023
10.31#	<u>Form of Notice of Grant of Performance Share Units and Award</u>	8-K	001-37979	10.5	Feb. 17, 2023

Agreement (U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.

10.32#

Form of Notice of Grant of Performance Share Units and Award Agreement (Non-U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.

8-K

001-37979

10.6

Feb. 17, 2023

10.33#	<u>Form of Special Grant Notice of Grant of Performance Share Units and Award Agreement.</u>	8-K	001-37979	10.1	Aug. 15, 2023	
10.34#	<u>Verra Mobility Corporation Second Amended and Restated Short-Term Incentive Plan.</u>	8-K	001-37979	10.7	Feb. 17, 2023	
16.1	<u>Ernst & Young LLP Consent Letter.</u>	8-K	001-37979	16.1	Aug. 28, 2023	
21.1	<u>List of Subsidiaries.</u>					X
23.1	<u>Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.</u>					X
23.2	<u>Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.</u>					X
24.1	<u>Power of Attorney (included on the signature pages herein).</u>					X
31.1	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>					X
31.2	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>					X
32.1*	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>					X
32.2*	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>					X
97.1	<u>Verra Mobility Corporation Amended and Restated Compensation Clawback Policy.</u>					X
101.INS	Inline XBRL Instance Document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.					X

104

Cover Page Interactive Data File
(formatted as Inline XBRL and
contained in Exhibit 101).

≡ Management contract or compensatory plan or arrangement.

107

* This certification is deemed not filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VERRA MOBILITY CORPORATION

Date: February 29, 2024

By: /s/ David Roberts

David Roberts
President and Chief Executive Officer
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints David Roberts and Craig Conti, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or her or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

<u>Signature</u>	<u>Capacity in Which Signed</u>	<u>Date</u>
<u>/s/ David Roberts</u> David Roberts	President, Chief Executive Officer and Director (Principal Executive Officer)	February 29, 2024
<u>/s/ Craig Conti</u> Craig Conti	Chief Financial Officer (Principal Financial and Accounting Officer)	February 29, 2024
<u>/s/ Patrick Byrne</u> Patrick Byrne	Director	February 29, 2024
<u>/s/ Douglas Davis</u> Douglas Davis	Director	February 29, 2024
<u>/s/ Michael Huerta</u> Michael Huerta	Director	February 29, 2024
<u>/s/ Raj Ratnakar</u> Raj Ratnakar	Director	February 29, 2024
<u>/s/ John Rexford</u> John Rexford	Director	February 29, 2024
<u>/s/ Cynthia Russo</u> Cynthia Russo	Director	February 29, 2024

Appendix A
Verra Mobility Corporation
Schedule II

Consolidated Valuation and Qualifying Accounts for the Years Ended December 31, 2023, 2022 and 2021

<u>(\$ in thousands)</u>	<u>Beginning Balance</u>	<u>Charged/Cre dited to Net Income</u>	<u>Charged to Other Account</u>	<u>Charges Utilized/ Write-offs</u>	<u>Ending Balance</u>
Allowance for Credit Losses					
Year Ended December 31, 2023	\$ 15,907	\$ 9,054	\$ —	\$ (6,448)	\$ 18,513
Year Ended December 31, 2022	12,138	14,481	—	(10,712)	15,907
Year Ended December 31, 2021	11,471	9,588	—	(8,921)	12,138
Tax Valuation Allowance					
Year Ended December 31, 2023	\$ 5,263	\$ 297	\$ 1,451	\$ —	\$ 7,011
Year Ended December 31, 2022	3,785	2,438	63	(1,023)	5,263
Year Ended December 31, 2021	3,422	363	—	—	3,785

**SECOND AMENDMENT ✓
TO CONTRACT FOR SERVICES**

This Second Amendment ("Second Amendment") is dated effective this _____ day of _____, 2014 and is entered into between American Traffic Solutions, Inc. ("ATS"), a corporation duly registered under the laws of the State of Kansas with its principal place of business at [REDACTED] and the County of Nassau, New York ("Customer"), a political subdivision of the State of New York with principal offices at 1550 Franklin Avenue, Mineola, New York 11501.

RECITALS

WHEREAS, on June 16, 2009, the County and ATS entered into a Contract for Services for the County's use of the Axis™ System to enforce traffic violations, which Contract for Services was amended by First Amendment To Contract For Services dated July 19, 2012 (the Contract of Services, as amended, the "Agreement");

WHEREAS, New York State has recently enacted legislation establishing in the County of Nassau (the "County") a demonstration program (the "Speed Camera Program") implementing speed violation monitoring systems in school speed zones by means of photo devices;

WHEREAS, Section 15(b) of the Agreement requires any amendments, modifications, or alterations of the Agreement to be in writing and duly executed by the parties; and

WHEREAS, the County and ATS mutually desire to amend, modify or alter certain terms and conditions of the Agreement to provide for ATS to use, implement, and operate its camera system to record and process speed violations in school speed zones within the County of Nassau.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the mutual covenants and promises contained in this Second Amendment, Customer and ATS do hereby agree as set forth below:

1. Purpose and Intent. The purpose of this Second Amendment is to amend and expand the scope of services provided by the Contractor under the Agreement to include all labor, material, and services required to furnish, install, operate and maintain the Speed Camera Program, which amended services include the services in Exhibit "A" attached hereto and hereby made part hereof. It is the intention of the parties that the Contractor shall provide services in accordance with the terms and conditions of the Agreement, except to the extent that such terms and condition are amended by this Second Amendment, including Exhibit "A." Accordingly, any references in the Agreement and this Second Amendment to the "Camera System" or the "Red Light Camera Program" shall include a reference to the "Fixed and/or Mobile Speed Camera System or the "Speed Camera Program," as applicable. The terms "Violation" and "Citation" shall include violations and citations under applicable speeding laws, and, more generally, such other terms, defined or otherwise, under the Agreement shall be interpreted to apply to the Speed Camera Program consistent with the intention of the parties set forth in this paragraph. In the event of any conflicts between the terms of the Agreement and the terms of this Second Amendment, the terms of this Second Amendment shall control. A "Camera Unit" is a single camera and related detection lighting equipment capturing one direction of travel.
2. Section 2 of the Agreement is hereby deleted in its entirety and replaced as follows:
 2. Term. The term of this Agreement shall expire on December 1, 2022, unless sooner terminated in accordance with the provisions of this Agreement or, with respect to the Red Light Camera Program or the Speed Camera program, or both, unless sooner terminated due to expiration of the underlying New York State enabling legislation; provided, however, that the Agreement may be renewed for subsequent three (3) year renewal terms, under the same terms, conditions, and monthly compensation rate upon the mutual agreement of the parties.

08TV09000024
American Traffic Solutions, Inc.
List of Principals
As of 5/9/2014

Directors/ Officers:

Name: James D. Tuton
Title: CEO

Phone: [REDACTED]

Name: Adam E. Tuton
Title: EVP/ President SLGS

Phone: [REDACTED]

Name: Adam R. Draizin
Title: EVP/ President Fleet

Phone: [REDACTED]

Name: Heather Zorge
Title: CFO

Phone: [REDACTED]

Shareholders greater than 5%:

Name: ATS Holdings LLLP
[REDACTED]

Name: Goldman Sachs Group, Inc.
[REDACTED]

Name: W Capital
[REDACTED]

3. Section 17(a) of the Contract is hereby amended by adding the following:

In the event the County elects to terminate the entire Agreement for convenience within 24 months from the date of execution of this Second Amendment the County shall pay ATS an early termination fee for each dual fixed speed camera based on a price of \$60,000 per camera reduced by \$2,500 per month that the camera was operational. There shall be no termination fee after the 24 month period.

4. Exhibit B is hereby amended to change the amount of the convenience fee charged for electronic payments from \$4 to \$6. This convenience fee shall apply to electronic payments made for either red light or speeding violations.

5. Exhibit B, Fee Schedule, is hereby amended to add the following:

The Red Light Camera fee shall be reduced to 35% of Fines and Penalties, effective on January 1, 2016.

Pricing for Speed Enforcement in School Zones*

The following fee structure applies to the speed camera program and will be applied to fixed or unattended mobile units operating in school zones at least 8 hours per day and at least 180 school days per year.

The fee structure is present below.

Fee

1 to 300 paid Notices of Liability per day per unit times the number of Camera Units: **38%** of the total of all fines and penalties collected each month

300 to 500 paid Notices of Liability per day per unit times the number of Camera Units: **30%** of the total of all fines and penalties collected each month

501+ paid Notices of Liability per day per unit times the number of Camera Units: **25%** of the total of all fines and penalties collected each month

If one Camera Unit results in 400 paid notices and another Camera Unit results in 200 paid notices, the average of 300 paid notices will be applied to the first tier. This will apply to all tiers monthly.

The fee is a tiered structure starting at a 38% revenue share of the statutorily authorized fine and penalty (excluding any County Fee) and provides a discount to the County as the average number of paid notices increases. For example, if the average of all Camera Units in a month results in 600 paid notices per day, ATS would invoice the County for 38% of the collected revenue from the first 300 paid notices per day times the number of Camera Units, 30% of the collected revenue from the next 200 paid notices per day times the number of Camera Units and 25% of the collected revenue from the final 200 paid notices per day times the number of Camera Units. The fee structure assumes a base fine of at least \$50 and, if applicable, \$25 penalty or any increase applied by the NY State legislature.

6. In the event that the County provides the operation and relocation of the mobile systems, ATS will apply a discount of \$8,000 per mobile vehicle unit per month or \$4,000 per trailer per month; provided, however, that the amount of this deduction will be pro-rated if the average number of

notices issued in a month is less than 65 per day per Camera Unit, averaged across all mobile/trailer units. The proration will be applied at a rate of 1/65th of the monthly rate or \$123 for mobile and \$53 for trailer units for each point below 65 notices issued per day. For months where there is no usage, discounts will be suspended or pro-rated. The amount of the discount will be fixed for the first two (2) years following the implementation of the Speed Camera Program and will increase annually by the amount of the Consumer Price Index, according to the average change during the prior 12 months in the Consumer Price Index for All Urban Consumers (CPI-U) for U.S. City average as published by the Bureau of Labor Statistics, U.S. Department of Labor; provided, however, that the amount of the increase shall not exceed 2%.

7. Exhibits G and H, attached hereto, are incorporated into the Agreement.
8. Except as expressly amended or modified by the terms of this Second Amendment, all terms of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of this Second Amendment and the Agreement, the terms of this Second Amendment shall prevail and control.
9. The provisions of the Agreement, as amended by this Second Amendment, including the recitals, comprise all of the terms, conditions, agreements, and representations of the parties with respect to the subject matter hereof.
10. This Second Amendment may be executed in one or more counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument.
11. Each party represents and warrants that the representative signing this Second Amendment on its behalf has all right and authority to bind and commit that party to the terms and conditions of this Second Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment.

NASSAU COUNTY, NEW YORK

AMERICAN TRAFFIC SOLUTIONS, INC.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

notices issued in a month is less than 65 per day per Camera Unit, averaged across all mobile/trailer units. The proration will be applied at a rate of 1/65th of the monthly rate or \$123 for mobile and \$53 for trailer units for each point below 65 notices issued per day. For months where there is no usage, discounts will be suspended or pro-rated. The amount of the discount will be fixed for the first two (2) years following the implementation of the Speed Camera Program and will increase annually by the amount of the Consumer Price Index, according to the average change during the prior 12 months in the Consumer Price Index for All Urban Consumers (CPI-U) for U.S. City average as published by the Bureau of Labor Statistics, U.S. Department of Labor; provided, however, that the amount of the increase shall not exceed 2%.

7. Exhibits G and H, attached hereto, are incorporated into the Agreement.
8. Except as expressly amended or modified by the terms of this Second Amendment, all terms of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of this Second Amendment and the Agreement, the terms of this Second Amendment shall prevail and control.
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IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment.

NASSAU COUNTY, NEW YORK

AMERICAN TRAFFIC SOLUTIONS, INC.

By: _____

By: _____

Title: _____

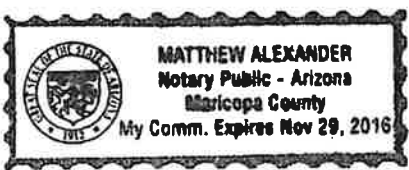
Title: _____

Date: _____

Date: _____

STATE OF ARIZONA)
)SS.
COUNTY OF MARICOPA)

On this 9 day of May, 2014, personally appeared before me James Taton, who being by me duly sworn did say that he is the CEO for AMERICAN TRAFFIC SOLUTIONS, INC., a Kansas corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors, and acknowledged to me that said corporation executed the same.



Matthew Alexander
NOTARY PUBLIC
My Commission Expires: 11/29/16

STATE OF NEW YORK)
)SS.
COUNTY OF NASSAU)

On this 2 day of June May, 2014, personally appeared before me Ronald Wallace, who being by me duly sworn did say that he/she is the CEO for Nassau County, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Supervisors, and acknowledged to me that said corporation executed the same.

CONCETTA A PETRUCCI
Notary Public, State of New York
No. 01F55259026
Qualified in Nassau County
Commission Expires April 02, 2016

Concetta A. Petrucci
NOTARY PUBLIC
My Commission Expires:

Exhibit A
Speed Enforcement Scope of Work

1.4 Speed Enforcement in School Zones – ATS Obligations

- 1.4.1** ATS will provide Fixed and/or Mobile Camera System(s) to enforce speed violations at a number of locations in school zones as set forth in Exhibit G. Additional locations may be added by mutual agreement between ATS and the Customer, as set forth in a written Notice to Proceed.
- 1.4.2** ATS will provide up to 1000 hours of software development per year, upon execution of contract for custom requests specific to Customer requirements; provided, however, that the number of hours shall be pro-rated for the remainder of 2014. ATS will provide an estimated timeline for completion for any such Customer request and will maintain an accounting of the number of hours used and the balance remaining of the number of allotted hours each year. The parties will agree on the estimated number of hours for any request. Deductions from the annual allocation of hours will only apply to County specific changes. For any hours in excess of the allotted annual hours, ATS will charge \$125 per hour.
- 1.4.3** ATS shall provide operator training and train the trainer instruction sufficient to enable County staff to operate the Camera Units to comply with New York State automated speed enforcement statutes.

1.5 Speed Enforcement in School Zones – Customer Obligations

- 1.5.1** If Customer provides staffing to man any vehicle(s) provided by ATS, Customer shall be responsible for fuel and all maintenance of the vehicle during the term of this Agreement in accordance with manufacturer's recommendations. Customer shall only use the vehicle for its intended purpose as contemplated under this Agreement.
- 1.5.2** For any manned Camera System, Customer shall provide the proper staffing and shall be responsible for all compensation and benefits for the Customer employee(s) manning the Camera System. Customer will ensure that DMV reports are obtained and reviewed for any Customer employee who will be driving a vehicle. Customer's employees shall comply with all state and local motor vehicle laws and ordinances and will comply with ATS' motor vehicle policy, entitled Driver and Fleet Motor Vehicle Safety Program.
- 1.5.3** Once a Notice to Proceed is granted to ATS in writing or by email, the Customer shall not issue a stop work order to suspend activity on the implementation process unless Customer reimburses ATS for reasonable direct costs actually incurred up to the date the stop work order is issued.

Exhibit G Notice to Proceed

Fixed Speed Safety Camera Systems:

A Fixed Speed Safety Camera System is in conformance with the definition of a Photo Speed Violation Monitoring System as defined in the State Legislation and can consist of a camera or series of cameras necessary to provide coverage of a segment of roadway in both directions within a School Speed Zone as defined by the State Legislation.

Execution of this Second Amendment shall serve as the Customer's Notice to Proceed (NTP) for a minimum of thirty-six (36) Fixed Speed Safety Camera Systems including two Camera Units per System to be installed by ATS, at ATS' cost and expense, at locations to be determined by Nassau County. Customer will expedite the review and approval process for sites on county roads/right-of-ways and will facilitate NTP authorization from the Villages to proceed with the permitting process, prior to plan submission and design/engineering. ATS will also be responsible for all required approvals on State Roadways. ATS shall be prepared to install a minimum of twelve fixed units per month for the roll out of the first thirty-six units and have in operation as soon as possible, subject to availability of permits. Excludes current or future Red Light Safety Camera equipment.

Mobile Speed Safety Camera Systems:

A Mobile Speed Safety Camera System is in conformance with the definition of a Photo Speed Violation Monitoring System as defined in the State Legislation and can consist of a camera or series of cameras necessary to provide coverage of a segment of roadway in both directions within a School Speed Zone as defined by the State Legislation.

Execution of this Agreement shall serve as the Customer's NTP for ATS to supply up to 20 vehicles and one trailer on a schedule to be mutually agreed within 30 days of issuance of NTP. Mobile Speed Safety Camera Systems shall be deployed at locations to be determined by Nassau County, where field conditions allow placement. In the event that trailers are not available, vehicles shall be utilized. In either case, Nassau County anticipates delivery of at least 17 mobile (trailers) by 2015.

Exhibit H Maintenance Schedule

1. Vehicle Maintenance – the Party responsible for maintenance shall:
 - 1.2. Complete a Daily Vehicle Inspection Checklist for the daily routine on all vehicles. See below.
 - 1.3. 30 days: Perform oil changes
 - 1.4. 90 days: Rotate tires
 - 1.5. 180 days or sooner, if required: Change air filter
 - 1.6. Annual: Transmission service
 - 1.7. As required: Any service required or recommended beyond the above must be approved by ATS in advance.
 - 1.8. Documentation is required on all services and must be kept for the term of the agreement.

2. Battery life
 - 2.2. Vehicle manned: Idling vehicle keeps batteries charged.
 - 2.3. Vehicle unmanned: 1 hour drive time supports 8 hours of service time. Recharge requires 8 hours if drive time is insufficient.

Daily Vehicle Inspection Checklist

Operator's name

Vehicle number

Inspection date

Time of inspection AM PM

Vehicle Mileage at start of shift
 Vehicle Mileage at end of shift

Vehicle Cab/Chassis			
Note Any Deficiencies in the Columns			
	Good	Bad	Below
Operators Manual (*1)	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Glass	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Windshield Wipers	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Wiper blades	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Turn signals	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Brake lights	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Marker lights	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Reverse lights	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Back up alarm	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Parking Brake	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Gauges	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Steering	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Seat Belts	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>
Horn	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>

Doors & door locks	<input type="checkbox"/>	<input type="checkbox"/>	
Rearview mirrors	<input type="checkbox"/>	<input type="checkbox"/>	
Clutch & Gear shift	<input type="checkbox"/>	<input type="checkbox"/>	
Windshield/Glass	<input type="checkbox"/>	<input type="checkbox"/>	
Tires	<input type="checkbox"/>	<input type="checkbox"/>	

Vehicle Under Hood			
Engine Oil Level	<input type="checkbox"/>	<input type="checkbox"/>	
Transmission Fluid level	<input type="checkbox"/>	<input type="checkbox"/>	
Coolant level	<input type="checkbox"/>	<input type="checkbox"/>	
Brake Fluid Level	<input type="checkbox"/>	<input type="checkbox"/>	
Power Steering fluid level	<input type="checkbox"/>	<input type="checkbox"/>	
Windshield Washer level	<input type="checkbox"/>	<input type="checkbox"/>	
Battery	<input type="checkbox"/>	<input type="checkbox"/>	

By Signing below I acknowledge that the above information is true and accurate to the best of my knowledge. I also acknowledge that the vehicle is safe to operate.

Print Name

Signature

Date

Contract ID#: CQTV0900024

Department: Traffic & Parking Violations Agency

Contract Details

E-138-12
 SERVICE: Professional Services
RUSH

NIFS ID #: CLTV12000001 NIFS Entry Date: April 6, 2012 Term: Five (5) years

New <input type="checkbox"/> Renewal <input type="checkbox"/>	1) Mandated Program:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Amendment #1 EXTENSION <input checked="" type="checkbox"/>	2) Comptroller Approval Form Attached:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Time Extension <input type="checkbox"/>	3) CSEA Agmt. § 32 Compliance Attached:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Addl. Funds <input type="checkbox"/>	4) Vendor Ownership & Mgmt. Disclosure Attached:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Blanket Resolution <input type="checkbox"/>	5) Insurance Required (TO PROVIDE)	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
RES#		

Agency Information

Vendor	
Name American Traffic Solutions, Inc.	Vendor ID# [REDACTED]
Address [REDACTED]	Contact Person John D. Tuton
	Phone [REDACTED]

County Department
Department Contact John G. Marks
Address 16 Cooper St., Hempstead, NY 11550
Phone 516-572-2654

Routing Slip

DATE Rec'd.	DEPARTMENT	Internal Verification	DATE App'd & Fw'd.	SIGNATURE	Leg. Approval Required
	Department	NIFS Entry (Dept) NIFS Appvl (Dept. Head)	<input checked="" type="checkbox"/> 4/6/12	<i>[Signature]</i>	
	OMB	NIFS Approval	<input checked="" type="checkbox"/> 4/10/12	<i>[Signature]</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not required if blanket resolution
4/12/12	County Attorney	CA RE & Insurance Verification	<input type="checkbox"/> 4/17/12	<i>[Signature]</i>	
4/17/12	County Attorney	CA Approval as to form	<input checked="" type="checkbox"/> 4/17/12	<i>[Signature]</i>	
	Legislative Affairs	Fw'd Original Contract to CA	<input type="checkbox"/> 5/30/12	<i>[Signature]</i>	
	Rules <input type="checkbox"/> / Leg. <input type="checkbox"/>		<input type="checkbox"/>	<i>[Signature]</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>
	County Attorney	NIFS Approval	<input type="checkbox"/> 06/19/2012	<i>[Signature]</i>	
	Comptroller	NIFS Approval	<input checked="" type="checkbox"/>	<i>[Signature]</i>	
	County Executive	Notarization Filed with Clerk of the Leg.	<input type="checkbox"/> 6/8/12	<i>[Signature]</i>	
	Chief Dep. Cty. Exec.		<input type="checkbox"/> 5/30/12	<i>[Signature]</i>	
	Deputy County Exec.		<input type="checkbox"/>		

Contract Summary

CLTV12000001

AMENDMENT #1 - EXTENSION

Description:
The Red Light Safety Camera contract with ATS is being amended so that additional intersections (as allowed by law) can be monitored by the equipment. VTL 1111-b was recently amended to allow Nassau County to monitor up to 100 intersections from the prior allowance of 50 intersections. In addition, additional changes are being made that include changing the terms from a fixed price per approach to a percentage based contract. The percentage model will be based upon total fine and penalty collected (the county will still retain all fees). The payment terms are expected to net the County an additional \$2m per year due to cost savings – savings based on current production levels.

Purpose:
This Agreement is for all the labor, material, and services required in order to furnish, install, operate, and maintain the Red Light Camera Demonstration Program in Nassau County, as approved by the State and County legislatures.

Method of Procurement:
The Department of Public Works (DPW) issued a Request for Proposal (RFP) on June 9, 2008 returnable on July 14, 2008. Additionally, on March 26, 2009 an invitation to submit a best and final offer (BAFO) was sent and the vendor submitted said BAFO on April 8, 2009.

Procurement History:
DPW solicited responses to a Request for Proposal, which was advertised in Newsday and on the Nassau County website. Five vendors submitted technical responses. The proposals were reviewed in accordance with County Executive Order No. 1-1993 and Board of Supervisor's Resolution 928-1993. The technical proposals were reviewed by a six member review committee consisting of two members from the Traffic and Parking Violations Agency (TPVA) and four from DPW. In addition to the technical proposals, the five vendors were requested to perform oral presentations to the Review Committee, which were used to establish a ranking of the vendors.

Description of General Provisions:
The scope of work of the project enables DPW to review and coordinate the installation of Red Light Camera equipment at up to fifty intersections selected by the County based on an accident history report, generated by the vendor, at locations throughout the County. The scope of the project also enables TPVA to certify Red Light Camera Traffic Violations and authorizes the vendor, by use of their computer software, to notify the violator and procure the appropriate traffic violation fine for processing by TPVA once reviewed by TPVA personnel.

Impact on Funding / Price Analysis: No impact on funding.

Change in Contract from Prior Procurement: Modifying terms to increase the number of intersections monitored by the RLC program. Modifying contract expense terms from a fixed price per camera to a percentage of fine and penalty collected (anticipated additional \$2m net to County per year vs. current payment terms).

Recommendation: Approve as Submitted.

Advisement Information

BUDGET CODES	
Fund:	Gen
Control:	TV
Resp:	1000
Object:	DE
Transaction:	CL

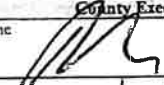
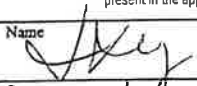
FUNDING SOURCE	AMOUNT
Revenue Contract <input type="checkbox"/>	XXXXXXXX
County	\$ 0.01
Federal	\$
State	\$
Capital	\$
Other	\$
TOTAL	\$ 0.01

LINE	INDEX/OBJECT CODE	AMOUNT
1	TVGEN1000DE500	\$ 0.01
2		\$
3		\$
4		\$
5		\$
6		\$
TOTAL		\$ 0.01

RENEWAL	
% Increase	
% Decrease	

Document Prepared By: Irene M. Higgins

Date: 4/9/2012

NIFS Certification	Comptroller Certification	County Executive Approval
I certify that this document was accepted into NIFS.	I certify that an unencumbered balance sufficient to cover this contract is present in the appropriation to be charged.	Name: 
Name: JL	Name: 	Date: 5/30/12
Date: 6/28/12	Date: 6/27/12	(For Office Use Only)
		E #:

RULES RESOLUTION NO. 158 2012

A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE AN AMENDMENT TO A PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF NASSAU, ACTING ON BEHALF OF THE DEPARTMENT OF TRAFFIC & PARKING VIOLATIONS AGENCY, AND AMERICAN TRAFFIC SOLUTIONS, INC.

Passed by the Rules Committee
Nassau County Legislature
By Voice Vote on 6/18/12
VOTING:
ayes 7 nays 0 abstained 0 recused 0
Legislators present: 7

WHEREAS, the County has negotiated an amendment to a personal services agreement with American Traffic Solutions, Inc. in relation to the Red Light Camera Program, a copy of which is on file with the Clerk of the Legislature; now, therefore, be it

RESOLVED, that the Rules Committee of the Nassau County Legislature authorizes the County Executive to execute the said amendment to an agreement with American Traffic Solutions, Inc.

RULES RESOLUTION NO. – 2012

A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE AN AMENDMENT TO A PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF NASSAU, ACTING ON BEHALF OF THE DEPARTMENT OF TRAFFIC & PARKING VIOLATIONS AGENCY, AND AMERICAN TRAFFIC SOLUTIONS, INC.

WHEREAS, the County has negotiated an amendment to a personal services agreement with American Traffic Solutions, Inc. in relation to the Red Light Camera Program, a copy of which is on file with the Clerk of the Legislature; now, therefore, be it

RESOLVED, that the Rules Committee of the Nassau County Legislature authorizes the County Executive to execute the said amendment to an agreement with American Traffic Solutions, Inc.

George Maragos
Comptroller



OFFICE OF THE COMPTROLLER
240 Old Country Road
Mineola, New York 11501

COMPTROLLER APPROVAL FORM FOR PERSONAL, PROFESSIONAL OR HUMAN SERVICES CONTRACTS

Attach this form along with all personal, professional or human services contracts, contract renewals, extensions and amendments.

CONTRACTOR NAME: American Traffic Solutions, Inc.

CONTRACTOR ADDRESS: [REDACTED]

FEDERAL TAX ID #: [REDACTED]

Instructions: Please check the appropriate box ("☑") after one of the following roman numerals, and provide all the requested information.

I. The contract was awarded to the lowest, responsible bidder after advertisement for sealed bids. The contract was awarded after a request for sealed bids was published in _____ [newspaper] on _____ [date]. The sealed bids were publicly opened on _____ [date]. _____ [#] of sealed bids were received and opened.

II. The contractor was selected pursuant to a Request for Proposals. The Contract was entered into after a written request for proposals was issued on _____ [date]. Potential proposers were made aware of the availability of the RFP by _____ [newspaper advertisement, posting on website, mailing, etc.]. _____ [#] of potential proposers requested copies of the RFP. Proposals were due on _____ [date]. _____ [#] proposals were received and evaluated. The evaluation committee consisted of: _____

_____ [list members]. The proposals were scored and ranked. As a result of the scoring and ranking (attached), the highest-ranking proposer was selected.

III. X This is a renewal, extension or amendment of an existing contract.

The contract was originally executed by Nassau County on June 12, 2009. This is an amendment to the original contract. A copy of the original contract is attached.

IV. Pursuant to Executive Order No. 1 of 1993, as amended, at least three proposals were solicited and received. The attached memorandum from the department head describes the proposals received, along with the cost of each proposal.

- A. The contract has been awarded to the proposer offering the lowest cost proposal; **OR:**
- B. The attached memorandum contains a detailed explanation as to the reason(s) why the contract was awarded to other than the lowest-cost proposer. The attachment includes a specific delineation of the unique skills and experience, the specific reasons why a proposal is deemed superior, and/or why the proposer has been judged to be able to perform more quickly than other proposers.

V. Pursuant to Executive Order No. 1 of 1993 as amended, the attached memorandum from the department head explains why the department did not obtain at least three proposals.

- A. There are only one or two providers of the services sought or less than three providers submitted proposals. The memorandum describes how the contractor was determined to be the sole source provider of the personal service needed or explains why only two proposals could be obtained. If two proposals were obtained, the memorandum explains that the contract was awarded to the lowest cost proposer, or why the selected proposer offered the higher quality proposal, the proposer's unique and special experience, skill, or expertise, or its availability to perform in the most immediate and timely manner.
- B. The memorandum explains that the contractor's selection was dictated by the terms of a federal or New York State grant, by legislation or by a court order. (Copies of the relevant documents are attached).
- C. Pursuant to General Municipal Law Section 104, the department is purchasing the services required through a New York State Office of General Services contract no. _____, and the attached memorandum explains how the purchase is within the scope of the terms of that contract.
- D. Pursuant to General Municipal Law Section 119-o, the department is purchasing the services required through an inter-municipal agreement.

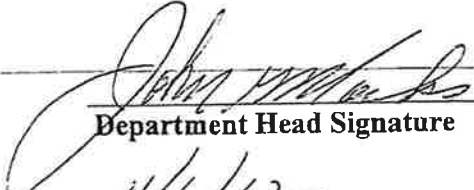
VI. This is a human services contract with a not-for-profit agency for which a competitive process has not been initiated. Attached is a memorandum that explains the reasons for entering into this contract without conducting a competitive process, and details when the department intends to initiate a competitive process for the future award of these services. For any such contract, where the vendor has previously provided services to the county, attach a copy of the most recent evaluation of the vendor's performance. If the contractor has not received a satisfactory evaluation, the department must explain why the contractor should nevertheless be permitted to contract with the county.

In certain limited circumstances, conducting a competitive process and/or completing performance evaluations may not be possible because of the nature of the human services program, or because of a compelling need to continue services through the same provider. In those circumstances, attach an explanation of why a competitive process and/or performance evaluation is inapplicable.

VII. This is a public works contract for the provision of architectural, engineering or surveying services. The attached memorandum provides details of the department's compliance with Board of Supervisors' Resolution No.928 of 1993, including its receipt and evaluation of annual Statements of Qualifications & Performance Data, and its negotiations with the most highly qualified firms.

In addition, if this is a contract with an individual or with an entity that has only one or two employees:

a review of the criteria set forth by the Internal Revenue Service, *Revenue Ruling No. 87-41, 1987-1 C.B. 296*, attached as Appendix A to the Comptroller's Memorandum, dated February 13, 2004, concerning independent contractors and employees indicates that the contractor would not be considered an employee for federal tax purposes.


Department Head Signature
4/6/12
Date

NOTE: Any information requested above, or in the exhibit below, may be included in the county's "staff summary" form in lieu of a separate memorandum.

Compt. form Pers./ Prof. Services Contracts: Rev. 02/04

American Traffic Solutions, Inc.
List of Principals
As of 3/31/2012

Directors/Officers:

Name: James D. Tuton
Title: CEO

Phone:

Name: Adam E. Tuton
Title: EVP/President Public Safety

Phone:

Name: Adam R. Draizin
Title: EVP/President Commercial Services

Phone:

Name: John Goldsberry
Title: CFO

Phone:

Name: John T. Petrozza
Title: EVP/President MICS

Phone:

Name: Michael Bolton
Title: COO

Phone:

Shareholders:

Name: James D. Tuton
Title: CEO

Phone:

Name: Adam E. Tuton
Title: EVP/President Public Safety

Phone:

Name: Adam R. Draizin
Title: EVP/President Commercial Services

Phone:

Name: John T. Petrozza
Title: EVP/President MICS

Phone:

Name: Goldman Sachs Group, Inc.

Name: W Capital

Name: JENOPTIK North America, Inc.

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOHN G. MARKS
EXECUTIVE DIRECTOR

NASSAU COUNTY TRAFFIC & PARKING VIOLATIONS AGENCY

16 COOPER STREET
HEMPSTEAD, NEW YORK 11550
(516) 572-2654

April 6, 2012

Deborah O'Connell,
Treasurer, CSEA Local 830
400 County Seat Drive
Mineola, NY 11501

Dear Ms. O'Connell:

Pursuant to Section 32A of the Collective Bargaining Unit (CBA), this is to advise you that this agency is amending its contract with American Traffic Solutions, Inc., our Red Light Camera vendor, to add additional intersections as allowed by law and modify payment terms of the original contract.

Should you have any questions regarding this matter, please contact me at 572-2654.

Sincerely,


John G. Marks,
Executive Director

EDWARD P. MANGANO
COUNTY EXECUTIVE




JOHN G. MARKS
EXECUTIVE DIRECTOR

NASSAU COUNTY TRAFFIC & PARKING VIOLATIONS AGENCY
16 COOPER STREET
HEMPSTEAD, NEW YORK 11550
(516) 572-2654

INTER-DEPARTMENTAL MEMO

TO: George Maragos,
Nassau County Comptroller

FROM: John G. Marks,
Executive Director 

DATE: April 6, 2012

SUBJECT: Comptroller Approval Form

Should you need additional information or have any questions regarding this matter, please do not hesitate to contact me at 572-2654.

**FIRST AMENDMENT
TO CONTRACT FOR SERVICES**

This First Amendment ("First Amendment ") is dated effective this _____ day of _____, 2012 ("Effective Date") and is entered into between American Traffic Solutions, Inc. ("ATS"), a corporation duly registered under the laws of the State of Kansas with its principal place of business at _____ and Nassau County ("County"), a political subdivision of the State of New York with principal offices at 1550 Franklin Avenue, Mineola, New York 11501.

RECITALS

WHEREAS, on June 16, 2009, the County and ATS entered into a Contract for Services for the County's use of the Axis™ System to enforce traffic violations (the "Agreement"); and

WHEREAS, section 15(b) of the Agreement requires any amendments, modifications, or alterations of the Agreement to be in writing and duly executed by the parties; and

WHEREAS, New York State Vehicle and Traffic Law Section 1111-b has been amended to increase the number of intersections monitored by traffic-control signal photo violation-monitoring devices; and

WHEREAS, the County and ATS mutually desire to amend, modify or alter certain terms and conditions of the Agreement. so as to, among other things, expand the number of camera installations.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the mutual covenants and promises contained in this First Amendment, the County and ATS do hereby agree as set forth below:

1. Pursuant to Section 2 of the Agreement, County hereby exercises its option to extend the term of this Agreement for one (1) additional three (3) year period through December 1, 2017, subject to sooner termination (i) in accordance with the provisions of this First Amendment or (ii) in the event that New York State Vehicle and Traffic Law Section 1111-b, currently scheduled to expire on December 1, 2014, is not extended.

2. Subsection 17(a) of the Agreement is hereby deleted in its entirety and replaced with the following:

(a) Generally. This Agreement may be terminated prior to scheduled contract expiration:

~~(i) for convenience, not to be exercised in an arbitrary or capricious manner, by the County~~ upon ninety (90) days' written notice to the Contractor. In the event County elects to terminate this Agreement for convenience, County shall pay ATS an early termination fee for any Camera System which was installed after the Effective Date of this Amendment based on a price of \$120,000 which will be reduced by \$2,000 for each month that the camera is installed. See Exhibit C, Part One for the amounts due at the end of each month. For cameras installed (and not moved) prior to the execution of this Amendment, no termination fee payments are required. For cameras relocated after the execution of this Amendment, a reduced fee of \$60,000 will be used for termination calculations. The \$60,000 amount will be reduced by \$1,000 per month in accordance with Part 2 of Exhibit C.

(ii) for "Cause" by the County immediately upon the receipt by the Contractor of written notice of termination. As used in this Agreement the word "Cause" includes: (1) a breach of this Agreement; (2) the failure to obtain and maintain in full force and effect all Approvals required for the Services described in this Agreement to be legally and professionally rendered; and (3) the existence of state legislation, a decision by a court of competent jurisdiction, or other change in state or local law or any other circumstances which materially interferes with the terms of this Agreement or a party's ability to perform its obligations under the terms of this Agreement. Contractor must receive a written cure notice for this clause to be enforced and then provided 45 days to attempt to cure the breach condition.

(iii) upon mutual written Agreement of the County and the Contractor;

(iv) if the enabling state legislation for red light photo enforcement is repealed

or

(v) in accordance with any other provisions of this Agreement expressly addressing termination.

3. Subsection 1.2.5 of Exhibit A is hereby deleted in its entirety and replaced with the following:

ATS will install Camera Systems at a number of intersection approaches, up to the amount allowed by law, as the law may be amended from time to time, to be agreed upon between ATS and the County after completion of site analyses. In addition to any initial locations, the parties may agree from time to time to add to the quantities and locations where Camera Systems are installed and maintained. Nassau County will have the option to direct ATS to relocate any cameras at their sole discretion. ATS and Nassau County will share the cost of any such relocation, with each party paying 50% of the actual costs up to a maximum of a total relocation cost of \$38,000 per camera. The number of camera relocations will be limited to a maximum of 6 intersections per year.

4. Exhibit B is hereby deleted in its entirety and replaced with Exhibit B hereto.

5. County agrees that it will not contract for any red light photo enforcement business, product, or services, other than collection services, with another entity or person during the term of this Agreement.

6. Except as expressly amended or modified by the terms of this Amendment, all terms of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of this Amendment and the Agreement, the terms of this Amendment shall prevail and control.

7. The provisions of this Amendment, including the recitals, comprise all of the terms, conditions, agreements, and representations of the parties with respect to the subject matter hereof. All representations and promises made by any party to another, whether in writing or orally, concerning the subject matter of this Amendment are merged into this Amendment.

8. This Amendment may be executed in one or more counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument. Each party represents and warrants that the representative signing this Amendment on its behalf has all right and authority to bind and commit that party to the terms and conditions of this Amendment.

9. County shall add one (1) additional three (3) year period optional extension for a possible total term of fourteen (14) years.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment.

COUNTY OF _____

By: _____

County Executive

7/19/12

Date

AMERICAN TRAFFIC SOLUTIONS, INC.

By: _____

Michael Bolton,

Chief Operating Officer

4/4/12

Date

STATE OF NEW YORK)

)ss.:

COUNTY OF NASSAU)

On the 19 day of July in the year 2012 before me, the undersigned, a Notary Public in and for said State, personally appeared Richard R. Walker, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Doreen R. Pennica
NOTARY PUBLIC

DOREEN R. PENNICA
NOTARY PUBLIC
STATE OF NEW YORK
COMMISSION NO. 01PE6170832
EXPIRES 7/23/2015

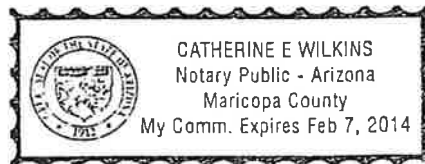
STATE OF ARIZONA)

)ss.:

COUNTY OF MARICOPA)

On the 4th day of April in the year 2012 before me, the undersigned, a Notary Public in and for said State, personally appeared Michael Bolton, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Catherine E. Wilkins
NOTARY PUBLIC



**Exhibit B
Fee Schedule**

Service Fee:

Service Fees are on a contingency fee basis, with County to pay ATS thirty-eight percent (38%) of the total of all fines and penalties collected each month.

Performance Incentives:

In addition to the Service Fees, County will pay ATS:

- (a) an additional one percent (1%) of the total of all fines and penalties collected each month when the program averages nine (9) violations per day per camera; or
- (b) an additional two percent (2%) of the total of all fines and penalties collected each month when the program averages twelve (12) violations per day per camera
- (c) Incentive payments will be calculated and paid based on the results for each quarter, however at yearend a final calculation for the year will be prepared and any resulting cash true-ups will be calculated and paid within 30 days following the end of the year.

Collections fees:

Delinquency collections services may be provided by ATS at the discretion of Nassau County. Fees will be negotiated at that time.

Pro-Ration of Fees:

The County shall not pay a monthly fee for a new Camera System until it is fully installed and operational.

EXHIBIT C

Part One - applies to cameras installed after the execution of Amendment One

	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven	Month Eight	Month Nine	Month Ten	Month Eleven	Month Twelve
Year One	120,000	118,000	116,000	114,000	112,000	110,000	108,000	106,000	104,000	102,000	100,000	98,000
Year Two	96,000	94,000	92,000	90,000	88,000	86,000	84,000	82,000	80,000	78,000	76,000	74,000
Year Three	72,000	70,000	68,000	66,000	64,000	62,000	60,000	58,000	56,000	54,000	52,000	50,000
Year Four	48,000	46,000	44,000	42,000	40,000	38,000	36,000	34,000	32,000	30,000	28,000	26,000
Year Five	24,000	22,000	20,000	18,000	16,000	14,000	12,000	10,000	8,000	6,000	4,000	2,000

Time Periods are calculated from the time a camera is operational and generating live citations.
 Amounts due are the payout due to ATS should the contract be terminated prior to a camera being operational for 5 years.

EXHIBIT C

Part Two -applies to cameras relocated after the execution of Amendment One

	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven	Month Eight	Month Nine	Month Ten	Month Eleven	Month Twelve
Year One	60,000	59,000	58,000	57,000	56,000	55,000	54,000	53,000	52,000	51,000	50,000	49,000
Year Two	48,000	47,000	46,000	45,000	44,000	43,000	42,000	41,000	40,000	39,000	38,000	37,000
Year Three	36,000	35,000	34,000	33,000	32,000	31,000	30,000	29,000	28,000	27,000	26,000	25,000
Year Four	24,000	23,000	22,000	21,000	20,000	19,000	18,000	17,000	16,000	15,000	14,000	13,000
Year Five	12,000	11,000	10,000	9,000	8,000	7,000	6,000	5,000	4,000	3,000	2,000	1,000

Time Periods are calculated from the time a camera is operational and generating live citations.
 Amounts due are the payout due to ATS should the contract be terminated prior to a camera being operational for 5 years.

CONTRACT FOR SERVICES

THIS AGREEMENT (together with the schedules, appendices, attachments and exhibits, if any, this "Agreement"), dated as of the date last executed by the parties (such date, the "Effective Date") is entered into by and between (i) Nassau County, a municipal corporation having its principal office at 1550 Franklin Avenue, Mineola, New York 11501 (the "County"), and (ii) American Traffic Solutions, Inc., a Kansas corporation, having its principal office at [REDACTED] (the "Contractor" or "ATS").

WITNESSETH:

WHEREAS, pursuant to Section 1111-b of the New York State Vehicle and Traffic Law, the County has the authority to adopt a program imposing monetary liability on the owner of a vehicle for failure of an operator thereof to comply with traffic control indications through a system of traffic-control signal photo violation-monitoring devices ("Red Light Camera Program");

WHEREAS, the County wishes to avail itself of the opportunity to develop a Red Light Camera Program to promote public safety;

WHEREAS, in connection with the potential Red Light Camera Program, the County commenced a procurement process by issuing the County's June 9, 2008 RFP No. PW-H62570C entitled "Request for Proposals for Professional services for the Planning, Design, Operation and Management of a Countywide Red Light Violation Camera System";

WHEREAS, the County evaluated the responses received from various proposers, including oral and written presentations, and requested Best and Final Offers ("BAFOs") from the proposers;

WHEREAS, on April 8, 2009, the Contractor submitted, as a result of discussions and negotiations, a final revised BAFO ("the Final Revised BAFO");

WHEREAS, the Final Revised BAFO is the basis upon which the County is prepared to designate the Contractor for the work described herein;

WHEREAS, ATS has the exclusive knowledge, possession and ownership of certain equipment, licenses, and processes, referred to collectively as the "Axis™ System" as defined herein;

WHEREAS, the County desires to use the Axis™ System to monitor and enforce red light violations;

WHEREAS, this is a personal service contract within the intent and purview of Section 2206 of the County Charter;

WHEREAS, the Contractor desires to perform the services described in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained in this Agreement, the parties agree as follows:

1. Definitions. As used in this Agreement, the following words and terms shall have the respective meanings provided below:

(a) "Axis VPS (Violation Processing System) System" shall mean the violation processing system used by ATS and the County to review, process, manage and track red light camera violations captured by the installed Camera Systems. The Axis VPS System is owned by ATS and is accessed by the County by means of remote secure internet connection. ATS does not deliver software to the County that resides on any County computer or server. The Axis VPS

System is operated under an Application Service Provision (ASP) model where remote users log in to process work and perform other duties. For the purposes of Section 6, the Axis VPS system is not deemed a deliverable and no copy of such software program will be provided as backup in electronic form to the County.

(b) "Citation" means a citation or notice of violation or equivalent instrument issued by TPVA relating to a violation documented or evidenced by Axis™.

(c) "Paid Citation" means a situation where the person cited has entered a plea of guilty and paid in full the fine and applicable court costs associated with the particular citation.

(d) "Camera System" means an Axis RLC-300 Red Light Camera System which constitutes a photo-traffic monitoring device consisting of one (1) rear camera, strobe, and traffic monitoring device capable of accurately detecting a traffic infraction on up to four contiguous lanes which records such data with one or more images of such vehicle. Where an intersection requires detection of more than four lanes, an additional Camera System may be installed at that intersection. "Camera System" shall also, where the sense requires, include any enclosure or cabinet and related appurtenances in which the Axis™ RLC-300 Red Light Camera System is stationed.

(e) "Recorded Image" means an image digitally recorded by a Camera System.

(f) "Approach" is defined as one direction of travel of one or more lanes on a road or a traffic intersection up to four (4) contiguous lanes controlled by up to two (2) signal phases.

(g) "Violation" means failure to obey applicable traffic law or regulations governing the failure to obey a traffic signal.

(h) "Violation Incident Monitoring System (VIMS) Analysis" is a statistical assessment of violations rates at suspected problem intersections and approaches to determine the need for a red light system.

(i) "Owner" means the owner(s) of a motor vehicle as shown by the motor vehicle registration records of the motor vehicle department or the analogous agency of another state or country.

(j) "Traffic Control Signal" means a traffic control device that displays alternating red, yellow and green lights intended to direct traffic when to stop at or proceed through and intersection.

(k) "TPVA" shall refer to the Nassau County Traffic & Parking Violations Agency.

(l) "DPW" shall refer to the Nassau County Department of Public Works.

(m) "Operational," as it pertains to the street/field operation of the Red Light Camera Program, shall mean that, under the specifications set forth in this Agreement, the majority of images produced by the Axis System are both READABLE and USEABLE by TPVA. Those images deemed unreadable through no fault of ATS (non-controllable rejections), as determined by the County, shall be deemed as useable for the purposes of assessment of liquidated damages, provided that ATS shall provide for an account of all such images and allow the County to audit.

(n) "Readability" shall refer to the quality of the online images, which must be legible with no uncertainty as to the positions of the vehicle. The numbers and letters of the license plate after the Notice of Violation is printed must also be legible and without uncertainty as to their accuracy.

(o) "Useable" means that images are readable and are free of any technical or mechanical defects.

(p) Operational Date means the date upon which a Camera System installed at the 50th intersection becomes operational.

(q) Project Manager means the single point of contact for either party (County or ATS) that is responsible to maintain the project implementation schedule and to coordinate the activities of the respective departments within each party to the Agreement such that the objectives of the program are met. Each party will designate and maintain a Project Manager.

(r) "Project Business Process Work Flow" means the business process illustration for all steps required to capture, process, and adjudicate each Violation.

(s) "Business Requirements Meeting" means the meeting(s) which will result in the Project Business Process Work Flow.

(t) "Project Timeline" means the milestones to which the parties will agree for the implementation of the program.

2. Term. The term of this Agreement shall be for five (5) years beginning on the Operational Date, or until the lapse of New York State Vehicle and Traffic Law Section 1111-b, which currently is scheduled to expire on December 1, 2014, whichever comes first, unless sooner terminated in accordance with the provisions of this Agreement; provided, however, that if the statute provides for the extension of the Red Light Camera Program, then the County, at its sole option, may renew this Agreement for two additional terms, each of which shall be for a three (3) year period, for a possible total term of eleven (11) years, under the same terms, conditions, and monthly compensation rate as the original five (5) year Agreement. The County will provide the Contractor with sixty (60) days written notice prior to exercising either renewal option.

3. Services. (a) The services to be provided by the Contractor under this Agreement shall consist of all labor, material, and services required to furnish, install, operate, and maintain the Red Light Camera Program in Nassau County, including the use of the Axis System, which services are more fully described in Exhibit A attached hereto and incorporated by reference ("Services"). Prior to implementing the Axis System, Contractor may conduct an analysis of each Approach being considered for a Camera System. If Contractor and the County deem it necessary, Contractor will use the Axis™ VIMS Analysis or other tool or means to complete the analysis over a 4 to 24 hour period. The County will be provided by the Contractor a report on violations recorded at each monitored approach, including the time of day and lanes on which the violations occurred.

(b) Participation by Political Subdivisions. The Contractor agrees that all political subdivisions of New York State and all other entities authorized by law to make such purchases may participate in any award under this bid. These entities shall accept full responsibility for any payments due Contractor for their purchases hereunder.

4. Payment. (a) Amount of Consideration. The Red Light Camera Program will operate without any cost to the County. All fees and other amounts payable to the Contractor by the County shall be payable solely from and to the extent of actual fines and other amounts realized pursuant to Services provided under this Agreement. The amount to be paid to the Contractor shall be payable in accordance with the fee schedule set out in Exhibit B hereto. Unit prices will be fixed for the first two (2) years of the first term and thereafter on each anniversary date of the installation of a Camera System, unit prices will increase by the Consumer Price Index ("CPI"), according to the average

change during the prior 12 months in the Consumer Price Index for All Urban Consumers (CPI-U) for U.S. City average as published by the Bureau of Labor Statistics, U.S. Department of Labor, or by the projections set forth by the Nassau County Office of Management and Budget ("OMB") set forth in Exhibit B, whichever is less.

(b) Vouchers; Voucher Review, Approval and Audit. Payments shall be made to the Contractor in arrears and shall be contingent upon (i) the Contractor submitting a claim voucher (the "Voucher") in a form satisfactory to the County, that (a) states the number of Camera Systems in operation for the month being invoiced, (b) certifies that the services rendered and the payment requested are in accordance with this Agreement, and (c) is accompanied by documentation satisfactory to the County supporting the amount claimed, and (ii) review, approval and audit of the Voucher by the Department and/or the County Comptroller or his or her duly designated representative (the "Comptroller").

(c) Timing of Payment Claims. The Contractor shall submit claims no later than three (3) months following the County's receipt of the services that are the subject of the claim and no more frequently than once a month.

(d) No Duplication of Payments. Payments under this Agreement shall not duplicate payments for any work performed or to be performed under other agreements between the Contractor and any funding source including the County.

(e) Payments in Connection with Termination or Notice of Termination. Unless a provision of this Agreement expressly states otherwise, payments to the Contractor following the termination of this Agreement shall not exceed payments made as consideration for services that were (i) performed prior to termination, (ii) authorized by this Agreement to be performed, and (iii) not performed after the Contractor received notice that the County did not desire to receive such services.

5. Ownership of System. It is understood by the County that the Axis VPS System and Camera System being installed by the Contractor are, and shall remain, the sole property of the Contractor. The Axis VPS System and Camera System are being provided to the County only under the terms and for the term of this Agreement.

6. Right to Works.

(a) Except as noted in subsection (b) below, upon execution of this Agreement, any reports, document, data, designs, drawings, photographs and/or any other material produced pursuant to this Agreement, and any and all drafts and/or other preliminary materials, in any format, to such items, shall become the exclusive property of the County.

(b) Contractor Property or Works. Unless otherwise agreed upon between the parties in this Agreement, the Contractor retains all right, title and interest, including all copyrights, patent rights and trade secret rights, in any pre-existing Contractor property or work, including all intellectual property interests therein. Contractor shall grant the County a non-exclusive, non-transferable, royalty-free, perpetual internal use license to use such Contractor works that are incorporated into the deliverables. As used in this Agreement, the term "Contractor Works" means any of the following: (i) any software program, algorithm, process, methodology, documentation, report, data, flow diagram, document, or other material owned, generated, or distributed by Contractor prior to or separately from this Agreement; or (ii) any tools or utilities developed by or on behalf of the Contractor or used by the Contractor.

(c) The County may make reasonable copies of Contractor Works for back-up and archival purposes in accordance with applicable law. The County shall reproduce such material accurately and include all original copyright and trademark notices, claims of confidentiality or trade secrets, and other proprietary rights notices on all back-up or archival copies. Subject to the other provisions in this subsection 6(c), any copies that the County makes of such Contractor Works shall remain the Contractor's sole property.

(d) County Data. All County data (including, without limitation, all content in any media or format entered into, stored in, and/or susceptible to retrieval from County's computer systems) shall remain the property of the County. Contractor shall not use the County data other than in connection with providing the Services pursuant to this Agreement.

7. Independent Contractor. The Contractor is an independent contractor of the County. The Contractor shall not, nor shall any officer, director, employee, servant, agent or independent contractor of the Contractor (a "Contractor Agent"), be (i) deemed a County employee, (ii) commit the County to any obligation, or (iii) hold itself, himself, or herself out as a County employee or Person with the authority to commit the County to any obligation. As used in this Agreement the word "Person" means any individual person, entity (including partnerships, corporations and limited liability companies), and government or political subdivision thereof (including agencies, bureaus, offices and departments thereof).

8. No Arrears or Default. The Contractor is not in arrears to the County upon any debt or contract and it is not in default as surety, contractor, or otherwise upon any obligation to the County, including any obligation to pay taxes to, or perform services for or on behalf of, the County.

9. Compliance with Law. (a) Generally. The Contractor shall comply with any and all applicable Federal, State and local Laws, including, but not limited to those relating to confidentiality, conflicts of interest, discrimination, a living wage, disclosure of information, and vendor registration, in connection with its performance under this Agreement. In addition, Contractor shall comply with any and all laws, ordinances and regulations governing the use of photo enforcement systems applicable to this Agreement, including, but not limited to, NYS VTL § 1111-b and Title 72 of the Miscellaneous Laws of Nassau County. In furtherance of the foregoing, the Contractor is bound by and shall comply with the terms of Exhibit D (Appendix EE) attached hereto and with the County's vendor registration protocol. As used in this Agreement the word "Law" includes any and all statutes, local laws, ordinances, rules, regulations, applicable orders, and/or decrees, as the same may be amended from time to time, enacted, or adopted.

(b) Nassau County Living Wage Law. Pursuant to LL 1-2006, as amended, and to the extent that a waiver has not been obtained in accordance with such law or any rules of the County Executive, the Contractor agrees as follows:

- (i) Contractor shall comply with the applicable requirements of the Living Wage Law, as amended;
- (ii) Failure to comply with the Living Wage Law, as amended, may constitute a material breach of this Agreement, the occurrence of which shall be determined solely by the County. Contractor has the right to cure such breach within thirty days of receipt of notice of breach from the County. In the event that such breach is not timely cured, the County may terminate this Agreement as well as exercise any other rights available to the County under applicable law.

- (iii) It shall be a continuing obligation of the Contractor to inform the County of any material changes in the content of its certification of compliance, attached as Exhibit E (Appendix L), and shall provide to the County any information necessary to maintain the certification's accuracy.

(c) Records Access. The parties acknowledge and agree that all records, information, and data ("Information") acquired in connection with performance or administration of this Agreement shall be used and disclosed solely for the purpose of performance and administration of the contract or as required by law. The Contractor acknowledges that Contractor Information in the County's possession may be subject to disclosure under Article 6 of the New York State Public Officer's Law ("Freedom of Information Law" or "FOIL"). In the event that such a request for disclosure is made, the County shall make reasonable efforts to notify the Contractor of such request prior to disclosure of the Information so that the Contractor may take such action as it deems appropriate.

10. Confidential Information. (a) Each party hereby agrees (i) to hold and to cause each of such party's agents, employees and representatives to hold the other party's Confidential Information in strict confidence and to take reasonable precautions to protect such Confidential Information including, without limitation, all precautions the receiving party employs with respect to its own confidential materials, (ii) not to divulge any such Confidential Information or any information derived therefrom to any third person; (iii) not to make any use whatsoever at any time of such Confidential Information except as contemplated hereunder, and (iv) not to copy or reverse engineer any such Confidential Information. For purposes of this Section 9(a), "Confidential Information" shall mean, without limitation:

- (i) any information that is specifically marked as "Confidential";
- (ii) information which the County or the Contractor has requested in writing to be kept confidential;
- (iii) information which is disclosed verbally and identified as confidential at the time of disclosure;
- (iv) information which, by its nature, must be kept confidential in order to prevent adverse consequences to either party.

(b) Exceptions to Confidentiality Obligations. "Confidential Information" shall not include information that:

- (i) was already known to the receiving Party prior to disclosure by the disclosing party;
- (ii) is in or has entered the public domain through no breach of this Agreement or other wrongful act of the receiving party,
- (iii) has been rightfully received by the receiving party from a third party and without breach of any obligation of confidentiality of such third party to the owner of the Confidential Information;

(iv) has been approved for release by written authorization of the owner of the Confidential Information; or

(v) has been independently developed by the receiving party. -

(c) Notwithstanding any provision in this Agreement to the contrary, a party may disclose Confidential Information of the other Party to the extent it is required to be disclosed pursuant to (i) Section 9(c) "Compliance with Law: Record Access" or (ii) a valid order or requirement of a governmental agency or court of competent jurisdiction, provided that the owner of the Confidential Information shall be given reasonable notice of such an order or requirement and the opportunity to contest it.

(d) Limitation on the Flow of Information. The parties shall endeavor to give access to the other party's Confidential Information only to such persons who are either bound by a professional duty of confidentiality or who require knowledge of the information as employees, representatives, agents, authorized persons, advisors, officers, or directors of the respective party for orderly conduct of business of the party concerned. Each party shall also require the recipients of the other party's Confidential Information to undertake to keep such Confidential Information secret.

11. Minimum Service Standards. Regardless of whether required by Law: (a) The Contractor shall, and shall cause Contractor Agents to, conduct its, his or her activities in connection with this Agreement so as not to endanger or harm any Person or property.

(b) The Contractor shall deliver services under this Agreement in a professional manner consistent with the best practices of the industry in which the Contractor operates. The Contractor shall take all actions necessary or appropriate to meet the obligation described in the immediately preceding sentence, including obtaining and maintaining, and causing all Contractor Agents to obtain and maintain, all approvals, licenses, and certifications ("Approvals") necessary or appropriate in connection with this Agreement.

(c) In addition to compliance with all laws, ordinances and regulations governing the use of photo enforcement systems applicable to this Agreement, the Contractor shall comply with the maintenance procedures and manufacturer recommendations for operation of the Axis™ equipment which affect this Agreement.

(d) The Contractor shall make reasonable efforts to ensure that no photographs produced by the Axis System shall include images that identify the driver, the passengers, or the contents of a vehicle.

(e) The Contractor shall provide to the County an annual report on the results of the Red Light Camera Program that includes all information required by New York State law.

12. Indemnification; Defense; Cooperation. (a) The Contractor shall be solely responsible for and shall indemnify and hold harmless the County, the Department and its officers, employees, and agents (the "Indemnified Parties") from and against any and all liabilities, losses, costs, expenses (including, without limitation, attorneys' fees and disbursements) and damages ("Losses"), arising out of or in connection with any acts or omissions that result from the negligence or willful misconduct of the Contractor or a Contractor Agent, including, but not limited to, violations of the maintenance procedures and manufacturer recommendations for operation of equipment and Losses in connection with any threatened investigation, litigation or other proceeding or preparing a defense to or prosecuting the same; provided, however, that the Contractor shall not be responsible for that portion, if any, of a Loss that is caused by the negligence or willful misconduct of the County.

(b) The Contractor shall, upon the County's demand and at the County's direction, promptly and diligently defend, at the Contractor's own risk and expense, any and all suits, actions, or proceedings which may be brought out of or in connection with any acts or omissions that result from the negligence or willful misconduct of the Contractor or a Contractor Agent or which are instituted against one or more Indemnified Parties for which the Contractor is responsible under this Section, and, further to the Contractor's indemnification obligations, the Contractor shall pay and satisfy any judgment, decree, loss or settlement in connection therewith.

(c) The Contractor shall, and shall cause Contractor Agents to, cooperate with the County and the Department in connection with the investigation, defense or prosecution of any action, suit or proceeding in connection with this Agreement, including the acts or omissions of the Contractor and/or a Contractor Agent in connection with this Agreement.

(d) The provisions of this Section shall survive the termination of this Agreement.

13. Patent/Copyright/Trademark/Trade Secrets Claims: (a) The Contractor will indemnify, defend and hold the County harmless for any claim for any infringement by the Contractor of any copyright, trade secrets, trademark or patent rights of design systems, drawings, graphs, charts, specifications or printed matter furnished or used by the Contractor in performance of this Agreement. The County shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at the Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of the Contractor. The Contractor shall indemnify and hold the County harmless regardless of whether or not the infringement arises in the course of delivering Services under this Agreement.

(b) In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if the Contractor believes that it may be enjoined, the Contractor shall have the right, at its own expense, to take action in the following order of precedence: (A) to procure for the County the right to continue using such item(s) or part (s) thereof, as applicable; (B) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (C) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (D) if none of the foregoing is commercially reasonable, then provide monetary compensation to the County up to the dollar amount of the aggregate consideration to be paid to the Contractor under this Agreement. The preceding remedies are in addition to and not in lieu of the Contractor's obligation to indemnify and defend the County.

(c) Time is of the essence with respect to every provision of this Agreement in which time of performance is a factor.

(d) The foregoing provisions shall not apply to any infringement occasioned by modification by the County that is (i) not contemplated by the Contractor; (ii) made without the Contractor's approval; or (iii) caused by the use of any deliverable with any adjunct device by the County, unless such use was contemplated or consented to by the Contractor.

(e) In the event that an action at law or equity is commenced against the County arising out of a claim that the County use of a deliverable under this Agreement infringes any patent, copyright or proprietary right and the Contractor is of the opinion that the allegations in such action in whole or in part are not covered by the indemnification and defense provisions set forth in this Agreement, the

Contractor shall immediately notify the County in writing and shall specify to what extent the Contractor believes it is obligated to defend and indemnify under the terms and conditions of this Agreement. The Contractor shall in such event protect the interests of the County and secure a continuance to permit the County to appear and defend its interests in cooperation with the Contractor as is appropriate, including any jurisdictional defenses the County may have.

14. Insurance. (a) Types and Amounts. The Contractor shall obtain and maintain throughout the term of this Agreement, at its own expense: (i) one or more policies for commercial general liability insurance, which policy(ies) shall name "Nassau County" as an additional insured and have a minimum single combined limit of liability of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate coverage, (ii) if contracting in whole or part to provide professional services, one or more policies for professional liability insurance, which policy(ies) shall have a minimum single combined limit liability of not less than one million dollars (\$1,000,000) per claim, (iii) compensation insurance for the benefit of the Contractor's employees ("Workers' Compensation Insurance"), which insurance is in compliance with the New York State Workers' Compensation Law, and (iv) such additional insurance as the County may from time to time specify.

(b) Acceptability; Deductibles; Subcontractors. All insurance obtained and maintained by the Contractor pursuant to this Agreement shall be (i) written by one or more commercial insurance carriers licensed to do business in New York State and acceptable to the County, and which is (ii) in form and substance acceptable to the County. The Contractor shall be solely responsible for the payment of all deductibles to which such policies are subject. The Contractor shall require any subcontractor hired in connection with this Agreement to carry insurance with the same limits and provisions required to be carried by the Contractor under this Agreement.

(c) Delivery; Coverage Change; No Inconsistent Action. Prior to the execution of this Agreement, copies of current certificates of insurance evidencing the insurance coverage required by this Agreement shall be delivered to the Department. Not less than thirty (30) days prior to the date of any expiration or renewal of, or actual, proposed or threatened reduction or cancellation of coverage under, any insurance required hereunder, the Contractor shall provide written notice to the Department of the same and deliver to the Department renewal or replacement certificates of insurance. The Contractor shall cause all insurance to remain in full force and effect throughout the term of this Agreement and shall not take or omit to take any action that would suspend or invalidate any of the required coverages. The failure of the Contractor to maintain Workers' Compensation Insurance shall render this contract void and of no effect. The failure of the Contractor to maintain required coverages shall be deemed a material breach of this Agreement upon which the County reserves the right to consider this Agreement terminated as of the date of such failure.

15. Assignment; Amendment; Waiver; Subcontracting. (a) This Agreement and the rights and obligations hereunder may not be in whole or part (i) assigned, transferred or disposed of, (ii) amended, (iii) waived, or (iv) subcontracted, without the prior written consent of the County Executive or his or her duly designated deputy (the "County Executive"), which consent shall not be unreasonably withheld or delayed, and any purported assignment, other disposal or modification without such prior written consent shall be null and void; however, for the purposes of Contractor business financing purposes, the Contractor may sell, assign, transfer, or convey any interest in this Agreement in whole or in part without the written consent of the County, provided that no such assignments for financing purposes shall release the Contractor, in whole or in part, from its obligation to provide Services pursuant to this Agreement. The failure of a party to assert any of its rights under this Agreement, including the right to demand strict performance, shall not constitute a waiver of such rights.

(b) The County may from time to time consider it in its best interest to change, modify or extend term, conditions or covenants of this Agreement, or request ATS to perform additional services, including the installation of Camera Systems at additional intersections pursuant to amendments in New York State Law, regardless of and without invalidating the process that was used to procure the services enumerated under this Agreement. Any such change, addition, deletion, extension or modification, including any increase or decrease in the amount of ATS's compensation, which are mutually agreed upon by and between the County and ATS shall be incorporated in written amendments (herein called "Amendments") to this Agreement. Such Amendments shall not invalidate, the procurement process or this Agreement nor relieve or release ATS or the County of any of its obligations under this Agreement unless stated therein.

16. Force Majeure. Neither party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, or governmental authorities approval delays which are not caused by any act or omission by the Contractor. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.

17. Termination. (a) Generally. This Agreement may be terminated (i) for convenience, not to be exercised in an arbitrary or capricious manner, by the County upon thirty (30) days' written notice to the Contractor, (ii) by the County upon written notice to the Contractor if for some reason it is determined that the Axis System cannot be made operational to the satisfaction of the County, provided that the County shall give reasonable notice to the Contractor of its reasoning for the determination, and give the Contractor a Forty Five (45) day period to cure the defect, (iii) for "Cause" by the County immediately upon the receipt by the Contractor of written notice of termination, (iv) upon mutual written Agreement of the County and the Contractor, and (v) in accordance with any other provisions of this Agreement expressly addressing termination.

As used in this Agreement the word "Cause" includes: (i) a breach of this Agreement; (ii) the failure to obtain and maintain in full force and effect all Approvals required for the Services described in this Agreement to be legally and professionally rendered; and (iii) the existence of state legislation, a decision by a court of competent jurisdiction, or other change in state or local law or any other circumstances which materially interferes with the terms of this Agreement or the ability to perform its obligations under the terms of this Agreement.

(b) By the Contractor. This Agreement may be terminated by the Contractor if performance becomes impracticable through no fault of the Contractor, including through events described in subsection 17 (a)(iii)(iii), above, where the impracticability relates to the Contractor's ability to perform its obligations and not to a judgment as to convenience or the desirability of continued performance. Termination under this subsection shall be effected by the Contractor delivering to the commissioner or other head of the Department of Public Works (the "Commissioner"), at least sixty (60) days prior to the termination date (or a shorter period if sixty days' notice is impossible), a notice stating (i) that the Contractor is terminating this Agreement in accordance with this subsection, (ii) the date as of which this Agreement will terminate, and (iii) the facts giving rise to the Contractor's right to terminate under this subsection. A copy of the notice given to the Commissioner shall be given to the Deputy County Executive who oversees the administration of the Department (the "Applicable DCE") on the same day that notice is given to the Commissioner.

(c) Contractor Assistance upon Termination. In connection with the termination or impending termination of this Agreement the Contractor shall, regardless of the reason for

termination, take all actions reasonably requested by the County (including those set forth in other provisions of this Agreement) to assist the County in transitioning the Contractor's responsibilities under this Agreement. The provisions of this subsection shall survive the termination of this Agreement. The parties recognize that the County will have to process outstanding traffic law violations at the expiration of the term, and that Contractor accordingly must assist the County in this regard. Accordingly, the parties shall take the following actions, and shall have the following obligations, which survive termination during the wind-down period: The County shall cease using the Axis™ System, shall return or allow Contractor to recover all provided equipment within a reasonable time not to exceed sixty (60) days, and shall not generate further images to be processed. Unless directed by the County not to do so, Contractor shall continue to process all images taken by the County before termination and provide all services associated with processing in accordance with this Agreement, and shall be entitled to all Fees specified in the Agreement as if the Agreement were still in effect. The monthly processing fee includes all tickets taken by the camera through to completion of adjudication or payment.

(d) Liquidated Damages to Contractor. In the event that this Agreement is terminated by the County for reason other than a material breach of this Agreement by the Contractor, the County shall repay to the Contractor an amount of the revenue collected from the program sufficient to cover the Contractor's costs in excess of fees paid to date, but in no event shall the damages paid exceed the revenues collected by the County pursuant to this Agreement.

18. Accounting Procedures; Records. The Contractor shall maintain and retain, for a period of six (6) years following the later of termination of or final payment under this Agreement, complete and accurate records, documents, accounts and other evidence, whether maintained electronically or manually ("Records"), pertinent to performance under this Agreement. Records shall be maintained in accordance with Generally Accepted Accounting Principles and, if the Contractor is a non-profit entity, must comply with the accounting guidelines set forth in the federal Office of Management & Budget Circular A-122, "Cost Principles for Non-Profit Organizations." Such Records shall at all times be available for audit and inspection by the Comptroller, the Department, any other governmental authority with jurisdiction over the provision of services hereunder and/or the payment therefore, and any of their duly designated representatives. The provisions of this Section shall survive the termination of this Agreement.

19. Limitations on Actions and Special Proceedings against the County. No action or special proceeding shall be prosecuted or maintained against the County upon any claims arising out of or in connection with this Agreement unless:

(a) Notice. At least thirty (30) days prior to seeking relief the Contractor shall have presented the demand or claim(s) upon which such action or special proceeding is based in writing to the Applicable DCE for adjustment and the County shall have neglected or refused to make an adjustment or payment on the demand or claim for thirty (30) days after presentment. The Contractor shall send or deliver copies of the documents presented to the Applicable DCE under this Section to each of (i) the Department and the (ii) the County Attorney (at the address specified above for the County) on the same day that documents are sent or delivered to the Applicable DCE. The complaint or necessary moving papers of the Contractor shall allege that the above-described actions and inactions preceded the Contractor's action or special proceeding against the County.

(b) Time Limitation. Such action or special proceeding is commenced within the earlier of (i) one (1) year of the first to occur of (A) final payment under or the termination of this Agreement, and (B) the accrual of the cause of action, and (ii) the time specified in any other provision of this Agreement.

20. Work Performance Liability. The Contractor is and shall remain primarily liable for the successful completion of all work in accordance this Agreement irrespective of whether the Contractor is using a Contractor Agent to perform some or all of the work contemplated by this Agreement, and irrespective of whether the use of such Contractor Agent has been approved by the County.

21. Consent to Jurisdiction and Venue; Governing Law. Unless otherwise specified in this Agreement or required by Law, exclusive original jurisdiction for all claims or actions with respect to this Agreement shall be in the Supreme Court in Nassau County in New York State and the parties expressly waive any objections to the same on any grounds, including venue and forum non conveniens. This Agreement is intended as a contract under, and shall be governed and construed in accordance with, the Laws of New York State, without regard to the conflict of laws provisions thereof.

22. Notices. Any notice, request, demand or other communication required to be given or made in connection with this Agreement shall be (a) in writing, (b) delivered or sent (i) by hand delivery, evidenced by a signed, dated receipt, (ii) postage prepaid via certified mail, return receipt requested, or (iii) overnight delivery via a nationally recognized courier service, (c) deemed given or made on the date the delivery receipt was signed by a County employee, three (3) business days after it is mailed or one (1) business day after it is released to a courier service, as applicable, and (d)(i) if to the Department, to the attention of the Commissioner at the address specified above for the Department, (ii) if to an Applicable DCE, to the attention of the Applicable DCE (whose name the Contractor shall obtain from the Department) at the address specified above for the County, (iii) if to the Comptroller, to the attention of the Comptroller at 240 Old Country Road, Mineola, NY 11501, and (iv) if to the Contractor, to the attention of the person who executed this Agreement on behalf of the Contractor at the address specified above for the Contractor, or in each case to such other persons or addresses as shall be designated by written notice.

23. All Legal Provisions Deemed Included; Severability; Supremacy. (a) Every provision required by Law to be inserted into or referenced by this Agreement is intended to be a part of this Agreement. If any such provision is not inserted or referenced or is not inserted or referenced in correct form then (i) such provision shall be deemed inserted into or referenced by this Agreement for purposes of interpretation and (ii) upon the application of either party this Agreement shall be formally amended to comply strictly with the Law, without prejudice to the rights of either party.

(b) In the event that any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) Unless the application of this subsection will cause a provision required by Law to be excluded from this Agreement, in the event of an actual conflict between the terms and conditions set forth above the signature page to this Agreement and those contained in any schedule, exhibit, appendix, or attachment to this Agreement, the terms and conditions set forth above the signature page shall control. To the extent possible, all the terms of this Agreement should be read together as not conflicting.

(d) Each party has cooperated in the negotiation and preparation of this Agreement. Therefore, in the event that construction of this Agreement occurs, it shall not be construed against either party as drafter.

24. Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

25. Entire Agreement. This Agreement represents the full and entire understanding and agreement between the parties with regard to the subject matter hereof and supersedes all prior agreements (whether written or oral) of the parties relating to the subject matter of this Agreement.

26. Administrative Service Charge. The Contractor agrees to pay the County an administrative service charge of Five Hundred Thirty Three dollars (\$533.00) for the processing of this Agreement pursuant to Ordinance Number 74-1979, as amended by Ordinance Number 128-2006. The administrative service charge shall be due and payable to the County by the Contractor upon signing this Agreement.


27. Executory Clause. Notwithstanding any other provision of this Agreement:

(a) Approval and Execution. The County shall have no liability under this Agreement (including any extension or other modification of this Agreement) to any Person unless (i) all County approvals have been obtained, including, if required, approval by the County Legislature, and (ii) this Agreement has been executed by the County Executive (as defined in this Agreement), and (iii) the County Legislature has effected a Local Law authorizing the County to establish a demonstration Red Light Camera Program.

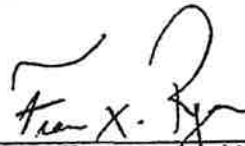
(b) Availability of Funds. The County shall have no liability under this Agreement (including any extension or other modification of this Agreement) to any Person beyond funds appropriated or otherwise lawfully available for this Agreement, and, if any portion of the funds for this Agreement are from the state and/or federal governments, then beyond funds available to the County from the state and/or federal governments.

IN WITNESS WHEREOF, the Contractor and the County have executed this Agreement as of the date first above written.

AMERICAN TRAFFIC SOLUTIONS, INC.

By: 
Name: Adam E. Tuton
Title: Executive Vice President / COO
Date: _____

NASSAU COUNTY

By: 
Name: FRANCIS X. RYAN
Title: Deputy County Executive
Date: June 16, 2007

PLEASE EXECUTE IN BLUE INK

STATE OF ~~NEW YORK~~ Arizona
)ss.:
COUNTY OF ~~NASSAU~~ Maricopa

On the 4th day of MAY in the year 2009 before me personally came Adam T. Johnson to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of MARICOPA; that he or she is the Executive Vice Pres of American Staff Solutions the corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto by authority of the board of directors of said corporation.

Linda M. Welsh
NOTARY PUBLIC



STATE OF NEW YORK
)ss.:
COUNTY OF NASSAU)

On the 16th day of JUNE in the year 2009 before me personally came Francis X. Ryan to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of NASSAU; that he or she is a Deputy County Executive of the County of Nassau, the municipal corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County Government Law of Nassau County.

Barbara Conroy
NOTARY PUBLIC

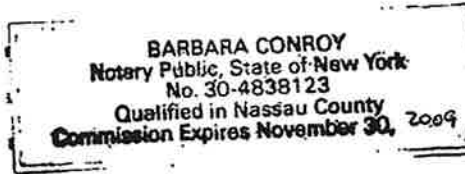


Exhibit A
ATS SCOPE OF WORK

1. AMERICAN TRAFFIC SOLUTIONS (ATS) SCOPE OF WORK

1.2 ATS IMPLEMENTATION

- 1.2.1 ATS agrees to provide Camera Systems, Violation Processing, maintenance and support services to the County wherein all reasonably necessary elements required to implement and operate the specifications required by the County in Exhibit C are the responsibility of ATS, except for those items identified in Section 2 titled "County Scope of Work".
- 1.2.2 ATS agrees to adhere to the following schedule: ATS shall complete installation of fully operational Camera Systems at 20 intersections by September 1, 2009; ATS shall complete installation of fully operational Camera Systems at 20 additional intersections by December 1, 2009; and ATS shall complete installation of fully operational Camera Systems at the remaining 10 initial intersections by February 1, 2010. This schedule is contingent upon the County's ability to meet the milestones and timelines to be established by the project team and a lack of interference from events outside of the control of either party.
- 1.2.3 ATS shall provide installation drawings stamped by a licensed civil engineer. ATS work product and drawings shall be overseen and approved by an ATS Professional Engineer and such deliverables shall reflect the details of installation work to be completed. All plans submitted by ATS shall be subject to written approval by DPW.
- 1.2.4 ATS will assist the County with video evaluation of candidate sites using the Axis VIMS system.
- 1.2.5 ATS will install Camera Systems at a number of intersection approaches, up to the amount allowed by law, to be agreed upon between ATS and the County after completion of site analyses. In addition to any initial locations, the parties may agree from time to time to add to the quantities and locations where Camera Systems are installed and maintained. The costs to move a Camera System within three years of the date the Camera System becomes Operational and invoiceable shall be paid by the County at an agreed upon amount. After the third anniversary of the date a Camera System becomes Operational and invoiceable, ATS will pay Twenty Five percent (25%) of the costs to move a Camera System. The maximum number of moves for which ATS will pay shall be up to fifteen percent (15%) of the total number of Camera Systems installed. All moves are at the option of the County, and subject to available funds. ATS shall fully cooperate with the County when the County desires to move a Camera System, regardless of whether ATS has a financial obligation to pay for part of the move unless it is not technically feasible or uneconomical to perform the requested move in which case an alternate camera site will be discussed and agreed upon.
- 1.2.6 ATS will operate each Camera System on a 24-hour basis, barring downtime for maintenance and normal servicing activities.
- 1.2.7 ATS will assist the County with the following public information and outreach campaign strategies upon prior written approval by the County:

- 1.2.7.1 At the beginning of the contract, ATS' in-house Communications Department will provide a Public Awareness Toolkit to the County. The toolkit will consist of templates and samples of the following items:
 - 1.2.7.1.1 Press releases (for all phases of the photo enforcement program).
 - 1.2.7.1.2 Informative public education pamphlets in English, Spanish and other languages.
 - 1.2.7.1.3 Engaging and educational website content for the County's website.
 - 1.2.7.1.4 Materials for media events
 - 1.2.7.1.5 Commonly requested media items, such as sample video clips and images of our camera system.
 - 1.2.7.1.6 Content ideas for public service announcements
 - 1.2.7.1.7 Public Relations support.
 - 1.2.7.1.8 Public opinion poll content (i.e. instrument that can be used for polling).

In addition, depending upon the agreed-upon strategy, ATS may pay for agreed upon expenditures for public relations consultants, advertising, or media relations provided that such expenditures will be reimbursed to ATS from collected revenues.

- 1.2.8 ATS agrees to provide a secure web site with a URL as approved by the County (e.g., www.nassaucountyviolationinfo.com) accessible to citation recipients (defendants) by means of a Notice # and a PIN, which will allow violation image and video viewing. Design of the web site is subject to approval by TPVA.
- 1.2.9 The County name, County seal, logo, or any indicia of County endorsement by ATS, whether on the ATS web site, marketing materials, signage, Notices of Violation, or any other media approved by the County, shall only be used as necessary to provide the Services under this Agreement and shall require prior written approval by the County.
- 1.2.10 The County and ATS will complete the Project Business Process Work Flow design in the Business Requirements Meeting(s) within 30 calendar days of contract signature.
- 1.2.11 ATS shall, at minimum, or with such greater frequency as is reasonably necessary to comply with the standard of care provided in section 11, Minimum Services Standards, of this Agreement, provide technician site visits to each Camera System once per month to perform preventive maintenance checks consisting of camera enclosure lens cleaning; camera, strobe and controller enclosure cleaning; inspection of exposed wires; and general system inspection and maintenance.
- 1.2.12 ATS shall repair a non-functional Camera System within 48 hours of determination of a malfunction. Non-functional means unable to capture any violations. However, if as a result of vandalism, accident, or weather, damage to field equipment is of such a

degree of severity, as to require replacement of pole, wiring, or conduit, a five day grace period may be granted, at the reasonable discretion of the County, if such damages are reported to the Department of Public Works by the beginning of the following business day. "Grace Period" shall mean that the down time will not be subject to liquidated damages.

1.2.13 ATS shall at all times maintain the integrity and reasonable clarity of all photographs taken pursuant to this Agreement.

1.2.14 ATS shall repair the Axis VPS System within 1 business day from the time of the outage. Outages of County internet connections or infrastructure are excluded from this service level.

1.2.15 For any use of ATS lockbox or epayment services, ATS shall work with the County Treasurer to establish a demand deposit account in Nassau County's name at U.S. Bank. All funds collected on behalf of the County will be deposited in this account and transferred by wire daily to the County's primary deposit bank. The County will identify the account to receive funds wired from U.S. Bank. County shall sign a W-9 and blocked account agreement, to be completed by the County, to ensure the County's financial interest in said U.S. Bank account is preserved.

1.3 ATS OPERATIONS

1.3.1 ATS shall provide the County with an optional one-time warning period up to 30 days in length at the outset of the program, to be provided at the sole discretion of the County.

1.3.2 ATS shall provide the County with an automated web-based citation processing system (Axis™ VPS) including image processing, 1st notice color printing and mailing of one color Citation or Notice of Violation per chargeable event and a mailing of a text only reminder notice. Each Citation or Notice of Violation shall be delivered by First Class mail to the registered owner within the statutory period. Mailings to owners responding to first notices identifying drivers in affidavits of non-liability or by rental car companies are also included according to each pricing option.

1.3.3 Subsequent notices (such as pre-collection letters) may be delivered by First Class or other mail means for additional compensation to ATS as agreed by the parties in Exhibit B.

1.3.4 All notices shall be printed with appropriate text approved by TPVA. Text for each notice after the first notice shall be unique, reflecting the change in fines as well as appropriate wording to notify violators of steps that will be taken if the notice is ignored,

1.3.5 ATS shall apply an electronic signature to the citation when authorized to do so by TPVA. With respect to any electronic signatures, ATS shall follow the recommendations of the NYS Office of Technology and retain, at a minimum, documentation of: signer's identity, process used to identify and authenticate the person, date and time an individual was authenticated, signer's intent, and the date and time that the signing process was completed, as well any other information required by law.

1.3.6 ATS shall provide sufficient training, in TPVA's sole discretion, and provide all training materials necessary to train TPVA employees in the use of the Axis System. Training

shall take place at a site designated by TPVA after all equipment and software has been substantially tested by ATS and is ready for operation.

- 1.3.7 ATS shall obtain in-state vehicle registration information necessary to issue citations assuming that the County executes the ATS DMV Subscriber Services Agreement (Exhibit F).
- 1.3.8 ATS shall seek records from out-of-state vehicle registration databases and apply records found to Axisis to issue citations for the County at no additional cost.
- 1.3.9 ATS shall provide the ability to export tickets deemed delinquent until such time as the County's new Case Management System is in place. The expectation is for the new Case Management system to be in place around June 2010. If the County and ATS agree that ATS will pursue delinquent collections, the County would require reporting information on the collection activities, at a rate agreed upon by both parties. If the County does not require ATS to pursue delinquent collections, then ATS shall provide an export of delinquent tickets during the period prior to the implementation of the new Case Management System. Furthermore, ATS shall provide an on-line court processing module, which will enable the court to review cases, related images, correspondence and other related information required to adjudicate the disputed citation.
- 1.3.10 ATS shall integrate with the County's new Case Management System through a two-way interface. The two-way interface will export from ATS all violations issued. The export will also provide any updates to the violations (including but not limited to payments, address updates, responsible motorist updates). The ATS imports will include information relating to resolved tickets (including but not limited to payments, conferences, trials, dispositions). Any costs charged by a third party vendor to integrate the ATS system to a court computer system shall be borne by the County. ATS may agree to cover these up front costs and recover the costs from the collected revenue in addition to its normal fees.
- 1.3.11 ATS will provide the Axisis™ VPS system, which provides the County with the ability to run and print any and all reports required by the County. Such reports must provide information necessary for the County to perform an audit of the efficacy of the Axisis System for purposes of quality assurance and quality control.
- 1.3.12 ATS shall retain all images and data obtained through the Axisis System and/or Camera System(s), including rejected or non-printed images. Images shall be retrieved by ATS upon request by the County. If the County requires images that have been archived on compact disc, ATS shall arrange for the discs to be delivered to the County within a reasonable time.
- 1.3.13 If required by TPVA in its sole discretion, ATS shall provide the County with, or train a local expert witness able to testify in Court on matters relating to the accuracy, technical operations, and effectiveness of the Axisis™ System until judicial notice is taken.
- 1.3.14 In those instances where damage to a Camera System or sensors is caused by negligence on the part of the County or its authorized agent(s), ATS will provide County an estimate of the cost of repair. Upon authorization to proceed with the repairs or replacement, ATS shall replace or repair any damaged equipment and invoice for the

pre-approved repair cost. ATS shall bear the cost to replace or repair equipment damaged in all other circumstances.

1.3.15 ATS shall provide a help line to help the County resolve any problems encountered regarding its Red Light Camera System and/or citation processing. The help line shall function, at a minimum, during TPVA business hours.

1.3.16 ATS shall provide a help line available to the County DPW to resolve any issues relating to public safety or equipment malfunctions on a twenty-four hour per day, seven day a week basis.

1.3.17 ATS shall provide an inbound call center to respond to motorist inquiries regarding notifications received from ATS, to operate during TPVA business hours. The call center shall also be equipped to handle payments made over the telephone.

1.3.18 As part of its turnkey system, ATS shall provide violators with the ability to view violations online. This online viewing system shall include a link to the ATS payment website(s) and may offer the opportunity to download an affidavit of non-liability online. Online obtained affidavits, if approved by TPVA, shall be directed to and processed by ATS and forwarded to TPVA via the Axis VPS transfer described above.

1.3.19 ATS shall provide payment processing services including mail, telephone, and web payments.

2. COUNTY SCOPE OF WORK

2.2 GENERAL IMPLEMENTATION REQUIREMENTS

2.2.1 Within 7 business days of contract execution, the County shall provide ATS with the name and contact information for a Project Manager with authority to coordinate County responsibilities under the Agreement.

2.2.2 Within 7 business days of contract execution, the County shall provide ATS with the name and contact information for a TPVA manager responsible for oversight of all Court-related program requirements

2.2.3 The County shall adhere to the Project Time Line to be agreed upon between the parties.

2.2.4 The County shall direct the appropriate TPVA official to execute the ATS DMV Subscriber Services Agreement (Exhibit F) to provide verification to the State Department of Motor Vehicles, National Law Enforcement Telecommunications System, or appropriate authority indicating that ATS is acting as an Agent of the County for the purposes of accessing vehicle ownership data pursuant to the list of permissible uses delineated in the Drivers Privacy Protection Act 18 U.S.C. § 2721, Section (b) (1) and as may otherwise be provided or required by any provision of applicable state law.

2.2.5 The County and ATS shall complete the Project Business Process Work Flow design within 30 calendar days of contract signature.

2.3 STREETS AND TRAFFIC DEPARTMENT OPERATIONS

- 2.3.1 County will design, fabricate, install and maintain red light camera warning signs in its sole discretion.
- 2.3.2 The County shall provide a traffic signal inspector who shall provide access to traffic signal phase connections according to DPW-approved design plans.
- 2.3.3 County shall allow ATS to access power from existing power sources at no cost, to the extent the County is not charged for this additional use, with any additional charges to be paid by ATS, and shall allow or facilitate access to traffic signal phase connections to a pull box, pole base, or controller cabinet nearest to each Camera System within the County's jurisdiction. The costs of any additional conduit or power infrastructure needed to support installation of the Camera System shall be funded by ATS.
- 2.3.4 The County shall not charge ATS or its subcontractor for building, constructions, street use and/or pole attachment permits.

2.4 TPVA OPERATIONS

- 2.4.1 TPVA shall process each potential violation in accordance with State Laws and/or County Ordinances within a reasonable time of its appearance in the TPVA review queue, using Axis™ to determine which violations will be issued as Citations or Notices of Violation.
- 2.4.2 TPVA workstation computer monitors for citation review and approval should provide a resolution of 1280 x 1024.
- 2.4.3 For optimal data throughput, TPVA workstations should be connected to a high-speed internet connection with bandwidth of T-1 or greater.
- 2.4.4 TPVA shall provide signatures of all authorized users who will review events and approve citations on forms provided by ATS. ATS will scan the signatures and upload them into the Axis VPS System.

2.5 TPVA OPERATIONS

- 2.5.1 TPVA shall provide a Judicial Hearing Officer and court facilities to schedule and hear disputed citations.
- 2.5.2 TPVA shall provide the specific text required to be placed on the Citation notice to be issued by ATS within 30 calendar days of execution of this Agreement. ATS shall design the Citation form and submit to TPVA for approval within 15 days of receipt from TPVA.
- 2.5.3 TPVA shall approve the Citation form within 15 days of receipt from ATS.
- 2.5.4 TPVA shall handle inbound and outbound phone calls and correspondence from defendants who have questions about disputes, and other issues relating to citation adjudication; provided, however, that ATS shall handle all such calls and correspondence relating to the technical aspects of the citation or payment
- 2.5.5 Within a reasonable time after TPVA receives notice from ATS of an expiration of a second notice, TPVA, in its sole discretion, may pursue delinquent collections of unpaid notices with an existing contractor or ATS. If TPVA elects to have ATS pursue

delinquent collections, the County shall pay ATS pursuant to the rates outlined in Schedule B.

2.5.6 Any potential, one time, direct costs to ATS to develop an interface between the TPVA system will be initially paid by ATS and any such costs will be reimbursed to ATS from collected revenues in addition to its normal fees, under the same terms and conditions that apply to this Agreement, with the costs to be mutually agreed upon by the County and ATS.

2.6 INFORMATION TECHNOLOGY DEPARTMENT OPERATIONS

2.6.1 In the event that remote access to the ATS Axis VPS System is blocked by County network security infrastructure, the County's Department of Information Technology shall coordinate with ATS to facilitate appropriate communications while maintaining required security measures.

EXHIBIT B – FEE SCHEDULE

Monthly fee per approach - \$4,750

A \$500 per month discount will be applied per camera for each month during the first 12 months after installation, provided that the camera is installed during the first 12 months after the Effective Date.

Fee includes red light camera equipment for a 4-lane approach with up to 2 signal phases, installation, removal, maintenance, violation processing services, DMV records access, mailing of 1st notice in color with return envelope, mailing of 2nd notice, lockbox payment processing, web-payments access with convenience fee, call center support for general program questions and public awareness program support. A \$4 convenience fee will be added to each payees transaction for e-payment access (there is no cost to the County). The convenience fee shall cover the cost of processing of credit card payments and shall not produce revenue for ATS. ATS shall also provide e-checking payment processing (ACH) at the option of the County.

OMB Inflation Projections:

First year of installation	\$4,250/month
Second year	\$4,750/month
Third year	\$4,821/month (increase of 1.5%)
Fourth year	\$4,918/month (increase of 2.0%)
Fifth year	\$5,050/month (increase of 2.7%)

If this Agreement is renewed past the initial term, OMB shall revise its projections for the additional term(s).

Collections fees:

Delinquency collections services shall be provided for 30% of recovered revenue., at no cost to the County. It shall be the County's sole option to decide whether ATS shall pursue delinquent collections.

Pro-Ration of Fees:

The County shall not pay any monthly fee until Camera Systems are fully installed and operational. In addition, for each day the installation of a camera is delayed pursuant to the schedule set forth in Section 1.2.2 of the Scope of Work, the County will receive an equal amount of days of use at no cost. For example, if the first camera is installed on September 15, 2009, the County shall receive 15 days of service, beginning September 15, 2009, until September 30, 2009, without charge.

Liquidated Damages:

For any 24-hour period the Axis System or Camera System is deemed not Operational, beyond what is allowed pursuant to Sections 1.2.12 and 1.2.14 of the Scope of Work, the County shall receive a discount of one thirtieth of the Monthly Fee for the subject Camera System. If, however, the total elapsed time exceeds 7 days beyond what is allowed pursuant to Sections 1.2.12 and 1.2.14 of the Scope of Work, the County shall receive a discount of Five Hundred Dollars (\$500.00) per day, to be subtracted from the County's monthly per camera fee, not to exceed the total amount of the monthly fee for any particular camera.

EXHIBIT C – DETAILED SPECIFICATIONS

1. Any deviation in terms 1.2.12 through 1.2.14 of the Scope of Work is cause to deem the Camera System NON-OPERATIONAL for that time period and may result in the assessment of liquidated damages.

2. Placement of the Camera: Movement of a camera or cameras from one location to an alternate location shall occur only upon the direction of the County. Camera placement shall be such that the following information is readily available in each image:

- (a) Full image of vehicle prior to its entering the crosswalk or crossing the stop bar.
- (b) Full image of vehicle completely passed the crosswalk or stop bar.
- (c) At least one Red Light indication from a traffic signal pole.
- (d) Placement and calibration of the piezo or other detection solution as to accomplish items (a), (b), and (c) above.
- (e) Each camera shall have the capability of capturing up to four moving lanes.
- (f) Initial picture is to be taken after 0.3 seconds has elapsed into the red phase, or such time as directed by TPVA.
- (g) Second picture must be automatically taken capturing vehicle in the middle of the intersection. The middle of the intersection shall be determined by mutual agreement between TPVA and the Contractor.
- (h) Each frame shall also contain a data box with the following information clearly written across the top.
 - I. Time (HH:MM:SS) (Military Time)
 - II. Date (MM.DD.YY) (American Format)
 - III. Seconds into red (00.00)
 - IV. Location ID (00)
 - V. Camera ID

3. Field/Street Operation. Except where noted otherwise, the Contractor shall furnish all equipment, material, and labor necessary to install and maintain all Red Light Camera locations within the County. The equipment, material, and labor required pursuant to this section shall include but shall not be limited to:

- 1. Pole and base, foundation, conduit, and wiring.
- 2. Sensing devices and associated equipment necessary for hookup to the appropriate red phase to be monitored. A Nassau County Traffic Signal Inspector must be present and sign off prior to hookup of the equipment listed herein.
- 3. A fully detailed 20 scale drawing showing all wiring and pole locations with appropriate distance and footage duly noted must be supplied, for each location, for approval before installation can begin.

3. The Contractor shall perform the work so as not to unnecessarily interfere with or delay vehicular and pedestrian traffic and so that not less than one lane of traffic shall be kept moving in each direction of movement permitted by traffic regulations. In order to avoid traffic congestion or accident hazards, the Project Manager may direct that the work shall be performed so as not to interfere with traffic in any way during all or part of the weekday periods from 7 AM to 9 AM and from 4 PM to 7 PM and during any other periods of unusual peak traffic movement.

4. Maintenance. Qualified and trained maintenance technicians supplied by the Contractor shall perform all maintenance. Each scheduled service call shall be accompanied by a complete preventive maintenance check including, but not limited to, calibration, positioning, cleaning, and any other necessary check to ensure the proper operation of the cameras, flash, and traffic detection units. A certified ATS technician shall perform all field work. Any electrical wiring or installation shall be performed or overseen by a licensed electrical engineer. The Contractor is responsible for all labor, material, and parts necessary to maintain all cameras and office equipment in optimum operating condition within the time frames specified in this Agreement. ATS shall remotely monitor all cameras on a continuous and daily basis and visit each camera at least once per month for preventive maintenance purposes.

Exhibit D
Appendix EE
Equal Employment Opportunities for Minorities and Women

The provisions of this Appendix EE are hereby made a part of the document to which it is attached.

The Contractor shall comply with all federal, State and local statutory and constitutional anti-discrimination provisions. In addition, Local Law No. 14-2002, entitled "Participation by Minority Group Members and Women in Nassau County Contracts," governs all County Contracts as defined herein and solicitations for bids or proposals for County Contracts. In accordance with Local Law 14-2002:

(a) The Contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status in recruitment, employment, job assignments, promotions, upgradings, demotions, transfers, layoffs, terminations, and rates of pay or other forms of compensation. The Contractor will undertake or continue existing programs related to recruitment, employment, job assignments, promotions, upgradings, transfers, and rates of pay or other forms of compensation to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

(b) At the request of the County contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, union, or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability, or marital status and that such employment agency, labor union, or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.

(c) The Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the County Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

(d) The Contractor shall make best efforts to solicit active participation by certified minority or women-owned business enterprises ("Certified M/WBEs") as defined in Section 101 of Local Law No. 14-2002, for the purpose of granting of Subcontracts.

(e) The Contractor shall, in its advertisements and solicitations for Subcontractors, indicate its interest in receiving bids from Certified M/WBEs and the requirement that Subcontractors must be equal opportunity employers.

(f) Contractors must notify and receive approval from the respective Department Head prior to issuing any Subcontracts and, at the time of requesting such authorization, must submit a signed Best Efforts Checklist.

(g) Contractors for projects under the supervision of the County's Department of Public Works shall also submit a utilization plan listing all proposed Subcontractors so that, to the greatest extent feasible, all Subcontractors will be approved prior to commencement of work. Any additions or changes to the list of subcontractors under the utilization plan shall be approved by the Commissioner of the Department of Public Works when made. A copy of the utilization plan any

additions or changes thereto shall be submitted by the Contractor to the Office of Minority Affairs simultaneously with the submission to the Department of Public Works.

(h) At any time after Subcontractor approval has been requested and prior to being granted, the contracting agency may require the Contractor to submit Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises. In addition, the contracting agency may require the Contractor to submit such documentation at any time after Subcontractor approval when the contracting agency has reasonable cause to believe that the existing Best Efforts Checklist may be inaccurate. Within ten working days (10) of any such request by the contracting agency, the Contractor must submit Documentation.

(i) In the case where a request is made by the contracting agency or a Deputy County Executive acting on behalf of the contracting agency, the Contractor must, within two (2) working days of such request, submit evidence to demonstrate that it employed Best Efforts to obtain Certified M/WBE participation through proper documentation.

(j) Award of a County Contract alone shall not be deemed or interpreted as approval of all Contractor's Subcontracts and Contractor's fulfillment of Best Efforts to obtain participation by Certified M/WBEs.

(k) A Contractor shall maintain Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises for a period of six (6) years. Failure to maintain such records shall be deemed failure to make Best Efforts to comply with this Appendix EE, evidence of false certification as M/WBE compliant or considered breach of the County Contract.

(l) The Contractor shall be bound by the provisions of Section 109 of Local Law No. 14-2002 providing for enforcement of violations as follows:

- a. Upon receipt by the Executive Director of a complaint from a contracting agency that a County Contractor has failed to comply with the provisions of Local Law No. 14-2002, this Appendix EE or any other contractual provisions included in furtherance of Local Law No. 14-2002, the Executive Director will try to resolve the matter.
- b. If efforts to resolve such matter to the satisfaction of all parties are unsuccessful, the Executive Director shall refer the matter, within thirty days (30) of receipt of the complaint, to the American Arbitration Association for proceeding thereon.
- c. Upon conclusion of the arbitration proceedings, the arbitrator shall submit to the Executive Director his recommendations regarding the imposition of sanctions, fines or penalties. The Executive Director shall either (i) adopt the recommendation of the arbitrator (ii) determine that no sanctions, fines or penalties should be imposed or (iii) modify the recommendation of the arbitrator, provided that such modification shall not expand upon any sanction recommended or impose any new sanction, or increase the amount of any recommended fine or penalty. The Executive Director, within ten days (10) of receipt of the arbitrators award and recommendations, shall file a determination of such matter and shall cause a copy of such determination to be served upon the respondent by personal service or by certified mail return receipt requested. The award of the arbitrator, and the fines and penalties imposed by the Executive Director, shall be final determinations and may only be vacated or modified as provided in the civil practice law and rules ("CPLR").

(m) The contractor shall provide contracting agency with information regarding all subcontracts awarded under any County Contract, including the amount of compensation paid to each Subcontractor and shall complete all forms provided by the Executive Director or the Department Head relating to subcontractor utilization and efforts to obtain M/WBE participation.

Failure to comply with provisions (a) through (m) above, as ultimately determined by the Executive Director, shall be a material breach of the contract constituting grounds for immediate termination. Once a final determination of failure to comply has been reached by the Executive Director, the determination of whether to terminate a contract shall rest with the Deputy County Executive with oversight responsibility for the contracting agency.

Provisions (a), (b) and (c) shall not be binding upon Contractors or Subcontractors in the performance of work or the provision of services or any other activity that are unrelated, separate, or distinct from the County Contract as expressed by its terms.

The requirements of the provisions (a), (b) and (c) shall not apply to any employment or application for employment outside of this County or solicitations or advertisements therefor or any existing programs of affirmative action regarding employment outside of this County and the effect of contract provisions required by these provisions (a), (b) and (c) shall be so limited.

The Contractor shall include provisions (a), (b) and (c) in every Subcontract in such a manner that these provisions shall be binding upon each Subcontractor as to work in connection with the County Contract.

As used in this Appendix EE the term "Best Efforts Checklist" shall mean a list signed by the Contractor, listing the procedures it has undertaken to procure Subcontractors in accordance with this Appendix EE.

As used in this Appendix EE the term "County Contract" shall mean (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of twenty-five thousand dollars (\$25,000), whereby a County contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the County; or (ii) a written agreement in excess of one hundred thousand dollars (\$100,000), whereby a County contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon. However, the term "County Contract" does not include agreements or orders for the following services: banking services, insurance policies or contracts, or contracts with a County contracting agency for the sale of bonds, notes or other securities.

As used in this Appendix EE the term "County Contractor" means an individual, business enterprise, including sole proprietorship, partnership, corporation, not-for-profit corporation, or any other person or entity other than the County, whether a contractor, licensor, licensee or any other party, that is (i) a party to a County Contract, (ii) a bidder in connection with the award of a County Contract, or (iii) a proposed party to a County Contract, but shall not include any Subcontractor.

As used in this Appendix EE the term "County Contractor" shall mean a person or firm who will manage and be responsible for an entire contracted project.

As used in this Appendix EE "Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises" shall include, but is not limited to the following:

- a. Proof of having advertised for bids, where appropriate, in minority publications, trade newspapers/notices and magazines, trade and union publications, and publications of general circulation in Nassau County and surrounding areas or having verbally solicited M/WBEs whom the County Contractor reasonably believed might have the qualifications to do the work. A copy of the advertisement, if used, shall be included to demonstrate that it contained language indicating that the County Contractor welcomed bids and quotes from M/WBE Subcontractors. In addition, proof of the date(s) any such advertisements appeared must be included in the Best Effort Documentation. If verbal solicitation is used, a County Contractor's affidavit with a notary's signature and stamp shall be required as part of the documentation.
- b. Proof of having provided reasonable time for M/WBE Subcontractors to respond to bid opportunities according to industry norms and standards. A chart outlining the schedule/time frame used to obtain bids from M/WBEs is suggested to be included with the Best Effort Documentation
- c. Proof or affidavit of follow-up of telephone calls with potential M/WBE subcontractors encouraging their participation. Telephone logs indicating such action can be included with the Best Effort Documentation
- d. Proof or affidavit that M/WBE Subcontractors were allowed to review bid specifications, blue prints and all other bid/RFP related items at no charge to the M/WBEs, other than reasonable documentation costs incurred by the County Contractor that are passed onto the M/WBE.
- e. Proof or affidavit that sufficient time prior to making award was allowed for M/WBEs to participate effectively, to the extent practicable given the timeframe of the County Contract.
- f. Proof or affidavit that negotiations were held in good faith with interested M/WBEs, and that M/WBEs were not rejected as unqualified or unacceptable without sound business reasons based on (1) a thorough investigation of M/WBE qualifications and capabilities reviewed against industry custom and standards and (2) cost of performance. The basis for rejecting any M/WBE deemed unqualified by the County Contractor shall be included in the Best Effort Documentation
- g. If an M/WBE is rejected based on cost, the County Contractor must submit a list of all sub-bidders for each item of work solicited and their bid prices for the work.
- h. The conditions of performance expected of Subcontractors by the County Contractor must also be included with the Best Effort Documentation
- i. County Contractors may include any other type of documentation they feel necessary to further demonstrate their Best Efforts regarding their bid documents.

As used in this Appendix EE the term "Executive Director" shall mean the Executive Director of the Nassau County Office of Minority Affairs; provided, however, that Executive Director shall include a designee of the Executive Director except in the case of final determinations issued pursuant to Section (a) through (i) of these rules.

As used in this Appendix EE the term "Subcontract" shall mean an agreement consisting of part or parts of the contracted work of the County Contractor.

As used in this Appendix EE, the term "Subcontractor" shall mean a person or firm who performs part or parts of the contracted work of a prime contractor providing services, including construction services, to the County pursuant to a county contract. Subcontractor shall include a person or firm that provides labor, professional or other services, materials or supplies to a prime contractor that are necessary for the prime contractor to fulfill its obligations to provide services to the County pursuant to a county contract. Subcontractor shall not include a supplier of materials to a contractor who has contracted to provide goods but no services to the County, nor a supplier of incidental materials to a contractor, such as office supplies, tools and other items of nominal cost that are utilized in the performance of a service contract.


Provisions requiring contractors to retain or submit documentation of best efforts to utilize certified subcontractors and requiring Department head approval prior to subcontracting shall not apply to inter-governmental agreements. In addition, the tracking of expenditures of County dollars by not-for-profit corporations, other municipalities, States, or the federal government is not required.

**Exhibit E
Appendix L**

Certificate of Compliance

In compliance with Local Law 1-2006, as amended (the "Law"), the Contractor hereby certifies the following:

1. The chief executive officer of the Contractor is:

_____ James D. Tuton _____ (Name)
_____  _____ (Address)
_____ _____ (Telephone Number)

2. The Contractor agrees to either (1) comply with the requirements of the Nassau County Living Wage Law or (2) as applicable, obtain a waiver of the requirements of the Law pursuant to section 9 of the Law. In the event that the contractor does not comply with the requirements of the Law or obtain a waiver of the requirements of the Law, and such contractor establishes to the satisfaction of the Department that at the time of execution of this agreement, it had a reasonable certainty that it would receive such waiver based on the Law and Rules pertaining to waivers, the County will agree to terminate the contract without imposing costs or seeking damages against the Contractor

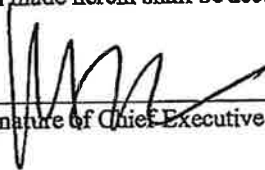
3. In the past five years, Contractor _____ has X has not been found by a court or a government agency to have violated federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If a violation has been assessed against the Contractor, describe below:

4. In the past five years, an administrative proceeding, investigation, or government body-initiated judicial action _____ has X has not been commenced against or relating to the Contractor in connection with federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If such a proceeding, action, or investigation has been commenced, describe below:

5. Contractor agrees to permit access to work sites and relevant payroll records by authorized County representatives for the purpose of monitoring compliance with the Living Wage Law and investigating employee complaints of noncompliance.

I hereby certify that I have read the foregoing statement and, to the best of my knowledge and belief, it is true, correct and complete. Any statement or representation made herein shall be accurate and true as of the date stated below.

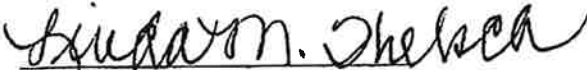
Dated 5/4/09


Signature of Chief Executive Officer

James D. Tuton
Name of Chief Executive Officer

Sworn to before me this

4th day of May, 2009


Notary Public



**Exhibit F
DMV Subscriber Agreement**



DMV Services Subscriber Agreement

ATS requires that your agency certify the intended use of the information made available to your agency through our services and that such uses are in compliance with the Federal Driver's Privacy Protection Act Title XXXI and other applicable laws governing dissemination of public records. Based on your agency's intended use of such information, ATS will either grant permission to use the service or deny the application. Please specify any of the following permissible uses under §2721 that apply:

- (1) For use by any government agency, including any court of law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a Federal, State or local agency in carrying out its functions.
- (4) For use in connection with any civil, criminal, administrative, or arbitral proceeding in any Federal, State, or local court or agency or before any self-regulatory body, including the service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a Federal, State, or local court.
- (7) For use in providing notice to the owners of towed or impounded vehicles.
- (10) For use in connection with the operation of private toll transportation facilities.

In consideration of ATS making its Services available, Subscriber agrees to (i) utilize ATS provided data only for the purpose(s) specified above; and (ii) request such information only for the Subscriber's exclusive use in the ordinary course of Subscriber's business and not for resale.

I certify that I am authorized to execute the Subscriber Use Certification on behalf of the Subscriber listed below. On behalf of such Subscriber, I certify that the above statements are true and correct. Subscriber acknowledges and agrees that ATS may from time to time audit Subscriber's use of ATS's Services to ensure that such use is consistent with the intended uses set forth above and with all applicable laws.

This agreement shall be for _____ year(s) commencing on the date below and shall automatically renew annually. This agreement may be terminated within 30 days notice of the anniversary date, annually.

SUBSCRIBER INFORMATION					
Subscriber Agency/Name					
NLETS Agency ORI					
Name of Authorized Representative					
Title of Authorized Representative					
Mailing Address:					
City		State:		ZIP Code:	
Telephone:	() -	Fax	() -	Email	
Signature of Authorized Representative:					
Date Signed					



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/03/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH RISK & INSURANCE SERVICES [REDACTED] CN138000917-GAUWC-25-25	CONTACT NAME: _____ PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Federal Insurance Company</td> <td>20281</td> </tr> <tr> <td>INSURER B: Chubb National Insurance Co.</td> <td>10052</td> </tr> <tr> <td>INSURER C: Indian Harbor Insurance Company</td> <td>36940</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Federal Insurance Company	20281	INSURER B: Chubb National Insurance Co.	10052	INSURER C: Indian Harbor Insurance Company	36940	INSURER D:		INSURER E:		INSURER F:
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INSURER E:														
INSURER F:														
INSURED Verra Mobility Corporation [REDACTED]														

COVERAGES **CERTIFICATE NUMBER:** SEA-004025030-08 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER: _____		[REDACTED]	07/01/2025	07/01/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY		[REDACTED]	07/01/2025	07/01/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ _____ BODILY INJURY (Per accident) \$ _____ PROPERTY DAMAGE (Per accident) \$ 25,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$ _____		[REDACTED]	07/01/2025	07/01/2026	EACH OCCURRENCE \$ 15,000,000 AGGREGATE \$ 15,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	07/01/2025	07/01/2026	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Cyber/Professional Liability		[REDACTED] SIR: \$1,000,000	05/17/2025	07/01/2026	Limit 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Nassau County Traffic & Parking Violations Agency are included as Additional Insured in accordance with the policy provisions of the General Liability policy where required by written contract. General Liability and Automobile Liability policies evidenced herein are Primary and Non-Contributory to other insurance available to Additional Insured, but only in accordance with the policy's provisions.

CERTIFICATE HOLDER

Nassau County Traffic & Parking Violations Agency
807 Axinn Avenue
Garden City, NY 11530

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Marsh Risk & Insurance Services

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AGENCY CUSTOMER ID: [REDACTED]
LOC #: San Francisco



ADDITIONAL REMARKS SCHEDULE

AGENCY MARSH RISK & INSURANCE SERVICES		NAMED INSURED Verra Mobility Corporation [REDACTED]	
POLICY NUMBER		[REDACTED]	
CARRIER	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Additional Named Insureds:

- Verra Mobility Corporation
- Greenlight Holding Corporation
- Verra Mobility Holdings, LLC
- Greenlight Acquisition Corporation
- Greenlight Intermediate Holding Corporation
- VM Consolidated, Inc.
- (/k/a Verra Mobility Corp /k/a ATS Consolidated, Inc.)
- Verra Mobility Corporation /k/a ATS Consolidated, Inc.
- American Traffic Solutions, Inc.
- Mulvihill ICS, Inc.
- Verra Mobility Electrical Enterprises, Inc
- Lasercraft, Inc.
- American Traffic Solutions Consolidated, LLC
- ATS Processing Services, LLC
- Platepass, LLC
- Sunshine State Tag Agency, LLC
- (formerly Sunshine Acquisition I, LLC)
- Auto Tag of America, LLC
- Auto Titles of America, LLC
- American Traffic Solutions, LLC
- Highway Toll Administration, LLC (HTA)
- Canadian Highway Toll Administration Ltd
- Toll Buddy, LLC
- Violation Management Solutions, LLC
- Euro Parking Collection plc (UK)*
- Contractum Limited (UK)*
- EPC Hungary Kft (Hungary)*
- EPC Finance Limited (UK)*
- Verra Mobility B.V. (Netherlands)*
- Verra Mobility France SAS (France)*
- Pagalicia, S.L.U.*
- Verra Mobility Ireland Limited*
- Redflex Holdings Pty Ltd
- Transoll Pty Ltd*
- Redflex Pty Ltd*
- RTS R&D Pty Ltd*
- Redflex Traffic Pty Ltd*
- Redflex Traffic Systems Pty Ltd*
- Redflex Traffic Systems Inc.
- Redflex Traffic Systems Limited*
- Redflex Traffic Systems (Canada) Limited*
- Redflex Traffic Systems Malaysia Sdn. Bhd.*
- Redflex Irish Investments Pty Ltd*
- T/A Go Safe Ireland*
- Redflex Enforcement Services Pty Ltd*
- Redflex Traffic Systems India Private Limited*
- Traffic Operating Services (Saudi Arabia) LLC*

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AGENCY CUSTOMER ID: CN138000917

LOC #: San Francisco



ADDITIONAL REMARKS SCHEDULE

Page 3 of 3

AGENCY MARSH RISK & INSURANCE SERVICES		NAMED INSURED Vista Mobility Corporation [REDACTED]	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

T2 Systems Parent Corporation
T2 Holding Corp.
T2 Systems, Inc.
T2 Systems Canada, Inc.
Citation Collection Services, LLC
United Public Safety, Inc.

Coverage applies to subsidiaries to the extent of the policy terms and conditions



Dear Certificate Holder:

To streamline certificate delivery for our clients and in an effort to support our firm's commitment to sustainability, going forward, we will only be providing renewal certificates of insurance electronically.

If you need to continue receiving a copy of the attached certificate, please send an email to USOperations.email@marsh.com and include the following:

- Certificate # (Shown below Insured Name – e.g., ABC-123456789-01)
- E-Mail for future delivery

For your convenience, if we do not receive your response, we will conclude that you no longer require proof of insurance from the named insured and will remove you from our records.

Thank you,

US Operations, Marsh USA, LLC

A business of Marsh McLennan

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MARSH



Forwarding Service Requested

00000000 SF 0101 -011-0000001
Nassau County Traffic &
Parking Violations Agency
801 Axinn Avenue
Garden City, NY 11530



05MM132952

0045 FT00APP1 11530



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JUL 14 2025

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BRUCE A. BLAKEMAN
NASSAU COUNTY EXECUTIVE



HON. PAUL L. MELI
EXECUTIVE DIRECTOR

NASSAU COUNTY TRAFFIC & PARKING VIOLATIONS AGENCY
16 COOPER STREET
HEMPSTEAD, NEW YORK 11550
(516) 572-2700

INTER-DEPARTMENTAL MEMO

TO: Nassau County Comptroller's Office
FROM: Hon. Paul L. Meli 
DATE: November 28, 2022
SUBJECT: Contract Continuity of ATS Contract

The current contract with contractor American Traffic Solutions, Inc.. ("ATS ") for the County's use of the system of traffic control signal photo violation-monitoring devices ("Red Light Camera Program") is set to expired on 12/1/2022 pursuant to the Second Amendment dated 5/9/2014 (the "Expiring Contract"). A Third Amendment is in the process of being executed and routed through the County's Electronic Contract Routing System ("ECRS"). The New Contract term will be 12/1/2022 through 12/1/2027. The New Amendment will not be fully approved by the County prior to the expiration of the Expiring Amendment.

I have been advised by the County Attorney's office that in Section 17(c) of the Expiring Contract there is a contractor assistance upon termination provision that survives the termination of the Expiring Contract. This provision, upon County's request, requires the contractor to assist the County in connection with the termination of the Expiring Contract. Consistent with prior interpretations of this provision in other County contracts, if requested by the County, this provision can bridge the gap between the scheduled termination date of the Expiring Contract and commencement of services under the New Contract so that contractor may continue performing services under the Expiring Contract to provide continuity of services until the New Contract is approved. Contractor will stay within the approved dollar cap under the Expiring Contract and contractor will honor payment/pricing terms (and otherwise perform authorized services) as described in the Expiring Contract and any executed Amednments during this transition period.

If you have any questions, please call me at: 516-572-7160

The County Attorney's Office approves this action.



DCA signature: Richard J. Soleymanzadeh

BRUCE A. BLAKEMAN
NASSAU COUNTY EXECUTIVE




HON. PAUL L. MELI
EXECUTIVE DIRECTOR

**NASSAU COUNTY DISTRICT COURT
TRAFFIC & PARKING VIOLATIONS AGENCY**
801 AXINN AVENUE
GARDEN CITY, NEW YORK 11530
(516) 572-2700

MEMO

TO: Jon Baldwin
Executive Vice President, American Traffic Solutions, Inc.

FROM: Hon. Paul L. Meli 
Executive Director, Nassau County Traffic and Parking Violations Agency

DATE: November 30, 2022

SUBJECT: Interim Contract Continuity Memo

Please see attached Contract Continuity Memo. The memo will be used to bridge services provided by American Traffic Solutions, Inc ("ATS"), between the current second contract amendment and the proposed third contract amendment. As you are aware, the contract term extension cited in the second contract amendment states a contract expiration date of December 1, 2022. The continuity memo will allow for the continuity of services provided by ATS at the current terms in the existing contract until the third contract amendment is approved and executed.

Please sign below to acknowledge this interim solution.

Jon Baldwin
Executive Vice President

BRUCE A. BLAKEMAN
COUNTY EXECUTIVE




HON. PAUL L. MELI
EXECUTIVE DIRECTOR

**NASSAU COUNTY
TRAFFIC & PARKING VIOLATIONS AGENCY**
801 AXINN AVENUE
GARDEN CITY, NEW YORK 11530
(516) 572-2700

DELAY MEMO


TO: Robert Cleary
Chief Procurement Officer


FROM: Paul L. Meli 
Executive Director, NCTPVA

DATE: October 31, 2025

SUBJECT: Amendment #3 American Traffic Solutions, Inc.
Delay Memo

Term: 12/2/2022 – 12/1/2027

Work began on Amendment #3 on November 28, 2022, for contract CQTV09000024. The contract is with American Traffic Solutions, Inc. (ATS), who provides equipment and services for Nassau County's Red Light Camera Safety Program. From 12/2/2022 to current, the contract has been operating under a continuity agreement (see attached). 

 ATS has undergone some critical administrative changes due to the company's growth. ATS, also known as Verra Mobility, has expanded its footprint in the market by acquiring roadway safety type organizations. Those acquisitions impacted ATS' management structure.

A RFP for similar services for the County's Red Light Safety Program will be issued prior to the third amendment expiring.

Thank you.

BRUCE A. BLAKEMAN
NASSAU COUNTY EXECUTIVE



HON. PAUL L. MELI
EXECUTIVE DIRECTOR

NASSAU COUNTY
TRAFFIC & PARKING VIOLATIONS AGENCY
801 AXINN AVENUE
GARDEN CITY, NEW YORK 11530
(516) 572-2700

Inter-Departmental Memo

Per Robert Cleary and the Comptroller's Office "No Comptroller Form" needed.