



State of California

Secretary of State

Corporate Disclosure Statement
(Domestic Stock and Foreign Corporations)

D

18-990138

FILED
Secretary of State
State of California

MAR 30 2018

There is no fee for filing the Corporate Disclosure Statement.

IMPORTANT — PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. CORPORATE NAME

ABM INDUSTRIES INCORPORATED

C1214477

This Space For Filing Use Only

Independent Auditor

2. NAME OF THE INDEPENDENT AUDITOR THAT PREPARED THE MOST RECENT AUDITOR'S REPORT
KPMG LLP

3. DESCRIPTION OF OTHER SERVICES, IF ANY, PERFORMED BY THE INDEPENDENT AUDITOR NAMED IN ITEM 2
SEE ATTACHED

4. NAME OF THE INDEPENDENT AUDITOR EMPLOYED BY THE CORPORATION ON THE DATE OF THIS STATEMENT, IF DIFFERENT FROM ITEM 2

Directors and Executive Officers

| 5. NAMES OF DIRECTORS | COMPENSATION | SHARES | OPTIONS | BANKRUPTCY | FRAUD |
|--------------------------|--------------|--------|---------|---|---|
| 1) CHAVEZ, LINDA | \$209,956 | 2,779 | 0 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 2) FERGUSON, J. PHILIP | \$219,039 | 2,779 | 0 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 3) FERNANDES, ANTHONY G. | \$225,231 | 2,779 | 0 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |

IF THE CORPORATION HAS ADDITIONAL DIRECTORS, COMPLETE ITEM B OF THE ATTACHMENT (FORM SI-PTA).

| 6a. NAMES OF EXECUTIVE OFFICERS | COMPENSATION | SHARES | OPTIONS | BANKRUPTCY | FRAUD |
|---------------------------------|--------------|--------|---------|---|---|
| 1) GIACOBBE, SCOTT | \$1,571,322 | 18,138 | 0 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 2) JACOBSEN, RENE | \$1,508,773 | 18,178 | 0 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 3) MCCLURE, JAMES | \$1,640,018 | 9,895 | 0 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 4) SCAGLIONE, D. ANTHONY | \$1,905,588 | 26,018 | 0 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 5) NEWBORN, ANDREA R. | \$1,020,039 | 18,277 | 0 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |

| 6b. CHIEF EXECUTIVE OFFICER (if not named in 6a) | COMPENSATION | SHARES | OPTIONS | BANKRUPTCY | FRAUD |
|--|--------------|--------|---------|---|---|
| SALMIRS, SCOTT | \$4,686,371 | 72,987 | 0 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |

6c. ADDITIONAL EXECUTIVE OFFICERS (if not named in 6a or 6b)

| | | |
|----|-------------------------------------|--------------------------------|
| 1) | <input type="checkbox"/> BANKRUPTCY | <input type="checkbox"/> FRAUD |
| 2) | <input type="checkbox"/> BANKRUPTCY | <input type="checkbox"/> FRAUD |
| 3) | <input type="checkbox"/> BANKRUPTCY | <input type="checkbox"/> FRAUD |

IF MORE SPACE IS NEEDED, ENTER ADDITIONAL INFORMATION IN ITEM D OF THE ATTACHMENT (FORM SI-PTA).

Loans to Members of the Board of Directors

| 7. NAMES OF DIRECTORS | DESCRIPTION OF LOAN (INCLUDING AMOUNT AND TERMS) |
|-----------------------|--|
| 1) | |
| 2) | |
| 3) | |

IF THE CORPORATION HAS MADE ADDITIONAL LOANS TO DIRECTORS, COMPLETE ITEM C OF THE ATTACHMENT (FORM SI-PTA).

Additional Statutory Disclosures

8. Has an order for relief been entered in a bankruptcy case with respect to the corporation during the preceding 10 years? ☐ YES ☒ NO

9. Has the corporation or any of its subsidiaries been a party to, or any of their property been subject to, any material pending legal proceedings, as specified by Item 103, Part 229 of SEC Regulation S-K? If yes, attach a description. ☒ YES ☐ NO

10. Has the corporation been found legally liable in any material legal proceeding during the preceding five years? If yes, attach a description. ☐ YES ☒ NO

11. By submitting this Corporate Disclosure Statement to the Secretary of State, the corporation certifies the information contained herein, including any attachments, is true and correct.

BARBARA L. SMITHERS

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

Barbara L. Smithers
SIGNATURE

ASSISTANT SECRETARY

3/29/2018
DATE

ITEM 3: In addition to audit services, for fiscal years 2016 and 2017, the company's independent auditor performed audits of certain employee benefit plans, carve-put audit of financial statement of the Company's divested Security business, due diligence services relating to an acquisition, and compliance and consulting services.

ITEM 5: The number of shares listed are restricted stock units granted to each director during fiscal year 2017. The value of the granted restricted stock units is included in the compensation total value for each director.

ITEM 6a: The five most highly compensated officers during fiscal year 2017 are listed. The number of shares listed consists of restricted stock units and performance shares granted during fiscal year 2017. The performance shares granted are subject to the attainment of certain performance objectives, which may not be achieved. The values of the granted restricted stock units and performance shares are included in the compensation total value for each officer listed.

ITEM 6b: The number of shares listed consists of restricted stock units and performance shares granted during fiscal year 2017. The performance shares granted are subject to the attainment of certain performance objectives, which may not be achieved. The values of the granted restricted stock units and performance shares are included in the compensation total value.

ITEM 9. LEGAL PROCEEDINGS.

The Company reports legal proceedings on an annual basis in Part I, Item 3 of the ABM Industries Incorporated Report on Form 10-K, as well as on a quarterly basis in Part II, Item 1 of the ABM Industries Incorporated Form 10-Q. Below is a discussion of current legal proceedings previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2017 and Quarterly Report on Form 10-Q for the quarter ended January 31, 2018.

We are a party to a number of lawsuits, claims, and proceedings incident to the operation of our business, including those pertaining to labor and employment, contracts, personal injury, and other matters, some of which allege substantial monetary damages. Some of these actions may be brought as class actions on behalf of a class or purported class of employees. While the results of these lawsuits, claims, and proceedings cannot be predicted with any certainty, our management believes that the final outcome of these matters will not have a material adverse effect on our financial position, results of operations, or cash flows.

Certain Legal Proceedings

Certain lawsuits to which we are a party are discussed below. In determining whether to include any particular lawsuit or other proceeding, we consider both quantitative and qualitative factors. These factors include, but are not limited to: the amount of damages and the nature of any other relief sought in the proceeding; if such damages and other relief are specified, our view of the merits of the claims; whether the action is or purports to be a class action, and our view of the likelihood that a class will be certified by the court; the jurisdiction in which the proceeding is pending; and the potential impact of the proceeding on our reputation.

The Consolidated Cases of Augustus, Hall, and Davis, et al. v. American Commercial Security Services, filed July 12, 2005, in the Superior Court of California, Los Angeles County (the "Augustus case")

The *Augustus* case was a certified class action involving violations of certain California state laws relating to rest breaks. The case centered on whether requiring security guards to remain on call during rest breaks violated Section 226.7 of the California Labor Code. On July 31, 2012, the Superior Court of California, Los Angeles County (the "Superior Court"), entered summary judgment in favor of plaintiffs in the amount of approximately \$89.7 million (the "common fund"). Subsequently, the Superior Court also awarded plaintiffs' attorneys' fees of approximately \$4.5 million in addition to approximately 30% of the common fund. Under California law, post-judgment interest on a judgment accrues at a rate of 10% simple interest per year from the date the judgment is entered until it is satisfied. We appealed the Superior Court's rulings to the Court of Appeals of the State of California, Second Appellate District (the "Appeals Court"). On December 31, 2014, the Appeals Court issued its opinion, reversing the judgment in favor of the plaintiffs and vacating the award of \$89.7 million in damages and the attorneys' fees award. The plaintiffs filed a petition for review with the California Supreme Court on March 4, 2015, and on April 29, 2015, the California Supreme Court granted the plaintiffs' petition. On December 22, 2016, the California Supreme Court rendered its decision, holding that on-call and on-duty rest breaks are prohibited by California law, and reversed the Appeals Court judgment on this issue. The amount of post-judgment interest as of December 22, 2016 was approximately \$41.2 million.

On February 6, 2017, ABM Security Services, Inc., a wholly-owned subsidiary of ABM Industries Incorporated, entered into a Class Action Settlement and Release with plaintiffs Jennifer Augustus, Delores Hall, Emanuel Davis, and Carlton Anthony Waite, on behalf of themselves and the settlement class members, to settle the *Augustus* case on a class-wide basis for \$110.0 million (the "Augustus Settlement Agreement"). On March 17, 2017, the Augustus Settlement Agreement was amended to address certain procedural matters, and it received final approval of the Superior Court on July 6, 2017. The Augustus Settlement Agreement called for two payments of \$55.0 million each. The first payment was made on July 19, 2017, and the second payment, plus an additional payment of \$4.8 million for payroll taxes, was made on August 29, 2017.

Karapetyan v. ABM Industries Incorporated and ABM Security Services, Inc., et al., filed on October 23, 2015, pending in the United States District Court for the Central District of California (the "Karapetyan case")

The *Karapetyan* case was a putative class action in which the plaintiff sought to represent a class of security guards who worked during time periods subsequent to the class period in the *Augustus* case. The plaintiff alleged that ABM violated certain California state laws relating to meal and rest breaks and other wage and hour claims. On April 17, 2017, ABM Industries Incorporated, ABM Security Services, Inc., ABM Onsite Services, Inc., and ABM Onsite Services – West, Inc. entered into a Class Action Settlement and Release with plaintiff Vardan Karapetyan, on behalf of himself and the settlement class members, to settle the *Karapetyan* case on a class-wide basis for \$5.0 million. The United States District Court for the Central District of California granted final approval of the settlement on September 7, 2017. The full settlement payment in the amount of \$5.0 million, plus an additional \$0.2 million in payroll taxes, was made on October 13, 2017.

The Consolidated Cases of Bucio and Martinez v. ABM Janitorial Services filed on April 7, 2006, in the Superior Court of California, County of San Francisco (the "Bucio case")

The *Bucio* case is a class action pending in San Francisco Superior Court that alleges we failed to provide legally required meal periods and make additional premium payments for such meal periods, pay split shift premiums when owed, and reimburse janitors for travel expenses. On April 19, 2011, the trial court held a hearing on plaintiffs' motion to certify the class. At the conclusion of that

hearing, the trial court denied plaintiffs' motion to certify the class. On May 11, 2011, the plaintiffs filed a motion to reconsider, which was denied. The plaintiffs appealed the class certification issues. The trial court stayed the underlying lawsuit pending the decision in the appeal. The Court of Appeal of the State of California, First Appellate District (the "Court of Appeal"), heard oral arguments on November 7, 2017. On December 11, 2017, the Court of Appeal reversed the trial court's order denying class certification and remanded the matter for certification of a meal period, travel expense reimbursement, and split shift class.

Hussein and Hirsi v. Air Serv Corporation filed on January 20, 2016, pending in the United States District Court for the Western District of Washington at Seattle (the "*Hussein* case") and *Isse et al. v. Air Serv Corporation* filed on February 7, 2017, pending in the Superior Court of Washington for King County (the "*Isse*" case)

The *Hussein* case was a certified class action involving a class of certain hourly Air Serv employees at Seattle-Tacoma International Airport in SeaTac, Washington. The plaintiffs alleged that Air Serv violated a minimum wage requirement in an ordinance applicable to certain employers in the local city of SeaTac (the "Ordinance"). Plaintiffs sought retroactive wages, double damages, interest, and attorneys' fees. This matter was removed to federal court. In a separate lawsuit brought by Filo Foods, LLC, Alaska Airlines, and several other employers at SeaTac airport, the King County Superior Court issued a decision that invalidated the Ordinance as it applied to workers at SeaTac airport. Subsequently, the Washington Supreme Court reversed the Superior Court's decision. On February 7, 2017, the *Isse* case was filed against Air Serv on behalf of 60 individual plaintiffs (who would otherwise be members of the *Hussein* class), who alleged failure to comply with both the minimum wage provision and the sick and safe time provision of the Ordinance. The *Isse* plaintiffs sought retroactive wages and sick benefits, double damages for wages and sick benefits, interest, and attorneys' fees. The *Isse* case later expanded to approximately 220 individual plaintiffs.

In mediations on November 2 and 3, 2017, and without admitting liability in either matter, we agreed to settle the *Hussein* and *Isse* lawsuits for a combined total of \$8.3 million, inclusive of damages, interest, attorneys' fees, and employer payroll taxes. Eligible employees will be able to participate in either the *Hussein* or *Isse* settlements, but cannot recover in both settlements. The settlements in both cases will require court approval because of the nature of the claims being released. We are working with our clients to obtain partial or full reimbursement for the settlements.

Castro and Marmolejo v. ABM Industries, Inc., et al., filed on October 24, 2014, pending in the United States District Court for the Northern District of California (the "*Castro*" case)

On October 24, 2014, Plaintiff Marley Castro filed a class action lawsuit alleging that ABM did not reimburse janitorial employees in California for using their personal cell phones for work-related purposes, in violation of California Labor Code section 2802. On January 23, 2015, Plaintiff Lucia Marmolejo was added to the case as a named plaintiff. On October 27, 2017, plaintiffs moved for class certification seeking to represent a class of all employees who were, are, or will be employed by ABM in the State of California with the Employee Master Job Description Code "Cleaner" (hereafter referred to as "Cleaner Employees") beginning from October 24, 2010. ABM filed its opposition to class certification on November 27, 2017. On January 26, 2018, the district court granted plaintiffs' motion for class certification. The court rejected plaintiffs' proposed class, instead certifying three classes that the court formulated on its own: (1) all employees who were, are, or will be employed by ABM in the State of California as Cleaner Employees who used a personal cell phone to punch in and out of the EPAY system and who (a) worked at an ABM

facility that did not provide a biometric clock and (b) were not offered an ABM-provided cell phone during the period beginning on January 1, 2012, through the date of notice to the Class Members that a class has been certified in this action; (2) all employees who were, are, or will be employed by ABM in the State of California as Cleaner Employees who used a personal cell phone to report unusual or suspicious circumstances to supervisors and were not offered (a) an ABM-provided cell phone or (b) a two-way radio during the period beginning four years prior to the filing of the original complaint, October 24, 2014, through the date of notice to the Class Members that a class has been certified in this action; and (3) all employees who were, are, or will be employed by ABM in the State of California as Cleaner Employees who used a personal cell phone to respond to communications from supervisors and were not offered (a) an ABM-provided cell phone or (b) a two-way radio during the period beginning four years prior to the filing of the original complaint, October 24, 2014, through the date of notice to the Class Members that a class has been certified in this action. On February 9, 2018, ABM filed a petition for permission to appeal the district court's order granting class certification with the United States Court of Appeals for the Ninth Circuit.