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REEL SECURITY CALIFORNIA, INC.
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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **COUNTY OF LOS ANGELES**

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11 ELIZABETH ANN O'REILLY, on behalf of
the general public as private attorney general,

12 Plaintiff,

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14 v.

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16 REEL SECURITY CALIFORNIA, INC., a
California Corporation; and DOES 1-50,
inclusive

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18 Defendant.
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Case No.: 22STCV06095

**DECLARATION OF BRAD BUSH RE:
FINANCIAL HARDSHIP IN SUPPORT
OF APPROVAL OF PAGA
SETTLEMENT AGREEMENT**

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DECLARATION OF BRAD BUSH

I, Brad Bush, declare:

1. I am the Chief Financial Officer and Chief Operating Officer of Reel Security California, Inc. (“Reel”), a party in the above-entitled action. I am over the age of 18 and make this statement on the basis of my personal knowledge, and if required, I could and would competently testify to the statements made in this declaration.

2. Reel primarily provides security services for film and television productions along with security at film studio lots within California. Like many other security companies, and during normal times, Reel operated on very thin margins and was not customarily a highly profitable business enterprise. Reel’s business relies on factors including, but not limited to, the health of its clients’ business operations, the services clients are willing to pay for, and the clients’ financial ability to pay for these services.

3. However, the Covid-19 Pandemic and, and in particular the Writer’s Strike of 2023, caused catastrophic losses to Reel’s business, to the point that we considered closing the business and declaring bankruptcy. The Writer’s Strike lasted from May through September, 2023, and effectively stopped a majority of Reel’s typical clients/customers from operating.

4. The combined effect of these two events reduce the size of Reel’s work force by more than 50%. For example, in 2021, we had approximately 12,500 paychecks issued to security guards, and that number dropped to only approximately 5,000 in 2023.

5. While Reel has been able to recover a fraction of those losses in the past year, it is not a circumstance where Reel just plugged people back into the positions that were put on hold by the Writer’s Strike. Instead, during that time, and because of the Writer’s Strike, a large percentage of production that occurred in California has left the state for other states (such as Atlanta) or left the country all together. Additionally, for clients who remained in California, contracts expired and they had to be renegotiated or those customers have since begun working with other competitors.

6. This has resulted in Reel operating at a significant deficit over the past two (2) years. Reel has struggled to remain in operations and make payroll, which has resulted in Reel

1 ownership loaning significant, seven-figure sums to Reel just to make payroll.

2 7. For example, while Reel had a small net positive income in 2022, it had a net
3 negative of \$1.75 million of operating income in 2023, which necessitated the aforementioned
4 loans to the company which have not been paid off.

5 8. Financial records reflecting the above information was provided to Plaintiff's
6 counsel as part of our resolution of this case. While Reel has not completed its financials for
7 2024, it did provide financial records through May 2024 reflecting that Reel had a net operating
8 loss of approximately \$740,000.00. This loss was caused in part because the Teamsters were
9 renegotiating their contracts from early-to-mid 2024, and the threat of a strike was looming.

10 9. While Reel was able to make up some of those losses in 2024, 2025 has started off
11 as an extremely bad year. Approximately 80% of individuals available to work in the industry
12 within California are not presently working, and these are the people for whom Reel principally
13 provides security services.

14 10. For these reasons, Reel was and is unable to make a lump sum payment to resolve
15 this matter. For several weeks before the mediation and in the mediation itself, we discussed what
16 Reel could afford to pay to both resolve this case while still making payroll. In addition to
17 forecasting based on known variables, such as costs, clients, and accounts receivable, we also had
18 to take into consideration that this is a very cut-throat industry and clients are frequently stolen by
19 competitors even if there are signed agreements in place, and our major clients continue to leave
20 the state. Accordingly, I could not promise to pay lumps sums without a safety net in place in case
21 Reel lost any of its remaining accounts.

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11. After consulting with our team internally, we determined that Reel could save the initial \$50,000 payment by mid-2025, and then we would work to save enough to make the remaining \$200,000 payment over the following 30 months. Reel needed this lead time to ensure we could maintain business operations, make payroll, and not violate the terms of the settlement in this matter.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on February 12, 2025, in Los Angeles, California

DocuSigned by:

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 BRAD BUSH