



TAGLICH BROTHERS

The Standard of Excellence in the Microcap Market

Member: FINRA, SIPC

Earnings Note

Investors should consider this report as only a single factor in making their investment decision.

Command Security Corp

Rating: Speculative Buy

Juan Noble

MOC \$3.12 — (AMEX)

November 17, 2008

Command Security Corporation. (AMEX: MOC), headquartered in Lagrangeville, New York, provides uniformed security officers, aviation and support security services to a wide range of commercial, financial, industrial, aviation and governmental clients. Uniformed security services provided to airports and ancillary services and organizations account for two-thirds of the company's revenue. The rest consists mainly of armed and unarmed uniformed security personnel for access control, mobile patrols, traffic control, security console/system operators, fire safety directors, communication, reception, concierge and front desk/doorman operations.

FY2009 2Q results (\$ thousands), from a November 14, 2008 10-Q filing, and our 2Q estimates, are as follows.

	Quarter Ending September 30:			% Δ 08 vs. '07
	2008A	2008E	2007A	
Revenues	33,706	33,410	30,614	10.1%
Cost of Revenues	28,650	28,649	26,225	9.2%
Gross Margin	5,056	4,761	4,389	15.2%
Operating expenses				
G&A	3,784	3,675	3,475	8.9%
Prov for doubtful accts	71	74	75	(5.2%)
Total	3,855	3,749	3,550	8.6%
Operating income	1,201	1,012	840	43.0%
Other income (expenses)				
Interest income	8	3	18	(53.6%)
Interest expense	(130)	(200)	(202)	(35.7%)
Gain (loss) on equip sales	2			
Pretax income	1,081	816	655	65.0%
Income tax (provision) benefit	(475)	(277)	(100)	375.0%
Net income (loss)	606	539	555	9.2%
Avg. shares out. - diluted	11,402	11,600	11,274	
Earnings per share (diluted)	0.05	0.05	0.05	8.0%
EPS fully taxed (@ 34%)				
Margin analysis				
Gross margin	15.0%	14.3%	14.3%	
G&A	11.2%	11.0%	11.4%	
Provision for doubtful accts	0.2%	0.2%	0.2%	
Operating income	3.6%	3.0%	2.7%	
Pretax income	3.2%	2.4%	2.1%	
Net income	1.8%	1.6%	1.8%	
Tax rate	43.9%	34.0%	15.3%	

Source: Company reports and Taglich Brothers estimates

* Please view our disclaimer located on page 5.

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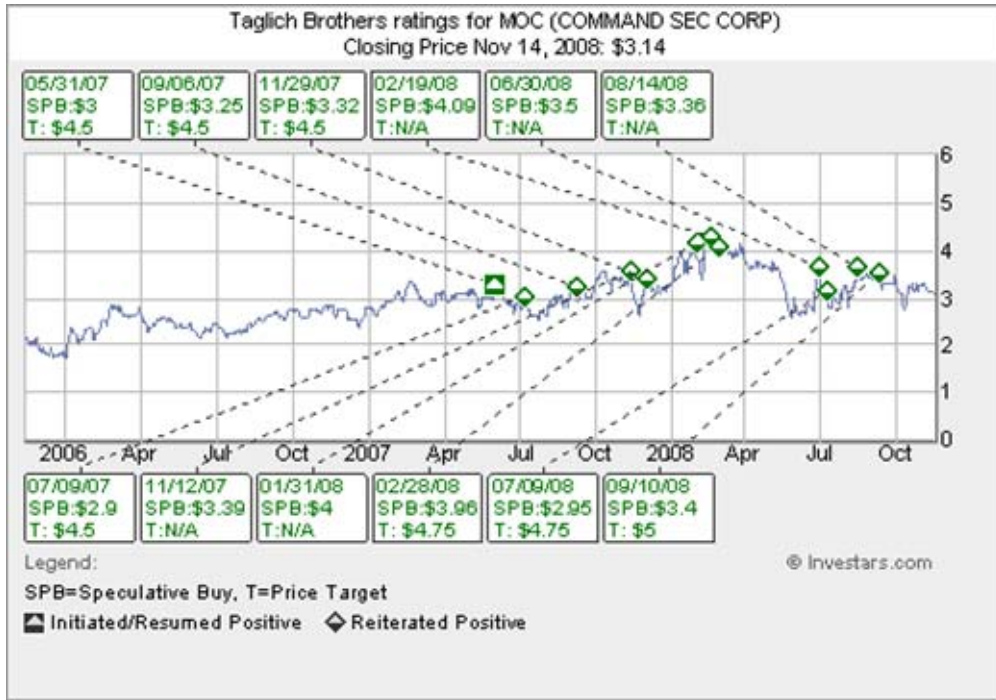
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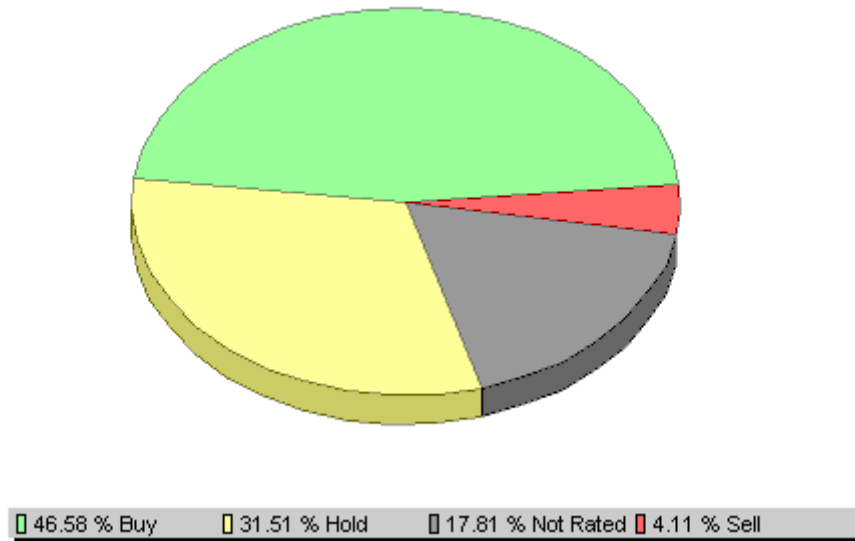
Estimate Comment: 2QFY09 earnings and revenue were in line with our projections. The gross margin for the quarter exceeded our expectations. The income tax rate was higher than projected.

Rating: Reiterate Speculative Buy

Risks: Please review our latest research report (September 10, 2008) for a summary of the principal risks underlying the stock.



Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months		
<u>Rating</u>	<u>#</u>	<u>%</u>
Buy	0	0
Hold	1	7.14%
Sell	0	0
Not Rated	0	0

Meaning of Ratings

Buy

We believe the Company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

Speculative Buy

We believe that the long run prospects of the Company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

Neutral

We will remain neutral pending certain developments.

Underperform

We believe that the Company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

Sell

We believe that the Company is significantly overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.

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All research issued by Taglich Brothers, Inc. is based on public information. In December, 2006, the company paid a monetary engagement fee of \$21,000 (USD) for the first year of creation and dissemination of research reports and will pay a monthly monetary fee of \$1,750 (USD) to Taglich Brothers, Inc. for these services after the first year.

I, Juan Noble, the research analyst of this earnings note, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.