

12News: Are you having trouble with a business?

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GAS PRICES

The average price of a gallon of regular unleaded gasoline Thursday (left) compared with a month earlier:

Phoenix	\$2.33	\$2.41
Scottsdale	\$2.48	\$2.50
East Valley	\$2.32	\$2.40
West Valley	\$2.34	\$2.41

Source: AAA Arizona
 (www.fuelgaugereport.aaa.com/states/arizona)

Workers: Show us the money

As McDonald's workers staged demonstrations in two dozen cities over what they say is an insufficient wage increase, fast-food restaurants such as Wendy's and Burger King may be forced to hand out moderate raises to remain competitive.

USA TODAY MONEY Full report on 4B



Business

Thursday's results

Dow Jones
 +65.06
 17,763.24

NASDAQ
 +6.71
 4,886.94

S&P
 +7.27
 2,066.96

REACH US || KATHY TULUMELLO, BUSINESS EDITOR, KATHY.TULUMELLO@ARIZONAREPUBLIC.COM || BUSINESS.AZCENTRAL.COM

Hiring practice draws rebuke

U.S. labor official: Worker misclassification 'serious'

LAURIE MERRILL
 THE REPUBLIC • AZCENTRAL.COM

The federal government is using enforcement and education in its ongoing battle to stop construction businesses from hiring off-the-books laborers to cut costs, a Labor Department official said. "There are, sadly, businesses out there that use misclassification as a business model," David Weil, U.S. Depart-



David Weil

Weil said. By doing so, companies avoid paying taxes, employment insurance, liability coverage and legal wages. Underpaid employees often are afraid to come forward.

ment of Labor's Wage and Hour Division administrator, said at a construction industry seminar in Phoenix Wednesday.

The practice of paying lower wages to untrained workers by misclassifying them as independent contractors is growing, Weil said. Typically, construction contractors hire subcontractors, and those subcontractors hire subcontractors, and so on in what Weil likens to fissures, or cracks, in a rock. Often, many laborers on construction sites are misclassified, he said. More than 70 percent of the workers

"The misclassification of employees as independent contractor presents one of the most serious problems facing affected employees, employers and the entire economy," Weil said.

It makes for an uneven playing field. Companies that comply with rules have higher labor costs, Weil said.

Typically, construction contractors hire subcontractors, and those subcontractors hire subcontractors, and so on in what Weil likens to fissures, or cracks, in a rock. Often, many laborers on construction sites are misclassified, he said. More than 70 percent of the workers

who were not paid properly were misclassified as independent contractors or other types of non-employees, according to Jesus Olivares, spokesman for the Wage and Hour Division's Phoenix office.

The problem is also prevalent in nursing, janitorial, landscaping, restaurant, temp agency, hotel/motel, cable installation and security guard fields, Weil said.

Investigators have found employers claiming their dishwashers were independent contractors, Weil said.

See **HIRING, Page 19A**

"We're a small business dealing with a small business ... people who've lived here all our lives. They trust us."

CHUCK MATTHEWS WGM ASSOCIATES CHAIRMAN AND CEO



MICHAEL SCHENNUM/THE REPUBLIC

Chairman and CEO Chuck Matthews founded Scottsdale-based WGM Intelligent Business Technology specifically to help smaller companies protect themselves from potentially devastating cyber breaches.

Focus on the small things

IT-security company WGM finds success focusing on smaller local businesses

GEORGANN YARA
 SPECIAL FOR THE REPUBLIC • AZCENTRAL.COM

After taking care of the technology needs of large commercial real estate developers, WGM Associates chairman and CEO Chuck Matthews' decision to focus on smaller local businesses has generated big success.

Matthews founded his Scottsdale information technology security and consulting firm specifically to assist these

companies, particularly when it comes to the potentially devastating cyber breaches that can wreak havoc even with national companies' most pricey security systems.

For small businesses, a solid defense is crucial, because roughly 60 percent of small businesses cease operations within six months of a cyberattack, according to technology security company Symantec Corp. Of the 100,000 businesses in Arizona, all but 3 percent fall into the small-business category and employ fewer than 500 employees, according to Statistics of U.S. Businesses.

For Matthews, an Arizona native and small-business owner, working with these clients is not just a professional

transaction. Most of WGM's employees have deep personal ties in Arizona dating back to the 1950s and older.

"We're a small business dealing with a small business, so we're dealing more individually with a CEO ... They see us volunteering ... people who've lived here all our lives," Matthews said. "They trust us."

Globally, cybercrime costs businesses \$375-\$575 billion annually and causes a net loss of up to 200,000 jobs in the U.S. alone, according to McAfee, the computer software security company.

A handful of employees worked for

See **WGM, Page 19A**



MICHAEL SCHENNUM/THE REPUBLIC

Which Wich at Westgate City Center in Glendale is one of eight franchises in metro Phoenix.

Which Wich franchisee has eyes on expansion

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Local Which Wich franchisee Peter Greene is working to create an Arizona hub of the national sandwich chain.

Greene, who previously owned five metro Phoenix stores, has purchased the other three Valley locations and plans to expand to 25 or 30 stores statewide in the next five years.

"We're trying to grow a brand," he said.

Having a local brand will allow him to streamline amenities and spread out business costs across the stores, said Greene, who owns the locations with his wife, Julie, and operations manager Kim Broome.

These costs range from the music system to promotion and marketing efforts to programs for giving back to the community, he said.

It also will allow him to delve more into catering.

"With eight locations, we can have a full-time person dedicated to catering where you can't with one or two locations," Greene said.

He's also hoping that by having an Arizona hub, Which Wich can better compete against larger companies, such as Subway, which have more locations and advertising dollars, Greene said.

"It's easier to move things forward when you can do it marketwide," Broome said.

The first part of Greene's plan is opening several additional metro Phoenix locations. He also would like to expand to Tucson, Flagstaff and perhaps other parts of the state.

"He's got a big vision for the state of Arizona," said Jeff Vickers, senior vice president of development for Which Wich, a Dallas-based company that has 343 locations in 38 states.

In addition to opening more locations, Greene, who is head of the company's franchisee advisory council, will be turning two stores into training locations for the brand.

"There's so much more to being a business owner than making a sandwich," he said.

MARK PRIBISH PROTECTING YOUR IDENTITY

Human error is leading cause of data breaches



Whenever I speak publicly, I always talk about how information technology and hacking are the "sizzle" that helps create the headline news for data-breach events.

However, this week's news that 31 world leaders, including President Obama — who had their personal information breached, including name, date of birth and passport number — should remind employers and employees that human error is a significant factor in data breach events.

In this case, an Australia immigration service employee mistakenly e-mailed

the sensitive information of the above-mentioned world leaders days before November's G-20 summit in Brisbane, Australia.

However, the Australian immigration department did not report the breach to the world leaders even though it was a clear violation of the privacy laws of three of the affected countries, including the U.K., France and Germany, all of which require mandatory notification for data breach victims.

Well it gets worse. In IBM's 2014 Cyber Security Intelligence Index, "95 percent of all security incidents involve human error."

According to the IBM's report, "many

of these are successful security attacks from external attackers who prey on human weakness in order to lure insiders within organizations to unwittingly provide them with access to sensitive information."

In January, Vormetric, a data security firm, released its 2015 Insider Threat Report and found that 93 percent of U.S.-based organizations surveyed believed that they were vulnerable to insider threats.

The Vormetric survey received responses from more than 800 organizations worldwide. I read with great in-

See **PRIBISH, Page 19A**

Market Summary

FOR TRADING ON THURSDAY, APRIL 2, 2015

ARIZONA'S BUSINESS

Stock footnotes: n = new issue within the past 52 weeks, s = stock split or stock dividend amounting to 25 percent or more in the past 52 weeks.

TOP EMPLOYERS

Stock	52-wk High	Low	Last	Chg	%YTD Chg
ABM	32.52	24.22	32.02	+10	+11.8
Aetna	109.90	66.85	107.15	+28	+20.6
AmExp	96.24	77.12	79.70	+7.7	-14.3
Boeing	158.83	116.32	149.28	+64	+14.8
CVS Health	105.46	72.37	102.71	+45	+6.6
Cemex	13.81	8.72	9.73	+29	-4.5
CntryLink	45.67	32.45	35.43	-07	-10.5
Cigna	131.13	73.47	130.47	+10	+26.8
Comtech	40.69	26.30	30.22	+17	-4.1
Correctn Cp	42.31	30.77	40.36	+01	+11.1
Costco	156.85	110.36	151.63	+139	+7.0
Dillards	139.54	88.89	137.86	-02	+10.1
Discover	66.75	54.02	58.20	+57	-11.1
eBay	60.93	46.34	56.91	-22	+1.4
FedEx Cp	183.51	130.64	166.22	-02	-4.3
FlowersFds	23.12	17.46	23.14	+18	+20.6
FordM	18.12	13.26	16.03	+12	+3.4
Freescale	43.68	15.29	40.26	-13	+59.6
Gannett	37.29	25.53	37.39	+58	+17.1
GenDynam	146.13	104.22	133.73	-25	-2.8
HomeDp	117.99	74.61	114.54	+141	+9.1
HomeWllntl	106.15	82.89	103.51	+27	+3.6
Humana	183.05	103.89	177.98	+34	+23.9

Stock	52-wk High	Low	Last	Chg	%YTD Chg
Intuit	100.88	72.44	98.50	+83	+6.8
Jabil	23.78	17.06	23.14	-01	+6.0
Kohls	79.30	50.90	79.07	+91	+29.5
Kroger	77.74	43.33	77.13	+36	+20.1
LockhdM	207.06	153.54	198.72	-04	+3.2
Lowes	76.25	44.13	74.84	+45	+8.8
MarIntA	85.00	55.00	80.15	-18	+2.7
McDnlds	103.78	87.62	95.83	-46	+2.3
McKesson	232.69	162.90	223.52	+81	+7.7
Medtrnc	79.50	55.85	76.87	+73	+6.5
MorgStan	39.19	28.31	36.06	+09	-7.1
MotrlaSolu	70.26	57.79	62.51	-46	-6.8
NustarEn	68.33	50.91	62.00	-12	+7.4
OrbitATK	80.99	46.16	75.93	-92	+42.0
Penney	11.30	5.90	9.13	+23	+40.9
PulteGrp	23.36	16.56	22.70	+41	+5.8
Raytheon	113.36	89.17	108.46	+87	+3
Rogers	84.92	51.40	82.43	-39	+1.2
Schwab	31.73	23.35	30.01	+08	-6
SearsHldgs	48.25	24.10	41.28	-05	+25.2
SwstAirl	47.17	22.35	42.86	-59	+1.3
SwtGas	64.20	47.21	58.82	+11	-4.8
Starbucks	99.20	67.93	94.39	+137	+15.0

ARIZONA-BASED COMPANIES

Stock	52-wk High	Low	Last	Chg	%YTD Chg
AV Homes	18.72	12.93	15.97	-08	+9.6
AccelrDiag	31.86	15.37	22.70	-22	+18.3
AMERCO	338.41	224.71	326.95	-904	+15.0
AmAirlines	56.20	28.10	49.18	-127	-8.3
AResIdPrp	19.63	16.68	18.42	+26	+4.8
AmkorTch	12.27	5.77	8.75	+02	+23.2
Amtech h	13.00	7.52	11.32	+11	+11.0
ApolloEdu	35.23	18.30	18.44	-26	-45.9
Avnet	48.18	35.53	43.76	-06	+1.7
Cavcolnd	87.90	62.08	74.40	+161	-6.1
Crexendo	3.58	1.10	1.51	...	-17.9
FstSolar	74.18	39.18	61.19	+36	+37.2
FrptMcM	39.32	16.43	19.00	+03	-18.7
GrCanyEd	51.99	36.95	44.09	+29	-5.5
HlthcrE rs	30.28	22.26	28.18	+10	+4.6
Innsuities	3.32	1.63	2.37	-32	-5.2
InsightEnt	31.94	21.59	29.12	+61	+12.5
InsysThera	62.48	20.52	54.98	-139	+30.4
Inventure	14.49	9.60	11.24	+14	-11.8
JointCp n	10.50	6.00	7.88	+07	+23.5
KnightTr	34.73	22.24	31.20	-76	-7.3

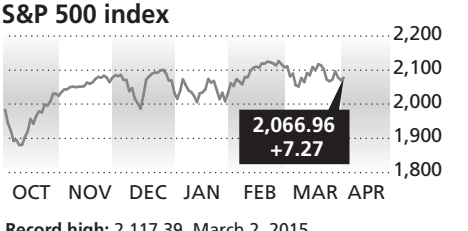
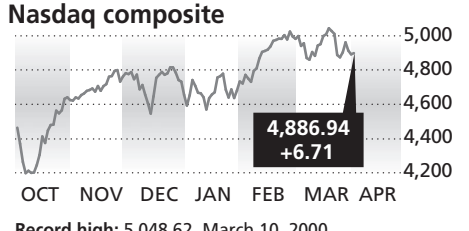
Stock	52-wk High	Low	Last	Chg	%YTD Chg
KonaGrill	28.66	16.02	27.58	-08	+19.4
LifeLock	19.15	10.48	14.32	+13	-22.6
LimelghtN	3.98	1.91	3.61	+09	+30.3
Meritage	49.47	31.69	49.26	+116	+36.9
Microchp	52.44	36.92	48.18	-13	+6.8
MobileMini	49.68	34.32	42.69	+39	+5.4
OnSmcnd	13.31	6.76	11.70	+22	+15.5
PinWst	73.31	52.13	63.66	-38	-6.8
ProvidSvc	55.99	27.60	52.63	+47	+44.4
RepubSvc	42.05	33.78	40.12	+09	-3
SpiritRltC	13.00	10.23	12.30	+12	+30.4
Sprouts	38.45	25.73	35.80	+71	+5.4
StoreCap n	24.06	19.25	23.50	+16	+8.7
SwiftTrans	29.44	18.53	25.60	-42	-10.6
TASER	28.30	10.46	24.44	+20	-7.7
TaylorMH	24.51	14.96	20.81	+35	+10.2
UnivTInst	13.70	8.15	10.02	+22	+1.8
ViadCorp	28.82	19.92	27.45	-11	+3.0
WstnAllib	30.41	20.76	29.81	+26	+7.2

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NYSE		NASDAQ			
Diary	PreviousYesterday	Diary	PreviousYesterday		
Advanced	1,640	1,989	Advanced	1,275	1,636
Declined	1,459	1,126	Declined	1,442	1,086
Unchanged	125	114	Unchanged	174	164
Total issues	3,224	3,229	Total issues	2,891	2,886
New Highs	79	121	New Highs	85	120
New Lows	28	13	New Lows	62	35



INTERNATIONAL MARKETS

Market	High	52-wk Low	Last	Chg	%YTD Chg
Paris	5110.79	3789.11	5074.14	+11.92	+18.76
London	7065.08	6072.68	6833.46	+23.96	+4.07
Hong Kong	25362.98	21590.07	25275.64	+192.89	+7.08
Tokyo	19778.60	13885.11	19312.79	+277.95	+10.67
Toronto	15685.13	13635.53	15026.62	+84.07	+2.69

MAJOR INDEXES

Index	High	Low	Close	Chg	%Chg	YTD	52 wk
Dow 30 Indus	17815.03	17673.49	17763.24	+65.06	+37	-34	+7.18
NYSE Comp	10974.98	10895.31	10953.17	+61.56	+57	+1.05	+3.35
Nasdaq Comp	4901.33	4872.96	4886.94	+6.71	+14	+3.19	+15.32
S&P 500	2072.17	2057.32	2066.96	+7.27	+35	+3.9	+9.43
Wilshire 5000	22001.51	21850.42	21946.62	+77.56	+35	+1.28	+8.85
Russell 2000	1259.97	1251.83	1255.66	+3.95	+32	+4.23	+6.31

WIDELY HELD STOCKS (TOP 75)

Stock	52-wk High	Low	Last	Chg	%YTD Chg
AT&T Inc	37.48	32.07	33.13	+24	-1.4
Alibaba n	120.00	80.03	82.28	-08	-20.8
Altria	56.70	37.13	51.19	+89	+3.9
Amazon	389.37	284.00	372.25	+2.00	+19.9
Amgen	173.14	108.20	155.88	-1.22	-2.1
ABInBv	128.35	102.21	125.71	+2.22	+11.9
Apple Inc s	133.60	73.05	125.32	+1.07	+13.5
BHP Billit	73.91	42.92	45.56	-52	-3.7
BHPBill plc	71.44	38.54	43.02	-86	...
BP PLC	53.48	34.88	39.65	+15	+4.0
BcoSantSA	10.75	6.61	7.64	+12	-8.3
BkofAm	18.21	14.37	15.54	+13	-13.1
BerkHa A	229374	181785	216500	+200	-4.2
BerkH B	152.94	121.10	143.56	+11	-4.4
Biogen	480.18	272.02	412.44	-137	+21.5

Stock	52-wk High	Low	Last	Chg	%YTD Chg
Boeing	158.83	116.32	149.28	+64	+14.8
BrnMySq	69.20	46.30	63.23	-33	+7.1
BritATob	123.36	102.50	106.34	+122	-1.4
CVS Health	105.46	72.37	102.71	+45	+6.6
Celgene s	129.06	66.85	114.31	-26	+2.2
Chevron	135.10	98.88	105.28	+49	-6.2
ChinaLife	68.29	38.30	68.14	-11	+16.1
ChinaMble	69.74	44.49	66.31	+99	+12.7
ChinaPet	105.88	75.31	80.20	-03	-1.0
Cisco	30.31	22.30	27.13	-12	-1.8
Citigroup	56.95	45.18	51.86	+24	-4.2
CocaCola	45.00	38.04	40.68	...	-3.6
Comcast	60.70	47.74	57.94	+88	-1
Disney	108.94	76.31	106.00	+56	+12.5
ExxonMbl	104.76	82.68	84.30	-16	-8.8
Facebook	86.07	54.66	81.56	-11	+4.5
FstRep pfd	24.95	21.42	24.69	-05	+4.6
GenElec	27.53	23.41	24.94	+10	-1.3
GileadSci	116.83	63.50	98.43	+71	+4.4
GlaxoSKln	56.48	41.25	46.71	+02	+9.3
Google A	608.91	490.91	541.31	-818	+2.0
Google C n	604.83	487.56	535.53	-7.03	+1.7
HSBC	54.42	41.20	43.15	+23	-8.6
HomeDp	117.99	74.61	114.54	+141	+9.1
Intel	37.90	25.62	30.81	...	-15.1
IBM	199.21	149.52	160.45	+127	...
JPMorgCh	63.49	52.97	60.52	+57	-2.7
JohnJn	109.49	95.10	99.64	+49	-4.7
MasterCrd	93.00	68.68	87.03	+29	+1.0
McDnlds	103.78	87.62	95.83	-46	+2.3
Medtrnc	79.50	55.85	76.87	+73	+6.5
Merck	63.62	52.49	57.10	+24	+5
Microsoft	50.05	38.51	40.29	+43	-13.3
Novartis	103.50	82.27	99.78	-08	+7.7
NovoNord	54.95	41.72	54.48	-15	+28.7
Oracle	46.71	35.82	42.62	-17	-5.2
PepsiCo	100.76	81.99	95.69	+60	+1.2
PetChina	150.80	101.64	112.87	+11	+1.7
Pfizer	35.45	27.51	34.38	+05	+10.4
PhilipMor	91.63	75.27	77.26	+119	-5.1
ProctGam	93.89	77.29	82.43	+11	-9.5
Qualcom	81.97	62.26	67.97	-146	-8.6
RoyDShllB	88.13	59.33	63.54	+10	-8.7
RoyDShllA	83.42	56.82	60.33	+14	-9.9
Sanofi	57.42	43.57	51.05	+112	+11.9
Schlmbg	118.76	75.60	84.39	+11	-1.2
TaiwSemi	25.32	19.39	23.69	+46	+5.9
3M Co	170.50	130.60	162.80	+28	-9
Total SA	74.22	46.61	50.01	+25	-2.3
Toyota	145.80	103.38	140.02	+154	+11.6
UnilevNV	44.41	36.78	42.87	+91	+9.8
Unilever	45.99	38.79	42.49	+66	+5.0
UnionPac s	124.52	90.36	107.13	-21	-10.1
UttdTech	124.45	97.30	117.13	+121	+1.9
UttdhlthGp	123.76	73.61	117.36	-09	+16.1
VerizonCm	53.66	45.09	49.47	+55	+5.8
Visa s	69.66	48.71	65.29	+11	-4
WalMart	90.97	72.61	80.73	+02	-6.0
WellsFargo	56.29	46.44	54.37	+43	-8
WestpacBk</					