



Blevins Holdings

AGENDA ITEM

BOARD OF GOVERNORS

Benjamin Blevins

Chair

Lynn Neault

Ranking Member

Nathan Fletcher

Member

Ashley Dominguez

Member

Janet Stanton-Blevins

Member

Date: September 18, 2026

To: Board of Governors

03

CONFLICT OF INTEREST PROCEDURAL FRAMEWORK (SEATS: ALL)

Overview

Staff requests that the Board of Governors adopt GOV.02, Conflict of Interest Compliance Procedures (2026), as a Tier 1 Board Policy under GOV.01, and authorize the Chair to issue the instrument effective October 1, 2026. BP 1003 already governs Governor-level conflicts and related-party transactions. It does not reach employees, shared vendors, BDEF organizational conflicts, or Foundation excess-benefit risk. The Company now files through multiple EINs — Holdings (Form 1120-S), BDEF, BEG, and the Foundation (Form 990) — while sharing people, banks, and vendors. That structure creates related-party, organizational-conflict, and excess-benefit exposure. Informal, meeting-by-meeting oral disclosure does not address that exposure. GOV.02 is the Company-wide procedure that closes the gap.

Recommendation by the Chief Compliance Officer

- 1) Adopt Board Policy GOV.02, Conflict of Interest Compliance Procedures (2026), Rev. 1.0, as a Tier 1 instrument under GOV.01, effective October 1, 2026.
- 2) Authorize the Chair of the Board of Governors to execute the Issuance Letter attached as Attachment B, and direct the Clerk of the Board to post GOV.02 as Active on the Policy Matrix and to circulate it to every Covered Person.
 - a. Direct the Chief Compliance Officer to open Disclosure Files and collect Form A from current Governors, officers, and employees by October 15, 2026.
 - b. Direct BDEF contracts leadership to deliver the organizational-conflict inventory of open bids, live contracts, and affiliate staff overlap by October 31, 2026.
- 3) Receive and file the 2026 Implementation Calendar (GOV.02 Appendix E) and require a quarterly compliance report to the Committee on Legal and Regulatory Affairs beginning with the fourth quarter of 2026.

Equity Impact Statement

GOV.02 is an internal governance control. It does not allocate public benefits or change service delivery to the public. It does reduce the risk that Foundation grants, vendor awards, or hiring decisions favor insiders or Family Members at the expense of intended beneficiaries, public-grant purposes, and arm's-length counterparties.

Sustainability Statement

N/A

Fiscal Impact Statement

There is no new financial appropriation associated with this action.

Administration will be absorbed by Ethics and Compliance within existing allocated staff years.

Business Impact Statement

Counterparties should expect a slower, documented path on insider deals and a faster, cleaner path on arm's-length work. Blevins Defense LLC bids that present an affiliate conflict will pause until a Management Plan (MP) is in

Conflict of Interest Compliance Procedures (2026) and Authorize Chair Issuance (Districts: All)

place. Personal use of Company cards and informal draws will be recorded as Shareholder Distributions (GL00132109), not as deductible operating expense. That is a bookkeeping change with tax and reputational consequences; it is not a change to authorized compensation.

Advisory Board Statement

N/A

Background

Staff analysis follows.

1. Origin.
 - 1.1. BP 1001 requires every T1 instrument to issue through the Board. BP 1003 covers Governors. The Company has been operating across Holdings entities — including Defense, Energy, Pharmaceuticals, Healthcare, Data, and the Foundation — without a single Company-wide conflict-of-interest procedure for Covered Persons, vendors, or affiliate overlap.
 - 1.2. Related-party cash has been deposited into the Holdings operating account. Personal charges have remained in operating expense. BDEF federal work and Foundation grants have no written organizational-conflict or excess-benefit screen.
2. Options considered.
 - 2.1. Continue with meeting-by-meeting oral disclosure only. Rejected. It leaves no Disclosure File, no Form B halt right, and no FAR 9.5 record.
 - 2.2. Adopt separate codes per EIN. Rejected. The people and the banks are shared; the conflicts are shared.
 - 2.3. Adopt one Company-wide procedure with separate-EIN posting rules. Recommended.
3. Rationale.
 - 3.1. A disclosed, documented, managed conflict may be permitted. An undisclosed conflict is a violation regardless of amount. GOV.02 states that rule, names the decision-makers, ties related-party activity to the designated related-party accounts (including GL 1120, 1810, 2010, 3210, 5100, and 6290), and puts BDEF organizational-conflict review and Foundation section 4958 screening on the same calendar as the Holdings 1120-S.
4. Legal and Regulatory Considerations.
 - 4.1. This item is grounded in the California duty of loyalty; IRC rules applicable to S corporations and section 501(c)(3) organizations, including section 4958 excess-benefit rules; FAR Subpart 9.5 and DFARS organizational-conflict rules applicable to BDEF; and GOV.01 issuance mechanics. Public-component obligations under the San Diego Board of Supervisors grant are not changed by this item. They are protected by requiring insider deals to be documented before they close.

Implementation

Implementation is mandatory after adoption. The following dates apply.

- Form B is required from **October 1, 2026**.
- Form A from current Covered Persons is due **October 15, 2026**.
- The BDEF OCI inventory is due **October 31, 2026**.
- The Controller related-party tie-out against GL 1120, 1810, 2010, 3210, 5100, and 6290, and Company-wide training, are due November 15, 2026.
- The Committee on Legal and Regulatory Affairs receives the first quarterly CCO report in Q4 2026.

Conflict of Interest Compliance Procedures (2026) and Authorize Chair Issuance (Districts: All)

- GOV.02 is scheduled for review on **October 1, 2027**.

Linkage to the Blevins Holdings Global Strategic Plan

This item supports enterprise integrity and multi-EIN discipline under the Blevins Holdings Global Strategic Plan. It requires conflicts to be disclosed, documented, and managed before related-party cash, BDEF bids, or Foundation grants move, and it protects public-component obligations under the San Diego Board of Supervisors grant.

Respectfully submitted,

Colleen Smith

Colleen Smith, Esq.
General Counsel

Attachment(s)

Attachment A – BP 1002 Rev 1.0, Conflict of Interest Compliance Procedures (2026)

Attachment B – 2026 Implementation Calendar (GOV.02 Appendix E)