

**CORPORATE COMPLIANCE NOTICE**  
**CROSSROADS DIVERSIFIED SERVICES, INC.**

Crossroads Diversified Services, Inc. is committed to the delivery of services in an environment characterized by strict conformance to the highest standards of accountability for administrative, program, business, marketing, and financial management services. Further, the management of Crossroads Diversified Services, Inc. is fully committed to the prevention and detection of fraud, waste, abuse, fiscal mismanagement, and misappropriation of funds and has developed a Corporate Compliance program that emphasizes (1) prevention of wrong doing--whether intentional or unintentional; (2) immediate reporting and investigation of questionable activities and practices without consequences to the reporting party, and (3) timely correction of any situation which could potentially put its clients, customers, stakeholders, the organization, its leadership, or employees at risk.

Any person wishing to submit a report of any suspected case of waste, fraud, abuse, or wrongdoing can do so confidentially and without fear of retaliation or reprisal. Reports can be submitted in person or by mail, telephone, fax, or email to the organization's Corporate Compliance Officer.

Ms. Jane Naify

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10/08/2008

## CORPORATE COMPLIANCE PROGRAM AND PLAN

**Purpose:** To establish and publish the official policy of Crossroads Diversified Services, Inc., regarding the organization's Corporate Compliance program/plan and assign responsibility for implementation of that plan.

**Policy:** Crossroads Diversified Services, Inc. is dedicated to the delivery of services in an environment characterized by strict conformance with the highest standards of accountability for administration, clinical, business, marketing and financial management. Crossroads' governance and management authorities are fully committed to preventing and detecting fraud, fiscal mismanagement and misappropriation of funds and therefore, to the development of a formal Corporate Compliance program to ensure ongoing monitoring and conformance with all legal and regulatory requirements. Further, the organization is committed to the establishment, implementation and maintenance of a Corporate Compliance program that emphasizes (1) prevention of wrong doing - whether intentional or unintentional, (2) immediate reporting and investigation of questionable activities and practices without consequences to the reporting party and (3) timely correction of any situation which puts the organization, its leadership or staff, stakeholders, customers or clients at risk. By formal resolution, and in accordance with this policy, the governance authority has delegated overall responsibility for the Corporate Compliance Program to the President/CEO.

**Designation of a Corporate Compliance Officer:** The President/CEO will formally designate a Corporate Compliance Officer (CCO), to monitor the organization's Corporate Compliance program and ensure that the governance authority is fully informed at all times on matters pertaining to corporate compliance.

**Responsibilities of the Corporate Compliance Officer:** In the performance of his/her duties, the CCO shall (1) serve as the organization's primary point of contact for all corporate compliance issues; (2) develop, implement and monitor the organization's Corporate Compliance Plan, including all internal and external monitoring, auditing, investigative and reporting processes, procedures and systems; and (3) prepare, submit and present periodic reports on corporate compliance issues to the President/CEO as requested and/or as may be required. In the performance of his/her duties, the CCO shall report to the President/CEO but shall have direct access to the organization's Governance/Nominating Committee of the Board of Directors on an "as needed" basis for matters and questions.

**Core Values:** In our interactions with our clients, customers, stakeholders, each other and members of the communities in which we work, we will treat everyone with dignity and respect. We value honesty, integrity and hard work, and we adhere to the highest ethical standards of program services for our clients. We embrace the concepts of personal and professional accountability in the workplace.

### **Organizational Code of Ethics:**

Our mission is to create employment opportunities for persons with disabilities and to deliver best value services and solutions to our business customers. We are passionate about our mission. It guides everything we do in our company.

We are people dedicated to delivering best-value services and solutions to our business partners and the clients we serve. We will pursue these objectives with a commitment to high standards and personal integrity. How we pursue our mission is as important as the mission itself.

We are driven by quality and customer satisfaction. We place the highest priority on the quality, timeliness and competitiveness of our services and our customers' satisfaction.

We pursue technical growth and market diversification to increase value for our customers and opportunity for our employees.

We are committed to growth and energized with an entrepreneurial spirit.

We maintain our traditional small-company flexibility whenever possible, and, at the same time, facilitate the creation of collaborative efforts to support larger customer efforts.

We will be fair and professional in all our business dealings and will honor our commitments to our business partners.

We insure equal opportunity for employment and advancement. We do not practice or condone any form of discrimination on the basis of ethnicity, race, creed, color, sex, sexual orientation, age, marital status or disability.

We will always strive to be a "good neighbor" and bring value to the neighborhoods in which we conduct our business.

No business code of ethics can cover every conceivable scenario that might arise in the course of business conduct. Therefore, Crossroads' employees are enjoined to abide by these guiding principles and to seek assistance from the President/CEO or Corporate Compliance Officer in the event that any situation or circumstance arises that might challenge the application of this code of ethics.

As a related matter, situations and circumstances occasionally arise that may represent a conflict of interest. As a general principle, no employee of Crossroads Diversified Services, Inc. will make any decision on behalf of the company that would represent, result in or give the appearance of personal gain or benefit, however slight. In such cases, employees are enjoined to discuss any such situation with their immediate supervisor or division manager prior to making any decision that would represent a commitment of the company's assets, obligate the company in any way and/or have the potential to give the appearance of impropriety or conflict of interest.

**Annual Corporate Compliance Report:** The CCO shall submit an annual Corporate Compliance Report to the President/CEO. Annual reports will, include at a minimum: (1) a summary of all allegations, investigations and/or complaints processed in the preceding 12 months in conjunction with the Corporate Compliance program, (2) a complete description of all corrective action(s) taken, and (3) any recommendations for changes to the organization's policies and/or procedures.

**Risk Management Assessment:**

As part of Corporate Compliance program, the CCO shall schedule and coordinate with the Chief Financial Officer, periodic risk management assessments and/or audits to identify potential problem areas and "threats" that could put the organization at risk for unusual liability, i.e., billing and cash handling procedures, health and safety practices, etc. Such assessments will augment the organization's annual risk management audit and provide an additional, internal measure of operational accountability in a variety of areas.

**Corporate Compliance Plan Elements:**

The Corporate Compliance program For Crossroads Diversified Services, Inc. consists of:

1. A formal resolution on corporate compliance that has been adopted by the Board of Directors;

2. Written designation of a Corporate Compliance Officer (CCO) responsibility for monitoring and reporting on matters pertaining to corporate compliance;
3. A corporate code of ethics regarding professional conduct, personal behavior, business practices, marketing practices, clinical practices and potential conflicts of interest;
4. A "no reprisal" system for employees to use in reporting waste, fraud, abuse or other questionable activities and practices;
5. Written procedures contained herein for: the timely investigation of allegations of waste, fraud, abuse and/or other wrongdoing; dealing with violators of the organization's code of ethics in a fair and consistent manner; and dealing with violators of the organization's Corporate Compliance program/plan in a fair and consistent manner.

**No-Reprisal Reporting System:** An integral part of the organization's Corporate Compliance Program, and consistent with the organization's *Whistleblower Policy*, is a non-retaliatory system that employees can use to report suspected waste, fraud, abuse and other questionable activities and practices. Reports can be submitted to the Corporate Compliance Officer in four ways: (1) By mail, (2) By telephone, (3) By fax and (4) By e-mail. Division managers are responsible for posting a "Corporate Compliance Notice" at each stationary worksite as a way to inform clients, customers, stakeholders and employees about the organization's Corporate Compliance program and the system including contact information - for reporting suspicious activities to the Corporate Compliance Officer of Crossroads Diversified Services, Inc.

**Investigation Process:** Upon receipt of any report of suspected wrongdoing, the Corporate Compliance Officer will contact the President/CEO and initiate an immediate investigation. Investigations of Corporate Compliance matters will be conducted as expeditiously as possible with results - including recommendations for any disciplinary and/or corrective action - provided in writing to the President/CEO. The Corporate Compliance Officer is authorized direct and unimpeded access to all staff members as a way to expedite Corporate Compliance investigations.

**Violations Procedure:** Substantiated violations of the organization's Corporate Compliance program and/or code of ethics are serious matters and have potential legal ramifications for both Crossroads Diversified Services, Inc. and its employees. Violators are subject to and will be handled in accordance, with the organization's disciplinary policies outlined in the company's personnel policies.

**Search Warrants, Subpoenas, Investigations and Other Legal Actions:** In the event that any employee of Crossroads Diversified Services, Inc. receives or is notified of any search warrant, subpoena, investigation, inquiry or other legal action involving the company, the President/CEO and Corporate Compliance Officer will be immediately contacted by the most expedient means, i.e., telephone, e-mail, cell phone, fax, etc. Copies of all legal documents served against Crossroads Diversified Services, Inc. and/or its employees will be given to the Corporate Compliance Officer or President/CEO immediately. Under no circumstances will any records, files, receipts or other forms of documentation be released without authorization from the President/CEO. Employees are referred to the company's official policy on Legal Processes: Summons, Complaints and Subpoenas for further information and instructions.

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**CROSSROADS DIVERSIFIED SERVICES, INC.  
MEMORANDUM**

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**TO:** JANE NAIFY  
**FROM:** DAVE DeLEONARDIS, PRESIDENT/ CEO  
**SUBJECT:** APPOINTMENT AS CORPORATE COMPLIANCE OFFICER  
**DATE:** 2/19/2009

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As per our previous discussions, you are hereby appointed as Corporate Compliance Officer (CCO) for Crossroads Diversified Services, Inc. In the performance of your duties, you will be bound by all applicable state and federal guidelines and will have direct access to the Chair, of the corporation's Governance/Nominating Committee and the President/CEO. As CCO, you will be responsible for implementation and ongoing monitoring of all corporate compliance policies and procedures to ensure conformance with generally-accepted operational practices and legal requirements regarding corporate compliance. Additionally, you will be responsible for submitting periodic reports on corporate compliance activities as required and/ or requested.

Your appointment is effective this date and will remain in effect until withdrawn in writing.

David A. DeLeonardis,  
President/CEO

**CORPORATE COMPLIANCE OFFICER'S ENDORSEMENT**

By my signature below, I hereby acknowledge my appointment as the Corporate Compliance Officer for Crossroads Diversified Services, Inc. and agree to abide by all applicable laws, rules, regulations and organizational policies pertaining to Corporate Compliance programs.

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Jane Naify  
Health and Safety Officer