

**DREW CHILD DEVELOPMENT CORPORATION
POLICY ON CONFLICT OF INTEREST
AND DISCLOSURE OF CERTAIN INTERESTS**

WHEREAS, there exists between Board members, officers, and employees, and Drew Child Development Corporation (hereafter “the Corporation”) a fiduciary relationship which carries with it a strict and unbending duty of loyalty and fidelity; and

WHEREAS, it is the responsibility of Board members, officers, and employees of the Corporation to administer its affairs honestly and economically, exercising their best care, skill, and judgment for the benefit of the Corporation; and

WHEREAS, it is also the responsibility of Board members and officers of the Corporation to make full disclosure of any interest which might result in a conflict on their part, and the Board of Directors (hereafter “the Board”) makes a like requirement of an employee and forbids any material conflict of interest on the part of an employee, including an officer who is an employee; and

WHEREAS, the law of the State of California requires that not more than forty-nine percent (49%) of the persons serving on the Board may be “interested persons.” Interested persons means: (1) Any person currently being compensated by the Corporation for services rendered to it within the previous twelve months, whether as a full or part-time employee, independent contractor, or otherwise, and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person; and

WHEREAS, the law of the State of California sets forth that any transaction to which the Corporation is a party and in which one or more of its board members has a material financial interest may be deemed to be a self-dealing transaction; and

WHEREAS, it is deemed to be timely and appropriate to adopt a Policy on Conflict of Interest for the guidance of the Board members, officers, and employees so as to insure adherence to the aforementioned policies and avoidance of conflicts of interests;

NOW THEREFORE, BE IT RESOLVED, that the following Policy on Conflict of Interest be and the same hereby is adopted.

FIRST: Board members, officers, and employees should exercise the utmost good faith in all transactions touching upon their duties to the Corporation and its property. In their dealings with and on behalf of the Corporation they are held to a strict rule of honest and fair dealing between themselves and the Corporation. They shall affirmatively disclose any information that they feel would be relevant for any decision of any other board member discharging the duties and obligations of the Corporation. They shall not use their positions, or knowledge gained from their positions, so that a conflict might arise between the Corporation's interests and that of the individual, or any other organization of which the individual is associated.

SECOND: No Board member, officer, or employee shall accept any favor which might influence that person to act in conflict with the interests of the Corporation.

THIRD: Any Board member, officer, or employee who becomes aware of any transaction or situation which, as to his own self or others, may create a conflict of interest between any board member, officer, or employee and the Corporation shall promptly report the possible conflict of interest by writing directly to the Conflict of Interest Committee of the Board. The report shall furnish the facts, which create the possible conflict of interest, so far as they are known to the person who is reporting. No such board member shall participate in any vote taken with respect to any such transactions or services. Because the acts of an interested person such as a relative of a board member, officer or employee may be considered a conflict of interest, their transactions with the Corporation which may create a possible conflict of interest should also be reported.

FOURTH: In addition to the foregoing requirements, annually, the President of the Corporation shall send to all Board members, offices, administrative staff members, and faculty department chairpersons a copy of this resolution with a cover letter and a questionnaire, which shall be completed and returned to the President. Every new Board member, officer, and administrative staff member shall receive those documents upon assumption of his or her duties.

FIFTH: The President shall submit a confidential report to the Board concerning any potential conflicts of interest of members of the Board or others who are officers of the Board. The President shall submit a confidential report to the Conflict of Interest Committee concerning all other potential conflicts of interest.

CONFIDENTIAL

RETURN TO:

Board of Directors
1770 E. 118th Street
Los Angeles, CA 90059

DREW CHILD DEVELOPMENT CORPORATION

DISCLOSURE QUESTIONNAIRE

Name: _____ Date: _____

Office, Board, Committee, Task Force, Working Group, or other position(s) in/on which serving:

Pursuant to the Conflict of Interest Policy and Standards of the Drew Child Development Corporation requiring disclosure of certain interests, I hereby state that I or members of my immediate family or household have the following affiliations or interests and have taken part in the following transactions that should be considered in conjunction with any relationship to the Corporation when assessing the existence of possible conflicts of interest. (Check "None" where applicable.)

1. EMPLOYMENT AND FINANCIAL INTERESTS

1. Employer: _____

Brief description of the nature of employer's business or activities:

Job title: _____

2. Financial or business interests:

List the names of all other agencies, corporations, companies, firms, business enterprises, partnerships, organizations and institutions – whether for-profit, not-for-profit, or governmental – that you or a member of your immediate family or household do or propose to do business with that have relationships with the Corporation; provide similar or competing services, programs or publications; engage in similar fund raising activities or compete for charitable funding; engage in research funding or compete for scientific or research funding; or are involved in or with child care issues of under served communities:

List companies or organizations with which you or any member of your

immediate family or household are connected as an employee, office, owner, director, manager, member, volunteer, trustee, partner, broker, editor, advisor or consultant:

| NAME AND KIND OF ORGANIZATION | ADDRESS (CITY AND STATE) | POSITION IN ORGANIZATION |
|--------------------------------------|---------------------------------|---------------------------------|
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| | | |
| | | |

() None

List companies in which you have a significant director indirect financial interest through the ownership of stock, stock options, bonds, promissory notes, securities, or other arrangements including trusts:

| NAME AND KIND OF ORGANIZATION | ADDRESS (CITY AND STATE) | POSITION IN ORGANIZATION |
|--------------------------------------|---------------------------------|---------------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

() None

* For purposes of this policy, a person has a “significant” interest in a business if:

- the interest is ownership of five (5) percent or more of the voting stock or share of the business entity, or ownership of \$5,000 or more of the fair market value of the business entity; or
- funds received by the person from the business entity exceed five (5) percent of the person’s gross income for the previous year.

2. FINANCIAL TRANSACTIONS

Provide details of any transaction or business dealing in which you or any member of your immediate family or household had a financial interest involving the purchase, sale, rental or lease by the Drew Child Development Corporation of any goods, materials, equipment, supplies, services, finances, property or property rights: () NONE

3. GIFTS, GRATUITIES, AND ENTERTAINMENT

Provide details of any gifts, gratuities, honoraria, entertainment, other goods services or favors that have been provided to your or any member of your immediate family or household from any business or group that is seeking to be or is a current or potential vendor or customer of, or is a competitor of the Drew Child Development Corporation: () NONE

4. INSIDE INFORMATION

Provide details of any confidential or proprietary information relating to the Corporation's business, programs and activities that have been disclosed by you or by any member of your immediate family or household to any person or organization for their use, benefit or financial gain or for the use, benefit or financial gain of yourself or any member of your immediate household: () NONE

5. OTHER

List any other activities, transactions or relations in which you or any member of your immediate family or household are engaged that might be reasonably regarded or perceived as constituting a conflict of interest: () NONE

I CERTIFY THAT THE STATEMENTS THAT I HAVE MADE ABOVE ARE TRUE, COMPLETE, AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND AGREE TO REPORT TO THE CORPORATE SECRETARY OF THE DREW CHILD DEVELOPMENT CORPORATION ANY FURTHER MATERIAL TRANSACTIONS OR SITUATIONS WHICH MIGHT BE REGARDED AS A CONFLICT OF INTEREST THAT SUBSEQUENTLY MAY DEVELOP.

(Signature)

Conflict of Interest Review (For Staff Only)

_____ No apparent conflict of interest exists.

_____ A conflict of interest exists but appears to be immaterial. (See explanation below.)

_____ A conflict of interest exists that needs additional review. (See explanation below.)

Explanation/Comments: _____

Review Signature:

| | |
|--------|-------------|
| _____ | Date: _____ |
| (Name) | |
| _____ | Date: _____ |
| (Name) | |
| _____ | Date: _____ |
| (Name) | |
| _____ | Date: _____ |
| (Name) | |

1/03 - Disclosure Questionnaire