



**U.S. Department of  
Transportation**

Office of the Secretary  
Of Transportation

Departmental Office of Civil Rights  
1200 New Jersey Avenue, S.E., W76-401  
Washington, DC 20590

February 23, 2022

Docket No. 21-0095

Ms. Rebecca Buchholz  
Gridlock Sign and Safety Solutions  
PO Box 890516  
Temecula CA 92589

Dear Ms. Buchholz:

This is in response to your appeal of the decision of the California Department of Transportation (Caltrans) to deny DBE certification to Gridlock Sign and Safety Solutions (GSSS). Caltrans cited ownership and control grounds. This decision focuses on ownership.

The application states that you and your husband Cory own the company in 51%-49% shares. Your initial capital contribution to GSSS was [REDACTED] drawn from your joint checking account. There is no evidence that Mr. Buchholz renounced his interest in any of the joint funds.

Accordingly, under section 26.69(i)(1) of the DBE regulation, you can be considered to own no more than 50% of the joint contribution. Caltrans was correct as a technical matter in concluding that your 50% capital contribution is not *quite* enough to support your claim of 51 percent ownership. You are [REDACTED] short of a "commensurate with" capital contribution. See section 26.69(c). Although this result must surely seem arbitrary, section 26.89(f)(1) prescribes that we affirm the denial as supported by substantial evidence and consistent with the applicable rules.

This decision is administratively final. GSSS may reapply for certification when the waiting period elapses. If you choose to reapply, we suggest that Caltrans provide you a form of renunciation that it considers acceptable and that your husband execute it. Please be aware that Mr. Buchholz need renounce only [REDACTED] of the joint funds and transfer irrevocably to you only the corresponding 1% ownership interest. He may renounce at any time without adverse eligibility consequences to GSSS. We leave the control concerns to you and Caltrans to resolve.

Sincerely,

Samuel F. Brooks  
DBE Team Lead  
Disadvantaged Business Enterprise Division

cc: Curtis E. Williams, Caltrans