



In the Matter of:

GARY BLANCHARD,

ARB CASE NO. 15-031

COMPLAINANT,

ALJ CASE NO. 2014-SOX-020

v.

DATE: OCT - 5 2016

**EXELIS SYSTEMS CORPORATION/VECTRUS
SYSTEMS CORP., and FLUOR
INTERCONTINENTAL INC.,**

RESPONDENTS.

BEFORE: THE ADMINISTRATIVE REVIEW BOARD

Appearances:

For the Complainant:

Hassam Parzivand, Esq; *The Parzivand Law Firm, PLLC*; Stafford, Texas

For the Respondent, Fluor Intercontinental Inc.:

Mark N. Mallery, Esq. and Anne H. Breaux, Esq; *Ogletree, Deakins, Nash, Smoak & Stewart, P.C.*; New Orleans, Louisiana

Before: Paul M. Igasaki, *Chief Administrative Appeals Judge*; E. Cooper Brown, *Administrative Appeals Judge*; and Joanne Royce, *Administrative Appeals Judge*.

**FINAL DECISION AND ORDER APPROVING SETTLEMENT
AND DISMISSING COMPLAINT AGAINST FLUOR INTERCONTINENTAL, INC.,
WITH PREJUDICE**

On February 13, 2014, Complainant Gary Blanchard filed a complaint under the employee protection provisions of the Sarbanes-Oxley Act of 2002 (SOX or Act), 18 U.S.C.A § 1514A (Thomson/West Supp. 2015), against Exelis Systems Corporation/Vectrus Systems Corporation (Excelis) and Fluor Intercontinental Inc. (Fluor). On January 20, 2015, an ALJ granted Respondents' Motion to Dismiss based upon his finding that SOX does not apply extraterritorially to Bagram Air Force Base in Afghanistan. On February 3, 2015, Complainant timely filed a petition for review with the Administrative Review Board (ARB). Complainant

submitted his Brief on March 5, 2015, and Respondent Exelis filed its Opposition to Complainant's Brief on April 6, 2015.

On November 20, 2015, the Board denied a Joint Application for Leave to File Confidential Settlement Agreement for In Camera Review and Approval and Abeyance of Respondent's Briefing Schedule filed by Complainant and Respondent Fluor. Subsequently, Blanchard and Fluor filed a Joint Request for ARB Approval of Settlement under 29 C.F.R. § 1980.111(d)(2).

The parties may settle a case arising under SOX if the participating parties agree to a settlement and they provide the Board with a copy of the settlement for its review and approval. Because Blanchard and Fluor have jointly submitted the settlement as required and no party has indicated any opposition to its terms, we deem the terms of the settlement agreement unopposed and will review it in accordance with the applicable regulations.¹ For the reasons set out below, the Board approves the Settlement Agreement.

Paragraph 16 of the Settlement Agreement provides that the Agreement shall be construed and interpreted in accordance with the laws of the State of South Carolina.² This "choice of law" provision is interpreted as not limiting the authority of the Secretary of Labor, the ARB, and any federal court with regard to any claim or issue arising under the SOX, which authority shall be governed in all respects by the laws and regulations of the United States.³

¹ 29 C.F.R. § 1980.111(d)(2)(2015). Counsel for Blanchard has certified that the Joint Request for Approval of Settlement was served on all attorneys of record on March 8, 2016, and the Complainant's Supplement to Request for ARB Approval of Settlement under 29 C.F.R. § 1980.111(d)(2) was served on all parties of record on April 1, 2016.

² Amended Settlement Agreement at 6, ¶16.

³ See *Keough v. Surmodics, Inc.*, ARB No. 09-041, ALJ No. 2008-SOX-065, slip op. at 2 (ARB Aug. 27, 2009).

The parties to the settlement have certified that the Settlement Agreement constitutes the entire settlement agreement with respect to Blanchard and Fluor (the released party), but that it in no way waives any claim Blanchard is pursuing against Exelis.⁴ The Board finds that the settlement as between Blanchard and Fluor is fair, adequate, and reasonable, and does not contravene the public interest. Accordingly, the Board **APPROVES** the Settlement Agreement and **DISMISSES** Complainant's petition for review against Respondent Fluor with prejudice.

SO ORDERED.

[REDACTED]

JOANNE ROYCE
Administrative Appeals Judge

[REDACTED]

PAUL M. IGASAKI
Chief Administrative Appeals Judge

[REDACTED]

E. COOPER BROWN
Administrative Appeals Judge

⁴ Settlement Agreement at 4, ¶16