

Cite as: *VSBC Protest of Crosstown Courier Service, Inc.*,  
SBA No. VSBC-466-P (2026) (PFR)

**United States Small Business Administration  
Office of Hearings and Appeals**

VSBC Protest of:

Crosstown Courier Service, Inc.,

Petitioner

Petition for Reconsideration of  
SBA No. VSBC-449-P

SBA No. VSBC-466-P (PFR)

Decided: February 25, 2026

APPEARANCES

Steven A. Neeley, Esq., Melissa M. Kirby, Esq., Luis Hidalgo, Esq., Husch Blackwell LLC, Washington, DC, and Chattanooga, Tennessee, for Protestor

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ORDER DENYING PETITION FOR RECONSIDERATION<sup>1</sup>

I. Background

A. Prior Proceedings

On December 23, 2025, Crosstown Courier Service, Inc. (Petitioner) filed the instant Petition for Reconsideration (PFR) of the U.S. Small Business Administration (SBA) Office of Hearings and Appeals (OHA) decision in *VSBC Protest of Crosstown Courier Service, Inc.*, SBA No. VSBC-449-P (2025) (“*Crosstown Courier P*”). In that decision, OHA denied Petitioner's protest of the Service-Disabled Veteran-Owned Small Business (SDVOSB) status of Caduceus Medical Logistics LLC (Caduceus), in connection with the U.S. Department of Veterans Affairs (VA), Solicitation No. 36C26025Q0661.

Petitioner's initial protest alleged Caduceus is not a qualified SDVOSB for the subject procurement because it was not controlled by a Service-Disabled Veteran (SDV) as of the time that Caduceus submitted its proposal, on the grounds that it did not properly recertify as an SDVOSB after removing its sole SDV CEO and merging with a new entity by the same name.

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<sup>1</sup> This decision was originally issued under a protective order. Pursuant to 13 C.F.R. § 134.205, OHA afforded the protested concern an opportunity to file a request for redactions if desired. No redactions were requested, so OHA now issues the entire decision for public release.

## B. PFR

On December 23, 2025, Petitioner timely filed the instant PFR, requesting that OHA reconsider and reverse the decision in *Crosstown Courier I*. Petitioner argues that OHA committed several errors *Crosstown Courier I*.

Petitioner first contends that OHA committed a clear factual error in assuming that SBA had full insight into the multiple material changes in Caduceus's ownership, and that SBA approved the new SDV owner. However, Protestor maintains the Case File does not support OHA's assumption in this regard. (PFR at 2). To start — and as Petitioner initially noted in its Supplemental Protest for *Crosstown Courier I* — Mr. Covalli (the new SDV owner) did not accept his shares in the prior, self-certified entity directly from Mr. Kosoris (the prior SDV owner). (See Supp. Protest at 2). Rather, Mr. Kosoris sold his shares back to the original Georgia entity on August 23, 2024, at which point the entity was owned solely by non-SDVs. Mr. Covalli did not take ownership of the predecessor Georgia entity until September 5, 2024 — a total of 13 days later.<sup>2</sup>

However, there is nothing in the Case File to indicate that Caduceus advised SBA of this material change in its ownership during that period. Moreover, there is also no record in the Case File showing that SBA approved of this change or affirmed that Caduceus remained a SDV entity during that time. (See 13 C.F.R. § 134.1012). Indeed, there is not a single mention in the Case File submitted by SBA of the new SDV owner, Anthony Covalli, or of a Massachusetts entity merger by the same name. Nothing in the SBA's January 8, 2025 letter specifically notes a change of business structure or certifies new ownership, pursuant to 13 C.F.R. § 128.202(f). (See Response Exh. 7). Moreover, the January 8th letter from SBA was addressed to the former Georgia entity, further underscoring that SBA likely never reviewed nor was ever aware of the change in ownership or reorganization in Massachusetts. (PFR at 3).

Accordingly, OHA's conclusion in its decision that “the record thus establishes SBA not only reviewed but approved the changes to Caduceus' ownership and business, and in doing so confirmed the concern's eligibility to compete for SDVOSB set-aside contracting opportunities” is factually inaccurate. (See *Crosstown Courier I* at 10). OHA appears to have assumed facts not in the Record when it determined that SBA was notified, and had full awareness of, the multiple changes in ownership during the period in question. (PFR at 3).

Next, Petitioner contends that OHA's decision also contains a manifest error of law because it is contrary to the plain language of SBA's regulations. (PFR at 4). As Petitioner pointed out in its Supplemental Protest for *Crosstown Courier I*, nothing in the plain language of SBA's regulations permit an entity to retroactively acquire ownership of a SDVOSB for purposes of maintaining a self-certification and avoiding the full SBA application and certification process. (See Supp. Protest at 3).

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<sup>2</sup> OHA's decision in *Crosstown Courier I*, as well as Caduceus's pleadings for that matter, erroneously referred to that gap as 12 days.

Indeed, Protestor maintains the regulations require that an SDV own and control the SDVOSB after a change in ownership, and that the SDVOSB advise SBA of any material changes in its ownership. (*See* 13 C.F.R. §§ 128.202(f), 128.307). In this matter, there was not just one but *two* changes in ownership: (i) Mr. Kosoris selling his shares to the Georgia entity owned by Mr. Speight, his wife, and Mr. Humphrey (none of whom are SDVs); and (ii) Mr. Covalli acquiring ownership of the Georgia entity from those non-SDV owners 13 days later. (PFR at 4, emphasis supplied therein).

Therefore — while OHA's decision purports to apply the regulations' plain language — it does so only after the second change in ownership regarding Mr. Covalli. (*See Crosstown Courier I* at 11). But based on the plain language of the regulations, OHA's decision offers no rationale for ignoring the first change in Caduceus's ownership that persisted for a period of 13 days — nearly half the time required to advise of an ownership change as per 13 C.F.R. § 128.307. Rather, OHA appears to treat both changes as one-and-the-same and regards the multiple changes in its ownership and the 13-day period where Caduceus was undoubtedly *not* a SDVOSB as a minor informality. (*Ibid.*, emphasis supplied in PFR).

OHA's rationale for doing so, however, is not based on the plain language of the regulations but rather its own concern that applying the regulations as written “would create a wide array of unintended consequences that would seemingly contradict the core purpose of the regulation.” (*See Crosstown Courier I* at 11). Petitioner contends that the necessary implication of OHA's rationale is that SBA must have intended to overlook lapses in SDVOSB ownership and allow back-dating of ownership agreement, as long as the lapse took place over a brief enough window. (PFR at 4-5).

Petitioner contends OHA's error in *Crosstown Courier I* is that the plain language of the regulations is unambiguous — there is simply no basis for OHA to resort to its own view of the “core purpose of the regulation” or policy considerations of “unintended consequences.” Indeed, courts have previously noted that SBA is entirely capable of using words in its regulations that capture the intent and purpose of the regulation. (*See, e.g., Def. Integrated Sols., LLC v. United States*, 165 Fed. Cl. 352, 374-75 (2023)) (“Where SBA seeks to capture such breadth in words, the agency has, indeed, used that very phrase.”). Here, if SBA intended to allow multiple changes in ownership to occur, including to non-SDV owners, and still treat those changes as a single ownership change as long as they occurred over a short period of time, it could have added language to that effect in the regulation. Since SBA did not do so, however, there is no basis for OHA to now read such language into the unambiguous plain language of the regulation without proper notice-and-comment rulemaking. (*See id.* at 368) (“When the text is unambiguous, the court need only read and apply the plain language of the regulation.”). (PFR at 5).

Petitioner also notes that it is not clear that OHA's interpretation of the “core purpose of the regulation” is consistent with SBA's intent. (PFR at 6). SBA previously allowed entities to self-certify their SDVOSB status, but it ended that practice in December 2023. However, as of January 1, 2024, any entity that was not properly certified as a SDVOSB is now required to submit a new application to SBA. (*See* Protest at 5; 13 C.F.R. § 128.300). Therefore, OHA's decision in *Crosstown Courier I* to permit back-dating of ownership agreements to benefit from prior self-certifications and to disregard material changes in ownership that resulted in total non-

SDV ownership for a period of multiple days is contrary to the “core purpose of the regulation” that eliminated self-certification and required SBA applications from January 1, 2024, forward. But even if that were SBA's intent, that intent should be accomplished through proper notice-and-comment rulemaking, rather than OHA's application of its own policy considerations and judgments. (PFR at 6).

For the above listed reasons, OHA should grant the instant protest.

### C. Caduceus's Response

On January 20, 2026, Caduceus responded to the instant PFR. Caduceus asserts the instant PFR represents a continuation of Petitioner's *fifth* attempt to challenge Caduceus's SDVOSB status, all of which have been unsuccessful. (*See generally CVE Protests of: Crosstown Courier Serv. Inc.*, SBA No. CVE-239 (2022) (consolidated decision related to three different protests filed by Crosstown challenging contract awards to Caduceus); *VSBC Protest of: Crosstown Courier Serv. Inc.*, SBA No. VSBC-414 (2024)). (Response at 3, emphasis supplied in Response).

Caduceus first contends that Petitioner failed to demonstrate any clear error of fact in the initial decision. While Petitioner contends that the record allegedly failed to demonstrate that SBA accepted the material changes in Caduceus's ownership that were raised in Petitioner's supplemental protest, the record itself plainly demonstrates otherwise. (Response at 5).

From the Case File in *Crosstown Courier I*:

SBA has reviewed and accepted the material change(s) submitted on Nov. 29, 2024 for Caduceus Medical Logistics LLC. Your business remains certified by the Veteran Small Business Certification Program (VetCert) at SBA. Your certification confirms your eligibility to compete for set-aside contracting opportunities, as well as other benefits, as a Service-Disabled Veteran-Owned Small Business (SDVOSB).

(Response Exh. 7.)

These material changes were reflected in SBA's Small Business Search, available through <https://search.certifications.sba.gov/>. (See Response Exh. 9.) The information contained therein corroborates all of the information provided by Caduceus in its initial Protest Response, but moreover, shows a last updated date of December 29, 2024. (*Id.*). Accordingly, Petitioner's argument that the SBA was unaware of these material changes is clearly without merit, as the Case File reflects information that is subsequent to its November 29, 2024, submission of its material changes — which were approved by Caduceus' continued certification and confirmed by SBA's January 8, 2025, correspondence. (Response at 5-6).

However, Caduceus notes that these facts are immaterial to OHA's decision and the PFR should accordingly be denied that basis alone. (Response at 6). This is because in *Crosstown Courier I*, OHA properly found that Caduceus is and was a properly constituted SDVOSB as of

July 8, 2025, the date of submission of its initial offer. This determination is supported by the entire record and is the only logical outcome based on the pertinent SBA regulations. (*See* 13 C.F.R. § 134.1003(e)(1)) (A concern's eligibility is determined as of the date of its initial offer, including price).

Caduceus next alleges that Petitioner also failed to demonstrate any clear error of law in the initial decision. (Response at 7). Petitioner argues that OHA “ignored the first change in Caduceus's ownership that persisted for a period of 13 days[.]” (PFR at 4). However, OHA explicitly considered — and denied — that exact argument in *Crosstown Courier I*, finding that — while not all of the documentation was executed simultaneously — the necessary documentation was received over a short period of time and were intended to be part of one single transaction. (*See Crosstown Courier I* at 11). Therefore, the argument that OHA offered no rationale as the basis for its decision is patently false. (Response at 7, citing PFR at 4).

Indeed, OHA clearly — and appropriately — reviewed the pertinent regulations and found that it required ““one or more qualifying veterans own and control [the entity] **after the change**” as being the “far more straightforward interpretation of the regulation.” (*Crosstown Courier I* at 11, emphasis supplied in decision). The documents themselves also clearly corroborate OHA's determination that the transfer of ownership was intended as part of a single transaction. (*See* Response Exhs. 2-4; *see also* Response Exh. 3) (“Effective as of August 23, 2024, Brian Kosoris shall transfer his 51% interest in the Company back to the Company, **with the intent that the Company shall then on this same date transfer/sell that interest to Mr. Covalli** for purposes of the Company maintaining its designations with the federal government as a service-disabled veteran-owned small business.”) (Response at 8, emphasis supplied in Response).

In sum, having found the documents were all part of “one transaction,” OHA properly found that — in accordance with 13 C.F.R. § 128.202(f) — one or more qualifying veterans owned and controlled the entity after the execution of the single transaction. Accordingly, Petitioner's arguments to the contrary represent nothing more than attempts to rehash old — and fruitless — arguments. Moreover, as OHA noted in *Crosstown Courier I*, applying Petitioner's proposed interpretation of the regulation would lead to absurd results such as entities forfeiting their pre-existing SDVOSB statuses as a result of — potentially any lapses whatsoever, as Petitioner has still not clarified its actual position in this regard — in a manner that would seemingly contradict the core purpose of the underlying regulation. (Response at 8, citing *Crosstown Courier I* and 13 C.F.R. § 128.202(f).)

Simply put, SBA was fully aware of the material changes to Caduceus's ownership structure and accordingly continued to approve Caduceus's certification as an SDVOSB. (*See* Response Exh. 7, 9). As of December 2024, SBA's Small Business Search reflected Caduceus as an entity owned and controlled by Mr. Covalli, located in Massachusetts, and incorporated as of 2024. Therefore, it is clear that both SBA more broadly and OHA specifically disagree with Petitioner's strained proposed reading of the applicable regulations. For the above-mentioned reasons, Petitioner has not met the rigorous standard to clearly show an error of fact or law material to the decision; the instant PFR should accordingly be denied. (Response at 8-9).

## II. Discussion

### A. Jurisdiction and Standard of Review

A party seeking reconsideration of an OHA decision on an SDVOSB protest must file its PFR within 20 calendar days after issuance of the decision. 13 C.F.R. § 134.1112(g). OHA issued *Crosstown Courier I* on December 3, 2025, and Petitioner filed the instant PFR on December 23, 2025, so the PFR is timely.

To prevail in a PFR, the Petitioner must make “a clear showing of an error of fact or law material to the decision.” *Id.* This is a rigorous standard. A PFR must arise from a “manifest error of law or mistake of fact” and is not intended to provide an additional opportunity for an unsuccessful party to argue its case before OHA. *CVE Appeal of Joseph M. Walls d/b/a Jailhouse Lawyers Ass'n*, SBA No. CVE-217-A, at 2 (2022) (PFR); *CVE Appeal of Optimum Low Voltage, LLC*, SBA No. CVE-196-A, at 3 (2021) (PFR).

### B. Analysis

Petitioner in the instant PFR alleges both errors of fact and errors of law in the *Crosstown Courier I* decision. More specifically, Petitioner alleges that SBA did not have full insight into and/or fully approve the multiple material changes in Caduceus's ownership over the transaction period in question, and that OHA's finding to the contrary constituted an error of fact. Petitioner also contends that OHA's decision also contains a manifest error of law because it is contrary to the plain language of SBA's regulations.

Regarding the alleged errors of fact, the record plainly establishes that SBA both was aware of and accepted the material changes in Caduceus's ownership. (*See* Response Exh. 7.) Moreover, these changes were reflected in SBA's Small Business Search, available on the Agency's publicly available website. (*See* Response Exh. 9.)

Regarding the alleged errors of law, Petitioner contends that OHA made its decision in *Crosstown Courier I* not based on the plain language of the regulations but rather its own policy concerns. The pertinent regulations are:

A concern must apply to SBA for certification as a VOSB or SDVOSB. The concern must submit evidence that it is a small business owned and controlled by one or more qualifying veterans. SBA will consider the information provided by the concern in order to determine whether the concern qualifies. If SBA determines that a concern meets the eligibility requirements of a VOSB or SDVOSB, it will notify the concern and designate the concern as a certified VOSB or SDVOSB in the certification database.

13 C.F.R. § 128.300.

A Participant may change its ownership or business structure so long as one or more qualifying veterans own and control it after the change. A Participant must notify

SBA of a change of ownership in accordance with § 128.307 and attest to its continued eligibility.

13 C.F.R. § 128.202(f).

Once certified, a VOSB or SDVOSB must notify SBA of any material changes that could affect its eligibility, within 30 calendar days of any such change, and attest to its continued eligibility. Material changes include, but are not limited to, a change in the firm's ownership, business structure, or control, filing of bankruptcy, or change in active-duty status. . . .

13 C.F.R. § 128.307.

The core of Petitioner's argument is that OHA only applied the regulations' plain language regarding second change in ownership to Mr. Covalli. Petitioner contends that OHA should not have treated both changes as one-and-the-same when it resulted in a 13-day period where Caduceus was manifestly not a SDVOSB.

The plain language of 13 C.F.R. § 128.202(f) requires that “one or more qualifying veterans own and control [the entity] *after the change*.” While Petitioner contends that the two ownership changes constituted two separate transactions, the evidence in the Case File indicates otherwise. (*See* Response Exhs. 2-4; *see also* Response Exh. 3) (“Effective as of August 23, 2024, Brian Kosoris shall transfer his 51% interest in the Company back to the Company, *with the intent that the Company shall then on this same date transfer/sell that interest to Mr. Covalli for purposes of the Company maintaining its designations with the federal government as a service-disabled veteran-owned small business (‘SDVOSB’)*.”) (emphasis added).

The two ownership changes were clearly always explicitly intended to be part of one transaction, with an effective date of August 23, 2024. This served as the primary basis for OHA's decision in *Crosstown Courier I*. The underlying basis was never in-and-of-itself about the relatively brief period in between the two transactions (although, as Petitioner itself pointed out, it was still well within the timeframe required to advise SBA of an ownership change in 13 C.F.R. § 128.307), but rather because the parties intended the changes to be part of one transaction from the very outset, as thoroughly evidenced by the documents in the Case File.

If one SDVOSB transferred the concern to a non-Veteran, who then independently transferred the same concern to a different SDVOSB, all within a 13-day window, then Petitioner would be correct on the merits. But this is not what happened in the instant case, as the parties always intended for the concern to ultimately be controlled by Mr. Covalli. The core principle is the intention of the parties — backed up by hard evidence — rather than the amount of time (within reason) that it takes for the transaction to be fully consummated.

Moreover, OHA found in *Crosstown Courier I* that Caduceus is and was an eligible SDVOSB as of July 8, 2025, the date of submission of its initial offer for the procurement at issue. A concern's eligibility as an SDVOSB is determined as of the date of its initial offer, including price. 13 C.F.R. § 134.1003(e)(1). It is clear that the transaction here was fully

completed by July 8<sup>th</sup>, and that as of that date, Caduceus was owned and controlled by a service-disabled veteran.

For the above listed reasons, the instant PFR has failed to establish that there was a clear error of fact or law material to the decision in *Crosstown Courier I*. Petitioner's PFR does not meet the rigorous standard required to overturn the prior *Crosstown Courier I* decision.

### III. Conclusion

To prevail on a PFR, a petitioner must clearly show an error of fact or law material to the decision. 13 C.F.R. § 134.1112(g). Petitioner has demonstrated no such error in *Crosstown Courier I*. I therefore DENY the PFR and AFFIRM the decision in *VSBC Protest of Crosstown Courier, Inc.*, SBA No. VSBC-449-P (2025). This is the final agency action of the U.S. Small Business Administration. 15 U.S.C. § 657f(f)(6)(B); 13 C.F.R. § 134.1013(a).

CHRISTOPHER HOLLEMAN  
Administrative Judge