



BDO KNOWLEDGE

Webinar Series

Unclaimed Property Update

May 24, 2017

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WITH YOU TODAY

- Joseph Carr - Partner, National Unclaimed Property Practice Leader - BDO USA, LLP
- The Honorable Jeffrey Bullock - Delaware Secretary of State
- Geoffrey Sawyer - Partner, Drinker Biddle & Reath, LLP

Agenda

- UP overview
- DE VDA Program Overview
- DE SB 13
- DE Proposed Regulations
- Temple Inland
- Estimation/Extrapolation
- Why do DE VDA?
- Best Practices
- Q&A

A photograph of two men in dark suits and ties standing on a balcony, engaged in conversation. The man on the left is wearing glasses and has a red tie, while the man on the right is bald, wearing glasses, and has a purple tie. They are both looking towards each other. The background shows a modern building with many windows. A semi-transparent dark grey banner is overlaid across the middle of the image, containing the title text. There are red vertical bars on the left side of the image.

UNCLAIMED PROPERTY OVERVIEW

Unclaimed Property Overview

- All 50 states and the District of Columbia have enacted unclaimed property laws
- The purpose of unclaimed property laws is to ensure the protection of abandoned property until the rightful owner is located
- Moreover, states use any derivative funds earned on such property for the public good
- Unclaimed property is not considered a tax
- States actively pursue unclaimed property as an additional source of revenue for the state, which avoids raising taxes

Unclaimed Property Overview

- States' unclaimed property laws apply to all entity types, including:
 - Corporations
 - S Corporations
 - Partnerships
 - Limited Liability Companies
- Generally, intangible personal property for which there has been no owner activity for a specified period of time ("i.e., dormancy period").

Unclaimed Property Types

Examples of unclaimed property:

- Uncashed payroll or commission checks
- Uncashed payable/vendor checks
- Gift certificates/gift cards
- Customer merchandise credits, layaways, deposits, refunds or rebates
- Overpayments/unidentified remittances
- Suspense accounts
- Unused/outstanding benefits (non-ERISA)
- Credits written off to miscellaneous income/bad debt expense accounts

Dormancy Periods

“Dormancy Period” -- A statutorily prescribed period that begins from the date of creation of the property type (e.g., check issuance date) and ends after the passage of a certain number of years (typically 1-5 years). Property becomes presumed abandoned when it has remained unclaimed (i.e., a holder cannot demonstrate affirmative owner contact with respect to the property at issue) during the statutory dormancy period.

State	Wages (years)	A/R Credit Balances (years)	Third Party Dividends (years)	Stocks (years)	A/P Checks (years)	All other property (years)	B2B
DE	5	5	5	3	5	5	No
CA	1	3	3	3	3	3	No

Jurisdictional Priority Rules

The U.S. Supreme Court in *Texas v. New Jersey*, established the following unclaimed property jurisdictional priority rules:

- First, to the state of the owner's last known address, if known, and it has an escheat law; or
- Second, to the state of the holder's corporate domicile (i.e., state of incorporation for incorporated entities and state of formation/principal place of business for unincorporated entities).

Priority rules in *Texas v. New Jersey* were reaffirmed and retroactively applied in the subsequent cases *Pennsylvania v. New York* (escheat of money orders) and *Delaware v. New York* (unclaimed dividends and interest).

A man and a woman in business attire are engaged in a conversation in a museum. The man, on the left, is wearing a dark blue suit and a patterned tie. The woman, on the right, is wearing a light grey blazer and a dark skirt. They are standing in front of a large, intricate stone relief sculpture. The background is a warm, golden-brown color. A dark grey horizontal bar is overlaid across the middle of the image, containing the text "DE VDA PROGRAM OVERVIEW".

DE VDA PROGRAM OVERVIEW

DE VDA Program

- In 2012, the SOS VDA Program was created to respond to concerns about Delaware's ongoing unclaimed property audit program, and to encourage more companies to come into compliance with their legal responsibilities as they relate to abandoned property
- The VDA Program is intended to make abandoned and unclaimed property compliance for Delaware companies cheaper, faster and easier
- To date, more than 800 companies have enrolled, and more than 400 VDAs have been settled
- The process is rigorous, but most, if not all, say it is fair, providing Delaware corporations a more predictable and efficient means of coming into compliance.

Delaware Unclaimed Property Reforms

- Besides creating the Secretary of State VDA Program in 2012, in the past five years Delaware has enacted reforms to its UP law which include:
 - SOS VDA Program went from a temporary program to a permanent one
 - Shortened look-back period in audits and VDAs
 - Effective July 22, 2015, Delaware prohibited the commencement of an unclaimed property examination until after the holder is first offered the opportunity to enter the VDA program.
- All of these changes:
 - Address the fairness of how the State applies its unclaimed property law
 - Premised on getting companies who had not regularly complied with their obligations under Delaware unclaimed property law into a regular cycle of annual reporting going forward.



DELAWARE SB 13
(ENACTED INTO LAW 2/3/17)

Senate Bill 13

- Senate Bill 13 completely restructures Delaware's unclaimed property law, adopting in substance many provisions from the 2016 Revised Uniform Unclaimed Property Act promulgated by the Uniform Law Commission
- Senate Bill 13 also adopts recommendations from the Delaware Unclaimed Property Task Force formed under Senate Concurrent Resolution No. 59 of the 147th General Assembly
- The result is a more stream-lined statute, providing additional clarity as well as consistency with other states' unclaimed property statutes.

Senate Bill 13

Audit Conversions Options

Option	Audit Notice Issue Date	Look-Back Period	Time to Complete	Penalty & Interest	Notification Requirement	Notification Deadline
Convert to SOS VDA	On or before 7/22/15	10 report years prior to the year holder received original audit notice	2 years	Waived	SOS and DOF notification required	60 days from adoption date of regulations under 1176(b) Expected date to be on or after 7/1/17
Enroll in DOF Expedited Audit	Any examination authorized by the DOF up to the effective date of S.B. 13 (Feb. 2, 2017)	10 report years prior to the year holder received original audit notice	2 years (FN 1)	Waived (with holder cooperation - DOF makes determination on cooperation)	DOF notification required	60 days from adoption date of regulations under 1176(b) Expected date to be on or after 7/1/17
Remain in DE DOF Regular Audit	N/A	10 report years prior to year holder received original audit notice	Ongoing	DOF has discretion to waive 50% of interest and any penalties for "good cause"	N/A	N/A

¹¹ All requests for records must be made by the auditor within 18 months, with an examination report provided within 2 years from the date the holder notified the DOF and SOS. If the holder does not cooperate, the State Escheator can impose penalty and interest. This DOF determination regarding holder cooperation is subject only to the review of the Secretary of Finance.

Converting an Audit to a VDA

➤ Overarching Process for Conversions:

- ❑ Unlike an examination, the VDA program is a self-review process in which the holder is expected to perform a rigorous self-review of its' books and records for the entirety of the look-back period and present its' findings of past due unclaimed property liability to the Secretary of State for validation, and ultimately settlement.
- ❑ Holders will not be expected to begin their internal analysis from the beginning. Instead, holders that convert should utilize any review performed to date by the Holder in the audit, in order to reach settlement as efficiently as possible.
- ❑ Audit work papers will not be transferred or shared with the Department of State.
- ❑ The VDA program was designed, and will be administered, as an efficient and collaborative settlement process for determining the holder's past due unclaimed property.

Converting an Audit to a VDA

- **Look Back Period** - Look-back period is 10 report years (15 transaction years) from date original notice of examination was sent to the holder

- **Scope** -
 - ❑ For many holders eligible to convert an audit into a VDA, the audit was previously scoped by the auditor in terms of property types and/or included entities
 - ❑ Since most of the analysis and review performed to date by the holder will be based on the property types/entities scoped in by the auditors, in the interest of efficiency, holders are expected to, at a minimum, utilize the same audit scope in the VDA
 - ❑ Holders may elect to expand the previously agreed to scope

- **Partial VDAs**: If holders have formally resolved specific property types and/or entities in an executed settlement agreement with the Department of Finance prior to converting to a VDA, the VDA will only cover any remaining entities and property types.

Converting an Audit to a VDA

➤ Estimation:

- ❑ Even after the *Temple Inland* decision, have been resolving VDAs and estimating as Delaware always has (and every other state that estimates liability does as well), which is second-priority or gross estimation.
- ❑ Underlying rationale: The bright line rule is to Holder's benefit as compared to performing potentially 50 separate estimations (perhaps based off of 50 different state standards) and then entering into potentially 50 different VDAs or audits in order to come into compliance.

- ## ➤ Failure to Reach Settlement:
- If a settlement cannot be reached on a particular property type or for a particular entity, the property type or entity will be excluded from the final settlement and release agreement. Pursuant to 12 Del. C. § 1173(a)(4), any property types or entities excluded would be referred to examination. Similarly, if a settlement cannot be reached on any property type or entity, the holder would be referred back to examination.

Senate Bill 13

Other Significant Changes

- **Regulations** - DOF and SOS are to draft and adopt regulations
 - Address estimation (gross v net)
 - Permissible base periods
 - Exclusions from numerator
 - What constitutes complete and researchable records
 - Other administrative items

- **Record Retention** - Holders are required to retain supporting records for 10 years after the date a report was filed.

- **Statute of limitation period** - prohibits Delaware from initiating an audit more than 10 years after the duty to report the property arose (unless the holder is already under audit or filed a fraudulent report).

- **Look Back period:** The look-back period for both audits and VDAs reduced to 10 report years.



DELAWARE PROPOSED REGULATIONS

DE Proposed Regulations

- On April 3, 2017, both the Delaware Department of Finance and Delaware Department of State published draft regulations
- The public was given until May 3, 2017 to submit comments on the draft regulations.
- In addition to addressing the items required by 12 Del. C. § 1176(b), the DOF regulations also proposed a UP Audit Manual
- With respect to estimation, both the DOF and DOS draft regulations maintain Delaware (and all other states) current practice of second priority estimation.

SOS Draft Regulations


- **Consistency:** The SOS Draft Regulations maintained consistency with prior historic practice in the VDA program and are in-line with the SOS Implementing Guidelines published initially in February 2013.
- **Scope:** Holder determines the scope of the entities and property types included in the VDA. However, any property types and/or entities excluded would be subject to audit pursuant to 12 Del. C. § 1773(4).
- **Base Periods:** In determining the base periods to be utilized in a VDA (which assumes holder does not have complete and researchable records for the entire look-back period, the Holder shall use at least the two (2) oldest continuous years the Holder has complete and researchable records outside the dormancy period. Holders may use more than two years for the base period. Depending on the unique facts and circumstances of each Holder, the Department of State and the Holder may agree to include non-dormant periods in the base periods.

SOS Draft Regulations

- **Aging Criteria:**
 - ❑ For disbursements, checks that are outstanding or are voided less than 90 days after issuance shall be excluded from the estimation population
 - ❑ For accounts receivable, holder is expected to do a review for aged net credit balances aged 90 days or greater, as well as a review for any A/R write-offs by conducting a tracer analysis to identify all potential A/R write-off accounts

- **Items Excluded from Estimation Calculation:** Items payable to an owner that is a United States federal department or agency

- **Complete and Researchable Records Definition:** “Complete records shall reconcile to the general ledger with the understanding that immaterial differences may occur. Researchable records are records to which the holder may research the resolution of an item. At a minimum, researchable records shall include those items that contain a last known address of the owners of property.”

A man and a woman in business attire are engaged in a conversation in a museum. The man, on the left, is wearing a dark blue suit and a patterned tie. The woman, on the right, is wearing a light grey blazer and a dark skirt. They are standing in front of a large, intricate stone relief sculpture. The background is a warm, golden-brown color, suggesting a museum or gallery setting. A dark horizontal bar is overlaid across the middle of the image, containing the text 'TEMPLE INLAND'.

TEMPLE INLAND

Temple Inland

Temple-Inland, Inc. v. Thomas Cook, Civ. No. 14-654-GMS (D. Del. June 28, 2016)

- U.S. District Court for the District of Delaware held that the state's unclaimed property audit procedures, as they related to Temple-Inland violated Temple-Inland's substantive due process, because state's actions in combination were found to "shock the conscience."
 - Delaware waited 22 years to conduct the Temple-Inland audit
 - Did not allow for the application of 6-year statute of limitations
 - Provided no notice to Temple-Inland that it needed to retain unclaimed property records for an unspecified period of time to defend against an audit
 - Applied Del. Code tit. 12, Section 1155 (estimation methodology) to Temple-Inland for a "prolonged retroactive period for no obvious purpose other than to raise revenue" and
 - Used estimation where the characteristics of the sample set were not extrapolated across the whole, which put the holder at risk of multiple state liability.

Temple Inland cont'd

Temple-Inland, Inc. v. Thomas Cook, Civ. No. 14-654-GMS (D. Del. June 28, 2016)

- The court did not identify appropriate remedies, but instead deferred to the state to propose a remedy or appeal
- The parties subsequently entered into a settlement agreement and filed a joint motion on August 5, 2016, to dismiss with prejudice all unclaimed property claims.
- Since the Parties settled, Delaware has significantly reduced its look back period, established a clear statute of limitations provision, and implemented a record retention requirement. And as a whole, the State is shifting its focus away from audits as a means of getting companies into compliance, and promoting voluntary compliance first
- The State's estimation methodology has not changed.

A man in a grey suit and a woman in a dark blue blazer are looking at a tablet together. The man is holding the tablet and pointing at the screen, while the woman points at a specific area. They are standing in front of a blurred cityscape. A red vertical bar is on the left side of the image.

EXTRAPOLATION

Extrapolation

- Many states, including Delaware, use extrapolation techniques to establish a historic liability, at times dating back 15 - 30 years (e.g., **NY back to 1992 on audits**), in the event all records requested are not complete and/or researchable.
- The determination of whether or not to extrapolate may depend on factors such as:
 - Historical unclaimed property reporting practices
 - Filing history
 - Materiality of errors found for periods where records were reviewed
 - Record availability and reliability by property type
 - Statutory authority to extrapolate.

Extrapolation

Accounts Payable - 1 year Example

Accounts Payable O/S Checks -
12/31/2004

Federal 1120 Sales –
12/31/2004

= % x

Federal 1120 Sales
(prior years)

Extrapolation

Payroll - 1 year Example

Unremediated Payroll O/S Checks –
12/31/2004

Federal 1120 Payroll – 12/31/2004

= %

x

Federal 1120 Payroll
(prior years)

Extrapolation

A/R - 1 year Example

- If all sales are on account, the following extrapolation can be used:

$$\frac{\text{Unremediated Net Credits}^1 - 12/31/2004}{\text{Sales} - 12/31/2004} = \% \times \text{Sales (prior years)}$$

- Holder should review credits written off (e.g. to miscellaneous income/expense account) to any amounts of bad debt as this is a viable position to offset net credits that is often overlooked.

1 In many cases the net credits were written off to miscellaneous income, allowance for doubtful accounts, or bad debt expense and documentation to prove it is not escheatable is unavailable.

Exposure Quantification

Base Period	Total Unclaimed Property Liability (ALL STATES) for Base Period (a)	=	Escheat Percentage (c) (Unclaimed Property Liability(a)/Total Sales (b))
	Total Sales (1120) for Base Period (b)		
Projection Years	Escheat Percentage(c) * Total Sales in Non-Base Period(d)	=	Total Projected Liability(e)
	Total Projected Liability(e) + Address Property(f)	=	Total Liability Owed (Projection and Address)

Example of the Impact of Extrapolation

Year	Company Sales	Total Unremediated Unclaimed Property - All States	Unremediated Unclaimed Property w/ Delaware Address	Extrapolated Liability Sourced to Delaware	Total Delaware Assessment
2016	\$ 750,000,000.00	\$ 250,000.00	\$ 12,500.00	Use Actual Data	\$ 12,500.00
2015	\$ 700,000,000.00	\$ 650,000.00	\$ 5,500.00		\$ 5,500.00
2014	\$ 680,000,000.00	\$ 320,000.00	\$ 11,200.00		\$ 11,200.00
2013	\$ 675,000,000.00	\$ 90,000.00	\$ 8,300.00		\$ 8,300.00
2012	\$ 665,000,000.00	\$ 110,000.00	\$ 4,500.00		\$ 4,500.00
2011	\$ 550,000,000.00	Documents Unavailable	Documents Unavailable	\$ 225,072.00	\$ 225,072.00
2010	\$ 625,000,000.00			\$ 255,764.00	\$ 255,764.00
2009	\$ 600,000,000.00			\$ 245,533.00	\$ 245,533.00
2008	\$ 550,000,000.00			\$ 225,072.00	\$ 225,072.00
2007	\$ 540,000,000.00			\$ 220,980.00	\$ 220,980.00
2006	\$ 525,000,000.00			\$ 214,841.00	\$ 214,841.00
2005	\$ 510,000,000.00			\$ 208,703.00	\$ 208,703.00
2004	\$ 495,000,000.00			\$ 202,565.00	\$ 202,565.00
2003	\$ 475,000,000.00			\$ 194,380.00	\$ 194,380.00
2002	\$ 460,000,000.00			\$ 188,242.00	\$ 188,242.00
Actuals	\$ 8,800,000,000.00	\$ 1,420,000.00	\$ 42,000.00	\$ 2,181,152.00	\$ 2,223,152.00
<u>Error Rate</u>		<u>0.04%</u>			
<u>Application of Penalties and Interest</u>					1,116,576
<u>Total Delaware Assessment</u>					<u>3,339,728</u>

A photograph of two men in business attire sitting on a modern patio. The man on the left is wearing a white shirt and a purple tie, while the man on the right is wearing a light blue shirt and a grey tie. They are both looking at each other and appear to be in a conversation. The background shows a modern building with large windows and several white tables and chairs. A dark grey horizontal bar is overlaid on the bottom half of the image, containing the text "WHY DO A DELAWARE VDA?".

WHY DO A DELAWARE VDA?

Why Do a Delaware VDA?

- **Compliance:** The best reason to do a Delaware VDA is to ensure you are in compliance with your obligations under Delaware unclaimed property law. The failure to address your company's unclaimed property compliance can lead to potentially high unclaimed property liability, including interest and penalties in multiple jurisdictions.
- **Efficient:** The DE VDA Program is designed to reach a final agreement on past due liabilities as quickly as possible from the day Holders enter the program.
- **Fair:** At its core, the DE VDA program is a settlement program, in which the Holder manages the VDA process and presents its findings to the State for validation. After entering and completing the program, Holders that fulfill their future annual reporting requirements are protected against an unclaimed property audit for historic liabilities for the property types and entities reviewed as part of the SOS VDA.
- **Cheaper:** Company can come into 50 state compliance with one state that is designed to be more business friendly and collaborative, assesses no interest and penalties, and gives a holder certainty regarding their past due liability.

DE VDA Work Flow

➤ Step I - Enrollment

- Submission of VDA1 form

➤ Step II - General Company Information

- Introductory Information Requests

➤ Step III - Phase 1: Scoping

- Holder determines property types/entities in scope of the VDA review
- Submits Holder Memorandum worksheet

➤ Step IV - Phase 2: Detailed Records Review and Quantification of Amounts Reportable

- Holder conducts detailed transaction-level review of the available records for each in-scope entity and property type will be conducted.
- Implementing Guidelines provide instructions on the methodology which should be utilized during this review.

➤ Step V - Phase 3: Validation

- This is the State's review and testing of Holder's submission

➤ Step VI - Phase 4: Settlement and Payment

DE VDA: The Business Case

- No risk of double-liability: Two components to this:
 - ❑ Accounting for, and giving credit to holders for prior compliance history, to make sure not paying same property twice or to two states.
 - ❑ Release and indemnification under DE law / VDA-2 release agreement.
 - ❑ 12 Del. C. §1153(c): “If the holder pays or delivers property to the State Escheator in good faith and thereafter...another state claims the money or property under its laws ...the State Escheator acting on behalf of the State, upon written notice of the claim, shall defend the holder against the claim and indemnify the holder against any liability on the claim.”
- The alternative estimation methodology is not better for holders
 - ❑ With look back period adjustment - total UP liability due to all states under gross or net approach in most cases will likely be equivalent, and that’s before factoring in the cost of compliance and mandatory interest/penalties in other states.
 - ❑ No state has estimated on first priority/net basis before, which creates uncertainty and lack of predictability among the states.

DE VDA: How to Enroll

A Holder enters into the program by sending a signed copy Form VDA-1 Disclosure and Notice of Intent to Voluntarily Comply with Abandoned or Unclaimed Property Law to SOS.VDA@state.de.us.

Holder may also mail Form VDA-1 to:

Secretary of State, State of Delaware
ATTN: DOS VDA Program
Townsend Building
401 Federal Street, Suite 3
Dover, DE 19901

A copy of the Form VDA-1 can be found on the State's VDA Website:
<http://vda.delaware.gov>

DE VDA: How to Convert

Eligible Holders must file an executed copy of a Notice of Conversion within 60 days of the adoption of regulations pursuant to 12 Del. C. § 1176(b). The regulations are expected to be adopted on or after July 1, 2017. The Notice of Conversion must be signed by a duly authorized officer of the Company that is seeking to convert, and may be delivered in the following manner:

- ❑ Via E-mail to SOS.VDA@state.de.us a PDF copy of this form which has been executed by an officer of the Company.
- ❑ Alternatively, Holders may send a copy of this form which has been executed by an officer of the company via mail to:
 - Secretary of State, State of Delaware
 - ATTN: DOS VDA Program
 - Townsend Building
 - 401 Federal Street, Suite 3
 - Dover, DE 19901

To download a Notice of Intent to Convert Audit form, go to:

<http://vda.delaware.gov/wp-content/uploads/sites/66/2017/03/Notice-of-Intent-to-Convert-3-31-2017.pdf>



BEST PRACTICES

Best Practices

The following best practices can be incorporated into all holder's compliance process to mitigate future escheat liabilities:

- Compliance
- Establishment of Policies & Procedures
- Global Mapping & Accounting Practices/Control Reviews
- Voluntary Disclosure Process
- Refund Opportunities



BIOS

Biography

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With 18 years of combined experience in state and local taxation, financial statement auditing, and operational auditing, Joe has worked with a broad range of the Firms' largest clients including manufacturing, retail, distribution, financial institutions, investment companies, and business services. He specializes in state and local tax issues with an emphasis on income/franchise taxation and unclaimed property compliance and consulting.

Joe leads BDO's National State and Local Tax Business Development and Marketing function. In this role, Joe touches many folks in corporate community through dedicated BDO Knows Webinar Series on various topics, Alerts, pressing notices and other educational outreach efforts. Joe also maintains a standing column with State Tax Notes entitled "A View from the Windy City" where he along with his colleagues discuss various state and local topics important to the taxing community at large. Recent articles have included: (a) State and Local Tax Due Diligence Exposures and Procedures, (b) Extension of Delaware's Friendlier Voluntary Disclosure Program, (c) Chicago Taxes Cloud-Based Services and Amusements and (d) Unclaimed Property Concerns for the Healthcare Industry. Mr. Carr is a frequent speaker at firm and organizational events on unclaimed property and other state and local topics.

In addition, Joe manages the SALT practice for Chicago office and heads up the firms National Unclaimed Property practice. He has had success in mitigating client escheat exposures in VDA and audit settlements before many state escheat divisions. Joe in concert with his colleagues works closely with clients to enhance their accounting practices, systems and ongoing efforts for operational efficiency through Accounting Assessment Reviews. This success is largely attributable to his deep understanding of accounting principles, transaction flow and unclaimed property law. Having evaluated financial and operational corporate risks, Joe offers clients facing escheat issues valuable accounting experience and an unique perspective in dealing with unclaimed property matters.

Prior to joining the Chicago office of BDO USA, LLP, Joe worked with KPMG LLP and Deloitte & Touche LLP in state and local tax and audit divisions respectively. In addition, Joe also managed the Internal Audit Division of a middle market food cooperative.

Biography

Geoffrey A. Sawyer, III



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Geoffrey A. Sawyer III advises states and large corporations regarding compliance with state unclaimed property laws. Currently, Geoff leads Drinker Biddle's representation administering the State of Delaware's Voluntary Disclosure Agreement ("VDA") program for unclaimed property compliance, which currently has over 800 enrolled companies. In addition, Geoff represents clients in connection with multi-state unclaimed property audits, has filed Section 1577 Interest Assessment Appeals in the State of California, and counsels clients regarding the effect of state unclaimed property laws in Mergers & Acquisitions, contract negotiation and internal compliance reviews. In addition to his unclaimed property practice, Geoff also represents clients in transactional and corporate litigation work before Delaware regulatory authorities.

Prior to joining the firm of DrinkerBiddle, Geoff served as Delaware Governor Jack Markell's Deputy Chief of Staff and directed the Governor's economic development efforts, as well as oversaw the state's collective bargaining.

Biography

Jeffrey W. Bullock



Jeffrey W. Bullock was sworn in as Delaware's 80th Secretary of State on January 21, 2009 and reconfirmed by the Delaware Senate on January 18, 2017. As Secretary of the most diverse department in state government, he oversees nearly twenty different agencies. In addition, Secretary Bullock has a number of constitutional responsibilities, including serving on the Board of Pardons (<http://pardons.delaware.gov/>).

Secretary Bullock has dedicated most of his professional career to public service. He shares Governor John Carney's strong commitment to providing outstanding customer service and making state government work better for the people it serves. In more than eight years as Secretary of State, he has been a transformational leader in advancing priorities in the areas of education, job creation and more efficient and effective government.

Under Secretary Bullock's direction, the Department of State continues to raise significant revenue for the State of Delaware. Through agencies such as the Division of Corporations (<http://corp.delaware.gov/>) and the State Bank Commissioner (<http://banking.delaware.gov/>), the Department contributed more than \$1.26 billion to the state's General Fund in Fiscal Year 2016.

Secretary Bullock has focused on maintaining Delaware's preeminence as the "Corporate Capital of the World" by seeking to protect the state's General Corporation Law.

For over a century, Delaware's General Corporation Law has served as a model for other states. With a hands-on approach, Secretary Bullock has led a coordinated effort to prevent passage of federal legislation that would jeopardize Delaware's unique position in corporate governance.

Secretary Bullock has a wide range of executive public sector experience, including prominent roles in leading Delaware's two largest governments.

He served as the chief of staff to Governor Thomas R. Carper. More recently, Bullock was the Chief Administrative Officer for New Castle County, Delaware's largest county.

Secretary Bullock is a native Delawarean who grew up in Claymont and holds a degree from the University of Delaware in Economics and Political Science.

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