



STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF
UNCLAIMED PROPERTY
820 NORTH FRENCH STREET, 8TH FLOOR
WILMINGTON, DELAWARE 19801

October 17, 2023

Dear [REDACTED]

Pursuant to § 1171 of Title 12 of the Delaware Code, you are hereby notified that the State of Delaware intends to examine the books and records of [REDACTED] to determine compliance with the Delaware Escheats Law, Title 12, Chapter 11, of the Delaware Code (the "Law"). The examination will relate to all property that may be subject to escheat pursuant to the Law. Abandoned and unclaimed property is reported to the State of Delaware pursuant to the Law, as well as the priority rules and other provisions set forth in the United States Supreme Court case *Texas v. New Jersey*, 379 U.S. 674 and 380 U.S.518 (1965) and reaffirmed by *Delaware v. New York*, 507 U.S.490 (1993).

Pursuant to 12 Del. C. §1172 (c)(1), companies are offered an opportunity to participate in expediting the completion of an examination. Under the terms of the expedited examination program, [REDACTED] and the State of Delaware agree to complete the examination within two years of commencement in accordance with the attached expedited examination timeline. Intent to convert to the expedited examination program must be indicated in writing to the Department of Finance on the attached form. Companies that fail to make an election will remain under a regular audit subject to all statutorily mandated penalties and interest. Whichever option you choose, the State will work with each Holder in a fair, reasonable and efficient manner to expedite the resolution of the review.

The review will be conducted by Specialty Audit Services ("SAS") on the behalf of the State of Delaware (the "State"). SAS will contact you within the next three weeks to arrange a mutually agreed upon date to commence the examination within the next 90 days. If you will not serve as the primary contact on the exam, you are specifically requested to have the appropriate individual in your organization contact [REDACTED] within three weeks of receipt of this notice in order to facilitate the exchange of prefatory information and to coordinate scheduling of an opening conference.

In advance of the opening conference, SAS will send you an unclaimed property questionnaire and an initial document request seeking routine but necessary material. Please provide a response to the questionnaire within 30 days of receipt. The materials requested in the initial document request should be produced at or before the opening conference. If [REDACTED] desires SAS to execute a confidentiality agreement, SAS shall be promptly notified. The execution of a standard confidentiality agreement is permitted by Delaware regulations, but not required, and it shall not delay the opening conference. If [REDACTED] believes that it cannot accommodate an opening conference within this timeframe, you should contact me immediately. The scope of the examination will be for the period of 10 years prior to when property is presumed abandoned under this chapter as of the date of this letter through the most recent reportable year due at the conclusion of the examination, or as otherwise agreed to by the State Escheator and the Holder. See 12 Del. C. § 1172(h).

The State is hereby requesting that you issue a hold notice so that all records are retained including, but not limited to, bank statements, bank reconciliations, outstanding check lists, detail general ledgers, aged accounts receivable reports, aged accounts payable reports and if applicable, information surrounding gift certificate issuances and redemptions. The State requests that all records will be retained, notwithstanding any [REDACTED] record retention policies to the contrary, until the examination is completed. See 12 Del. C. § 1145. Your cooperation in making necessary records available for both past and present years for the purposes of determining [REDACTED] compliance with the Law will facilitate the completion of the examination. In addition to specific document requests that will be forthcoming, please have available all of [REDACTED] prior years' reports of unclaimed property and supporting documentation for all states, including Delaware. You will be advised throughout the course of the examination of what records will be required to complete the review.

If [REDACTED] is presently working with or intends to retain a third-party consultant to assist [REDACTED] in the conduct of this examination, please provide me with the name and contact information of the third-party consultant. As expressly stated in the Delaware regulations, the retention of a third party is no basis to delay the examination or the production of records.

If you have any questions about this notice, you may contact me at [REDACTED]. Please be assured that, although SAS is performing the examination as the State's agent, I am the final arbiter of any disputes that may arise during the course of the examination. I look forward to resolving this examination in an expeditious and cooperative manner.

Sincerely yours,

[REDACTED]

Office of Unclaimed Property
Delaware Department of Finance

[REDACTED]



STATE OF DELAWARE
DEPARTMENT OF STATE

July 14, 2023

[REDACTED]

RE: Secretary of State's Abandoned or Unclaimed Property Voluntary Disclosure Agreement Program

Dear [REDACTED]

This letter is being sent because [REDACTED] (hereinafter referred to collectively as "the Company") have been identified as possibly being out of compliance with Delaware law, 12 *Del. C.* ch. 11, as it relates to reporting dormant, abandoned, or unclaimed property. I am inviting the Company to participate in the Delaware Secretary of State's Abandoned or Unclaimed Property Voluntary Disclosure Agreement Program ("SOS VDA Program") to avoid being sent an audit notice by the Delaware Department of Finance. I strongly encourage the Company to enroll in the VDA program as soon as possible. An audit notice will be issued by the Delaware Department of Finance 90 days after the date of the mailing of this letter.

Since the Delaware VDA program was created in 2012, more than 2,000 companies have enrolled in this business-friendly process whereby companies may "catch up" on past due abandoned or unclaimed property obligations, avoid the time and expense of an audit, and may significantly reduce their liability. Under the laws of all 50 states, companies holding dormant, abandoned, or unclaimed property have an annual reporting responsibility to remit such property to the appropriate state.

Companies that do not enroll in the SOS VDA Program within 90 days of the receipt of this letter will be referred to the State Escheator for examination. Once an examination notice is mailed by the Department of Finance, a company becomes ineligible to enter into the Secretary of State's VDA Program, and the Secretary of State is statutorily prohibited from permitting the company to enroll. Please be advised that the Delaware Department of Finance, a separate state agency, is charged with conducting unclaimed property examinations.

To enroll in the SOS VDA Program, please visit www.VDA.Delaware.gov and complete Form VDA-1, which can be found under the "Forms and Guidelines" tab at the top of the website. Submission instructions are included in Form VDA-1.

More information about the program can be found under the "Information" tab at the top of the website. Any questions may be directed to [REDACTED]. Thank you for your time and attention to this matter.

Sincerely,

[REDACTED]

**REQUEST TO EXPEDITE COMPLETION OF
UNCLAIMED PROPERTY EXAMINATION UNDER 12 *Del. C.* § 1172(c)(1)**

This Request to Expedite is submitted by _____, its subsidiaries and related entities (“Holder”), acting by its duly authorized officer.

WHEREAS, on _____, the Holder received a Notice of Examination from the Delaware Department of Finance (the “State”) commencing a review of the Holder's books and records to determine the Holder's compliance with the Delaware Abandoned or Unclaimed Property Law, Chapter 11 of Title 12 of the Delaware Code (hereinafter the “Examination”);

WHEREAS, the Examination has not been completed, and the Holder has requested to expedite the completion of the pending Examination;

WHEREAS, the State encourages the Holder's compliance and expedited completion of the Examination by limiting any potential interest and penalties under 12 *Del. C.* § 1185;

WHEREAS, under 12 *Del. C.* § 1172(c)(1), Holder is eligible to request to expedite the completion of the pending Examination, and must notify the State of the Holder's request to do so; and

WHEREAS, this form shall constitute the proper form for Holder to request to expedite the Examination under 12 *Del. C.* § 1172(c).

THEREFORE, in consideration of the mutual promises set forth, the parties agree as follows:

The Holder and the State shall work in good faith to complete the expedited Examination. The Holder shall respond within the time and in the manner established by the State in the attached Workplan to all requests for records, testimony, and information made by the person conducting the Examination.

The Holder understands and agrees that the hold notice contained within the notice of examination issued to Holder by the State remains in effect, and Holder will ensure that all records, including, but not limited to bank statements, bank reconciliations, check registers, outstanding check lists, void check lists, detailed general ledger trial balances, accounts receivable aging reports, information surrounding securities, gift certificate/card issuances and redemptions, etc. are retained until the expedited Examination is completed and all remedies available to both the Holder and the State under the Delaware Abandoned or Unclaimed Property Law are exhausted or waived.

Subject to the Holder's compliance to respond to all requests for records, testimony, and information within the time and in the manner established by the State Escheator under 12 *Del. C.* § 1172(c)(5), the State shall complete the Examination and provide an examination report within 2 years from the date of acceptance of the request to expedite under 12 *Del. C.* § 1172(c)(1). All requests for records, testimony, and information made by the person conducting the Examination shall be made no later than 18 months after acceptance of the request to expedite under 12 *Del. C.* § 1172(c)(1).

The determinations whether the Holder has responded within the time and in the manner established and to terminate the expedited Examination if the person has not complied shall be within the complete discretion of the State Escheator and subject only to the review by the Secretary of Finance under 12 *Del. C.* § 1172(c)(5).

Holder Signature and Information

Date: _____

By: _____

Name: (Print) _____

Title: (Print) _____

State Signature

ACCEPTED:

Date: _____

By: _____



Office of Unclaimed Property
Delaware Department of Finance