



STATE OF DELAWARE
DEPARTMENT OF FINANCE
UNCLAIMED PROPERTY
CARVEL STATE BUILDING
820 N. FRENCH STREET
P.O. Box 8749
WILMINGTON, DELAWARE 19899-8749

December 20, 2018

Dear Holder:

As you are aware, in December 2017, your company elected to participate in Delaware's unclaimed property expedited examination program, pursuant to 12 Del. C. §1172(c).

Following up on our previous communication from July 2018 and now that the expedited examination program is approximately half over, this letter serves as the second general communication from the State regarding key milestones and expectations in the expedited examination process. The State will continue to communicate with holders on a periodic basis during the next year to ensure that both the Holder and audit firm are on track with the agreed-upon work plan. The State's objective is to ensure that each company in the expedited examination program, or "Holder," is making appropriate progress to complete the exam in compliance with the work plan and within the statutory deadlines. **Should a Holder fail to meet the deadlines in the statute and/or the work plan, it may receive a "resulting determination to terminate expediting the person's examination"** per 12 Del. C. § 1172(c)(4). However, Holders can be assured that the State and its audit firm will cooperate fully with the Holder to ensure that each Holder has every opportunity to complete its exam within the work plan and statutory timeframes.

To ensure timely completion of the expedited exam, the State expects that each Holder will respond to "all requests for records..." within the time and manner established by the State pursuant to § 1172(c)(2). **Usually, unless agreed to in advance or otherwise contemplated by the agreed-upon work plan, these responses are due within thirty (30) days from the date of the request by the State or its audit firm.** The State is monitoring the progress of each examination in the expedited process and will work with each Holder in a fair and reasonable manner to complete the exam as quickly and efficiently as possible in accordance with the agreed-upon work plan and statutory deadlines.

At this point, twelve months have elapsed in what is – at most – a two-year process to complete the expedited examination and receive the waiver of any interest and penalties provided for in 12

Del. C. §§ 1183 and 1184. It is the State's expectation that you have completed at least the first half of your work plan and that you continue to make progress in accordance with the agreed-upon work plan, specific to your designated Phase:

- For Holders designated in Phase III and Phase IV (as indicated by the Schedule A provided by the State), the State generally expects that your exams will be completed, if not already, **by the end of calendar year 2018**, unless your agreed-upon work plan contemplates otherwise.
- For Holders designated in Phase II (as indicated by the Schedule A provided by the State), the State generally expects that your exams will be **completed by the end of June 2019**, unless your agreed-upon work plan contemplates otherwise.
- For Holders designated in Phase I (as indicated by the Schedule A provided by the State), the State expects that your exams will be **completed, if not sooner, by the end of calendar year 2019**, as explained in greater detail below.

Regardless of Phase, the State recognizes that examinations require significant Holder resources and encourages Holders, if they are able, to complete their exams ahead of the above timeframes. **The State encourages and will consider all such attempts to do so.**

The State anticipates that a significant number of Holders in the expedited program will be completing their exams during the last half of calendar year 2019. To ensure a fair and efficient process for all Holders, the State wishes to provide a reminder regarding all statutory requirements and supply additional detail regarding the State's commitment and expectations during this time, as follows:

- 1) Within the next 12 months: For all Holders in the expedited examination program who have "respond[ed] within the time and in the manner established by the State Escheator to all requests for records, testimony, and information made by the person conducting the examination, the State Escheator shall complete the examination and provide an examination report under § 1177 of this title within 2 years from the date of receipt of the written notification and shall waive interest and penalty under §§ 1183 and 1184 of this title." 12 Del. C. § 1172(c)(2). **For most Holders in the expedited exam program, "the State Escheator shall complete the examination and provide an examination report under § 1177 of this title" no later than December 11, 2019** (two years after the deadline for submission of the Holder's "written notification" to enter the expedited exam program).

- 2) Within the next 6 months: As you may be aware, 12 Del. C. § 1172(c)(3) requires that “All requests for records, testimony, and information must be made by the person conducting the examination to the person under examination no later than 18 months after the written notification under paragraph (c)(1) of this section.” For most Holders in the expedited exam program, unless your agreed-upon work plan contemplates otherwise, **this request will be provided no later than June 11, 2019** (18 months after the deadline for submission of the Holder’s “written notification” to enter the expedited exam program). The State anticipates that for most Holders, unless your agreed-upon work plan contemplates otherwise, **that request will only be for final remediation of potential abandoned or unclaimed transactions.**
- 3) To ensure that each Holder is able to complete the exam within 6 months of that final request by the statutory deadline, **the State expects the Holder to provide its complete response within one month of that request**, unless the agreed-upon work plan contemplates otherwise. For most Holders in the expedited exam program, this date will be no later than July 11, 2019 (19 months after the deadline for submission of the Holder’s “written notification” to enter the expedited exam program).
- 4) Within the next 3 months: To facilitate and anticipate the 18-month deadline in 12 Del. C. § 1172(c)(3), **the State expects that its audit firms will submit any document requests for information (exclusive of remediation documentation) to you by March 11, 2019** (15 months after the deadline for submission of the Holder’s “written notification” to enter the expedited exam program), unless your agreed-upon work plan contemplates otherwise. **The State expects the Holder to provide its complete response within one month of that request** (for most Holders, April 11, 2019), unless the agreed-upon work plan contemplates otherwise, to allow time for any follow-up requests, if needed.
- 5) To facilitate completion of the exam by December 11, 2019, **the State will provide a preliminary examination report to each Holder no later than November 1, 2019**, and earlier if possible.
- 6) If the State Escheator determines that a Holder has not “responded within the time and in the manner established...” as required by 12 Del. C. § 1172(c)(4), either due to 1) the Holder’s failure to respond timely to the final request per 12 Del. C. § 1172(c)(3); or 2) the Holder’s failure during the course of the exam to comply with the agreed-upon work plan, the State will not be in a position to provide a preliminary examination report by November 1, 2019. **For these Holders, in lieu of a preliminary examination report, the State will provide its “resulting determination to terminate expediting the person’s examination” per 12 Del. C. § 1172(c)(4) no later than November 1, 2019.**
- 7) **For Holders for whom the State Escheator cannot provide an examination report by December 11, 2019, the State will terminate the Holder’s expedited exam status and consider the imposition of all applicable interest and penalties pursuant to §§ 1183 and 1184 at the conclusion of the exam.**

- 8) At the Holder's request, the State will consider bifurcating the exam by property type or legal entity if part, but not all, of the examination can be included in the examination report by December 11, 2019.

As an expedited exam program participant, your company has every incentive to avoid delay and provide the requested documents per the deadlines established here and in your work plan to ensure that the expedited exam may be completed within the statutory requirements for a full waiver of interest and penalties. The State looks forward to working with each Holder in a fair and reasonable manner to complete the exam as quickly and efficiently as possible in accordance with the agreed-upon work plan and statutory deadlines. Please do not hesitate to contact me with any questions or concerns regarding the progress of your expedited exam.

Sincerely,



Michelle Sullivan
Assistant Director