

WVSTO RFQ Technical Proposal Form

RFQ# STO12008

Vendor Name: Smith, Cochran & Hicks, PLLC

Address: 3510 MacCorkle Avenue, SE

City: Charleston State: WV ZIP: 25304

Date Proposal Submitted: 04 / 26 / 12

Vendor FEIN: 55-0697264

Vendor E-mail Address: psmith@schcpa.com

Contact Person Name: Patrick Smith Phone: 304 345-1151

Addenda to the RFQ we have received and reviewed (list): No(s): _____

Addendum No. 1 & 2

I. PROPOSAL SUBMISSION

- 1.1 Proposals shall be submitted in accordance with the RFQ, including, without limitation, format, submission date and time, and other submission requirements.
- 1.2 All proposals, including the five (5) courtesy (hard) copies AND one CD/DVD/USB flash drives, must be received by the RFQ Bid Opening Date and Time. Failure of the Vendor to deliver the proposal in the prescribed manner and on time will result in disqualification.

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WV PURCHASING
DIVISION



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 ST012008

PAGE
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
 FRANK WHITTAKER
 304-558-2316

MACCORKLE

RFQ COPY
 TYPE NAME/ADDRESS HERE

SMITH, COCHRAN & HICKS, P.L.L.C.
 3510 MACCORKLE AVENUE, SE
 CHARLESTON, WV 25304

SHIP TO

STATE TREASURER
 MAIN CAPITOL BUILDING
 SUITE E-145
 CHARLESTON, WV
 25305 304-343-4000

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
03/29/2012				

BID OPENING DATE: 04/10/2012 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT	
0001	1	LS		946-20			
AUDITING SERVICES THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA STATE TREASURER'S OFFICE, IS SOLICITING BIDS FOR THE EXAMINATION OF UNCLAIMED PROPERTY HOLDERS' RECORDS PER THE ATTACHED SPECIFICATIONS. EXHIBIT 3 LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON AND EXTENDS FOR A PERIOD OF ONE (1 YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE. UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT BY THE STATE OF WEST VIRGINIA, ITS AGENCIES, OR POLITICAL SUBDIVISIONS, THE TERMS, CONDITIONS, AND PRICING SET FORTH HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT. RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30)						<i>13% of the net unclaimed property OR \$65.00/hour</i>	

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE (304) 345-1151	DATE 04/26/2012
TITLE Managing Member	FEIN 55-0697264	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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<p>DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY</p>						

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LINE	QUANTITY	UOP	QAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
ELECTRONIC MEDIUM SUCH AS CD-ROM. REV. 01/17/2012 NOTICE A SIGNED BID MUST BE SUBMITTED TO: DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130 THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED: SEALED BID BUYER: 44 RFQ. NO.: STO12008 BID OPENING DATE: 04/10/2012 BID OPENING TIME: 1:30 PM PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE: TELEPHONE: DATE: TITLE: FEIN: ADDRESS CHANGES TO BE NOTED ABOVE

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CONTACT PERSON (PLEASE PRINT CLEARLY): <i>Patrick Smith</i>						
***** THIS IS THE END OF RFQ STO12008 ***** TOTAL:						<i>13% of the net unclaimed property or \$6.50/hour</i>

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

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Proposal to Provide

Professional Auditing Services
for the
Audit of Unclaimed Property Holders

to the

West Virginia Treasurer's Office
Unclaimed Property Division
RFP# STO12008

April 26, 2012

TECHNICAL PROPOSAL



Smith, Cochran & Hicks, PLLC
Certified Public Accountants
3510 MacCorkle Avenue, SE
Charleston, WV 25304
(304) 345-1151

Submitted by: _____

A handwritten signature in black ink, appearing to read "Patrick C. Smith", written over a horizontal line.

Mr. Patrick C. Smith, Managing Member

Inquiries concerning this proposal may be directed to Mr. Smith

West Virginia State Treasurer's Office
Unclaimed Property Division
STO12008

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West Virginia State Treasurer's Office
Unclaimed Property Division
STO12008

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Section I: Technical Proposal

We have responded to each mandatory criterion listed below with appropriate comments and supporting evidence to their truth. For the remaining portion of this proposal, the term “we” refers to Smith Cochran & Hicks, PLLC.

RFQ Section 3.2.1 Organization

Smith, Cochran & Hicks, PLLC (SCH) and its predecessor firms have provided quality accounting and consulting services to clients throughout West Virginia since 1979. SCH has locations in Charleston and Montgomery, WV. SCH employs approximately twenty professionals, five of which possess significant unclaimed property auditing and/or consulting experience.

SCH has always devoted a large portion of its practice to serving governmental entities. Our professionals have assisted governmental bodies achieve a broad range of objectives by providing quality professional attestation and consultation services through the years.

SCH has significant experience in the area of unclaimed property auditing. For the past eight and one-half (8 ½) years, we have served the West Virginia State Treasurer’s Office (“STO”) under a similar contract to provide unclaimed property audit services. We conducted approximately seventy-five (75) unclaimed property examinations and one-hundred-sixty (160) desk reviews. We have performed examinations on a wide range of entity types including financial institutions, healthcare providers, automobile dealerships, wholesalers, manufacturers, colleges and universities, food service providers, oil and gas companies, and insurance companies, among others.

Our staff has undergone extensive training administered by the STO, and each individual assigned to this engagement is inherently familiar with the reporting requirements of West Virginia’s Uniform Unclaimed Property Act (the “Act”).

In addition to serving governmental agencies, our firm provides a wide range of services to not-for-profit and private sector clients.

We are also unique in that we have a division that specializes in providing services to our public utility clients throughout the State. Our professionals provide accounting and auditing services, rate analysis, project management and coordination, financing assistance, receivership services, and general consulting. Our professionals are also recognized as expert witnesses with the West Virginia Public Service Commission and have provided expert testimony at a number of official hearings. Our firm also participates in annual training programs for these clients that address accounting, financial and regulatory reporting requirements, and general construction financing and project management issues.

We have experience in the health care, manufacturing, retail, and service industries, organizations providing services to seniors and other non-profit entities. These services

include audit, review and accounting, cost allocation and management plans, internal control assessments and implementation, compilation and review of forecasted or projected financial information, business plans and financing packages, debt coverage certifications, agreed-upon procedures, assistance in budgeting and planning, and other consulting and management advisory services.

RFQ Section 3.2.2 Licenses

We affirm that we are properly licensed and in good standing with all regulatory and governmental entities.

RFQ Section 3.2.3 Location

We are located at 3510 MacCorkle Avenue, SE, Charleston, WV 25304.

RFQ Section 3.2.4 Experience

We have conducted approximately seventy-five (75) unclaimed property examinations and one-hundred-sixty (160) unclaimed property desk reviews under our previous and current contracts with the STO. We have examined numerous entity types including financial institutions, healthcare providers, automobile dealerships, wholesalers, manufacturers, colleges and universities, food service providers, oil and gas companies, and insurance companies, among others.

As a result of our previous experience, we are familiar with the unclaimed property reporting requirements of the State of West Virginia and affirm that all members assigned to the proposed engagement team have undergone extensive training administered by the STO during the past five (5) years.

We have also provided consulting services for the West Virginia Alcohol Beverage Control Administration ("WVABCA") in relation to the 2010 liquor license rebid. Under Patrick Smith's direction, we provided over 850 hours of work in 2009 and 2010. Our primary contact at the WVABCA was Anoop Bhasin, the WVABCA's contact number is (304) 356-5500.

To date, we have provided unclaimed property audit services solely to the West Virginia State Treasurer's Office Unclaimed Property Division. However, our verifiable achievements demonstrate that we are capable of conducting unclaimed property audit services in a competent and professional manner under the provisions specified in the RFQ.

RFQ Section 3.2.5 Quality Control Review; Litigation

All work performed under this contract will be reviewed by the Member-in-Charge, Patrick C. Smith.

Additionally, AICPA Guidelines mandate that we have a Peer Review completed every three (3) years. Our last peer review was in 2009 and we received an unqualified opinion. We are currently under review for 2012.

RFQ Section 3.2.6 References

To date, we have provided unclaimed property audit services solely to the West Virginia State Treasurer's Office Unclaimed Property Division. We have worked with the following STO staff over the course of multiple contracts: Carolyn Atkinson, Cindy Hillen, Dwight Smith, Paul Hill, Danny Ellis, Carolyn Legg, and Malissa Hohmann.

RFQ Section 3.3 Staff Qualifications

Firm policy and professional standards require that engagements be staffed with professionals who possess the appropriate experience necessary to complete the engagements effectively and efficiently.

We affirm that all professionals assigned to unclaimed property examinations will possess at least one (1) year of experience in unclaimed property auditing.

Patrick C. Smith will serve as the member-in-charge and contract manager for all engagements executed under this Contract. His email address is psmith@schcpa.com.

The following employees will be available as part of our Project Team: Newton Nichols (nnichols@schcpa.com), John Jenkins (jjenkins@schcpa.com), Jessica Gardner (jgardner@schcpa.com), and Ashley Paben (apaben@schcpa.com).

SCH has available additional staff and facilities to fulfill all the services required under this RFQ and any resulting contract. We will not substitute key personnel assigned to this engagement without prior written approval by the STO.

Please see the resumes of the professional staff selected to serve on the engagement team in Section II: A-1 of this proposal.

All staff members can be contacted by phone at (304) 345-1151 or by mail at 3510 MacCorkle Avenue, SE, Charleston, WV 25304.

We will not be using subcontractors under this contract.

RFQ Section 3.4 Specific Work Plan - Audits

When a Holder is assigned as an examination candidate, it is first reviewed by the member-in-charge for any conflicts of interest. If none exist a member of the Project Team is assigned to research and obtain information regarding the Holder's operations, industry and reporting history in order to establish a basis for an estimate of hours to complete the audit. The member-in-charge will review the research, adjust the estimated hours as necessary and assign the appropriate members of the Project Team to the

engagement. We will then submit the estimated hours to the STO for approval.

Upon receiving approval by the STO, we will contact the Holder to establish an on-site visit and commence fieldwork based on the areas identified in our previous research. Once fieldwork is complete we will give the Holder ninety (90) days to perform due diligence on any potential unclaimed property. We then will review the due diligence and determine the amount that is unclaimed property. After the draft report and findings have been provided the Holder, they will have (20) days to remit the funds or appeal our findings. At the close of the engagement, we will issue the necessary final reports to the Holder and STO.

We will continue to use the Unclaimed Property Examination Program that was previously developed by the STO and continuously refined through the experience of both the STO and SCH staff.

Though we do not foresee any issues arising, we will evaluate our ability to provide the services depicted in this RFQ on a regular basis.

RFQ Section 3.5 Conflicts

SCH affirms that we do not presently have any conflict or potential conflict of interest with regard to any other work performed for the State of West Virginia or any agency, board, or commission thereof. We will perform our work in a fair, objective and impartial manner, and report thereon. Should any potential conflicts arise at a later date, we will notify the STO immediately so that an agreeable resolution can be achieved in a timely manner.

RFQ Section 3.6.1 Audits

We will conduct audits as required by the STO. We shall undertake to determine, report, and collect all types of unclaimed property in the possession of the Holder, within the scope of the audit. It shall be our responsibility to review the records of such Holders of unclaimed property to determine if all property within the scope of the audit, held for owners with a last known address in West Virginia, or in the absence of records of owner names, where the Holder is domiciled in West Virginia, has been reported and remitted to the State.

RFQ Section 3.6.2 Involuntary Examinations

We will conduct assigned involuntary examinations. The STO will assign Holders for involuntary examination. We will obtain an examination authorization letter from the STO prior to commencing any involuntary examination. Should we believe that we cannot conduct an assigned examination due to a conflict of interest or other such reason, we will notify the STO of the conflict within thirty (30) days of receiving the assignment from the STO. The STO has the final and sole authority to determine who, if anyone will conduct an involuntary examination of Holders. All unclaimed property funds

or securities submitted pursuant to an involuntary examination conducted without prior written approval from the STO shall be received by the STO without compensation.

RFQ Section 3.6.3 Voluntary Examinations

We understand that we are permitted to solicit Holders that are organized or incorporated in West Virginia and/or other states to enter into voluntary examination agreements with the STO. Prior to commencing an examination pursuant to a voluntary agreement, we will obtain an examination authorization agreement from the Holder, which will specify the scope of the voluntary examination. Once the agreement is executed, we will provide a copy to the STO and commence the engagement.

We will examine the Holders' records to determine their compliance with the Act, and not merely accept the Holder's representations and records as to unclaimed property believed to be held or owing.

We will not solicit a Holder to enter into a voluntary examination agreement in regard to Holder's unclaimed funds reporting liability if:

- The Holder is under an involuntary examination being conducted by any Vendor on behalf of and at the initiation of the STO, or if we have been notified that such an examination is being conducted by another Vendor on behalf of and at the initiation of the STO; or
- Our Firm has been notified in writing by the STO that an examination of the Holder is planned; or
- The Holder has been contacted within the scope of STO's Desk Audit program.

RFQ Section 3.7 Timeframe

We will schedule each assigned unclaimed property examination at a date and time that is mutually agreeable with the Holder. We acknowledge that the examination shall commence no later than ninety (90) days after we receive notification of the assignment from the STO, except on a showing of good cause. We affirm that we will complete the examination and submit the report to the STO within one (1) year of the assignment of the examination, unless circumstances arise whereby an extension is requested and approved by the STO.

RFQ Section 3.8 Notices

During the course of the examination engagement, we will advise the Holder of the requirements of W.Va. Code §36-8-7 for notifying owners of their property ("Due Diligence Requirements"). We will notify the STO if due diligence has not been carried out by a Holder.

RFQ Section 3.9 Act Requirements

We will advise Holders that all property reported and remitted must conform to the requirements of the Act. We understand that Holders are not exempt from any section of the Act, including but not limited to West Virginia Code §36-8-24, which grants the STO the authority to charge penalties and interest to delinquent Holders. We will not represent to Holders that penalties and interest will be waived without written authorization from the STO.

RFQ Section 3.10 Demands for Remittance

We will not make a demand of a Holder for remittance of property to the STO until both parties have both reconciled and agreed with the report to be filed with the STO. In the event we are unable to come to an agreement with the Holder upon the report to be filed, the STO shall decide the matter.

RFQ Section 3.11 Out of Proof Reports

We will inform the Holder that out of proof reports are only accepted if the Holder pro-rates the report prior to submission to the STO, and only if allocated for each individual owner, in order to reconcile to the actual dollar and/or share amount submitted to the STO. We will inform the Holder that the STO will only accept out of proof reports if they contain written assurances by the Holder that the Holder agrees to provide the balance due should all owners come forward.

RFQ Section 3.12 Closure

After we have reached an agreement with the Holder regarding the amount deliverable, we will provide a final examination report to both the Holder and the STO. This report will summarize the procedures performed and the conclusions reached during the engagement, as well as a summary of the amount(s) deliverable. We consent to conform to the format prescribed by the STO.

RFQ Section 3.13 Dispute Resolution

In the event we are unable to reach an agreement with the Holder as to the terms of our final examination report; we will inform the Holder that they have a right to file an administrative appeal with the STO. In order to initiate the appeal process, the Holder must submit the appeal form or a letter containing the information referenced below and return it to the STO's Audit Division within twenty (20) days of filing the Holder's initial response to the draft report. Otherwise, the Holder will be presumed to have agreed to the terms of the draft report.

It is our understanding that the appeal must contain the following information:

- The name and address of the Holder,
- The name and official title of each party participating in the process,

- The name and official title of each party participating in the process,
- The amount in question and the unclaimed property report years covered by the administrative appeal,
- A clear and concise description of each error that the Holder alleges we made in our findings,
- A clear and concise statement of fact upon which the Holder relies in support of each assignment of error,
- Whether a hearing is requested,
- The relief requested,
- The Holder's signature,
- The date the form is completed, and
- Any other information that may assist the STO in reaching a decision on the matter.

We understand that the STO Audit Division will review the appeal and work with the Holder to resolve all issues. For issues which are not resolvable, the Treasurer or designated agent will review the appeal. If the Holder has requested a hearing, the Treasurer or designated agent will schedule a hearing to be conducted in accordance with the provisions of the West Virginia Administrative Procedures Act. The Treasurer or his agent may also contact the Holder or any other entity he or she considers necessary to reach a decision. Upon conclusion of the hearing, the Treasurer will issue a written decision to the Holder and SCH, which will include findings of fact and conclusions of law.

Upon receipt of the Treasurer's decision, we will incorporate the terms of the decision in the final examination report, and provide copies of this report to both the Treasurer and the Holder.

When a copy of the final examination report has been provided to the Treasurer, the Treasurer will notify the Holder in writing of any interest or penalties to be assessed. The Holder may dispute the assessment of interest or penalties, within ten (10) days of receipt of the notice of assessment, by following the procedures set forth in Section 3.13 of the RFQ.

It is our understanding that any party adversely affected by the Treasurer's decision is entitled to judicial review thereof under the provisions of the West Virginia Administrative Procedures Act.

An example of the Administrative Appeals Statement of Understanding and Administrative Appeals Request Form we anticipate providing upon conclusion of our examination is included in Section II, A-2.

RFQ Section 3.14 Reporting

In conjunction with the identification and collection of unclaimed property (either voluntary or involuntary examinations), we shall:

- Audit and process records of unclaimed property obtained from Holders and/or their agents;
- Prepare and submit to the STO reports of unclaimed property in accordance with the requirements of the Act and corresponding legislative rule, 112 CSR 5;
- Demand Holders and/or their agents deliver the property deemed owing under the Act and corresponding legislative rule, 112 CSR 5 to us. All securities delivered to us (other than bearer securities) shall be properly endorsed and in form for transfer. We understand that we are responsible for determining if the endorsement is in the proper form for transfer; and
- Collect and forward the unclaimed property to the STO or its designee.

An example of the report format we intend to utilize is included in Section II, A-3.

RFQ Section 3.15 Standards

We affirm that all work performed under the terms of this contract, including the identification of unclaimed property, the processing of records, and the demands for payment of property to the STO, will be conducted in accordance with Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS). It is also understood that any exceptions to these provisions must be obtained in writing from the STO.

RFQ Section 3.16 Authority

We will act only within the scope of authority granted us by the STO. STO approval is required for the use of estimation in the absence of Holder records. Written STO approval must be obtained prior to estimation being undertaken.

RFQ Section 3.17 Reports & Notices

We will submit all required reports and notices in a timely manner. The examination report and any relevant correspondence will be sent to: West Virginia State Treasurer's Unclaimed Property Division, 1 Players Club Drive, Charleston, West Virginia 25311. We will direct all inquiries to the Unclaimed Property Division at (304) 558-2937.

RFQ Section 3.18 Electronic Reporting

We will report all unclaimed property electronically using the NAUPA II standardized unclaimed property reporting format. We will also issue our report in paper format, if requested by the STO.

RFQ Section 3.19 Report Format

We will submit reports in the format required by the STO. The report format for securities must also include in addition to the above: The CUSIP number for the issue; the certificate number that corresponds to the shares on that report; the Holder's FEIN number; and the value of the shares on the date the property is received by us. The value of any security traded on an exchange shall be the closing price of that security on the date the property is received by the SCH or our custodian. If the property is a security traded over the counter, it shall be the bid price as set forth in the 'pink sheets' on the date the property is received. For any other property the value shall be determined according to generally accepted valuation procedures.

RFQ Section 3.20 Securities

We will cause all securities to be re-registered to the State of West Virginia or its nominee, as directed by the STO, and delivered using Depository Trust Company (DTC) designations when applicable. In the event that securities are not DTC eligible, we will cause them to be re-registered to the WV State Treasurer or its nominee, at the written direction of the STO, and delivered in physical form to the STO, or its designee.

Alternatively, in lieu of requiring the transfer of a security to the STO, the STO may require that the Holder, acting as agent for the STO, liquidate the security and report the proceeds as unclaimed property. To facilitate this liquidation, when we have in our possession securities which are determined to be reportable to the STO, if requested by the STO, we will send a report of the securities which appear to have market value. If so directed by the STO will liquidate the securities.

Securities listed on an established stock exchange must be sold at prices prevailing on the exchange at the time of sale. Other securities may be sold over the counter at prices prevailing at the time of sale or by any reasonable method authorized by the STO. Within sixty (60) calendar days of any sale conducted pursuant to this subsection, the Holder shall deliver to the STO the monetary proceeds resulting from the sale, after deducting a proportionate share of the reasonable expense of brokerage and transfer fees from the sale of the property. The Holder shall report the number of shares sold and the value of each share, as well as the expense attributable to the sale. The Holder shall include in the reported property all interest, dividends, increments, earnings and accretions due, payable or distributable at the time of liquidation, and all earnings on the property between the time of liquidation and the time of reporting.

RFQ Section 3.21 Other Property

We will timely submit, pay or deliver all funds and other property constituting unclaimed property to the STO, or its designee. The delivery or payment must be subsequent to the processing of the Holder's records and our demand of report and payment or delivery. All funds, securities and other property must be segregated and securely maintained for a period not to exceed thirty (30) calendar days prior to disbursement to the STO or its designee. Remittance documentation shall indicate the date the property was received.

RFQ Section 3.22 Interest Credits

We will issue an interest credit to the STO equal to the interest earned on all cash funds held by us on behalf of the STO from the date following the day such funds are paid in good funds to us until, but not including the date we remit funds to the STO. We will credit any interest payable to the STO against fees payable to SCH.

RFQ Section 3.23 Release Agreements

We will prepare a release agreement, when requested by a Holder, to be signed by the Holder and the STO, which shall identify the property to be remitted, and verify that the appropriate abandonment period has been met for each type of property reported. We understand that the STO reserves the right to modify the terms of the release agreement at any time.

Please see Section II, A-4 for an example of the Release Form we will provide upon conclusion of our examinations.

RFQ Section 3.24 Instructions

We have a working knowledge of the requirements of State law so as to properly advise Holders of all Act requirements. Upon completion of the examination of a Holder's records, we will instruct Holders to file all future reports with the STO, pursuant to the STO's reporting requirements. The STO will not pay a fee for subsequent reports where the principal/responsible company is re-examined, without prior written STO approval.

RFQ Section 3.25 Work-in-Progress Reports

We will provide a Work-in-Progress Report to the STO by the 15th of each month. This report, an example of which is included in Section II, A-5, will include the following:

- Holder's Name,
- State of Incorporation,
- Federal Employer Identification Number,
- Issue Name,
- Property Type,
- Engagement Date,
- Types of records being examined,
- Whether the examination is voluntary or involuntary, and
- Status Commentary

We will also provide the information in a comma delimited text electronic file format, and upon the STO's request, in a paper format. This report will only include those entities that SCH is actively engaged in examining. The report will not include a Holder unless an authorization agreement has been obtained from the STO for involuntary examinations, or from the Holder, for voluntary examinations. We understand that this provision may be amended at any time at the written discretion of the STO.

RFQ Section 3.26 Review of Records

We will permit the STO to review all records maintained by SCH to ensure our compliance with all the terms and conditions of the purchase order issued pursuant to this RFQ. The scheduling of these reviews will be designated by the STO. All working papers and reports must be retained, at our expense, for a minimum of ten (10) years from the originating date, unless notified in writing by the STO to extend the retention period.

RFQ Section 3.27 Joint Examination

We acknowledge that the STO reserves the right to participate in a joint examination of any Holder at any time, and that the STO reserves the right to reject any audit reports not in compliance with the provisions of this RFQ.

RFQ Section 3.28 Property Disputes

We will assist the STO with regard to property disputes. We will notify the STO of any such disputes within thirty (30) days of determination that a dispute exists and make all reasonable efforts to resolve disputes as quickly as possible. We will provide to the STO the actual resolution date of any such disputes, and shall remit the property within thirty (30) days of resolution of disputes.

RFQ Section 3.29 Reasonable Compensation

We agree to alternate reasonable compensation in certain cases and recognize that the STO has an interest in assuring that businesses comply with the provisions of the Act, regardless of businesses' size. In certain limited circumstances, the STO may wish to assign a business domiciled and/or geographically located in the State of West Virginia for involuntary examination, where due to the size or nature of the business, the examination may or may not result in sufficient findings in order for us to be reasonably compensated.

For examinations assigned under those circumstances, the STO will notify us at the time the examination authorization letter is issued that the alternate payment provisions set forth in this Section and in Section 3.30.2 of this RFQ may apply. We will then determine and submit an estimate of the number of hours we anticipate using to complete the audit, prior to commencing fieldwork for the examination. The STO will review the estimate and thereafter determine the number of hours necessary to complete the assigned examination. We will then be notified of the hours approved by the STO for the examination. We will conduct the review of Holder, estimation of hours needed for the examination and the examination itself within the allowed time previously approved by the STO.

If during the examination additional time appears to be warranted we shall notify the STO in writing explaining the grounds for the request for additional hours. After consideration by the STO we will be notified in writing of the approval or disapproval of

the request for additional hours. We will not exceed the allotted or estimated hours without prior written approval by the STO. We will not be compensated for any hours billed in excess of those allotted for the review or estimated for the examination, unless prior written approval was received from the STO.

To provide reasonable compensation, payment will initially be calculated according to the payment provisions of Section 3.30.1 of this RFQ; provided, however, that if the amount to be paid under that Section would be less than the hourly rate set forth in this Section, we will be paid the hourly rate as determined in this Section and as set forth in Section 3.30.2.

RFQ Section 3.30 Fees

Except as provided in Section 3.30.02 below, our fee for the identification and collection of unclaimed property will be a flat thirteen (13%) percent of the net unclaimed property remitted to the STO, less any interest due pursuant to the provisions of this RFQ. Net unclaimed property is the gross value of all unclaimed property, minus the value of all unclaimed property delivered by the Holder, if any, that otherwise would have been delivered pursuant to the reporting practices of the Holder as they existed prior to the execution of the agreement with our Firm. Payment will be made in arrears, based upon invoices submitted by us, once property is received.

RFQ Section 3.30.2 Involuntary Examination Fees

It is understood that our fee for those involuntary examinations assigned by the STO, referenced in Section 3.6.2, will initially be calculated according to the payment provisions of Section 3.30.1 of the RFQ. However, if the amount to be paid under that section is less than the hourly rate set forth in this section, our fee will be paid based upon the hourly rate as provided in this section.

Payment based upon an hourly rate will be according to the following terms:

- We will be paid on an hourly basis at the rate of \$65 per hour. This amount shall be the total and complete fee payable for the services delivered, unless prior written approval is received from the STO.
- We will not be reimbursed for travel expenses or expenses incurred to fulfill the requirements of the contract. We are responsible for all costs and expenses, including, but not limited to, travel, mileage, meals, lodging, equipment, supplies, personnel and all other costs and expenses.
- Failure to deliver property to the STO within thirty (30) days of receipt from the Holder will result in the following reductions in fees, unless Section 3.28 [Property Disputes] is invoked by the STO or SCH or unless the STO waives the reduction for matters beyond our reasonable control.

- Audit reports, funds and securities that are submitted thirty-one (31) to sixty (60) calendar days after the receipt of property may be subject to up to a thirty-three (33%) fee reduction, at the discretion of the STO. Audit reports, funds and securities that are submitted sixty-one (61) to ninety (90) calendar days after receipt of property may be subject to up to a sixty-six percent (66%) fee reduction, at the discretion of the STO. Audit reports, funds and securities that are submitted past ninety-one (91) calendar days after the receipt of property may be considered past due, and may result in a forfeiture of the entire fee, at the discretion of the STO. The STO reserves the right to require us to submit all reports and property immediately upon reaching past due status.

RFQ Section 3.31 Expenses

We are responsible for the payment, or making provision for the payment, of all expenses incurred in connection with all Services provided.

RFQ Section 3.32 Confidentiality

We will preserve the integrity of STO security and confidentiality. We will exercise appropriate security precautions in handing confidential information and will hold all information about a Holder's property confidential. We acknowledge that pursuant to W.Va. Code §36-8-25, unclaimed property records are confidential and not subject to the West Virginia Freedom of Information Act, W.Va. Code 29B-1-1 et seq.

RFQ Section 3.33 Terms & Conditions as outlined in Attachment 1

Term: We understand that the initial term of the purchase order will be for a period of one (1) year, at which time the contract may, upon mutual written consent of the parties, be renewed for periods of up to one (1) year, with a maximum of four (4) one year renewals, or until such reasonable time thereafter as is necessary to obtain a new contract. The "reasonable time" period shall not exceed twelve (12) months. During the "reasonable time" period, we may terminate the purchase order for any reason by giving the STO ninety (90) days written notice. Notice of intent to terminate will not relieve us of the obligation to continue to provide services for examinations undertaken pursuant to the terms of the contract.

Insurance Requirements: We shall maintain in full force and effect, with an insurance company of recognized responsibility, at our expense, insurance covering our work of the type and in amounts required by this Contract. Our insurance shall, among other things, insure against loss or damage resulting from our performance of this Contract. All such insurance policies will remain in full force in effect for the entire term of this Contract and will not be canceled or changed except after thirty (30) days written notice to the STO.

Unless otherwise requested by the STO, we shall, at our sole cost, cause to be issued and maintained in effect during the entire term of this Contract not less than the insurance coverage amounts set forth below:

<u>Type of Insurance</u>	<u>Limit Amount</u>
General Liability (including contractual liability)	
Per occurrence	\$1 million
Aggregate per year	\$2 million
Malpractice Insurance or	
Errors and Omissions Insurance	\$1 million
Property Damage	\$1 million

We further acknowledge that all insurance policies required by the Contract resulting from this RFQ will provide coverage for all claims arising from activities occurring during the term of the policy regardless of the date the claim is filed or expiration of the policy.

We will submit certificates of the insurance described above to the Treasurer within ten (10) days after the issuance of a Purchase Order and Contract for the approval of the Treasurer. The certificates will state that no cancellation of the insurance will be made without at least thirty (30) days prior written notice to the Treasurer.

We acknowledge that acceptance of the insurance certificates by the Treasurer shall not act to relieve us of any obligation under this Contract. All insurance policies and certificates will be issued only by companies authorized to transact business in the State of West Virginia. It is our responsibility to keep the respective insurance policies and amounts of coverage current and in force during the life of this Contract.

License Requirements: We affirm that all assigned key professional staff are properly licensed to practice in West Virginia.

Vendor Warranties:

We represent and warrant that:

We will provide the goods and/or services in a timely, professional manner, using reasonable care and caution in accordance with the purchase order. We understand if our performance is not in conformity with the purchase order, as amended, we will be considered in breach of this warranty;

Each of the representations and warranties made in our Offer, the Agreement or otherwise in writing, is true and correct in all material respects during the course of the purchase order. In the event anything represented or warranted changes, we will immediately notify the STO;

We will comply with all applicable federal, state and local laws, rules, regulations, requirements and/or industry standard operating procedures;

We will obtain at our own expense any and all permits, approvals, consents and waivers of any entity required in connection with the goods and/or services, unless otherwise agreed in writing by the STO;

That the goods and/or services provided under the purchase order will conform to the RFP/RFQ specifications, be fit for the intended purpose, be free and clear of all liens, claims and encumbrances of any kind, and be free from defect in material or workmanship;

Neither SCH nor our employees, representatives or agents have any interest, nor shall acquire any interest, direct or indirect, which would compromise the performance or provision of the goods and/or services or constitute a conflict of interest. Any such interest shall be promptly reported in detail to the STO;

We will notify the STO as soon as practicable in the event of a change in our financial position or organization structure;

We have not employed any company or person other than a bona fide employee working solely for us or a company regularly employed as its marketing agent to solicit or secure the purchase order and nor have we paid or agreed to pay any company or persons any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the purchase order;

Nothing in the purchase order shall be construed to prohibit the STO or the State of West Virginia from initiating, participating in or collecting moneys in a cause of action in connection with the goods and/or services under the antitrust laws of the United States and State of West Virginia;

That if the goods and/or services include software or other tangible or intangible items, that we have full legal right to grant the license or permit use under the purchase order and that use will not infringe or violate any patent, copyright, trade secret or other proprietary right of any person. We shall defend and indemnify the STO against any third party claim to the extent attributable to a violation of this warranty.

Subcontractors: We do not intend to subcontract any portion of the work under this RFQ and any subsequent contract.

Independent Contractor: We understand that relationship between us and the STO shall be that of an independent contractor and no principal-agent or employer-employee relationship is contemplated or created by the parties. As an independent contractor, we are solely liable for the acts and omissions of our employees, representatives and agents. We are responsible for selecting, supervising and compensating any and all individuals employed to provide the goods and/or services. Neither SCH nor any of its employees, contractors or subcontractors shall be deemed to be employees of the STO for any purpose whatsoever.

Costs, Fees and Payments:

We understand that:

All payments shall be in arrears after acceptance of the goods and/or services, with the exception of software licenses, which may be paid after issuance of the purchase order and before delivery and/or installation, and subscriptions and software maintenance, which may be paid after issuance of the purchase order and before performance on an annual or quarterly basis.

Payments will be made as specified in the purchase order and in reliance of our representations.

Unless otherwise agreed in writing, we will submit invoices for goods and/or services rendered to the STO at the address on the face of the purchase order. Invoices must be labeled "Invoice" and be in accordance with the purchase order and include the service period, purchase order number and other required detail upon presentment to the STO for payment verification.

Late payment interest and penalties shall be payable only in accordance with West Virginia law.

The STO reserves the right to continuously monitor and assess our performance and any of its subcontractors to ensure consistency with the objectives of the STO and compliance with the purchase order. If the STO, in its sole discretion, determines that we or any of our subcontractors is not performing 100% of its obligations under the purchase order, the STO may penalize us by stopping, reducing or withholding any payments due under the purchase order until such time as the goods and/or services are deemed satisfactory by the STO. The STO shall not be obligated for the difference between any reduced or withheld payments and the amounts otherwise due under this Agreement, nor shall it be obligated to pay interest thereon. The STO may, in its sole discretion, pay such difference upon resolution of the issues, but nothing in the purchase order shall be construed to require such payment, nor shall the difference be considered a lien or claim against the STO or the State of West Virginia.

Price Changes: As soon as possible after receipt of a written change request from the STO, but in no event more than thirty (30) days thereafter, we shall determine if there is an impact on price with the change requested and provide the STO a written statement identifying any price impact on the contract or to state that there is no impact. In the event that price will be impacted by the change, we shall provide a description of the price increase or decrease involved in implementing the requested change.

Notification of Material Changes: We shall immediately notify the STO of any anticipated changes in Services that would affect the agreement issued as a result of this RFQ. No change in services may be implemented without prior notice, negotiation and issuance of a change order by the STO.

Right to Terminate: The State/STO may terminate any purchase order immediately at any time we fail to carry out our responsibilities or to make substantial progress under the terms of the purchase order. The State/STO shall provide us with advance notice of performance conditions which are endangering the purchase order's continuation. If,

after such notice, we fail to remedy the conditions contained in the notice within the time period contained in the notice, the State/STO shall issue us a notice to cease and desist any and all work immediately.

The State/STO shall be obligated only for Services rendered and accepted prior to the date of termination. The purchase order may also be terminated upon mutual agreement of the parties with thirty (30) days prior written notice.

In the event of a purchase order termination, we shall complete all work in progress, and unclaimed property examinations initiated during the contract period but completed after the termination date shall be construed as falling within the contract period. We will be compensated for said unclaimed property examinations pursuant to existing conditions.

Right to Modify: The State/STO specifically reserves the right to change, alter, modify, eliminate, add and amend the services to be provided, without penalty or being considered in breach of contract. The State/STO further reserves the right to amend, cancel or otherwise modify any Agreement and purchase order, all without penalty, in order to comply with all applicable federal and state laws, rules and policies or to meet the needs of the STO and its customers. Any such changes, modifications, or elimination, addition or amendment of services shall be reflected by written addendum to the Agreement and the appropriate change orders.

Notice: We understand that no change shall be implemented until such time as a written change order is received.

Liquidated Damages: According to W. Va. Code §5A-3-4(8), we acknowledge that liquidated damages shall be imposed at the rate of \$100 per normal workday for failure to submit the final report on an assigned examination of records within the delivery schedule agreed to in the engagement meeting. This amount shall be assessed for each individual audit that fails to comply with the delivery schedule. This clause shall in no way be considered exclusive and shall not limit the right of the State or the STO to pursue any other additional remedy to which the State or the STO may have legal cause for action, including any claim for further damages against the us.

Mandatory Forms: In addition to the terms and conditions included in this RFQ, SCH, its agents, employees and subcontractors, shall be bound by the terms of all other Mandatory Forms required by the STO and/or the State of West Virginia. Required terms and conditions of the STO and/or the State of West Virginia are not subject to negotiation.

RFQ Section 3.34 Exceptions to Established Provisions

We understand that exceptions to any of the provisions included in this RFQ must be approved in writing by the STO.

Section II: Miscellaneous

A-1: Engagement Team Resumes

PATRICK C. SMITH, CPA, MCM

EXPERIENCE

2008-Present **Smith-Little, L.L.C.**

Member

- Firm Practice Manager.
- Examiner-in-Charge financial examination engagements.

1997-2000, 2003-Present **Smith, Cochran & Hicks, P.L.L.C.**

Member

Managing Member

- Member-in-Charge of the Firm's Accounting and Assurance Division. Responsible for all compilation, review and other attestation engagements, including examinations and agreed-upon procedure engagements, conducted by the Firm.
- Credited with the creation and development of the Firm's Premium Audit Division. Since inception in June 2006, the Division has grown to a staff of over twenty professionals who possess a wide range of insurance and accounting experience. During the past 2 ½ years, the Division has successfully completed over 120,000 workers' compensation premium audits.
- Oversees the Firm's Abandoned Property Division. The Firm serves as the preferred examination vendor for the West Virginia State Treasurer's Office, Division of Unclaimed Property ("STO"). Since 2003, the Firm has conducted approximately seventy-five (75) unclaimed property examinations and hundreds of "desk audits" on behalf of the STO.
- Experience with increasingly complex governmental audit areas including planning and conducting Single Audits in accordance with OMB Circular A-133.
- Responsible for designing and maintaining the firm's Quality Control (QC) System to ensure compliance with the AICPA *Code of Professional Conduct*.

2000-2003 **Brantley, Boucher & Farr, LLC**

Senior Accountant

- In-charge auditor on local government and private sector audit engagements. Responsible for the planning and development of audit programs and procedures, the performance of tests of controls and substantive tests of transactions, the performance of analytical procedures, and upon completion of audit fieldwork, the drafting of the final audit report and related financial statements.
- Significant interaction with a diverse client base involving matters ranging from personal income tax and retirement planning for individual tax clients to budgeting, tax projections and assisting with the design of employee benefit and qualified plans for business clients.
- Preparation and review of individual, corporate, partnership, and estate and trust income tax returns; preparation of annual returns of employee benefit plans (Federal Form 5500); preparation of returns of organizations exempt from income taxes (Federal Form 990); preparation and review of interim and annual financial statements; preparation and review of monthly, quarterly and annual payroll tax returns; preparation and review of monthly and annual sales and use tax returns.

EDUCATION

- Bachelor of Science Business Administration, Major in Accounting, University of Kentucky, Lexington, Kentucky
- Certified Public Accountant, State of West Virginia

MEMBERSHIPS

- American Institute of Certified Public Accountants
- West Virginia Society of Certified Public Accountants
- National Society of Insurance Premium Auditors
- Associate Member, Association of Certified Fraud Examiners

JOHN S. JENKINS, CPA

EXPERIENCE

2010-Present **Smith, Cochran and Hicks, PLLC**

Manager

- Manage the firm's Class-Action Settlement Administration Department.
- Preparation and Supervisory Review of income tax returns for individuals, corporations, partnerships, estates, and trusts

2005-2010 **National Government Services**

Medicare Auditor III

- In-charge auditor on desk reviews and field audits of Medicare cost reports for various types of healthcare providers (primarily hospitals). Field audit responsibilities include: scheduling; planning; & leading other audit associates.
- Supervisory reviewer of Medicare cost report desk reviews.
- Reopening and Appeals of previously settled Medicare cost reports.
- Audit and Supervisory review of charity care audits for WV Medicaid Behavioral Health Facilities,

2004-2005 **Smith Cochran and Hicks, PLLC**

Audit Manager

- Perform and Review Unclaimed Property Examinations for the State of West Virginia.
- Perform and Supervise completion of various types of audit engagements, such as: compliance audits; financial statement audits; and agreed upon procedure engagements.

2002-2004 **Meyers and Stauffer LC**

Medicaid Auditor

- Completed North Carolina Medicaid audits (field-audits) of nursing facilities
- Assisted in training of reimbursement guidelines to new associates.

2000-2002 **National Government Services**

Reimbursement Analyst

- Completed desk reviews and field audits of Medicare cost reports for various types of healthcare providers (Hospitals, Skilled Nursing Facilities, & Federally Qualified Health Clinics)

1997-2000 **Pack, Hawley, Lambert and Burdette, PLLC**

Staff Accountant

- Completed audits, reviews, and compilations of financial statements.
- Prepared income tax returns for individuals, corporations, and partnerships.

EDUCATION

- Bachelor in Accounting, West Virginia Institute of Technology

MEMBERSHIPS

- American Institute of Certified Public Accountants

NEWTON NICHOLS, AFI

EXPERIENCE

2000–Present Smith, Cochran & Hicks, P.L.L.C.

Supervising Senior Accountant 2005 to Present

Senior Accountant 2002-2004

Staff Accountant 2000-2002

- Responsible for planning, execution and supervision of unclaimed property examinations.
- Responsible for planning, supervision and review of audit engagements for clients of various sizes and financial complexity, including state and local governments, and not-for-profit organizations.
- Preparation of interim and year-end financial statements, evaluation and testing of internal control structures, and implementation of fraud detection procedures.
- Control and compliance testing on the Single Audit of the State of West Virginia, including work with the State Auditor's Office, Department of Tax & Revenue, Purchasing Division, Adjutant General's Office, and various Higher Education institutions.
- Extensive work on Single Audits in accordance with *OMB Circular A-133*.

EDUCATION

- West Virginia Wesleyan College, Bachelor of Science in Accounting and Computer Information Science
- Accredited Fraud Investigator Designation, 2008

JESSICA M. GARDNER, CPA

EXPERIENCE

2009-Present Smith Cochran and Hicks, PLLC

Senior Associate

- Specialize in income tax preparation for individuals, corporations, partnerships and exempt organizations
- Perform various other types of engagements, including:
 - Unclaimed property audits
 - Financial statement compilations and reviews
 - Agreed upon procedure engagements
 - Quarterly payroll tax preparation
 - Annual public utility reporting

2008-2009 Patriot Coal

Divisional Accountant

- Performed dual role as lead sales accountant and divisional accountant.
- As lead sales accountant, responsible for overseeing billing and accounts payable and periodic internal reporting.
- Concurrently responsible for the accounting function of a separate department, including monthly journal entries, reconciliations, financial statements and internal reporting.
- Completed numerous miscellaneous projects as needed.

2006-2008 Dominion Resources Services, Inc.

Accountant

- Sole accountant for the Dominion Virginia Power Energy Supply Group.
- Monthly duties included general ledger posting, account reconciliation, financial statement preparation, variance analysis and tax information compilation for reporting to various levels of management.
- Annual duties included financial statement preparation and regulatory reporting.
- Responsible for Sarbanes-Oxley compliance.

2005-2006 Dominion Resources Services, Inc.

Operational Accounting Analyst

- Supported the monthly accounting functions for Hope Gas, Inc.
- Handled accounts payable, accounts receivable, and monthly, quarterly and annual internal and external (regulatory) reporting.

2003-2005 RaceTrac Petroleum

Field Auditor

- Planned and performed monthly internal audits for various store locations.

EDUCATION

- Bachelor in Business Management, Virginia Wesleyan College

ASHLEY PABEN

EXPERIENCE

2010-Present Smith Cochran and Hicks, PLLC

Senior Associate

- Financial Examinations
- Prepared write-up, quarterly and monthly bookkeeping work and bank reconciliations.
- Prepared corporate, pass through, and individual tax returns, including state and federal returns.
- Used various programs such as UltraTax, 1099-ETC, ProSystems FX, CCH Intelliforms, CaseWare, Creative Solutions, QuickBooks Premier, BNA Income Tax Planner, BNA Fixed Assets, TValue, and Microsoft Office (Word, Excel, PowerPoint, and Access) to complete daily work.
- Year end work and journal entries necessary for tax return preparation.
- Meet with clients on a monthly and quarterly basis to obtain information necessary to prepare monthly and quarterly write up work.
- Update depreciation schedules and prepare journal entries for clients on a monthly basis
- Review of accounting records for unclaimed property exams and agreed upon procedures

2007-2010 Arnett and Foster

Senior Associate

- Supervised, reviewed and prepared write-up, quarterly and monthly bookkeeping work and bank reconciliations.
- Prepared corporate, pass through, and individual tax returns, including state and federal returns.
- Used various programs such as ProSystems FX, CCH Intelliforms, CaseWare, Creative Solutions, QuickBooks Premier, BNA Income Tax Planner, BNA Fixed Assets, TValue, and Microsoft Office (Word, Excel, PowerPoint, and Access) to complete daily work.
- Year end work and journal entries necessary for tax return preparation.
- Update depreciation schedules and prepare journal entries for clients on a monthly basis.

2006-2007 Smith Cochran and Hicks, PLLC

Field Auditor/Accountant

- Financial Reviews and Reporting
- Field, Mail, and Telephone Auditor for Workers Compensation Insurance
- Review Financial Statements, Payroll Journals, 941s and Bank Reconciliations
- Review of Employee Mail Audits

2005-2006 WUSIC Public Broadcasting

Accountant

- Posting of Invoices, Payroll, and Other Allocations in QuickBooks
- Monthly Budget Spreadsheets
- Quarterly Financial Statements
- Collect, Record, and Allocate Employee P-Card Forms

EDUCATION

- Southern Illinois University in Carbondale, Accounting/Business Economics

A-2: Administrative Appeals Statement of Understanding & Administrative Appeals Request

**WEST VIRGINIA STATE TRESURER'S OFFICE
UNCLAIMED PROPERTY EXAMINATIONS
STATEMENT OF UNDERSTANDING
ADMINISTRATIVE APPEAL PROCESS**

In the event the Examiner and the Holder are unable to reach an agreement as to the terms of the Examiner's final examination report, the Holder may file an administrative appeal with the State Treasurer's Office. In order to initiate the appeal process, the Holder must complete the Unclaimed Property Administrative Appeal Request form, and return it to the State Treasurer's Office with in twenty days of filing the Holder's initial response to the Examiner's draft report. Otherwise, the Holder will be presumed to have agreed to the terms of the draft report.

The appeal must contain the following information:

- The name and address of the Holder;
- The name and official title of each party participating in the process;
- The amount in question and the unclaimed property report years covered by the administrative appeal;
- A clear and concise statement of fact upon which the Holder relies in support of each assignment of error;
- Whether a hearing is requested;
- The relief requested;
- The Holders signature;
- The date the form is completed; and
- Any other information that may assist the State Treasurer's Office in reaching a decision on the matter.

I hereby acknowledge that I have read and understand the administrative appeal process outlined above.

Signature of Holder Representative

Date

**WEST VIRGINIA STATE TREASURER'S OFFICE
UNCLAIMED PROPERTY
ADMINISTRATIVE APPEAL REQUEST**

Mail completed form, copy of draft report, and supporting documents to:

Office of the WV State Treasurer
Attn: Deputy Treasurer for Unclaimed Property
One Players Club Drive
Charleston, WV 25311

Note: Appeals must be submitted to the State Treasurer's Office within 20 days of responding to the Examiner's final report. Otherwise, the Holder will be presumed to have agreed to the terms of the report. The Statement of Error should include clear and concise descriptions of each error that the Holder alleges the Examiner made in its findings, and a clear and concise statement of fact upon which the Holder relies in support of each assignment of error. Supporting documents must be submitted with this appeal.

Holder Name: _____

Holder Address: _____

Hearing Requested? _____

Hearing Participant: _____

Title: _____

Hearing Participant: _____

Title: _____

Hearing Participant: _____

Title: _____

Issue Being Appealed: _____

Statement of Error: (may attach additional pages) _____

Holder's Signature

Date

A-3: Sample Examination Report

AGREED-UPON PROCEDURES REPORT
WEST VIRGINIA UNCLAIMED PROPERTY

on

Company A

FEIN # 00-0000000

Somewhere

West Virginia

As of June 30, 201x

Prepared by:
Smith, Cochran & Hicks, PLLC
3510 MacCorkle Avenue, SE
Charleston, WV 25304

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DRAFT

Independent Accountant's Report on Applying Agreed-Upon Procedures

Mr. John D. Perdue, State Treasurer
State of West Virginia

We have performed the procedures enumerated below, which were agreed to by the West Virginia State Treasurer's Office, solely to assist the West Virginia State Treasurer's Office in determining Company A's (the "Company") compliance with the West Virginia Uniform Unclaimed Property Act, Chapter 36, Article 8 of the West Virginia State Code (the "Act"). Management is responsible for the Company's compliance with the requirements of the Act. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the STO. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are described below:

Procedure: Utilizing the STO's "Auditing Guidelines", determine if the Company has complied with the West Virginia Unclaimed Property Act, Chapter 36, Article 8 of the West Virginia State Code for the period of time covering July 1, 20xx through June 30, 20xx.

Findings: The Company did not comply with the West Virginia Unclaimed Property Act, Chapter 36, Article 8 of the West Virginia State Code during the period of time covering July 1, 20xx through June 30, 20xx. See the attached "Schedule of Findings" for the details of our findings.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The "History and Operations" and "Control Sheet" have been included for supplementary analysis purposes only. Such information has not been subjected to the agreed-upon procedures. Accordingly, we do not express an opinion or any form of assurance on this supplementary information.

This report is intended solely for the information and use of the West Virginia State Treasurer's Office, and is not intended to be and should not be used by anyone other than the specified party.

Smith, Cochran & Hicks, P.L.L.C.

Charleston, West Virginia
Month xx, 200x

SCHEDULE A – SCHEDULE OF FINDINGS

on

Company A

For the period of time covering July 1, 20xx through June 30, 20xx

As noted in the Agreed-Upon Procedures Report, we determined that the Company did not comply with the requirements of the Act for the period of time covering July 1, 20xx through June 30, 20xx. The detail of the Company's noncompliance, which is included below, further explains those amounts that are currently reportable, as well as those that are potentially reportable at a future date.

<u>Property Description</u>	<u>*Current Reportable</u>	<u>**Future Reportable</u>	<u>Totals</u>
1. Payroll Checks (Note 1)	\$ 20,000.00	\$ 30,000.00	\$ 50,000.00
2. Vendor/Patient Checks (Note 1)	30,000.00	15,000.00	45,000.00
3. Accounts Receivable Credit Balances (Note 2)	15,000.00	-	15,000.00
Total Amount Due	\$ <u>65,000.00</u>	\$ <u>45,000.00</u>	\$ <u>110,000.00</u>

***Current Reportable:**

The total amount of property, as of June 30, 200x, which should have been reported and remitted to the State Treasury.

****Future Reportable:**

The total amount of property which has the potential to be reported to the State Treasury by November 1, 20xx, unless claimed by the owner.

See accompanying notes to the Findings

SCHEDULE A – SCHEDULE OF FINDINGS (CONTINUED)

on

Company A

For the period of time covering July 1, 20xx through June 30, 20xx

1. SCH obtained the Company's bank reconciliations and outstanding check listings for the period of time covering July 1, 20xx through June 30, 20xx for the operating and payroll accounts. We noted twelve (12) payroll checks and one (1) operating checks as well as three (3) journal entries which currently exceed the statutory time limit for escheatment.
2. SCH obtained the Company's credit balance reports for the period of time covering July 1, 20xx through December 31, 20xx. We noted five (5) overpayments from customers not previously refunded by the Company which currently exceed the statutory time limit for escheatment.

**SUPPLEMENTAL INFORMATION –
HISTORY AND OPERATIONS**

of
Company A
as of June 30, 200x

Holder Name:	<u>Company A</u>
FEIN #:	<u>00-000000</u>
State of Incorporation:	<u>West Virginia</u>
Date of Incorporation:	<u>Month xx, 19xx</u>
Total Assets:	<u>\$xxx,xxx,xxx (est.)</u>
Number of Employees:	<u>x,xxx (est.)</u>
Holder Location:	<u>Somewhere, West Virginia</u>
Line(s) of Business:	<u>Retaining unclaimed property</u>

Reporting History:

Company A has not previously attempted to identify and report abandoned property that it holds. Management believed there to be no property in their possession that had been “abandoned” and since there was no such property in their possession, there was nothing to report.

**SUPPLEMENTAL INFORMATION –
CONTROL SHEET**

on
Company A
as of June 30, 200x

Report Information:

Holder Name: Company A
Period: As of June 30, 200x
Report Date: Month xx, 200x

Report Approval:

Accountant-in-charge Engagement Staff Member
Member-in-charge Engagement Staff Member

Staff:

Engagement Staff Member
Engagement Staff Member

DRAFT

A-4: Release Agreement

STANDARD RELEASE AGREEMENT

This Standard Release Agreement ("Agreement"), effective the _____, 20__, is made by and between the West Virginia Office of the State Treasurer, Unclaimed Property Division ("the STO") and _____ (the "Holder").

WHEREAS, _____ on behalf of the West Virginia Office of the State Treasurer, Unclaimed Property Division, has performed an unclaimed property examination, pursuant to the provisions of West Virginia Unclaimed Property law to determine the Holder's compliance with the West Virginia Unclaimed Property law (the "Unclaimed Property Law"), and

WHEREAS, based upon the results of the examination, _____ has reported and remitted to the State on behalf of the Holder certain funds, securities and other intangible property that constitute unclaimed property pursuant to the Unclaimed Property Law, and

WHEREAS, the Holder recognizes that the Unclaimed Property Law requires that apparent owners of certain types and amounts of property be notified within a specified time period that the Holder is in possession of property subject to the Unclaimed Property Law, and

WHEREAS, the Holder certifies that it has complied with those notice requirements of the Unclaimed Property Law, and has complied with the remaining provisions of the Unclaimed Property Law;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

The parties covenant and agree follows:

1. **Compliance:** Based upon the Holder's certification as to its compliance with Unclaimed Property Law notice and abandonment period requirements, and based upon the reporting and remitting of the identified property to the STO, the STO acknowledges that the Holder has complied with the provisions of the Unclaimed Property Law, with regard to the property reported. The Identified property, if any, is listed on the attached Schedule A.
2. **Release:** In consideration of the good faith reporting and remitting of the identified property to the STO, the STO releases the Holder, and if applicable, any transfer agent, dividend or interest disbursing agent, or registrar, from any liability arising hereafter with respect to the reported and remitted property, pursuant to the Unclaimed Property Law. In further consideration of the good faith reporting and remitting of the identified property, the STO agrees to waive any applicable interest and penalties which might otherwise be imposed pursuant to Unclaimed Property Law.
3. **Reimbursement:** The STO further agrees to reimburse the Holder pursuant to the requirements of the Unclaimed Property Law in the event that any person or entity claims property previously delivered by the Holder to the STO, provided the property was reported and remitted to the STO in good faith, and provided that the Holder files proof of payment and proof that payee was entitled to the payment.

- 4. **Governing Law:** The laws of the State of West Virginia and the legislative rules of the STO shall govern all rights and duties under this agreement, including without limitation the validity of this agreement. In the event a lawsuit is brought involving this Release Agreement, venue shall be proper only in Circuit Court of Kanawha County, West Virginia. The parties hereby acknowledge jurisdiction of the courts of the State of West Virginia for purposes of this Agreement.

- 5. **Severability:** If any provision of this Agreement or any document referenced in this Agreement is found to be invalid by a court of competent jurisdiction, such invalidity shall not affect the remaining provisions which can be given effect without the invalid provision, and to this end, the provisions of this Agreement and any document referenced in the Agreement are declared to be severable.

- 6. **Effective date:** This release agreement shall be effective as of the date of the last signature.

WITNESS THE FOLLOWING SIGNATURES:

**West Virginia Office of State Treasurer
Unclaimed Property Division**

Holder

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

A-5: Sample Work-in-Progress Report

Smith, Cochran & Hicks, PLLC
Work in Progress Report
As of Month 15, 200X

Holder Name	State of Inc.	FEIN	Issue Name	Property Type	Engagement Date	Records being examined	Status Commentary
ABC Company	WV	00-0000000	N/A	MS01	xx/xx/xxxx	Payroll Bank Statements and Reconciliatons, General Ledger and Adjusting Journal Entries	Holder provided xx years of reconciliations with supporting outstanding check listings and xx years of general ledger detail with supporting year end adjusting journal entries. Records were reviewed and SCH noted \$xx,xxx in potential current reportable property. Property has been identified to the Holder for application of Due Diligence procedures.

A-6: Purchasing Affidavit

RFQ No. ST012008

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owned is an amount greater than one thousand dollars in the aggregate

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, Limited Liability Company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: Smith, Cochran & Hicks, PLLC

Authorized Signature: [Signature] Date: 04/26/2012

State of West Virginia

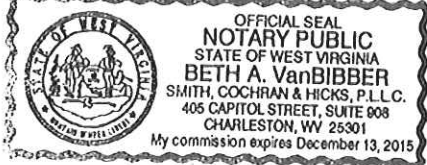
County of Kanawha, to-wit:

Taken, subscribed, and sworn to before me this 26th day of April, 2012.

My Commission expires December 13, 2015.

NOTARY PUBLIC Beth A. VanBibber

AFFIX SEAL HERE



A-7: Resident Preference Verification

State of West Virginia VENDOR PREFERENCE CERTIFICATE

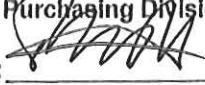
Certification and application* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

- 1. Application is made for 2.5% resident vendor preference for the reason checked:
 Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
- 2. Application is made for 2.5% resident vendor preference for the reason checked:
 Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
- 3. Application is made for 2.5% resident vendor preference for the reason checked:
 Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
- 4. Application is made for 5% resident vendor preference for the reason checked:
 Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
- 5. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:
 Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
- 6. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:
 Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (*West Virginia Code*, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: Patrick C. Smith Signed: 
 Date: 04/26/2012 Title: Managing Member

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.

A-8: Vendor Affirmation

VENDOR AFFIRMATIONS AND SIGNATURE

The Vendor hereby covenants, agrees and acknowledges:

1. Vendor has read and understands the RFQ and all attachments thereto;
2. The submitted proposal, which includes the Technical Proposal Form, is in response to the RFQ and all Attachments thereto;
3. The proposal submitted meets or exceeds all the Mandatory Requirements of the RFQ and that Vendor will provide any additional documentation deemed necessary by the STO to demonstrate compliance with the Mandatory Requirements;
4. To be bound by the Proposal and any purchase order and change order, as amended;
5. That the person signing this Technical Proposal Form and the submission of the Proposal is authorized to bind the Vendor to this proposal;
6. The Proposal was prepared independently from all other Vendors, and without collusion, fraud or other dishonesty;
7. That this Proposal shall remain valid for a period of ninety (90) days after the proposal opening date for the RFQ;
8. To provide the Services in accordance with any resulting purchase order, as may be amended from time to time;
9. The STO is not liable for any claims and the Vendor will not assert any defense based upon, resulting from, or related to, Vendor's failure to comprehend all requirements of the RFQ; and
10. Any exception Vendor takes to the terms and conditions of the RFQ, including any STO proposed agreement; any alternative terms and conditions it wants to offer; and any Vendor-proposed agreement have been submitted with this Proposal in the Miscellaneous Section and will comply with the laws, rules, regulations and policies of the STO, the requirements of the RFQ, and the Attachments thereto and any other document required by the STO; and
11. This proposal is not contingent upon the STO's acceptance of any offered exception, proposed revision or any term or condition found objectionable by the STO and the STO has no obligation to accept or negotiate terms and conditions or an agreement.

Patrick C. Smith

Printed Name



Authorized Signature