

ASUS

AUDIT SERVICES, U.S., LLC

**Response to Request
For Quotations
To Provide Professional Auditing Services
for the Audit of Unclaimed Property
Holders**

West Virginia State Treasurer's office

RFQ# STO12008
Opening Date: April 10, 2012

Response Submitted By:

Audit Services, U.S., LLC
212 West 35th Street
Suite 1600
New York, NY 10001

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WV PURCHASING
DIVISION



AUDIT SERVICES U.S., LLC

212 W. 35th St., Suite 1600
New York, NY 10001
tel: 212.594.5487
fax: 212.594.5711

April 4, 2012

Mr. Frank Whittaker, Senior Buyer
Purchasing Division
2019 Washington Street, East
Charleston, WV 25305-0130

Dear Mr. Whittaker:

Audit Services, U.S., LLC (ASUS) wishes to enter into a contract with the West Virginia State Treasurer's Office for the purpose of providing "Professional Auditing Services for the Audit of Unclaimed Property Holders" as described in RFQ No. STO12008. Attached hereto are one (1) original and five (5) copies of our response as well as an electronic version of our response. The FEIN Number for ASUS is 31-1653187.

The mission of ASUS is to promote accountability and independently instill trust in the conduct of our Company pursuant our various State Contracts in identifying and remitting unclaimed property. This mission is accomplished by promoting unclaimed property compliance within the holder community by either State mandated audits or voluntary compliance examinations of their books and records. We consistently apply this philosophy and will continue to do so if again awarded a contract with the State of West Virginia.

As a result of over 115 years of combined unclaimed property experience as former State employees and executives from the private sector who worked in the field of unclaimed property, our staff has performed over 4,500 audits of holders who have either failed to report unclaimed property or who have a poor reporting history. The audits our Company has performed have resulted in the identification of over \$625 million for our contract States. Since our inception, we have performed audits on entities, including but not limited to transfer agents, brokerage houses and other large corporations requiring the examination of their automated data and the subsequent automated filing of their reports.

I am the Chief Executive Officer of ASUS, and accordingly duly authorized to bind the Company to the terms of the RFP and this response thereto. My email address is tallen@auditservicesus.com and I may be reached at (919) 469-8323 should you have any questions or require additional information.

Sincerely,

R. Terry Allen
Chief Executive Officer

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Executive Summary

Audit Services U.S., LLC (**ASUS**) is pleased to submit this response for Request for Quotation to the West Virginia State Treasurer's Office (STO) for the purpose of serving as an agent to provide auditing services for the audit of unclaimed property. This Executive Summary is intended to demonstrate that **ASUS** has the capability to provide West Virginia with the quality of services they expect and are seeking through a contract vendor.

Our company is in its thirteenth year of service and can provide the State with an array of unclaimed property experts who have the expertise, experience, skills and knowledge to identify and recover unclaimed property belonging to the citizens of West Virginia. If awarded this contract, the resources expended by **ASUS** will be focused on serving as an extension of West Virginia's Unclaimed Property Division.

The advantages of entering into a contract with **ASUS** include:

1. A company that conducts onsite and offsite audits, approved by the State, on entities of all sizes using our own staff comprised of a team of traveling auditors. Our employees were selected not only for their superior accounting credentials but also for their varied business experience. In addition, they are trained in all phases of State unclaimed and abandoned property law, Supreme Court case law, Uniform Commercial Code Act, auditing conduct and ethics, National Association of State Treasurers (NAST), and National Association of Unclaimed Property Administrators (NAUPA) resolutions and commitments on how to conduct audits specifically for unclaimed and abandoned property.
2. A staff that has over 115 years of combined unclaimed property experience, including personnel who have served in various capacities with their State Unclaimed Property Programs, as well as individuals who have worked extensively in the field of unclaimed property in the private sector. Currently, **ASUS** has contracts with 46 States.
3. The *Audit Services System* that provides the processing which produces holder reports to state unclaimed property departments. Our processing software stands alone and is designed for the specific purpose of processing unclaimed property data for compliance reporting and is compatible for each State utilizing the National Association of Unclaimed Property Administrators (NAUPA) standard format, as well as all other proprietary formats. As such we do not require interface with any other vendors or software in the course of providing our services. The Audit Services System is located on a server in our New York office on an AS400 platform. Previous unclaimed property reports utilizing this software that **ASUS** has submitted to our contract States has already demonstrated that this system meets the State's requirements.

4. Our commitment to:

- *Assisting our clients* in developing sound audit and/or compliance programs to bring holders into compliance. If requested by the State, our audit team will conduct additional comprehensive audits of holders that may be too time consuming for the State's staff.
- *Reporting names and addresses of owners* whenever records are available and utilizing sampling and extrapolation techniques only when supporting records cannot be provided.
- *Assisting the holder* by bringing them into compliance with the State's unclaimed property law. Holders will be informed of their reporting and due diligence obligations, as well as current State laws on property classifications, dormancy periods, and service charges. They will also be informed of electronic reporting opportunities and West Virginia's standards for filing timely reports. As part of our audit process, we recommend to the holder internal accounting controls for the reporting of unclaimed and abandoned property.
- *Assisting and sharing* our experience and knowledge of the administrative and audit process with the State's Unclaimed Property Program. Our experience and background in this specialized field qualifies our Company to serve as an extension of the Program's staff.
- *Utilizing an audit approach that is non-controversial and non-aggressive* to the business community. We are sensitive to the concerns of the holder when conducting an audit.
- *Remitting Property* to the State in a timely manner once it is recovered from the holder. Once the property is recovered, it will be held in a qualified custodial institution for remittance to the State of West Virginia.

5. Access to experienced and professional individuals who not only have extensive knowledge of the State unclaimed and abandoned property laws but the necessary skills that can provide the West Virginia Unclaimed Property Program with the assurance that work will be done timely and accurately. This is accomplished by utilizing the following measures:

- Developing a working relationship with States and the holder community. The staff of ASUS has extensive experience in working with staff and State administrators of State unclaimed property offices across the nation, as well as all management levels of numerous corporations.
- Being aware of the concerns of the States, the holders and the industry representatives, and responding accordingly when conducting an examination.

6. A Company that in the conduct of its audits adheres to a policy of operating in a manner that is consistent with Generally Accepted Accounting Principles, and Generally Accepted Auditing Standards. As a result we can provide our services with the utmost confidence. These services include, but are not limited to:
 - Identifying and locating unclaimed property from the books and records of the holders, and making demand pursuant to the State's procedures.
 - Providing release agreements when requested by the Holder, identifying the property records to be submitted, and signed by the holder and the West Virginia State Treasurer's Office.
 - Submitting reports of unclaimed property to the State in a timely manner in a format suitable to the State.
 - Submitting itemized monthly statements of unclaimed property disbursed to the State.
 - Remitting property to the State within 30 days after it has been received and reconciled.
 - Instructing holders to register securities and electronically transfer to the State's custodian bank, and providing them with training opportunities.
 - Notifying the holder of its continuing obligation to report unclaimed property to the State after completion of the audit.
7. Our cooperative compliance efforts. Our mission is to help clients navigate the changing business and regulatory environment through sound advice, accumulated experience and world-class expertise. Our goal in these efforts is to encourage compliance by working cooperatively with the business community, assisting them to become familiar with the requirements of the State's unclaimed and abandoned property law. Our outreach efforts include our web site and marketing mailings, our participation in conferences as attendees, presenters, and sponsors, and our on-site presentations to Holders. The result is a cooperative examination that ensures that the requirements of your unclaimed property law have been satisfied and unclaimed property remitted to the State without conflict.
8. A Company that holds to the findings of the U.S. Supreme Court in Texas v. New Jersey, 85 S. Ct. 1136, (1965), Pennsylvania v. New York, 92 S. Ct. 2880, (1972), and Delaware v. New York, 113 S. Ct. 1550 (1993), and any applicable federal legislation regarding which State has the right to receive unclaimed and abandoned property.
 - Where the name and last known address of the apparent owner according to the books and records of the holder is in the State of West Virginia, it shall be deemed reportable to West Virginia.

- If the holder has never maintained records setting forth the name and last known address of the apparent owner, the property shall be deemed as reportable to the State of incorporation of the holder. An address shall be deemed to mean a description of location sufficient for the delivery and receipt of mail. Where no address exists, but the records of the holder establish that the apparent owner resided in West Virginia, the West Virginia State Treasurer's Office and the holder's state of incorporation will be advised for the purpose of determining which state possesses the priority claim to the funds. **ASUS** will seek approval from the contract States when utilizing estimation techniques.
 - Where the address of the apparent owner cannot be readily ascertained, but in fact exists in the books and records of the holder, sampling techniques will be used to allocate the property among the states participating in the review. In such event, if required, sampling techniques will also be utilized to ascertain the proportion of the total reportable property for which the holder has names and last known addresses.
 - **ASUS** will assure that the holder has complied with the due diligence requirements of West Virginia's statutes with respect to finding the owner of the property prior to remitting it to the State.
9. A Company that recognizes that the States it serves govern its actions, and it has the responsibility to follow the instructions of the client State for the various services provided, as well as complies with all federal, state and local laws that may apply. We are cognizant of the concerns of the States in matters dealing with potential conflicts of interest, and we hold ourselves to the highest AICPA Professional Standards to avoid such conflicts. In addition, we also certify that **ASUS** has no conflict of interest in the conduct of any of our audits. Under no circumstance does **ASUS** represent both the holder and the States, or charge a fee to both the holder and the States. All work performed will be done in accordance with West Virginia's Unclaimed Property Act.

Attachment 2

WVSTO RFQ Technical Proposal Form

RFQ# STO12008

Vendor Name: Audit Services, U.S., LLCAddress: 212 West 35th Street
Suite 1600City: New York State: NY ZIP: 10001Date Proposal Submitted: 4/6/12Vendor FEIN: 31-1653187Vendor E-mail Address: tallen@auditservicesus.comContact Person Name: R. Terry Allen Phone: (919)469-8323

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

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.

Mandatory Technical Criteria & Specifications

3.2 Organizational Requirements

- 3.2.1** Audit Services, U.S., L.L.C., (**ASUS**) is proud to state that we have had a contract with the West Virginia Office of the State Treasurer since May, 1999. From May, 2004 to the present we have delivered \$5,992,915 in unclaimed property belonging to the citizens of the State. As stated in the Executive Summary, our Company is in its fourteenth year of service as an unclaimed property recovery agent. Our Company began operations in Ohio on November 11, 1997 under the name of Audit Services, Ltd. initially to serve as a contract vendor to the State of Ohio to conduct unclaimed property audits of holders in Ohio. A second company, Audit Services, U.S., LLC (**ASL**) was formed and incorporated in Florida on June 1, 1999 by the same owners and utilizing the same staff to expand audit contract services to State Unclaimed Property Offices across the nation. On January 1, 2002 the two companies were formally merged. The surviving entity is **ASUS**. **ASUS** is a limited liability company co-owned by J. Martin Lee and Matthew J. Thornton.
- 3.2.2** **ASUS** affirms that it is properly licensed and in good standing with all regulatory and governmental entities in the State in which we currently have a contract. Any required business licenses, certificates and/or registrations will be provided upon request.
- 3.2.3** **ASUS** is headquartered at 212 West 35th Street, Suite 1600, New York, New York 10001 and all work pertaining to this RFQ will be done out of this office. Our only business is conducting unclaimed property audits on behalf of our contract states.
- 3.2.4** As discussed above, **ASUS** is in its fourteenth year as an unclaimed property recovery agent. Currently we have contracts to perform these services with 46 States (*Exhibit A*). **ASUS** specializes in equity and general ledger audits of all types of holders, either as forced audits called by a State, or cooperative compliance audits where a holder wishes to voluntarily comply with State unclaimed property laws. In no circumstance however, will **ASUS** represent the State and the holder at the same time. If awarded a new contract with West Virginia, during the duration of the contract, we will continue to audit all types of holders to include, but not limited to insurance companies, banking, brokerage, transfer agents, health care, publishing, utilities, manufacturing, retailing, temporary staffing, natural resources, and transportation companies. It is our policy to engage in no more audits than we think we can complete in a limited period of time.

To ensure uniformity in our audits, we utilize our Audit Operating Procedures Manual which is used by our auditors in the review and audit process to determine and accurately report the holder's unclaimed property liability. This Manual is an

essential tool utilized in the conduct of our work. Areas discussed in the Manual include, but are not limited to ascertaining the availability of records, requesting records, evaluating records, identifying property, categorizing property identified, evaluating potential and actual findings, and collecting and remitting property found. In addition, we cover in our procedures issues dealing with cooperating with other contract vendors when auditing the same holder, professional conduct, training unclaimed property auditors, utilizing estimation techniques, and how to deal with problem holders. Other important issues include actions to be taken if there is an audit protest, and the filing and maintenance of audit files that must be retained for possible review by our contract states.

In addition to this industry standard, **ASUS** maintains its own strict procedures, and we closely follow our Audit Program in the conduct of our examinations. The Audit Program provides a checklist to ensure that all facets of the audits are covered, while the Audit Operating Procedures Manual dictates the methodology for conducting the audit. Both manuals are available to the State upon request.

A list of all engagements for the State of West Virginia for the past 5 years may be found in *Exhibit B*. All of the work on these audits was performed out of the New York office and because all of the audits involved finding for multiple states, no attempt was made to break down total staff hours.

3.2.5 **ASUS** is SAS-70 compliant. As part of **ASUS's** internal controls to ensure compliance with the terms of our contracts and associated state and federal security measures to safeguard data, we have a contract with Blue Hill Data Services, Inc. (BHDS). Our last review covered the period from March 1, 2010 through February 28, 2011 and is available upon request. Blue Hill is a wholly owned subsidiary of BPO Management Services, Inc. and is headquartered in Pearl River, New York, about 25 miles North of New York City in the Blue Hill Plaza. The Blue Hill Plaza campus is comprised of two buildings specifically designed and constructed to house data centers. BHDS is a Tier 2, SAS70 compliant data center focused on delivering flexible, customized solutions and customer service excellence to its clients worldwide. All **ASUS** systems are managed and monitored 24/7/365 by BHDS support staff using advanced monitoring tools and techniques. All files and program source data are backed up daily and copies of the data are stored off-site for the purpose of recovery within 24 hours. The results of the testing performed by an independent auditor were found to be satisfactory.

In addition, **ASUS** maintains an expectation of error free processing and reporting of Holders data and unclaimed property. Our quality controls include:

- A review of all examination reports and data at two levels of management prior to submission.
- Detailed accounting for all escrow funds received and remitted that prevents errors in the amount of property remitted and reported on behalf of the Holder.

This accounting also assures that the transfer of property is completed in a timely manner and that relevant dates are recorded and reported.

- Detailed Procedures Manual on Examinations that explains clearly the methods employed in the course of our examinations. This manual can be used to inform Holders and our client States of what to expect from an Audit Services examination. We also use this manual during our training of new staff auditors. Once new staff is performing fieldwork, this manual is one of many resources that can guide them in maintaining Audit Services high standards of performance and service.
- Our staff that includes some of the most experienced property auditors in the country. Our experienced senior staff is constantly available to all members of the firm to provide judgment and guidance on procedural, management, legal and strategic issues that are often unique to the Unclaimed Property industry.
- Our *Audit Services* data processing system incorporates many quality control features including: required data fields (such as Owner Name, Owner Address, Social Security Number, Property Type), built in aggregation limits and aggregation routines, and built in dormancy tables and dormancy check routines.
- Our property handling and processing system incorporates prudent separation of duties so that auditors who receive property do not process the data or funds.

ASUS has never been involved in any litigation.

3.2.6 As directed, **ASUS** offers the following States as references. As previously stated, **ASUS** currently has contractual arrangements with forty-six (46) states as identified in *Exhibit A* and these states are offered as references as well.

Alabama

Ralph Ainsworth, Administrator
Unclaimed Property Division
Alabama State Treasury
PO Box 302510
Montgomery, AL 36130
Phone: (334) 353-3627
Fax: (334) 242-9620
ralph.ainsworth@treasury.alabama.gov
Contract since July, 1999

Georgia

Steve Harbin, Operations Mgr.
Unclaimed Property Division
Georgia Dept of Revenue
4245 International Pky., Suite A
Hapeville, GA 30354-3918
Phone: (404) 968-0490
Fax: (404) 968-0772
Steve.Harbin@dor.ga.gov
Contract since June, 2000

Ohio

James C. Dowley, Compliance Supervisor
Ohio Department of Commerce
Office of Unclaimed Funds
77 High Street
Columbus, OH 43266-0545
Phone: (614) 644-7283
Fax: (614) 752-5078
jdowley@com.state.oh.us
Contract since November, 1997

Louisiana

Benny Spann, Director
LA Dept. of State Treasurer
Unclaimed Property Program
301 Main Street, 7th Floor
Baton Rouge, LA 70801
Phone: (225) 219-9400
Fax: (225) 219-9381
bspann@treasury.state.la.us
Contract since February, 2000

3.3 Staff Qualifications

3.3.1 All personnel assigned to audit engagements have the experience necessary to comply with this RFQ. ASUS is proud to affirm that almost most of our staff is comprised of a combination of former State employees who made their career in unclaimed property or individuals from the private sector who had worked primarily in the field of unclaimed property. One member our executive management team has served as an officer of the Executive Committee of the National Association of Unclaimed Property Administrators (NAUPA), in a number of capacities, including Secretary, Regional Vice President, and President. In addition, members of our management team have served as Committee Chairpersons and as active participants on numerous NAUPA committees, including the State and Federal Relations, the State National Audit Program (SNAP), numerous Audit Agenda Committees, Electronic Reporting Standards and as President of the States Clearinghouse of Unclaimed Treasures (SCOUT). Lastly, two of our executive members have been inducted into NAUPA'S Hall of Fame for outstanding performance in the specialized field of unclaimed property.

ASUS presents this background of experience to demonstrate that it is cognizant of the services required by the State because members of our staff were charged with the responsibility of securing similar contracts described in this RFQ in order for their state to ensure compliance with the unclaimed property laws. To this end, they also contracted with vendors who were capable of identifying and conducting compliance audits of selected holders of all categories of unclaimed property. In addition, we know and understand the sensitivities of the holders when conducting audits for unclaimed property. The experience gained by members of our staff while they worked for their State will serve as an asset to the West Virginia Office of the State Treasurer if again awarded a contract.

An organization chart that identifies the individuals who will be responsible for each of the required services outlined in the RFQ may be found in *Exhibit C*. The staff members identified will support the requirements involving services such as holder research, auditing, information systems support, invoicing, etc. In addition, provided below is a summary of qualifications on the staff that will be available to provide services in response to this RFQ.

Martin J. Lee, Co-Principal and Chief Financial Officer. Mr. Lee will use his contacts in the various industries to increase the number of companies identified for non-compliance that will increase revenues to the State. Mr. Lee's duties will focus on encouraging compliance through educating brokers, transfer agents, and industry representatives on the requirements of the numerous state unclaimed property laws, and the ramifications of failing to comply with these laws. In addition, Mr. Lee will be responsible for managing the daily operations of receiving and depositing funds to be held in escrow for the proper State accounts,

as well as ensuring distribution of these funds to the proper States and invoicing the States accordingly.

Mr. Lee has 31 years of banking/securities experience. His most recent experience was being employed by ACS/ Unclaimed Property Recovery & Reporting, Inc. for a period of three years, from July 2001 to June 2004. In that time, Mr. Lee was responsible for all aspects of unclaimed property services to individual corporations, financial institutions and the states. Prior to that Mr. Lee served as the Chief Information Officer at Equiserve, Inc., a securities transfer agent from April 1998 to July 2001. Prior to 1998, Mr. Lee was employed by various banks including First Chicago Trust Company and J.P. Morgan Inc. Mr. Lee has his undergraduate degree in Accounting and an advanced degree (MS) in Systems from Iona College.

Matt Thornton, Co-Principal and Director of Operations. Mr. Thornton will oversee the entire operations of ASUS and coordinate the efforts of the staff to ensure maximum efficiency. He will oversee all issues dealing with data conversion, the generation of all state reports and invoices, quality management and improvement efforts and the management of Audit Services' trust accounts. In addition, Mr. Thornton is responsible for all systems development and testing projects and ensuring Audit Services' systems are in compliance with state reporting requirements.

Prior to joining Audit Services in 2004, Mr. Thornton was a Vice President at ACS-Unclaimed Property Recovery & Reporting where he was responsible for the due diligence and escheatment programs for both the MetLife and John Hancock Demutualizations. Under these programs more than \$2.5 Billion was either returned to owners or escheated to various states. He was also responsible for the Maximum Ownership Return program that targeted the return of property to high value shareholders for ACS-UPRR's corporate actions customers. Before UPRR, Mr. Thornton was a Vice President/Senior Project Manager at Mellon Investor Services where he had a leadership role in several multi-million dollar, high profile projects including: MetLife's Demutualization and IPO; the merger of NationsBank and BankAmerica; the relocation and reengineering of Investment Plan Services Department; the reengineering and expansion of Employee Products' Client Implementation Team; implementation of a strategic alliance with JPMorgan / American Century; and the transition of significant systems development effort from external to internal support during the key rollout phase. Prior to Mellon Investor Services, Mr. Thornton was a Business Systems Consultant / Project Manager at American Management Systems, Inc. and Manager of Financial Planning, Analysis and Internal Consulting at First Chicago Trust Company of New York. Mr. Thornton holds a BBA in Finance from the University of Massachusetts at Amherst, an MBA from Fordham University's Graduate School of Business and has earned a Project Management Professional (PMP) Certification from The Project Management Institute.

R. Terry Allen, Chief Executive Officer. Mr. Allen will be responsible for overseeing all facets of the contract and responding to any problems or questions that may arise. Duties will also include ensuring that approval is obtained from the State prior to the commencement of an audit, that monthly work-in-progress reports are provided in a timely manner, and release and indemnification agreements if necessary are prepared. In addition, in this capacity he will be tasked with assisting in the resolution of any conflicts that may occur during the course of an audit. Additional duties include responsibility for all state unclaimed property relationships involving contract renewals and negotiations and the resolution of issues involving the remittance of funds to client states.

From 1980-1999, Mr. Allen served as the Administrator of the North Carolina Escheat and Unclaimed Property Program. During that time he established a Program that increased yearly collections of unclaimed property from \$2 million to over \$33 million. In addition, funds returned to rightful owner increased from \$191,000 to over \$13 million per year. At the time of his retirement after 30 years of service with the State, Mr. Allen was the most senior unclaimed property administrator in the nation. He has served as an officer of the Executive Committee of the National Association of Unclaimed Property Administrators (NAUPA) in a number of capacities, including Secretary, Regional Vice President, and President. In addition, Mr. Allen served as the Committee Chairman on numerous NAUPA committees, including the State and Federal Relations, the State National Audit Program (SNAP), and the Nominating Committee. Mr. Allen also served as President of the States Clearinghouse of Unclaimed Treasures (SCOUT). He is a frequent speaker on the topic of unclaimed property at the NAUPA Conferences, as well as professional and civic groups. Mr. Allen holds an MPA degree from N.C. State University and is a graduate of the Government Executives Institute from the University of North Carolina. In addition, Mr. Allen is also retired from the North Carolina National Guard with 25 years of service and he is a former Chairman for the North Carolina Governor's Community Resource Council for the N.C. Correctional Institution for Women. He presently maintains licenses for securities (Series 6 and 63) and insurance (life and health) in North Carolina.

Lee R. Hines, CPA, Director of Audits. Mr. Hines will be responsible for planning the audits, supervising the staff auditors, maintaining a liaison with company management, preparing the audit report, and ensuring the audit is conducted in accordance with Generally Accepted Auditing Standards. In addition, he will oversee the training and performance review of all ASUS auditors. He will be responsible for on-site monitoring of the actions of the ASUS lead auditor during the course of the audit. Upon completion of the examination, he will also be responsible for the review of work papers.

Mr. Hines began his employment in 1969 with the North Carolina Department of Revenue as a Sales Tax Auditor, and later became a Foreign Corporation Income and Franchise Tax Auditor. In 1983 he went to work for the North Carolina Department of State Treasurer and established their Escheat and Unclaimed

Property Audit Program. Mr. Hines served as the Audit Manager, and until his retirement in October of 1999, he was the most senior State unclaimed property auditor in the nation. In November 1999 he began his employment with Audit Services. Lee is a member of the Triangle Chapter of the Association of Governmental Accountants, and he has completed the Certified Public Manager's Program and is a member of the North Carolina and American Academy of Certified Public Managers. Mr. Hines has been on the audit agenda and professional development committees for the National Association of Unclaimed Property Administrators numerous times and has served as chairman of the Audit Agenda Committee in 1985 and 1990.

Wayne Kachelriess, Senior Auditor. As senior auditor, Wayne is assigned the initial activities leading up to and including the presentation of a report to the Texas Comptroller of Public Accounts, as well as provides audit correspondence at the Department's request. In addition, the function of the Senior Auditor is also to serve as an auditor-in-charge for any unclaimed property examinations performed on both cooperative compliance and forced audit entities. He will also analyze the data from corporate actions (mergers, tenders, acquisitions, etc.) This action is necessary to determine if property held by the transfer agents and brokers is demandable (currently due) or reportable (due in the future), as well as resolve any reconciliation issues that may occur.

Mr. Kachelriess has over 30 years experience in the unclaimed property reporting and financial services industry. The first part of his career was in senior internal audit management positions with Chase Manhattan Bank and The First National Bank of Chicago. This involved reviewing a wide range of bank products and operations in both domestic and international markets. The second part of Wayne's financial services career was spent managing financial operations and other business units at First Chicago Trust/EquiServe including unclaimed property reporting, employee stock option plans, employee stock purchase plans, risk management and account reconciliations. After leaving the financial services industry Wayne modernized the financial activities and operations of the Beaufort (SC) Chamber of Commerce and designed and managed the accounting operations for the State of Florida's 529 college savings investment plan.

Wayne has an undergraduate degree in Management from Monmouth University and Masters Degree in both Finance and Accounting from New York University. He is a Certified Trust Auditor and a veteran who served in the US Marine Corps.

William Joseph, Reports and Processing Systems Manager. Mr. Joseph will be responsible for the electronic reporting functions to the State, as well as performance monitoring and report management. This requires that he check through NAUPA files and incoming audits, and convert them to a format useable by the server prior to the submission of reports to our contract states. He is also responsible for the design and development of the work-in-progress reports remitted to the contact states.

Mr. Joseph has experience in numerous software applications including Visual Basic, Visual FoxPro, Visual C++, HTML, Java, the entire Microsoft Office Suite, and COBOL. He has worked as the network administrator for Dunlop, Onderdonk and Wilson Corp., a small insurance agency that has since been sold and merged with Bollinger Inc. While working with Dunlop, Onderdonk and Wilson Corp., his duties included the day to day maintenance of the network, as well as training the employees how to use a Windows based PC software, and internet applications. He has created numerous professional websites for businesses and he is currently developing a new and improved Work-in-Progress Report that is individualized for State Unclaimed Property Offices across the nation. He is currently working on his Bachelor's degree in Computer Science at William Paterson University with plans to obtain a Master's Degree in Computer Science as well.

Jeffrey Saitta, Senior Programmer. (Please refer to resume in Exhibit B-7). Mr. Saitta is responsible for maintaining Audit Services' proprietary system that allows us to file unclaimed property reports to our contract states.

Mr. Saitta has over 25 years of programming experience in the field of Corporate Reorganization and Unclaimed Property. He was responsible for developing a complete Abandoned Property application providing data conversion functionality, due diligence and property eligibility testing and NAUPA file and state form/report generation. He is responsible for all ongoing maintenance and new development of the software used by Audit Services' staff.

- 3.3.2** As previously discussed, Martin Lee and Matthew Thornton are the co-owners of **ASUS**. Both individuals work out of the home office located at 212 West 35th Street, Suite 1600, New York, NY 10001. Mr. Lee's email address is mlee@auditservicesus.com and his phone number is (212) 594-5487 ext. 222. Mr. Thornton's email address is mthornton@auditservicesus.com and his phone number is (212) 594-5487 ext. 228. The fax number for the office is (212) 594-5571.
- 3.3.3** The contract manager for the project is R. Terry Allen. His address is 212 West 35th Street, Suite 1600, New York, NY 10001 and his email address is tallen@auditservicesus.com. His phone number is (919) 469-8323 and his fax number is (919) 460-3022. **ASUS** acknowledges and agrees to comply with the requirements involving the potential replacement of the contract manager.
- 3.3.4** All **ASUS** personnel will serve as the project team. Their qualifications and experience have been described in subsection 3.3.1.
- 3.3.5** As previously stated, **ASUS** is now in its fourteenth year as a contract vendor to provide auditing services to the states we serve. While it is our intention to remain in service for the foreseeable future we recognize that the numbers of our staff may fluctuate, but regardless, we will ensure that any replacement staff will

be highly qualified employees to carry on the high standards of service we have continued to display.

3.3.6 **ASUS** has never used subcontractors and it is not our intention to begin this practice.

3.4 The Work Plan for our audits may be found in *Exhibit D*.

3.5 **ASUS** affirms that it has no conflict of interest with regard to any other work performed for the State of West Virginia, the STO or any other agency, board or commission thereof. In addition, we represent only the states we have a contract with, and never represent a holder being audited.

3.6 Services

3.6.1 Our process for conducting an unclaimed property examination begins with a thorough research of the holder's reporting history. It is our position that the reporting history of a holder should be obtained before an engagement letter is mailed or examination performed. In addition, for researching the holder's background and history, we often utilize online databases such as Mergent and Compact Disclosure, and subscription services such as One Source Express, Hoover's, Westlaw, Loislaw, Dun & Bradstreet, Standard and Poor's and Proquest. Regardless of the source used, if the holder has a history of reporting unclaimed property, the reports are reviewed to determine the property types and amounts remitted for each property type. For all types of property, after the review has been completed, property is identified as being potentially "escheatable" or "unclaimed and abandoned." This process will not only identify property that is subject to immediate escheat based on the dormancy period for that particular type of property, but property that will be reportable in the future and that should be remitted to the State without the involvement of a third party vendor.

Once an audit candidate has been selected, additional contract states are provided the opportunity to join the audit. After a contracting state has selected a holder for examination, a "Holder Profile" (*Exhibit E*) is sent to states that have a current contract with **ASUS**. States that are interested in joining the examination are offered the opportunity at this time. On "called" audits participating states are requested to provide an authorization/engagement letter (*Exhibit F*) informing the holder of their intent to join the examination. Once the fieldwork on an audit has begun, additional states are not allowed to join the audit. This philosophy is in keeping with the audit guidelines that had been proposed by NAUPA to eliminate complaints from holders who could contend that States were added after a contract vendor had identified property belonging to those states.

In the conduct of its operations, **ASUS** follows Generally Accepted Accounting Principles, and generally accepted practices with regard to unclaimed property compliance reviews and audits. In addition to these industry standards, **ASUS**

maintains its own strict procedures. It is our policy that records generally will be examined on the holder's premises. The identification of unclaimed property is facilitated by performing an analysis on a number of items, including but not limited to: (1) the holder's chart of accounts (each different type of entity has a different chart of accounts); (2) the holder's organizational structure (i.e., parent company, subsidiary, etc.); and (3) any policy and procedures manual that identifies the handling or disposition of unclaimed accounts. In the course of an audit of a holder's records, a demand will be made for any property that has been identified as unclaimed, provided it comes under the purview of the State's Unclaimed and Abandoned Property Law. This of course will require a careful analysis of the custodial periods required by each State under its own law. To this end, **ASUS** has developed its own matrix on the custodial periods for each state. Once property has been identified as unclaimed and demandable, it will then be forwarded to the State or the State's designee on the form or magnetic media specified by the State.

3.6.2 **ASUS** recognizes that prior to commencing any involuntary examination of a holder we must obtain an examination authorization letter from the STO. Also, in the event that we believe that we could no conduct an assigned examination for any reason, we will notify the STO within thirty (30) days of receiving the assignment. **ASUS** also recognizes that any involuntary examination conducted without prior written approval by the STO will result in the waiver of fees that would otherwise be due to **ASUS**.

3.6.3 **ASUS** understands and will comply with the requirements of this Section. We place a great emphasis on cooperative or voluntary compliance. This compliance is solicited by educating the holders on the State laws pertaining unclaimed property requirements. Through our participation in conferences hosted by the National Association of Unclaimed Property Administrators (NAUPA), and The National Association of State Treasurers (NAST), of which we are a corporate member, the holder community has gained a greater awareness of the need to come into compliance with the various State Unclaimed Property Laws. Through our direct interaction with the holder community, not only are we able to demonstrate to the holder that there is potential liability, but action needs to be taken to come into compliance.

In addition, we also educate the holder through public speaking engagements, direct mailings, and our staff communicates with the various trade associations such as the Security Industry Association, Corporate Transfer Association, and the Stock Transfer Association. In addition, **ASUS** tracks corporate actions through the various members of Depository Trust Company and then contacts the states we represent who may want to either initiate or participate in an audit of the firm. We have also expended our resources by making presentation to attorneys, CPA's and participating in Lorman sponsored presentations to the holder community concerning unclaimed property laws and reporting.

ASUS will not solicit a holder to enter into a voluntary examination agreement in regard to the holder's unclaimed funds reporting liability if the holder is under an

involuntary examination by another vendor on behalf of and at the initiation of the State Treasurer's Office. This provision also applies if **ASUS** has been notified in writing by the State Treasurer's Office that an examination of the holder has been planned or if the holder has been contacted within the scope of State Treasurer's Office Desk Audit Program.

- 3.7** **ASUS** agrees with the requirements of this section and will comply accordingly. **ASUS** also recognizes the need to complete unclaimed property examinations in a timely and efficient manner, and our auditors are trained to adhere to our audit procedures to ensure this occurs. It is our policy to open and engage in no more examinations than we feel we can handle within a prescribed time frame, and the examination should be commenced no more than 90 days from the date the holder is notified of our intent to perform the examination. In the event there is a scheduling conflict or problems with providing records, **ASUS** will work with the holder to resolve these issues. In any case, the State will also be notified of any changes. Only under extenuating circumstances should an examination extend for more than a year from the date of the engagement letter. Because **ASUS** serves the State, the State will be notified immediately if the holder should become uncooperative and unwilling to comply with the requirements of the examination. In situations where holders are uncooperative in the examination, it is possible for the examination to extend for more than one year. This usually occurs in accounting and/or auditing methodology or in the interpretation of the law. Also in the event that the holder has numerous divisions that must be examined, the audit process could be lengthy, but the State will be kept well informed of the progress and we will seek direction and assistance from the State if a problem should occur.

Once this examination is complete, we will advise the holder of its obligation to file future reports to the State and provide them with recommendations on how this function is to be performed. Once the completed audit work is reconciled, the holder and owner data is processed and prepared for delivery to the State according to the reporting requirements of the State.

- 3.8** **ASUS** agrees with the requirements of this section and will comply accordingly. It is our policy to advise each holder of meeting the unclaimed property law requirements for each State we represent. Prior to making demand from the holder for unclaimed property that is due and payable to our contract states, due diligence by the holder must be performed. **ASUS's** auditors are well versed in the different State laws and will advise holders regarding the provisions of the State's laws and the requirements for performing due diligence in making attempts to locate the rightful owner before property is remitted as unclaimed. Since we have established as one of our performance benchmarks the necessity of performing due diligence, our auditors conduct a review of due diligence between the potential findings stage and the final findings stage of the examination. Due diligence can be done solely by the holder, or with our assistance. If required, certifications to the completion of the due diligence requirements will be obtained

from the holder prior to the balance of the property being remitted to the State as unclaimed.

- 3.9** **ASUS** agrees with the requirements of this section and will comply accordingly. Each **ASUS** employee is familiar with the various State statutes, the Uniform Unclaimed Property Act and the United States Supreme Court decisions concerning unclaimed property. In addition, our staff is trained in all phases of State unclaimed and abandoned property law, Supreme Court case law, Uniform Commercial Code Act, auditing conduct and ethics, NAUPA and NAST resolutions.

It is **ASUS's** policy to serve as an agent of the State. As such, we are held to the requirements of the West Virginia Uniform Unclaimed Property Act and we will advise the holder of these requirements. **ASUS** will comply with the wishes of the State Treasurer's Office in all matters of examinations, to include but not be limited to provisions dealing with penalties and interest payments that may apply to the holder.

- 3.10** It is **ASUS's** policy to make demand of a Holder for remittance of property to the State only after we have reconciled and agreed with the Holder on the report to be filed with the State Treasurer' Office. In the event **ASUS** and the Holder do not agree upon the report to be filed, the State Treasurer's Office will decide the matter.

- 3.11** In the event an unclaimed property examination reveals "out-of-proof" accounts, the holder will be instructed to pro-rate the owner accounts, and file a report accordingly. In addition, the holder will certify that if owners file for a refund from the State to the extent that the funds remitted are exhausted, the holder will refund any balance due.

- 3.12** At the completion of an examination, the amounts due by the holder are reconciled to the data submitted to **ASUS**, which in turn is compared to our actual findings presented to the holder in the exit conference at the close of fieldwork. Once reconciled, the holder and owner data is processed and prepared for delivery to the State according to the reporting requirements of the State. It is **ASUS's** policy to file an unclaimed property report with the remittance when an examination is completed. In addition, it is also **ASUS's** policy to advise the holder of its obligation to file future reports to the State.

- 3.13** **ASUS** understands and will comply with the requirements of this Section and related subsections. In the event that **ASUS** and the holder under examination are unable to reach an agreement as to the terms of our final examination report, **ASUS** will advise the holder that an administrative appeal may be filed with the STO. **ASUS** will also advise the holder of the requirements for filing an appeal. As stated in the Executive Summary, because we are a Company that recognizes that the States it serves govern its actions, we have the responsibility to follow the

instructions of the client State for the various services provided, and this includes decisions that may be rendered in the dispute resolution process.

3.14 ASUS agrees that in conjunction with the identification and collection of unclaimed property, in either voluntary or involuntary examinations, we shall comply with the requirements described below.

3.14.1 ASUS conducts all-inclusive on site audits of General Ledger accounts, as well as the equity and debt property of the holder. As previously mentioned, prior to conducting audits our entire staff is trained in all phases of State unclaimed property law, and over 100 Supreme Court Case Law regarding abandoned property, Uniform Commercial Code Act, auditing conduct and ethics, NAUPA resolutions and commitments and how to conduct audits specifically for unclaimed property.

Our auditing duties have included examinations of companies in every industry including brokerage houses and transfer agents. Most of these audits were of publicly traded corporations where it was necessary to request and review accounting records from their transfer agents to complete the audit on the equity and debt side of the corporation. Proper analysis of equity property required review of shareholder ledgers, undeliverable or unexchanged stock certificates arising from mergers and acquisitions, redemption payments, liquidations, dividend reinvestment plans, mutual funds, uncashed dividends, cash in lieu of fractional shares, stock splits, bank statements, outstanding dividends, retirement accounts and check listings. For debt property we reviewed records of matured or called debt (Bonds, Debentures, Notes), unnegotiated interest checks, bank statements and reconciliation's, unredeemed principal from calls of serial maturities, and unredeemed coupons from matured bearer issues.

3.14.2 ASUS will prepare and submit to STO reports of unclaimed property in accordance with the requirements of the Unclaimed Property Act and corresponding legislative rule, 112 CSR 5.

3.14.3 Property will be transferred in trust for the STO to one of our custodians, Citibank for cash deliveries and BNY Mellon Asset Servicing for Stocks, or remitted directly to the STO by the holder. If submitted to our custodian, the property will be held in an escrow account, earning interest on behalf of the State at the prevailing market rate. Securities will be registered as directed by the contract, and remitted to Audit Services to be held by our custodian or, if possible, transferred to the State through DTC.

3.14.4 ASUS acknowledges that it is our responsibility to collect and forward the unclaimed property to the STO or its designee.

- 3.15** **ASUS** agrees with the requirements of this section and will comply accordingly. As stated in our Executive Summary, **ASUS** is a Company that in the conduct of its audits adheres to a policy of operating in a manner that is consistent with Generally Accepted Accounting Principles, and Generally Accepted Auditing Standards. As a result we can provide our services with the utmost confidence.
- 3.16** **ASUS** agrees with the requirements of this section and will comply accordingly. As stated in our Executive Summary, **ASUS** recognizes that the States it serves govern its actions, and it has the responsibility to follow the instructions of the client State for the various services provided, as well as complies with all federal, state and local laws that may apply. We recognize that in the absence of holder records that STO approval will be required before applying estimation techniques to determine the amount of unclaimed property that should be demandable.
- 3.17** **ASUS** agrees with the requirements of this section and will comply accordingly. It is our policy that once an examination is completed and reconciled, the property identified will be remitted to the State within 30 days.
- 3.18** **ASUS** agrees with the requirements of this section and will comply accordingly. It is **ASUS's** policy to file an unclaimed property report and invoice with the remittance when an examination is completed. All raw data obtained from the examination is input (physical or download) into our own proprietary software (*Exhibit G*). The *Audit Services System* software allows our Company to file a "hard copy" report to West Virginia as well as a report in a standard NAUPA II format. The *Audit Services System* is compliant with all 50 states' requirements and utilizes the NAUPA standard reporting format, among others for reporting unclaimed property to client states. We recognize that providing accurate and precise information that can be downloaded to our client State's database is essential to the processing of data received in a timely and efficient manner. This information is necessary for not only accounting purposes, but to facilitate the possibility of the State locating the rightful owner.
- 3.19** **ASUS** agrees with the requirements of this section and will comply accordingly. Reports previously filed with the STO have encountered no problems and if future modifications are needed we can make those changes to satisfy the requirements of the State.
- 3.20** **ASUS** agrees with the requirements of this section and related subsections and will comply accordingly. Securities will be registered and delivered as directed by the State. Shares will generally be remitted to **ASUS** and briefly held in our custody account in preparation for transfer to the State's custodian through DTC. Non-DTC eligible securities will be delivered in certificated form per the State's registration instructions. **ASUS** utilizes BNY Mellon Asset Servicing located in Pittsburgh, PA for securities custody. The contact person for BNY Mellon Asset Servicing is Nina Mosley at (412) 236-3155. Whether general ledger property or

securities related, the property will be remitted to the custody of the State within thirty (30) days from receipt or reconciliation.

- 3.21** **ASUS** agrees with the requirements of this section and will comply accordingly. As previously stated, it is our policy to remit all property to the State within 30 days of being reconciled. Our remittance documentation will indicate the date the property was received from the Holder.
- 3.22** **ASUS** agrees with the requirements of this section and will comply accordingly. Any interest earned from funds received by **ASUS** as a result of an examination, and that are held in escrow until the examination is reconciled will be credited to the State. The interest earned amount will be credited against fees payable to **ASUS**.
- 3.23** **ASUS** agrees with the requirements of this section and will comply accordingly. As stated in our Executive Summary, it is our policy to provide release agreements when requested by the Holder, identifying the property records to be submitted, and signed by the holder and the West Virginia State Treasurer's Office.
- 3.24** **ASUS** agrees with the requirements of this section and will comply accordingly. **ASUS** is proud to say that the STO has called upon our Company to provide a week of audit training in the past and we feel that we have a solid working knowledge of the requirements of State law. It is **ASUS's** policy that upon the completion of an examination, the holder is instructed to file all future unclaimed property reports directly to our contract states. **ASUS** also recognizes that the STO will not pay a fee for subsequent reports filed where the principal/responsible company is re-examined, without prior written STO approval.
- 3.25** **ASUS** agrees with the requirements of this section and will comply accordingly. To keep the State current on the progress of our audits, **ASUS** issues a monthly work-in-progress report (*Exhibit H*), by the 15th of each month. **ASUS's** monthly work-in-progress report provides the state with an alphabetical listing of all holders who are currently under audit. Included in the report is the holder's FEIN, the audit start date, the audit period covered, the types of property being audited and a comments field to describe the status or progress of the audit. The work-in-progress report can be modified to meet the requirements of the State.
- 3.26** Upon the completion of an examination, **ASUS** will maintain the records and supporting documentation from the examination for a minimum of ten (10) years. All information obtained in the course of an examination will be made available to the contracting state if requested by the State.
- 3.27** **ASUS** welcomes the State of West Virginia to participate in any examination in progress.

- 3.28** ASUS agrees with the requirements of this section and will comply accordingly. ASUS recognizes that occasionally timely disbursement of property may be delayed as a result of a dispute with respect to the delivery, ownership, right of possession and/or disposition of property. We will notify the STO of any such disputes within thirty (30) days of determination that a dispute exists. In addition, we will make all reasonable efforts to resolve any disputes as quickly as possible.
- 3.29** ASUS agrees with the requirements of this section and related subsections and will comply accordingly. We agree with the STO's assessment that occasionally there may be Holders that need to be audited but anticipated findings may not result in reasonable compensation. In such cases, we would agree to the STO's rate of reasonable compensation.
- 3.30** ASUS agrees with the requirements of this section and related subsections and will comply accordingly. We acknowledge that the fee for the identification and collection of unclaimed property will be a flat thirteen (13%) of the net unclaimed property remitted to the State Treasurer's Office, less any interest due pursuant to the provisions of the RFQ. However, if the flat fee is less than the hourly rate proposed in the RFQ, we would be paid the hourly rate.
- 3.31** ASUS recognizes that it is responsible for the payment or making provision for the payment of all expenses incurred in connection with all services provided in the RFQ.
- 3.32** All matters dealing with the contract between ASUS and the State will be maintained in strict confidence. Also, any information obtained from the holder or the State Treasurer's Office is considered proprietary and confidential in nature and will not be disclosed to a third party. If it is felt that the information would be beneficial in the conduct of an unclaimed property examination on behalf of another State, this information can be released to another State.
- 3.33** ASUS agrees to the Special Terms and Conditions identified in Attachment 1 of the RFQ.
- 3.34** ASUS has no exception to the provisions of the RFQ.

ASUS agrees with all of the requirements of this Request for Quotation. Items to which we did not make a specific response were considered not to be required, however all items were reviewed, understood and accepted.

ASUS Contract States

<p>Alabama State Treasury Ralph Ainsworth (334) 353-3627 PO Box 302520 Montgomery, AL 36130-2520</p>	<p>Georgia Department of Revenue Kelli Miller (404) 968-0754 4245 International Pky, Suite A Hapeville, GA 30354-3918</p>
<p>Alaska Department of Revenue Rachel Lewis (907) 465-5885 333 Willoughby, 11th Floor Juneau, AK 99801</p>	<p>Idaho State Tax Commission Cozette Walters Swanson (208) 334-7598 PO Box 83720 Boise, ID 83720-9101</p>
<p>Arkansas Auditor of State Rob Scott (501) 682-9174 1400 W 3rd Street, #100 Little Rock, AR 72201-1811</p>	<p>Illinois Dept. of State Treasurer Roxanna Hollenstine (217) 785-6998 400 W. Monroe St., Suite 401 Springfield, IL 62704</p>
<p>Arizona Department of Revenue Joshua Joyce (602) 716-6033 1600 W. Monroe Phoenix, AZ 85007-2612</p>	<p>Iowa Office of State Treasurer Karen Austin (515) 281-7677 State Capitol Building Des Moines, IA 50319</p>
<p>Controller of the State of California Stephen Edwards, (916) 445-8318 300 Capitol Mall Sacramento, CA 95814-4341</p>	<p>Kentucky Treasury Department Brenda Sweatt (502) 564-4722 1050 US Hwy 127 South, Suite 100 Frankfort, KY 40601-2800</p>
<p>Colorado Department of Treasury Patty White (303) 894-2452 1580 Logan St., Ste. 500 Denver, CO 80203</p>	<p>Louisiana Department of Treasury Benny Spann (225) 219-9384 301 Main Street, 7th Floor Baton Rouge, LA 70801-1916</p>
<p>Connecticut Office of State Treasurer Maria Greenslate (860) 702-3125 55 Elm Street Hartford, CT 06106-2214</p>	<p>Maine Department of the Treasury Kristi Carlow (207) 624-7468 39 State House Station Augusta, ME 04333-0039</p>
<p>Delaware Division of Revenue Mark Udinski (302) 577-8260 820 N French Street, 9th Floor Wilmington, DE 19801-3509</p>	<p>Maryland Comptroller's Office Tamarra Eaton (410) 767-1705 301 W. Preston Street, Room 310 Baltimore, MD 21201-2305</p>
<p>Florida Dept of Banking & Finance Barry Williams (850) 410-9922 101 E Gaines Street Tallahassee, FL 32399-0350</p>	<p>Massachusetts State Treasurer Judy Franchi (617) 367-9333 1 Ashburton Place, 12th Floor Boston, MA 02108-1518</p>

<p>Michigan Dept of Treasury Gonzalo Llanos 335-4380 PO Box 3075 Lansing, MI 48206</p>	<p>New York Office of State Comptroller Lawrence Schantz (518) 473-6318 110 State Street, 8th Floor Albany, NY 12236</p>
<p>Minnesota Dept of Commerce Amy Trumper 297-1335 85 7th Place E, 500 St Paul, MN 55102</p>	<p>NC Dept of State Treasurer Shirley Fowler (919) 508-5929 325 N. Salisbury Street Raleigh, NC 27603-1385</p>
<p>Mississippi Treasurers Department John Younger 359-5223 P.O. Box 138 Jackson, MS 39201</p>	<p>ND State Land Department Linda Fisher (701) 328-2805 PO Box 5523 Bismarck, ND 58506-5523</p>
<p>Missouri State Treasurer's Office Scott Harper (571) 2082 P.O. Box 1272 Jefferson City, MO 64502</p>	<p>Ohio Department of Commerce Yaw Obeng (614) 644-6094 77 S. High Street, 20th Floor Columbus, OH 43226-0545</p>
<p>Montana Department of Revenue Jim McKeon (404) 1940 PO Box 5805 Helena, MT 59605</p>	<p>Oklahoma Dept of State Treasurer Kathy Janes (405) 522-6743 4545 N. Lincoln Blvd. Suite 106 Oklahoma City, OK 73105-3413</p>
<p>Nebraska State Treasurer's Office Megan Agiurre (402) 471-1089 809 P Street Lincoln, NE 68501</p>	<p>Oregon Department of State Lands Patrick Tate (503) 986-5248 775 Summer St. NE, Suite 100 Salem, OR 97301-1279</p>
<p>Nevada Dept of Business & Industry Bing Longakit (702) 486-3907 555 E. Washington Ave, Ste. 4200 Las Vegas, NV 89101</p>	<p>Pennsylvania State Treasury Jack Stollsteimer (717) 705-6797 PO Box 1837 Harrisburg, PA 17105-1837</p>
<p>New Hampshire Treasury Dept. Brian Regan (603) 71-1499 25 Capitol Street, Room 205 Concord, NH 03301</p>	<p>RI Office of the General Treasurer David Salvatore (401) 222-6505 PO Box 1435 Providence, RI 02901-1435</p>
<p>New Jersey Dept of the Treasury Steven Harris (609) 777-4655 50 Barrack Street, 6th Floor Trenton, NJ 08695</p>	<p>SC Office of State Treasurer Barbara Rice (803) 734-2682 P.O. Box 11778 Columbia, SC 29211</p>

<p>SD Office of State Treasurer Lee DeJabet (605) 773-3900 500 E. Capitol Ave Pierre, SD 57501-5070</p> <p>Tennessee Treasury Department John Gabriel (615) 253-5354 Andrew Jackson Bldg. 9th Floor Nashville, TN 37243-0242</p> <p>TX Comptroller of Public Accounts Laywon Boatner (512) 463-3610 P.O. Box 12019 Austin, TX 78711-2019</p> <p>Utah State Treasurer's Office Dennis Johnston (801) 715-3300 341 S. Main Street, 5th Floor Salt Lake City, UT 84111-2707</p> <p>Vermont State Treasurer's Office Albert LaPerle (802) 828-1452 109 State Street, 4th Floor Montpelier, VT 05609-6200</p> <p>Virginia Department of the Treasury Vicki Bridgeman (804) 225-2393 P.O. Box 2478 Richmond, VA 23207-2478</p> <p>Washington Dept of Revenue Celeste Monahan ((360) 570-3201 P.O. Box 47454 Olympia, WA 98504-7454</p> <p>WV Office of State Treasurer Carolyn Atkinson (304) 558-5063 One Player's Club Drive Charleston, WV 25311</p> <p>Wisconsin Dept. of State Treasurer Mary Celentani (608) 267-2208 PO Box 2114 Madison, WI 53701-2114</p>	<p>Wyoming State Treasurer's Office Nancy Russell (307) 777-5590 2515 Warren Ave., Suite 502 Cheyenne, WY 82002</p>
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Audit Services, U.S., LLC
West Virginia

Exhibit B

Date	Num	Item	Qty
01/03/2007	WV084	Audit Fees:WLR Foods	40,954.50
01/04/2007	WV081	Audit Fees:BP PLC/ARCO	8,840.08
01/05/2007	WV082	Audit Fees:Scottish Power/Pacificorp	4,190.18
01/05/2007	WV83	Audit Fees:AT&T/MediaOne	15,180.99
05/30/2007	WV085	Audit Fees:Cemex SA/Southdown	3,431.00
06/01/2007	WV088	Audit Fees:WesBanco	2,854.11
06/01/2007	WV87	Audit Fees:WesBanco	8,740.85
06/01/2007	WV86	Audit Fees:WesBanco	13,396.64
06/01/2007	WV89	Audit Fees:Payless ShoeSource/May Dept	4,715.04
07/02/2007	WV090	Audit Fees:Powergen PLC/LGE&E	1,491.00
11/02/2007	WV091	Audit Fees:Reynolds Memorial Hospital	8,714.27
11/08/2007	WV092	Audit Fees:BP/Amoco	58,534.69
11/30/2007	WV093	Audit Fees:WesBanco	1,531.53
11/30/2007	WV94	Audit Fees:WesBanco	19,632.12
01/02/2008	WV095	Audit Fees:GE Capital Corp	1,084.41
01/07/2008	WV096	Audit Fees:AT&T Wireless	1,500.00
01/14/2008	WV097	Audit Fees:BHP Billiton PLC	4,817.74
01/29/2008	WV098	Audit Fees:Nestle/Ralston	5,460.50
02/08/2008	WV03U	Audit Fees:ACT5	794.92
03/07/2008	WV099	Audit Fees:AT&T/US West-Media One	58,807.03
03/11/2008	WV100	Audit Fees:Advance Financial	1,600.00
06/10/2008	WV102	Audit Fees:Transportation International	5,936.14
06/10/2008	WV101	Audit Fees:AK Steel Holding/Armco	4,080.00
06/17/2008	WV103	Audit Fees:AT&T/Telecommunications	1,401.17
06/17/2008	WV104	Audit Fees:Hewlett Packard/Compaq Computer	5,898.34
06/18/2008	WV105	Audit Fees:PLM International/PLM Intl Com	6,913.13
06/18/2008	WV106	Audit Fees:Cable TV Fund 11A	6,039.84
06/27/2008	WV107	Audit Fees:Suntrust Banks	1,629.24
08/27/2008	WV108	Audit Fees:GE Capital Commercial	2,789.58
09/04/2008	WV109	Audit Fees:Georgeson Securities	23,252.53
09/04/2008	WV110	Audit Fees:Georgeson Securities	28,224.70
10/22/2008	WV5B	Audit Fees:Viacom	48.75
10/22/2008	WV5A	Audit Fees:Owens Corning	110.00
10/30/2008	WV5C	Audit Fees:Dean Foods	165.00
11/12/2008	WV5E	Audit Fees:Dun & Bradstreet	70.00
11/19/2008	WV5F	Audit Fees:Fortune Brands	159.90
01/23/2009	WV9N	Audit Fees:Arvinmeritor Inc	38.64
01/23/2009	WV9N	Audit Fees:Arvinmeritor Inc	7.53
01/29/2009	WV12N	Audit Fees:Lonmin PLC	246.41
01/29/2009	WV12N	Audit Fees:Lonmin PLC	544.50
02/02/2009	WV10	Audit Fees:National Grid	10,841.41
02/04/2009	WV11	Audit Fees:Stokely Van Camp	1,063.45
02/05/2009	WV13N	Audit Fees:Xcel Energy	101.20
02/06/2009	WV14N	Audit Fees:AT&T/Telecommunications	841.33
02/10/2009	WV15	Audit Fees:Champion Industries	38,349.57

**Audit Services, U.S., LLC
West Virginia**

Exhibit B

Date	Num	Item	Qty
02/17/2009	WV18N	Audit Fees:Meadwestvaco	388.03
02/17/2009	WV18N	Audit Fees:Meadwestvaco	503.80
03/02/2009	WV019	Audit Fees:Qwest Communications/US West	1,424.06
03/02/2009	WV019	Audit Fees:Qwest Communications/US West	2,091.60
03/18/2009	WV016	Audit Fees:Daimler/Chrysler	3,594.65
03/18/2009	WV016	Audit Fees:Daimler/Chrysler	6,592.50
03/27/2009	WV021N	Audit Fees:Autogrill Spa/Host Marriott	267.75
03/31/2009	WV022N	Audit Fees:General Dynamics Corp	64.20
04/02/2009	WV023N	Audit Fees:ISTC Corp (Dissolution)	2,412.30
04/08/2009	WV024	Audit Fees:Speedy Title Appraisal Corp	1,760.00
04/08/2009	WV025	Audit Fees:Petroleum Development Corp	3,759.85
04/10/2009	WV026N	Audit Fees:Xcel Energy	5.45
04/14/2009	WV027N	Audit Fees:Conoco Phillips/Phillips Float	217.00
04/16/2009	WV028N	Audit Fees:Conocophillips Co/Pfd Series A	638.00
04/21/2009	WV29N	Audit Fees:Conocophillips Co	973.35
04/23/2009	WV030N	Audit Fees:Westin Hotels	533.80
04/29/2009	WV017	Audit Fees:Dow Chemical/Union Carbide	3,599.12
04/29/2009	WV017	Audit Fees:Dow Chemical/Union Carbide	3,665.76
05/07/2009	WV20	Audit Fees:Pepsico/Quaker Oats	1,356.02
05/07/2009	WV20	Audit Fees:Pepsico/Quaker Oats	8,195.64
05/28/2009	WV31N	Audit Fees:Andersen/Morgan Products	8.00
06/05/2009	WV33	Audit Fees:AT&T/AT&T	6,210.75
06/05/2009	WV33	Audit Fees:AT&T/AT&T	13,860.72
06/05/2009	WV32N	Audit Fees:Polaris Aircraft Income Fund II	1,336.33
06/09/2009	WV34N	Audit Fees:News Corp/United Television	0.36
06/29/2009	WV35	Audit Fees:Conocophillips Co	1,168.02
07/06/2009	WV036	Audit Fees:New Hampshire Insurance	1,047.90
08/19/2009	WV037N	Audit Fees:AIG	2,951.29
08/19/2009	WV037N	Audit Fees:AIG	975.78
08/26/2009	WV040N	Audit Fees:Pfizer Inc	808.46
09/04/2009	WV041N	Audit Fees:WesBanco	6,979.95
09/04/2009	WV041N	Audit Fees:WesBanco	21,638.40
11/09/2009	WV043	Audit Fees:AT&T Inc/Ameritech Corp	20,488.46
11/19/2009	WV045	Audit Fees:AT&T Wireless	2,712.45
12/15/2009	WV046	Audit Fees:PC Connection Inc	8,481.24
12/16/2009	WV047	Audit Fees:Petroleum Development Corp	1,671.05
01/12/2010	WV048N	Audit Fees:Shell Oil	21,685.75
08/09/2010	WV050	Audit Fees:BB&T Corp	10,302.01
08/12/2010	WV151	Audit Fees:BB&T Corp	6,725.34
09/16/2010	WV152	Audit Fees:AT&T/AT&T	12,650.55
11/01/2010	WV155	Audit Fees:AT&T Wireless	7,815.00
02/15/2011	WV159	Audit Fees:AT&T/US West-Media One	6,620.69
03/08/2011	WV160	Audit Fees:NMH Holding LLC	7,588.41
05/12/2011	WV162	Audit Fees:Carmeuse NA	4,474.75
10/12/2011	WV173	Audit Fees:Toys R Us Inc.	20,865.00

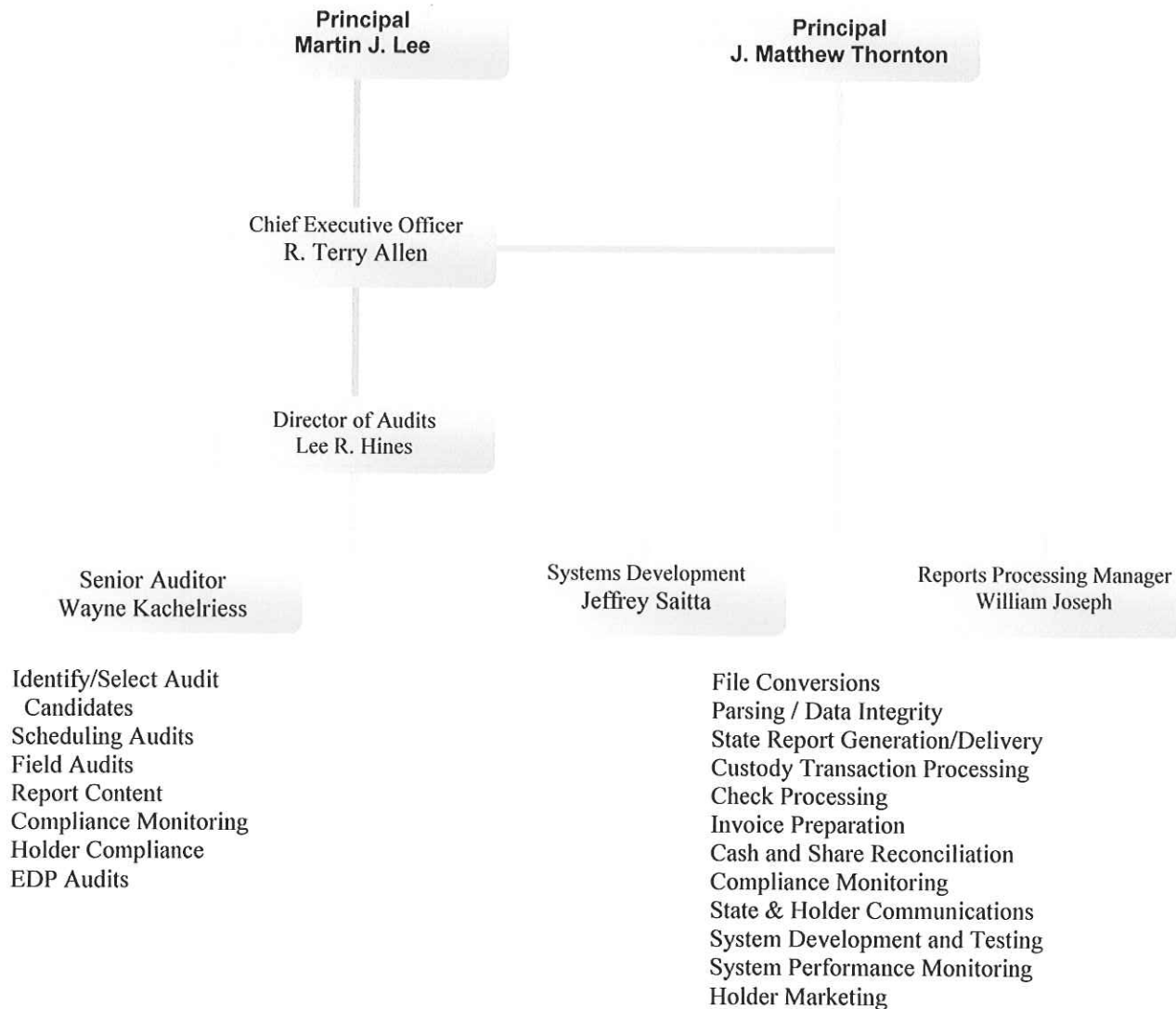
**Audit Services, U.S., LLC
West Virginia**

Exhibit B

Date	Num	Item	Qty
10/12/2011	WV170	Audit Fees:Royal Dutch Shell	16,639.97
10/25/2011	WV175	Audit Fees:Fillmore Capital Partners LLC	1,637.50
10/25/2011	WV176	Audit Fees:Fresenius Medical Care	8,128.00
10/25/2011	WV179	Audit Fees:Omnicare/NCS	2,050.25
10/25/2011	WV177	Audit Fees:Fresenius Medical Care	8,128.00
10/28/2011	WV183	Audit Fees:Chevron Corp	45,530.57
10/29/2011	WV184	Audit Fees:Conocophillips Co	52,572.28
10/29/2011	WV185	Audit Fees:JP Morgan Chase/Chase Manhattan	87,348.38
10/29/2011	WV186	Audit Fees:Macys Inc	5,632.11
10/31/2011	WV203	Audit Fees:Royal Dutch Shell	2,580.32
11/02/2011	WV201	Audit Fees:Omnicare/NCS	2,610.42
11/04/2011	WV191	Audit Fees:Conocophillips Co	1,029.36
11/30/2011	WV207	Audit Fees:AT&T Inc	1,233.58
01/25/2012	WV209	Audit Fees:OCE NV	4,452.00

AUDIT SERVICES US, LLC

Organizational Chart



ASUS
AUDIT SERVICES, U.S., LLC

Work Plan

SUBMITTED BY:
AUDIT SERVICES, U.S., LLC

OVERVIEW

The following is a synopsis of the methods of performance proposed by Audit Services, U.S., LLC that will serve as a guide for the conduct of its examinations. Much of this has been extracted from the audit procedures utilized by ASUS. This work plan will address: (1) how audits will be performed; (2) the research, analyses, and methodologies that will be used; (3) the deliverables that will be provided and (4) the role of the partner in charge.

▪ ROLE OF THE PARTNER IN-CHARGE

I. SELECTION

- A. State Requests
- B. Review of annual unclaimed property reports and notes:
 - (1) Did first report filed cover the entire reach back period permissible under the law?
 - (2) Omissions of categories of property and/or information.
 - (3) Disclosure of estimates rather than actual amounts.
 - (4) No aggregate (amounts under \$50).
 - (5) Disclosure of a deduction that does not contain a copy authorizing the deduction or citation of authority.
 - (6) Non-reporting or negative reports.
- C. Industry Analysis - Industry standards and measurements (if available) of a possible audit candidate are reviewed for comparison to that of other holders in the same industry.
- D. Computer databases (i.e. Moody's, Dunn & Bradstreet, phone disc, etc.).
- E. Newspaper, magazine articles, and other publications.
- F. Complaints from customers or citizens.
- G. Information derived from past contacts and audits.
- H. States can inform where they are finding noncompliance.

II. CONSIDERATIONS

- A. Geographic Location - The audit candidate should be in a location that makes the trip worthwhile as far as cost vs. benefits is concerned.
- B. Size of Company - A smaller company is less likely to have a large amount of unclaimed property. A contact would serve well.
- C. Report History - A company that is reporting properly, compared to similar companies is less likely to be a strong audit candidate.
- D. Type of Holder - Certain types of holders will be more practical to audit than others.
- E. Previous Audit - Review work paper file of the previous audit for a reporting pattern.
- F. Determine which auditor is best suited for the examination and estimated man hours required.

III. BACKGROUND INFORMATION

- A. Reporting history - Research records for each potential audit candidate and record all the past report files.
- B. Review and obtain any information relative to the potential audit candidate in the stock and dividend area. (i.e. Moody's, Hoovers, etc.)
- C. All States – Request and review all information submitted by the States.

IV. HOLDER'S ACCOUNTING TECHNIQUES

- A. Note trend of holders who subscribe to a computer or accounting system that doesn't account for unclaimed property.
- B. Unclaimed Property is usually a low priority among most holders.
- C. Holders with strong internal controls over potential unclaimed property reduce the chance of audit findings.

V. SELECTION PROCESS

- A. File of Audit Candidates - The audit unit utilizing the above-mentioned sources and considerations will identify possible audit candidates.
- B. Prioritize Candidates
 - (1) Audit 1- Companies identified through compliance work that needs to be audited as soon as possible (within the year).
 - (2) Audit 2 – Companies identified through compliance work that needs to be audited in the future (within 3 years).
 - (3) Audit 3- Companies/Industries identified by States that need to be audited within a specified time period.

▪ AUDIT STANDARDS

I. GENERAL STANDARDS

- A. Qualifications
 - (1) The audit is to be performed by a person or persons having adequate technical training and proficiency as an auditor. Unclaimed Property Auditors should have a knowledge of accounting and auditing principles and be able to apply this knowledge to an Unclaimed Property audit.
 - (2) Each auditor is to have knowledge of Unclaimed Property law, both statutory and case law.
 - (3) Auditors are responsible for maintaining technical competence through continuing education.
- B. Independence
 - (1) Auditors are to be free from personal, external, or organizational biases and must be independent in attitude and appearance.
 - (2) Unclaimed Property Auditors must be independent in order to maintain the public's confidence.
 - (3) If participation on an audit will impair an auditor's independence, the auditor may request that he or she not be assigned to that audit.
- C. Due Professional Care
 - (1) The auditor must employ professional standards in performing Unclaimed Property audits.
 - (2) The auditor is to ensure that the holder is aware of the scope and objectives of the audit and should obtain a good understanding of the holder's operations.
 - (3) When selecting tests and procedures to be applied during fieldwork, the auditor should consider the audit objectives, effectiveness of internal control and cost vs. benefit of the audit work being performed.
 - (4) The auditor should be alert for the mishandling of dormant funds and situations indicative of noncompliance.
 - (5) The auditor is to continue fieldwork until he or she is confident that all amounts of unclaimed property have been identified.

- (6) The auditor is to follow-up at a later date on non-complying audits to ensure that corrective action has been taken by the holder.

D. Scope Impairments

- (1) When factors imposed by the holder restrict the audit or interfere with the Unclaimed Property Auditor's ability to form objective opinions, the auditor should take steps to have the limitations removed.
- (2) If the auditor is unable to remove the restrictions imposed by the holder, the auditor is to refer to on "Problem Holders".
- (3) The most common impairment is the denial of access to old accounting records or the denial of interviews with key officials and employees of the organization. All impairments are to be documented.

E. Confidentiality

- (1) The Unclaimed Property Auditor is to hold in strict confidence all information concerning a holder's affairs that are acquired in the course of the audit.
- (2) If certain information is prohibited from general disclosure, the report shall state the nature of the information omitted and the reason for it's omission.

II. FIELD STANDARDS

A. Planning

- (1) The audit agenda is to be adequately planned and discussed with staff assigned to the examination.
- (2) Audit programs detailing step-by-step procedures are to be followed for each type of property being examined.

B. Study and Evaluation of Internal Control

- (1) The auditor is to establish a basis for reliance on internal control to determine the nature, extent, and timing of the audit tests to be applied.
- (2) The auditor should determine whether the holder has appropriate policies and procedures in place to enable it to comply with the Unclaimed Property Law.
- (3) The auditor is to provide constructive suggestions to holders concerning improvements in internal control.

C. Working Papers

- (1) Working papers are to contain the detail to support the audit findings. They are to be legible and should only include information that is relevant to the Statement of Examination Findings.
- (2) Work papers are to be numerically indexed and cross-referenced so those future auditors will be able to follow the audit trail.

III. REPORTING STANDARDS

- A. The audit report is to state whether the holder is in compliance with the Unclaimed Property Law or in noncompliance.
- B. Scope limitation(s) should be stated in the audit report
- C. Any material deficiencies detected during the examination are to be included in the audit report.
- D. A copy of the audit report along with supporting schedules is to be given to the holder. A duplicate copy is to be maintained in the audit file.

▪ **EVALUATING RECORDS TO BE AUDITED**

I. EXAMINATION SCOPE

- A. Normally research the last five years.
- B. If noncompliance is evident, research as far back as needed or allowed by each State's law.
- C. If holder is in compliance, it is not necessary to extend the scope of the audit.
- D. If the first report filed covers the entire reachback period permissible under the law, further research is not required.

II. LOCATING RECORDS

- A. Determine that the records exist
 - (1) Examine record retention manuals.
 - (2) Interview key employees.
 - (3) Review oldest available written procedures, memos, and files.
 - (4) Establish record keeping practices from audit trail.
- B. Verify the location of the records
 - (1) Determine who has control of the records.
 - (2) Examine record storage areas.
 - (3) Inspect the records.
- C. If records are not available, have holder sign record request letter.

III. EVALUATING RECORDS

- A. Determine the existence of required records.
- B. Age available documentation and recorded activities.
- C. Decide if available documentation is adequate to calculate and support examination findings as needed.
- D. Prepare an estimate from available records if holder's record retention is inadequate and there is evidence of noncompliance and the State the holder is incorporated in allows estimation.

▪ **AUDIT CONFLICTS WITH OTHER VENDORS**

I. COMMUNICATION

- A. Inquire of the holder whether another vendor is auditing a division, branch, subsidiary, or a third party administrator or paying agent.
- B. Authorizations to audit and audit notification letters inform the States of an impending audit by ASUS.
- C. A monthly Status Report informs the States of ASUS's audit candidate list and intentions to audit holders.
- D. When ASUS is aware of a conflict, management will immediately contact the other vendor and try to resolve the matter without getting the States involved.

II. VOLUNTARY VS. INVOLUNTARY AUDITS

- A. An involuntary audit takes precedence over a voluntary compliance when the contact dates are the same.
- B. The vendor with the earliest contact with holder is considered by ASUS as the approved contractor.
- C. When two contact persons from the same holder are contacted by different vendors at the same time, the company will decide whom they want to work with. (or the contact person with the highest authority will take precedence.)

- D. When different subsidiaries or divisions are contacted by different vendors at the same time, the company will decide whom they want to work with. (or the contact person with the highest authority will take precedence).
- E. A CPA firm bringing a holder into voluntary compliance is not considered a conflict. Ask for directions of the States.

III. GENERAL LEDGER VS. EQUITY

- A. When auditing a holder and a request for records from a third party agent has been made and same agent goes through another vendor, ASUS takes the position that any monies received by the states is as a result of ASUS audit efforts.
- B. When auditing a third party records and the third party routinely reports through another vendor. Any monies that would not have been turned over routinely by the agent are considered as a result of ASUS audit efforts.

IV. STATES DIRECTIONS

- A. State instructions take precedence over any subsequent procedure

▪ GENERAL LEDGER AND EQUITY ACCOUNTS THAT WILL BE DELIVERED

I. DEMANDABLE PROPERTY

Include in this category property that should have been paid or delivered to the States in prior years. The holder may be charged interest on this amount based on the year(s) the property was due. The holder may deduct from this amount any property that is returned to the rightful owner or deemed accounting errors.

II. Reportable Property

Include in this category property that is still on the books of the holder (credit balances, outstanding checks, etc.) which should be reported to the proper State in the future. The holder may deduct from the audit findings any amounts that are returned to the rightful owner or deemed accounting errors.

III. Reinstatable Property

Include in this category unclaimed property due to the proper State in future years that the holder has taken into income. This amount, less any items returned to the rightful owner or deemed accounting errors, will be reportable in the future based on the applicable statutory holding period.

▪ AUDIT REPORT

I. PURPOSE

- A. After audit fieldwork is completed, a closing conference is held with holder personnel. At this time, a rough draft of the Statement of Examination Findings and/or supporting schedules are furnished to the holder and

explained in detail. A completed audit report is prepared upon returning to the office and mailed to holder and to each State represented.

II. PROCEDURE

A. TITLE PAGE

- (1) Holder's name, city and state
- (2) Audit Cut-Off Date

B. Contents Page

- (1) Letter to holder
- (2) Statement of Examination Findings
- (3) Management Advisory Comments
- (4) Schedules of Examination Findings

C. Letter to Holder

- (1) Non-Compliance Letter - If holder is not in compliance with the Unclaimed Property Law.
- (2) Compliance Letter - If holder is in compliance with the Property Law.

D. Statement of Examination Findings

- (1) Property should be listed by type and due date and is categorized as demandable, reportable, and/or reinstatable.
- (2) Definitions for amounts demandable, reportable, and reinstatable are at the bottom of the page.

E. Management Advisory Comments

- (1) Includes any reporting or internal control weaknesses noted during the audit, and references appropriate paragraph of statute.
- (2) Condition is stated and followed by a recommendation.
- (3) Holder response to recommendation, if necessary.

▪ NO DATE PROPERTY

I. EVALUATING PROPERTY

Attempt to date property based on available records by:

1. Examining sequence of check numbers, certificates, patient or customer numbers, any other property identification numbers.
2. Determining length of time present chart of accounts or selected accounts has been in use.
3. Establishing conversion date.
4. Reviewing operational characteristics of holder including stock offerings, new product offerings, the opening of new stores, plants, etc.
5. Analyzing holder's reporting history.

II. Scheduling Property

Provided that the preceding evaluations were performed and given that current records are generally more accurate than historical records, any property which cannot be reasonably dated will be treated as demandable subject to the requested research of the holder. Interest will be charged if by State applicable. Property that can be reasonably

aged will be scheduled in accordance with the "Demandable, Reportable, and Reinstatable Property" procedure.

▪ **NO ADDRESS PROPERTY**

I. EVALUATING PROPERTY

Attempt to secure name and address of the owner of property based on available records by:

1. Examining supplemental documents such as vendor registers and employee pay records.
2. Determining existence of alternate sources of names and addresses such as 1099 records.

II. SCHEDULING PROPERTY

Provided that the preceding evaluations were performed and given that supplemental records are generally reliable, contact the States involved and get further directions.

III. NO RECORDS AVAILABLE

Allocate to States according to the governing court cases.

▪ **PROBLEM HOLDERS**

I. HOLDER'S ATTITUDE BEFORE THE AUDIT

- A. If holder attempts to delay audit
 1. Be polite
 2. Offer a choice of two dates
 3. Select a date and set an arrival time
- B. Holder objects to records requested
 1. Submit a records request
 2. Adhere to normal audit routine
 3. Expand as necessary to obtain information
- C. Holder protests types of property to be reviewed
 1. Use the State unclaimed property manuals to illustrate types of property.
 2. Refer to applicable paragraphs in the statute

II. HOLDER ATTITUDE DURING THE AUDIT

- A. Working conditions intolerable
 1. Request more appropriate conditions
 2. Consider general conditions available
- B. Holder delays in obtaining requested information
 1. Access to record areas speeds audit process

2. Remain on site to see if records arrive
3. Leave record request
4. Set a time to return to review records

- C. Holder denies access to employees who prepare records and/or record storage areas
 1. Remind holder that the audit will proceed faster
 2. Refer to statutes on the examination of records

III. HOLDER CONDUCT AFTER AUDIT

- A. Protest audit (See "Audit Protest")
- B. Disagree with findings
 1. Review each area with holder
 2. Negotiate compromise (with administration's approval)
- C. Review with holder possible penalty for failure to file

IV. COMMUNICATION WITH HOLDER DURING AUDIT

- A. Adhere to the Statutes
- B. Be consistent-refer to conclusions reached on prior audits
- C. Keep holder informed during the audit
- D. When issues are uncertain, research and follow up with the holder later
- E. Record in auditor's notes discussions taking place during the audit
- F. Give holder schedules of property identified (if possible, Statement of Examination Findings) at conclusion of field work
- G. Request records needed to complete audit

V. AUDITOR INVOLVEMENT

- A. Keep Audit Manager informed of any problems encountered during the audit
- B. Make Audit Contact aware of inappropriate conduct of holder employees

VI. HOSTILE HOLDER

- A. Under no circumstances does the audit staff tolerate abusive language from the holder.
- B. Explain that if abuse does not stop, the audit staff will vacate immediately and report back to management.
- C. Document the nature of abuse and the employee administering the abuse.

VI. KEEP STATES INFORMED

▪ AUDIT PROTEST

I. INSUFFICIENT INFORMATION/RECORDS TO ISSUE REPORT:

- A. Discuss with holder at closing the approximate time needed to obtain information such as Company research, or records needed to complete the audit (Maximum period granted is 120 days).

- B. Advise holder that interest may begin to accrue if information/records are not received by the agreed upon date.
- C. If information/records are not submitted by due date, a certified return receipt requested letter is sent advising holder that interest will begin accruing in ten business days unless information/records are submitted.
- D. If no response within ten business days, proceed to inform the States involved for directions.

II. INFORMATION/RECORDS AVAILABLE

- A. Records are available to issue report and all the evidential matter relevant to the issue involved including holder's position, legal opinions, minutes, contracts and correspondence.
- B. Legal issues raised at the closing conference outside the realm of General Statutes will usually indicate to the auditor that the holder is not willing to comply. Since the auditor does not possess legal skills, no judgments concerning information brought to his attention should be made at this time.
- C. Submit all disputed facts to Director of Audits and/or Attorney for an opinion.
- D. Discuss all disputed facts with State administrators, reach a conclusion, release audit report and, as appropriate demand payment.
- E. If holder is unwilling to comply at this point, notify holder that interest will (State's decision) begin accruing as of the due date stated on the audit report for any demandable property deemed escheatable once the issue is resolved. Schedule a meeting as follows:
 - 1. Between holder and Director of Audits
 - 2. Between holder and Key State Administrator
 - 3. Between holder and legal council
- F. If holder is still unwilling to comply, the states have to consider a course of action.
- G. If any State brings an action to compel compliance General Statutes.
 - 1. Director of Audits or AIC should send any workpapers that may be of assistance to the State's efforts.
 - 2. Give audit information to State's legal counsel to file court order against company and/or personnel requiring their presentment of records and/or payment.
- H. Encourage the States to utilize the penalties available in General Statute to compel compliance.

• DISTRIBUTION OF PROPERTY TO STATES

I. SUBSEQUENT TO THE COMPLETION OF THE EXAMINATION

- (A) Auditor-in-Charge notifies the holder point-of-contact that property identified as unclaimed and belonging to contracting states should be remitted to Audit Services, U.S., LLC located at 1250 Old Henderson Road, Suite B, Columbus, Ohio 43220.
- (B) Auditor-in-Charge requests that holder point-of-contact submit in writing to transfer agent for holder that property be submitted through Audit Services

II. RECEIPT OF UNCLAIMED PROPERTY BY AUDIT SERVICES IN THE FORM OF GENERAL LEDGER ACCOUNTS

- (A) Checks are separated from daily mail and audit report is pulled. Checks should be made payable to "Audit Services, in trust for Unclaimed Funds."
- (B) Checks are then compared to total for audit findings and are deposited in a proper escrow account with the custodian bank on a daily basis.
- (C) Report is then reconciled to audit findings to verify correctness and accuracy.
- (D) Report should be reconciled within 20 days of receipt. Once report is reconciled and available for distribution to the contract State a check to that State is prepared.
- (E) Report (via magnetic media) and check are mailed to contract State within 30 days of initial receipt of funds by Audit Services.

III. RECEIPT OF UNCLAIMED PROPERTY BY AUDIT SERVICES IN THE FORM OF SECURITIES

- (A) If security is in certificated form, ensure that it is registered in the nominee name specified by the contract state. If not, return to holder to request that it be reissued.
 - 1. Submit certificate to Custodian Bank for Audit Services for safekeeping
 - 2. Once report is reconciled, submit report and certificate to contract State within 30 days.
- (B) If Security is DTC eligible, ensure that it is registered in the correct nominee name. Once report is reconciled have securities transferred to contract state's custodian bank.
- (C) Submit report to contract state via magnetic media with notification that security has been presented to State custodian bank.

HOLDER PROFILE**Company Name:** XXXXX Corporation**Name of TA:** Sun Trust Bank Atlanta**Address:** XXXXX XX Parkway
Duluth, GA 30096**Address:** PO Box 4625, MC 0258
Atlanta, GA 30302**Telephone:** (770) XXX-XXXX**Telephone:** (800) 568-3476**Fax:** (770) XXX-XXXX**Fax:****Contact Person:** XXXXXXXXX**Contact Person:** Customer Relations**Title:** Senior VP & CFO**Web Address:** www.com**State of Inc.:** DE**Com. Stock O/S:** 72.3 million**FEI:** 56-XXXXXXX**Revenue:** \$2,922.7 million**SIC:****No. of Employees:** 11,300**Company Locations:** CA, GA, IA, IN, KS, ME, MN, ND, NJ, NY, PA, TX, VA, WI**Company Profile:**

XXXX is a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. The company is the third largest US farm equipment maker, and sells a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment and implements. The Company's products are widely recognized in the agricultural equipment industry and are marketed under the following brand names:

The Company distributes its products through a combination of approximately 8,200 independent dealers and distributors, associates and licensees. In addition, the Company provides retail financing in North America, the United Kingdom, France, Germany, Spain and Brazil.

Accounting Firm: KPMG**Additional Remarks:**

We do / do not wish to participate in this examination.

 Authorized Signature

SAMPLE AUTHORIZATION/ENGAGEMENT LETTER
(State Letterhead)

[Date}

[Individuals Name]
[Title]
[Company Name]
[Address]
[City, State, Zip]

Dear Mr. (Last Name);

The [Department] of the State of (the "State"), pursuant to authority granted to it under [Statute], has scheduled an examination of your books and records for the purpose of determining compliance with the Unclaimed Property Law. The examination of [Company] will include all relevant property subject to unclaimed property reporting under [Statute], and will involve the parent company, subsidiaries, divisions and affiliates.

The examination will be conducted by Audit Services (ASUS) as our authorized agent. ASUS has been directed to analyze all unclaimed property in order to determine that portion that should be subject to the custodianship of the State. A representative of ASUS will contact you to schedule a mutually convenient date to begin the review of your records. You will be advised of the records and personnel, and possible third parties, which need to be accessible for the examination. At the conclusion of the examination, please process all reportable unclaimed property records through ASUS.

The [Department] reserves the right to impose interest, penalties and examination costs permitted under the Law for failure to report or deliver abandoned property.

If you should have any questions, please contact Mr. Lee Hines, CPA, Director of Audits, Audit Services at (919) 772-7998.

Sincerely,

[Agency]
[Title]

The Audit Services System

Overview of Data Processing Environment & System Architecture

The Audit Services System provides the processing which produces client reports to state unclaimed property departments. Our processing software stands alone and is designed for the specific purpose of processing unclaimed property data for compliance reporting. As such we do not require interface with any other vendors or software in the course of providing our services. AUDIT SERVICES is located on a server in the New York office.

- **Importing Corporate Property Records**

AUDIT SERVICES has a dynamic import function that allows the mapping of fields on an imported file into the system. AUDIT SERVICES is compatible with data received in all standard electronic (spreadsheet or text file) formats.

We would ideally receive an electronic file of inactive/outstanding accounts and checks from each division or subsidiary entity of the Company for which we are auditing, processing and reporting, in either a MS Excel Worksheet (.xls), MS Access Database (.mdb), or ASCII Text File (.txt) format. The fields included in the data records will have been agreed upon during pre-implementation discussion. Data in hardcopy form or in nonstandard electronic formats typically requires our staff to directly enter or further convert the files before importation.

The file may be delivered to ASUS via 1.44 MB 3.5" disk, 100/250 MB Zip Disk, 650/700 MB CD, or email attachment, depending on file size and security considerations. ASUS is capable of receiving a file of any size via internet connectivity.

- **System Updates for State Compliance**

AUDIT SERVICES is constantly updated to meet changing state and corporate requirements. Our AUDIT SERVICES Data Analyst tracks all state documentation of reporting deadlines, property type and dormancy period data on an ongoing basis. ASUS maintains contact with all state unclaimed property administrators and will be advised of any new data requirements. Should there be an update in mandatory data requirements or reporting deadlines from a particular state, ASUS updates the system and informs the staff when the information is made

public. The time frame to comply with the new data request will vary depending on when ASUS receives the information. In the past, anticipated changes have normally been communicated by states on a timely basis.

AUDIT SERVICES Process Quality Control and Review

ASUS management is responsible for the development and maintenance of the AUDIT SERVICES System, maintenance of the internal network, and maintenance of applications essential to data processing, including updates of the operating system and applications ensuring security of client data. AUDIT SERVICES is fully protected from unauthorized access to state and corporate data residing on the system. ASUS has established a firewall between the system site servers and the Internet. Access to the ASUS local network and applications is likewise prevented by the lack of external connectivity. Security monitoring is therefore limited to monitoring internal access to the system and data. Internal access to the system and client state data is controlled and monitored by the ASUS network administrator. All data is archived separately and backed up on tape daily. Back-up tapes are stored off-site. In the event of a significant outage, system service will normally be restored within 24 hours.

All system implementation and maintenance is authorized by ASUS management and supervised by the ASUS processing administrator. In order to ensure accuracy, AUDIT SERVICES is tested thoroughly whenever an upgrade or fix is implemented. System tests may include both live and fabricated data testing procedures. All testing is done in-house at ASUS. No client state or third-party interaction for testing is necessary.

Periodic internal reviews include ad hoc reporting to client states and response to inquiries by holders and states to determine the consistency of the data archived with the data submitted. Environmental controls are evaluated regularly as a function of maintenance and improvement of the system.

It is ASUS policy never to share client data with anyone outside of ASUS unless explicitly instructed to do so by the client state.

Compliance Reporting on Required Forms

AUDIT SERVICES is compliant with the reporting requirements of all 50 states and 4 jurisdictions. Most states accept a common reporting format, known as NAUPA format, established in 1995. All States still accept a paper report on their own prescribed form but with limitations. Most states also accept reports in an electronic format. Some states (such as California and Oklahoma) have unique reporting and remittance requirements. AUDIT SERVICES automatically

produces the electronic and paper-reporting formats each state requires. ASUS provides the flexibility of reporting by multiple entities or reporting by the parent for multiple entities. When ASUS submits a report by the parent for multiple entities all entities covered by the report are identified to the states.

Sample

AUDIT_S. ES, U.S., LLC

WEST VIRGINIA WORK-IN-PROCESS REPORT AS OF 02/29/2012

FEIN	HOLDER NAME	ST INC	ST HQ	AUDIT APPROVAL	AUDIT CUT OFF	TYPE	COMMENT
550694814	FIRST COMMUNITY BANCSHARES INC MONROE FINANCIAL INC	NV	VA	10/18/2011	7/30/2011	MERGERS AND ACQUISITIONS	
550514707	GABRIEL BROTHERS INC	WV	WV	3/31/2010	12/31/2009	GENERAL LEDGER	
421249184	GATEWAY INC	DE	CA	11/20/2008	6/30/2008	GENERAL LEDGER	
770034661	INTUIT INC	DE	CA	9/01/2008	6/30/2008	GENERAL LEDGER	
135158950	ITT CORP ITT CORPORATION (OLD)	IN	NY	10/18/2011	7/30/2011	MERGERS AND ACQUISITIONS	



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
 STO12008

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

RFQ COPY

Audit Services, U.S., LLC
 212 West 35th Street
 Suite 1600
 New York, NY 10001

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		
<p>AUDITING SERVICES</p> <p>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.</p> <p>EXHIBIT 3</p> <p>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.</p> <p>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.</p> <p>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)</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>R. Terry Allen</i>	TELEPHONE (919) 469-8323	DATE 4/5/12
TITLE CEO	FEIN 31-1653187	ADDRESS CHANGES TO BE NOTED ABOVE

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



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 Department of Administration
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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>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>R. Terry Allen</i>	TELEPHONE (919) 469-8323	DATE 4/5/12
TITLE CEO	FEIN 31-1653187	ADDRESS CHANGES TO BE NOTED ABOVE

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

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>R. Terry Allen</i>	TELEPHONE (919) 469-8323	DATE 4/5/12
TITLE CEO	FEIN 31-1653187	ADDRESS CHANGES TO BE NOTED ABOVE

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LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
CONTACT PERSON (PLEASE PRINT CLEARLY): <i>R. Terry Allen</i> <i>(919) 469-8323</i>						
***** THIS IS THE END OF RFQ STO12008 ***** TOTAL:						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>R. Terry Allen</i>	TELEPHONE <i>(919) 469-8323</i>	DATE <i>4/5/12</i>
TITLE <i>CEO</i>	FEIN <i>31-1653187</i>	ADDRESS CHANGES TO BE NOTED ABOVE

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

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.

1
R. Terry Allen / CEO
 Printed Name

R. Terry Allen
 Authorized Signature

Audit Services, U.S., LLC

WEST VIRGINIA STATE TREASURER'S OFFICE
NON-EMPLOYEE
CONFIDENTIALITY / NON-DISCLOSURE AGREEMENT

I am the person (Recipient) named at the end of this Confidentiality / Non-Disclosure Agreement (Agreement), who may have access to information of the West Virginia State Treasurer's Office (STO) that may be considered confidential. I acknowledge and agree that:

1. Certain matters may be disclosed to me that should remain confidential or proprietary;
2. Confidential Data includes any information residing on STO Information Resources; all data, materials, products, technology, computer programs, specifications, manuals, business plans, records, software, financial information, and other information disclosed or submitted, orally, in writing, graphically, machine recognizable, or by any other media, to me that is stamped "confidential," "proprietary" or with a similar legend; or that I have been informed is Confidential Data or proprietary information;
3. Confidential Data does not include any data, information or device that is:
 - In my possession from another source without restrictions on use or disclosure;
 - Independently developed by me;
 - available without breach of this Agreement; or
 - produced or disclosed pursuant to applicable law, rule, regulation or court order;
4. I shall not disclose or use the Confidential Data in a manner in violation of this Agreement without the express written consent of the State Treasurer or Assistant State Treasurer;
5. I shall not disclose or use the Confidential Data in a manner that violates any law;
6. I will hold in strict confidence anything that is considered Confidential Data or proprietary within the meaning of this Agreement;
7. I shall not disclose to any person not specifically authorized to receive, have or view any Confidential Data or proprietary information;
8. disclosure or unauthorized use of any Confidential Data or proprietary information will cause irreparable harm and loss to the STO and may violate various laws of the State of West Virginia and the United States;
9. the STO may take whatever steps it considers appropriate to protect its Confidential Data, and in the event I disclose or use, or permit any disclosure or use of, any Confidential Data without authorization from the State Treasurer or Assistant State Treasurer, such steps may include termination of any agreement or arrangement under which I work;
10. I shall not use any Confidential Data as a basis upon which to develop or have another entity develop any product or service without the express written consent of the State Treasurer or Assistant State Treasurer; and
11. I will report, in writing, any unauthorized use or disclosure of the Confidential Data of which I become aware.

WITNESS THE FOLLOWING SIGNATURES:

(STO)

Signature: _____

Name: _____

Title: _____

Date: _____

(Recipient)

Signature: R. Terry Allen

Name: R. Terry Allen

Title: CEO

Date: 4/5/12

RFQ No. ST012008STATE 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 SIGNATUREVendor's Name: Audit Services, U.S., LLCAuthorized Signature: R. Terry Allen Date: 4/5/12State of North CarolinaCounty of Wake, to-wit:Taken, subscribed, and sworn to before me this 5 day of April, 2012My Commission expires 06-01-2013, 2013

NOTORY PUBLIC

Hannah M. Kow
Hannah M. Kow