

**Title: Response to West Virginia State Treasurer's Office, Unclaimed Property Division**

**RFQ: STO12008 Request For Quotations to provide Professional Auditing Services for the Audit of Unclaimed Property Holders**

Submitted by: Verus Financial LLC  
500 Chase Parkway  
Waterbury, CT 06708  
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Time & Date of Proposal Opening: April 26, 2012

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WV PURCHASING  
DIVISION

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**Attachment 2 – WVSTO RFQ Technical Proposal Form**

WVSTO RFQ Technical Proposal Form

RFQ# STO12008

Vendor Name: Verus Financial LLC

Address: 500 Chase Parkway

City: Waterbury State: CT ZIP: 06708

Date Proposal Submitted: 4 / 26 / 2012

Vendor FEIN: 26-1717497

Vendor E-mail Address: cmarshall@verusfinancial.com

Contact Person Name: Caroline Marshall Phone: (888) 308-3787

Addenda to the RFQ we have received and reviewed (list): No(s): 1 and 2

I. PROPOSAL SUBMISSION

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

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.

James E. Hartley, Jr.

Printed Name

Authorized Signature

**Title: Response to West Virginia State Treasurer's Office, Unclaimed Property Division**

**RFQ: STO12008 Request For Quotations to provide Professional Auditing Services for the Audit of Unclaimed Property Holders**

Submitted by: Verus Financial LLC  
500 Chase Parkway  
Waterbury, CT 06708  
Tel: (888) 30-VERUS  
Fax: (203) 574-5555  
E-mail: [jhartley@verusfinancial.com](mailto:jhartley@verusfinancial.com)

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**SECTION II – MISCELLANEOUS**

- Attachment A: Verus Financial Data & Information Security Overview
- Attachment B: Organizational Chart
- Attachment C: Resumes of Key Personnel

**Verus Financial LLC**  
Response to West Virginia RFQ STO12000

**Attachment 2 – WVSTO RFQ Technical Proposal Form**



## TECHNICAL PROPOSAL

### RESPONSE TO MANDATORY TECHNICAL CRITERIA & SPECIFICATIONS

#### 3.2 Organizational Requirements:

**3.2.1 Organization:** *The Vendor must be of sufficient size and organization to provide the Services required by the STO. Describe the Vendor, discussing organizational structure, size, ownership, experience and the Vendor's ability, capacity and qualifications for performing the services contemplated by this RFQ.*

#### 3.2.1 Vendor Response:

Verus Financial LLC ("Verus") is a privately-held limited liability corporation organized under the laws of the State of Connecticut in December of 2007. Verus was expressly established to provide services related to the identification and recovery of unclaimed property to state unclaimed property offices and divisions. Verus' mission is to conduct complex unclaimed property audits of national financial institutions, including insurance companies on behalf of Verus' client states. Verus is fully able to conduct examinations of companies in accordance with the terms of *West Virginia Unclaimed Property Act* (the "Act"), as set forth in *W. Va. Code* §36-8-1, *et seq.*, as called for by the Request for Qualifications for Professional Auditing Services for the Audit of Unclaimed Property Holders (the "RFQ").

At of the time of this submission, Verus has entered into contracts with forty two (42) states, representing over 87% percent of the overall population of the United States, to perform the same type of unclaimed property auditing services called for by this RFQ. Verus is conducting twenty-six (26) large scale general ledger audits on behalf of its client states. In general, the type of examination being performed by Verus is unique in that it is not seeking to quantify administrative or accounting errors that have left unreported property, but instead is currently investigating a long held practice at many insurers of not properly reporting an entire category of unclaimed property, namely death benefits. Two of our current examinations have been resolved through the negotiation of resolution agreements with holders which define the process for reporting overdue property found during the examination to the participating states. As of the time of this submission, significant amounts of unclaimed property have been reported to the participating states of one of these examinations. In addition, Verus has recently started the reconciliation and due diligence process for property reportable pursuant to the other signed agreement.

**3.2.2 Licenses:** *Vendor must be properly licensed and in good standing with all regulatory and governmental entities. Vendor must submit copies of all required business licenses, certificates and/or registrations upon request or as a matter of proof that it meets certain criteria in order to be considered responsive and responsible.*

#### 3.2.2 Vendor Response:

Verus Financial LLC understands and will submit any and all required business licenses, certificates, and/or registrations upon request.

**3.2.3 Location:** *Vendor must have a physical location within the United States of America and be authorized to conduct business in the State of West Virginia. All assets and data relating to the STO must be maintained in a facility located within the United States of America. Describe the physical location of the facility from which the Services will be provided and the nature of all business conducted from that facility.*

**3.2.3 Vendor Response:**

The headquarters of Verus Financial LLC are located at 500 Chase Parkway, Waterbury, Connecticut, 06708. Verus' headquarters would be the primary office for performance of all work under any contract awarded pursuant to this RFQ. Verus also maintains three branch offices in New York, Massachusetts, and California. All branches of Verus Financial LLC will be utilized for auditing companies for unreported unclaimed property on behalf of the West Virginia State Treasurer's Office and other state clients.

**3.2.4 Experience:** The Vendor must have experience in providing the Services required by the STO:

**3.2.4.1** *The Vendor must have experience in providing unclaimed property audit services. Please describe the Vendor's experience, including years of providing audit services and the nature of the Vendor's current customers and the types of industries in which it has auditing experience. Disclose and discuss any specialized audit or asset-locating policies and procedures related to unclaimed property audits.*

**3.2.4.1 Vendor Response:**

Verus is an unclaimed property auditing firm that was established expressly for the purpose of providing services related to the identification and recovery of unclaimed property to state unclaimed property offices and divisions. Verus has been performing complex general ledger audit on behalf of state clients since early 2009. Verus is currently conducting twenty-six (27) large scale general ledger audits on behalf of its client states.

In general, the type of examination being performed by Verus is unique in that it is not seeking to quantify administrative or accounting errors that have left unreported property, but instead is currently investigating a long held practice at many insurers of not properly reporting an entire category of unclaimed property, namely death benefits. Two of our current examinations have been resolved through the negotiation of resolution agreements with holders which define the process for reporting overdue property found during the examination to the participating states. As of the time of this submission, significant amounts of unclaimed property have been reported to the participating states of one of these examinations. In addition, Verus has recently started the reconciliation and due diligence process for property reportable pursuant to the other signed agreement.

Accordingly, Verus does not simply offer standard auditing services that may be applied to conduct ministerial reviews of records. Verus' audits are specifically designed to uncover practices that may be employed by holders to avoid reporting and delivering unclaimed property due to be remitted to West Virginia, and ensure that holders conduct themselves in compliance with the unclaimed property laws in the future. Additionally, Verus has the ability to conduct multiple examinations of holders simultaneously and can devote the resources of a team of highly experienced auditors.

Verus' mission is to conduct complex unclaimed property audits of national financial institutions, including insurance companies on behalf of Verus' client states. Verus examinations requires that Verus perform detailed legal analysis of company policies and procedures surrounding unclaimed property identification and reporting, as well as returned mail, external searches, and death claim processing. Often, this has required the review of thousands of pages of holder documentation as well as the issuance of follow-up questions to clarify the operation of the procedures, and performed in-person procedural walkthroughs and/or interviews with company employees to understand the practical application of those policies.

Unlike many other unclaimed property audits that only review a sample or subset of the holder's data, Verus is performing a detailed analysis of the full data sets from the holder's systems to determine if any unreported unclaimed property is held within these systems. This commonly involves the receipt, review, and processing of several millions of records per holder. In addition, Verus performs testing on holder systems to ensure the validity of the data received and requests full backup paperwork on a sample set of customer files to again test the accuracy and validity of the data provided by the Holder.

As part of its process, Verus performs detailed legal analysis of company policies and procedures surrounding unclaimed property identification and reporting, as well as returned mail, external searches, and death claim processing. Often, this has required the review of thousands of pages of holder documentation as well as the issuance of follow-up questions to clarify the operation of the procedures, and perform in-person procedural walkthroughs and/or interviews with company employees to understand the practical application of those policies.

Further, in conjunction with the investigative skills of its key personnel, Verus has developed a highly sophisticated patent-pending, multi-functional computing system that enables it to analyze existing data regarding holders in order to identify large amounts of unclaimed property reasonably believed to be in the holders' possession even before an examination is begun and, thereafter, confirm the amount of unclaimed property due to be remitted to the West Virginia State Treasurer's Office through appropriate audit procedures and an on-site review of the electronic and paper files of the holders.

As a result, Verus believes that it will be able to expeditiously identify and recover substantial amounts of unclaimed property from holders in a manner that is unmatched by other unclaimed property auditors.

**3.2.4.2** *The Vendor must have experience in working with state governments.*

- a. *List separately, all engagements for the State of West Virginia within the last five (5) years, ranked on the basis of total staff hours, by type of engagement. For each engagement, the Vendor should indicate the scope of work, date, engagement partners or directors, total hours, the location of the Vendor's office(s) from which the engagement was performed, and the name and telephone number of the principal client contact.*

**3.2.4.2.a Vendor Response:**

Verus is currently auditing one company for the West Virginia State Treasurer's Office. Verus and the West Virginia State Treasurer's Office signed a sole source contract in January 2012 for an examination John Hancock. Verus' examination of John Hancock is a multi-state engagement that began in 2009. Since that time, Verus has conducted approximately nine thousand hours have been expended in the auditing, examination, negotiation, and delivery of property to the states participating in the examination. All four Verus offices are being utilized in the ongoing examination.

The engagement partners and supervisory staff at Verus utilized in our performance of the current West Virginia contract are the same as those outlined in Section 3.3.2 of our response below.

The principal contact at West Virginia for our engagement is:

Carolyn Atkinson, Esq., Deputy Treasurer for Unclaimed Property  
(304) 341-0703

- b. *List separately similar engagements with other government entities. The Vendor should list the most significant engagements (maximum of five) performed in the last five (5) years that are similar to the engagement described in this RFQ. These engagements should be ranked on the basis of total staff hours. Indicate the scope of the work, date, engagement partners or directors, total hours (if applicable) and the name and telephone number of the principal client contact.*

**3.2.4.2.b Vendor Response:**

During the last five years, Verus has had the following engagements with state clients to perform services similar to those described in the RFQ:

**Massachusetts Office of the State Treasurer**

Scope of Work: *See detail below.*  
Date(s) of Engagement: April 2008 - Present  
Total Hours: *See detail below.*  
Principal Contact: Mark William Bracken, J.D., Assistant Treasurer  
Principal Contact Phone: 617.367.9333 ext.421

**California State Controller's Office**

Scope of Work: *See detail below.*  
Date(s) of Engagement: June 1, 2008 - Present  
Total Hours: *See detail below.*  
Principal Contact: Elizabeth González, Audit Manager  
Principal Contact Phone: 916.324.0622

**New Jersey Department of the Treasury**

Scope of Work: *See detail below.*  
Date(s) of Engagement: August 28, 2008 - Present  
Total Hours: *See detail below.*  
Principal Contact: Steve Harris, Administrator, Unclaimed Property  
Principal Contact Phone: 609.777.4655

**Commonwealth of Pennsylvania, Treasury Department**

Scope of Work: *See detail below.*  
Date(s) of Engagement: June 17, 2008 - Present  
Total Hours: *See detail below.*  
Principal Contact: Jack Stollsteimer, Esq., Director, Bureau of Unclaimed  
Property  
Principal Contact Phone: 717.705.2769

**Treasurer of the State of Illinois**

Scope of Work: *See detail below.*  
Date(s) of Engagement: September 5, 2008 - Present  
Total Hours: *See detail below.*  
Principal Contact: James Mann, Reporting and Research Analyst, Unclaimed  
Property Division  
Principal Contact Phone: 312.814.1233

In total, Verus currently has contracts with forty-two (42) state entities to perform services similar to those required in this RFQ. With regard to the Scope of Work and Total Hours outlined above, Verus conducts all of its examinations on behalf of multiple states at one time. Due to confidentiality agreements, Verus can not disclose specifics regarding examinations for which a state is not a participant, including the specific examinations authorized by each state. In total, Verus is currently conducting twenty-six (26) multi-state examinations and these examinations have required tens of thousands of man hours on Verus' behalf since their inception in early 2008.

**3.2.5 Quality Control Review; litigation:** *The Vendor must have favorable quality control reviews for its work. The Vendor's external quality control review contents should provide either a positive or a non-negative review of the Vendor. Desk reviews or field reviews of the Vendor and litigation must not reflect poorly on the work of the Vendor. Provide all quality control reviews of the Vendor's work for the past two (2) years.*

**3.2.5 Vendor Response:**

With regard to security and internal controls, Verus adheres to the ISO 27001/27002 security standards, which we believe are a more appropriate set of standards for an organization of our size. Please see the Verus Data and Information Security Overview (*Attachment A*), for an outline of the security measures implemented by Verus to comply with these security standards and which display Verus' quality control mechanisms.

Verus has not had any desk or field reviews of its work or been the subject of any litigation in the previous two years. In addition, Verus is currently in the process of having a SSAE 16 audit of its internal controls performed.

**3.2.6 References:** *The Vendor must have satisfactory references. Please provide the names of at least three (3) references from governmental agencies which administer unclaimed property programs. The references must show that the Vendor has previously conducted unclaimed property audits in a competent and professional manner, or must otherwise demonstrate the ability of the Vendor to perform the Services specified in this RFQ. If a subcontractor or primary Vendor quotation is made the Vendor should provide one (1) client reference for each of the parties involved. The Vendor must provide the name and telephone number of each contact person for each of the clients specified. All or none of these clients may be contacted by members of the evaluation committee to determine the ability of the Vendor and the level of satisfaction with the Vendor. The STO reserves the right to contact any person or entity it believes prudent and to inquire about the Vendor.*

**3.2.6 Vendor Response:**

The following is reference information for three of the states that Verus has contracted with to perform unclaimed property auditing services. Each of the following states have contract with Verus to perform services similar to those called for by the RFQ since 2008 and may be contacted to verify Verus' ability to perform the services:

Client Name: ***Office of the Massachusetts State Treasurer***  
Contact Person: Mark William Bracken, Assistant Treasurer, Abandoned Property Division  
(617) 367-3900 X 421  
Office of the State Treasurer/Abandoned Property Division  
One Ashburton Place, 12th Floor  
Boston, MA 02108  
[mwbracken@tre.state.ma.us](mailto:mwbracken@tre.state.ma.us)

Client Name: ***Michigan Department of Treasury***  
Contact Person: Gonzalo Llano, Administrator, Unclaimed Property Division  
(517) 636-5307  
Department of Treasury  
7285 Parsons Drive  
Dimondale, Michigan 48821  
[LlanoG@michigan.gov](mailto:LlanoG@michigan.gov)

Client: ***Texas Comptroller of Public Accounts***  
Contact Person: Mark Land, Project Manager, Audit Division  
(512) 463-2404 (phone)  
Texas Comptroller of Public Accounts  
1700 N. Congress, SFA Building, Room 300  
Austin, TX 78711  
[mark.land@cpa.state.tx.us](mailto:mark.land@cpa.state.tx.us)

### 3.3 Staff Qualifications:

*3.3.1 Experienced Staff: The Vendor must provide experienced staff. All personnel assigned to examinations for the STO must have at least one (1) year of auditing experience in unclaimed property auditing. Include the names and contact information of the specific staff to be assigned to the STO contract. Please submit as much additional information as possible regarding each staff member, including their qualifications, experience and training, relevant continuing professional education and any other pertinent information, such as in a Resume format. Include information such as whether any personnel available for the engagement have articles published in professional journals, conduct or teach seminars, conferences, college-level courses, etc., or sit on professional accounting firms, auditing boards or committees.*

#### 3.3.1 Vendor Response:

Verus currently has thirty-seven professional employees operating nationally in its four state offices. In performing the services called for by this RFQ, Verus would be utilizing employees from all four locations and from each level of the organization to conduct services outlined in the RFQ. Verus has provided an organizational chart as **Attachment B** and resumes of the key personnel providing the services called for by this RFQ as **Attachment C**.

The personnel of Verus have a wealth of experience that may be brought to bear in the examination process and which unquestionably qualifies them to provide the services called for by this RFQ. This experience includes unparalleled forensic accounting, auditing, and investigative skills, technical proficiency in developing and maintaining large volumes of data, as well as legal expertise and practical skills in dealing and negotiating with a variety of large and small companies in the litigation and regulatory context.

The audit personnel of Verus have decades of combined experience in identifying, auditing, and processing reports of unclaimed property. Verus employees have aided holders in determining appropriate application of states' dormancy criteria, reviewed accounting documentation to determine unclaimed property reporting liabilities and advised holders on all issues regarding abandoned property compliance and reporting requirements. Verus' experience ranges from providing services on behalf of unclaimed property auditing firms to providing services on behalf of financial service firms advising holders of their requirements under unclaimed property laws.

Our personnel also have decades of cumulative experience working directly in unclaimed property transfer agent services or securities divisions. This experience has involved reviewing millions of shareholder records on behalf of client states, analyzing demutualization terms, and managing unclaimed property securities departments. Employees of Verus have experience reviewing the records of transfer agents and brokerage houses in positions at both unclaimed property auditing firms and financial services firms advising transfer agents and brokerage houses of their requirements under unclaimed property laws.

Additionally, Verus personnel have experience with securities and mutual funds, including decades of diverse experience having collectively conducted hundreds of examinations, including examinations which address financial investments and securities and over fifty years of experience reviewing records of transfer agents or brokerage houses.

The Verus legal staff is responsible for interpreting state law and case law for the examination staff, and providing any additional legal support. Verus' legal staff has performed extensive research of the unclaimed property laws of all fifty states, including West Virginia. As previously stated, our legal and audit staff possess in-depth knowledge of West Virginia Unclaimed Property Act (the "Act"), as set forth in W. Va. Code §36-8-1, et seq., relevant court holdings, including 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 rules and regulations applicable to unclaimed property examination.

In sum, Verus has the experience to perform the requested services, including the identification of unclaimed property in the possession of holders, and the examination, processing, collection, reporting and delivery of such property to West Virginia.

**3.3.2 Partner & Supervisory Qualifications:** *The Vendor must identify all principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the audit engagements. Provide the address, e-mail address, telephone number and fax number for each person who will be providing Services to the STO as required by this RFQ.*

**3.3.2 Vendor Response:**

The description of the background and qualifications of the principal Verus employees who will be responsible for overseeing all of the services performed for West Virginia under any contract awarded pursuant to this RFQ has been provided as **Attachment B** to our response.

The e-mail addresses of these employees are as follows:

James Hartley, Jr., [jhartley@verusfinancial.com](mailto:jhartley@verusfinancial.com)  
Jeffrey Drubner, [jdrubner@verusfinancial.com](mailto:jdrubner@verusfinancial.com)  
Charles Hellman, [chellman@verusfinancial.com](mailto:chellman@verusfinancial.com)  
Caroline Marshall, [cmarshall@verusfinancial.com](mailto:cmarshall@verusfinancial.com)  
James DeAngelis, [jdeangelis@verusfinancial.com](mailto:jdeangelis@verusfinancial.com)  
Peter Lee, [plee@verusfinancial.com](mailto:plee@verusfinancial.com)  
Edward Hall, [ehall@verusfinancial.com](mailto:ehall@verusfinancial.com)  
Steven Haley, [shaley@verusfinancial.com](mailto:shaley@verusfinancial.com)  
Joseph Marcelonis, [jmarcelonis@verusfinancial.com](mailto:jmarcelonis@verusfinancial.com)

All principal employees outlined above can be reached at the following address, phone, and fax number:

**Address:**

Verus Financial LLC  
500 Chase Parkway  
Waterbury, CT 06708

**Phone:** (888) 308-3787

**Fax:** (203) 574-5555



**3.3.3 Contract Manager:** *The Vendor must provide a Contract Manager for the project. The dedicated Contract Manager must have experience in providing audit services and must be the main point of contact for any contract issue. The Vendor must specify in its proposal the name of the Contract Manager and provide his or her address, e-mail address, telephone number and fax number. If it becomes necessary for the Vendor to change the Contract Manager, the Vendor must notify the STO immediately. The replacement must have similar or more experience than the original Contract Manager. The STO reserves the right to approve any replacement at the time of the contract award or thereafter.*

**3.3.3 Vendor Response:**

Caroline Marshall, General Counsel, is the Contract Manager for this project. Verus will contact the West Virginia State Treasurer's Office immediately to notify the office of any change in the Contract Manager.

Caroline Marshall  
General Counsel  
500 Chase Parkway  
Waterbury, CT 06708  
(888)-308-3787 (phone)  
(203) 574-5555 (fax)  
[cmarshall@verusfinancial.com](mailto:cmarshall@verusfinancial.com)

**3.3.4 Project Team:** *The Vendor must provide experienced staff which will be a part of the Project Team that will implement the Services required by this RFQ. The Project Team members will include staff from the STO Unclaimed Property Division and other suggested STO staff, and members assigned by the Vendor. Specify the Vendor's members to the Project Team, their qualifications and experience, and organizational structure for this project.*

**3.3.4 Vendor Response:**

The key personnel outlined in section 3.3.2 of our response would be members of the Project Team. The organizational structure for Verus' portion of the project is outlined in the organizational chart included as **Attachment C**. The qualifications and experience of these individuals are outlined in the resumes included as **Attachment B**.

**3.3.5 Continuation of Quality Staff:** *The Vendor must indicate how the quality of staff over the term of the agreement would be assured. Engagement partners, managers, other supervisory staff and specialists may need to be changed if those personnel leave the Vendor, are promoted or are assigned to another office. These personnel may also be changed for these or other reasons with the express prior written permission of the STO. However, in either case, the STO must be informed in writing of these changes and retain the right to approve or reject replacements based upon their qualifications, experience, or performance. Other personnel may be changed at the discretion of the Vendor provided that replacements have substantially the same or better qualification or experience.*

**3.3.5 Vendor Response:**

Verus has a robust interview and vetting process for prospective employees, selecting only individuals with the utmost qualifications and ethical integrity for positions. If at any time there is an addition or change to either the management or project teams as outlined, Verus will

notify the West Virginia State Treasurer's Office regarding the proposed change and outline the qualifications and experience of the individual in question.

**3.3.6 Subcontractors:** *The Vendor must disclose any potential subcontractor in its proposal to the RFQ. In the event the Vendor proposes providing the required Services through a subcontractor, the proposal must include the name, address, contact information, experience and staff qualifications of the potential subcontractor. The STO must approve any proposed subcontractor prior to entering into any agreement with the Vendor. A proposal that includes Services provided by a Subcontractor is not considered a joint bid. The STO will consider the Vendor to be the sole point of contact with regard to all contractual matters. The Vendor is solely responsible and liable for payment of all financial matters in connection with its employees, contractors and subcontractors.*

**3.3.6 Vendor Response:**

Verus provides all-encompassing unclaimed property audit services and that requires neither subcontractors nor outside experts to identify, collect, report or remit unclaimed property. Consequently, Verus has not entered into any agreements with subcontractors, affiliates, transfer agents, or joint ventures. In the event a subcontractor is engaged, the West Virginia State Treasurer's Office will be notified of said subcontractor and services the subcontractor will provide.

**3.4 Specific Work Plan - Audits:**

*The Vendor must set forth a work plan for the audit, including an explanation for the methodology to be followed. Describe how the partner-in-charge will take an active role in the audit to ensure that individuals with necessary experience and expertise will be assigned to the audit at the appropriate point to ensure timely completion. The work plan must include the approach the Vendor will take during an initial demographic or on-site review, for determining the number of hours that an audit is likely to take. The work plan must identify and describe any potential problems in performing all services described in this RFQ, the Vendor's approach to resolving these problems and any special assistance that will be requested of the Division. Discuss any specialized methodologies used by the Vendor in unclaimed property audits.*

**3.4 Vendor Response:**

Verus has developed technical expertise and specialization in the realm of unclaimed property auditing. Verus does not simply offer standard auditing services that may be applied to conduct typical accounting reviews of records. Rather, Verus is qualified to conduct complex forensic investigations of holders. Verus' audits are specifically designed to uncover practices that may be employed by holders to avoid reporting and delivering unclaimed property due to be remitted to West Virginia, and ensure that holders conduct themselves in compliance with the unclaimed property laws in the future. Additionally, Verus has the ability to conduct multiple examinations of holders simultaneously and can devote the resources of a team of highly experienced auditors.

Verus has engaged in extensive research and analysis of the unclaimed property laws of the various states, including West Virginia. Verus' legal personnel have conducted a careful review of West Virginia's unclaimed property statutes, rules, and regulations and have gained a thorough understanding of the requirements contained therein. These statutes, rules and regulations have been fully integrated into Verus' computing system and procedures relevant to the services to be provided pursuant to this RFQ. As a result, in conducting examinations on behalf of the West Virginia State Treasurer's Office, Verus has developed the requisite

knowledge and has the appropriate personnel to ensure that all of its processes are fully compliant with applicable West Virginia unclaimed property law and to provide the full scope of services called for by the RFQ.

Verus has fully read and informed itself of the requirements set forth in the Scope of Services, and agrees to comply with these requirements in carrying out the services called for by this RFQ. Following is an outline of the audit procedures that Verus would use in carrying out the Scope of Services for the State of West Virginia.

### *Approach*

Verus has developed detailed work plans and audit procedures to be used in conducting examinations in connection with any contract awarded pursuant to this RFQ. Verus' plans and procedures enable it to audit and process records of unclaimed property obtained from holders and/or their agents, prepare and submit unclaimed property reports in the appropriate format, demand that holders and/or their agents deliver all unclaimed property determined to be owed under West Virginia law, and ensure that such property is forwarded to the State of West Virginia or its designee within the required timeframe.

Verus' policies are designed to ensure that all audits are conducted in a timely manner. After working with the West Virginia State Treasurer's Office to identify holders believed to be in possession of unclaimed property due to the state and obtaining written authorization from the state to proceed with an audit, Verus shall take steps to begin the examination as soon as practicable. Verus' key personnel have significant experience dealing with entities in successfully resolving any disputes that may arise in connection with conducting the examinations contemplated by the RFQ. As a result, Verus has the ability to engage in the necessary negotiations to obtain holders' cooperation to commence the audit process and address any disputes at any point in the audit process. Finally, Verus has undertaken appropriate measures to ensure that all information obtained in connection with the audit and reporting process is kept confidential and only authorized personnel have access to this information for appropriate purposes. In this regard, Verus applies industry-leading controls to protect unauthorized access to data, to eliminate internal and external threats and identify and proactively prevent system security breaches.

### *Procedures*

The following is a brief outline of the processes that Verus shall follow in providing services called for by this RFQ:

- *Pre-Examination Analysis* – Verus shall work with the West Virginia State Treasurer's Office to identify holders whose records are to be examined and the appropriate methods to be used in conducting the examinations.
- *Notice of Intent to Examine* – After obtaining written authorization from the State Treasurer's Office, Verus shall provide notice to each holder that it has been selected to have its records examined pursuant to West Virginia's unclaimed property laws.

- *Initial Meeting with Holder* – Verus will schedule an opening meeting between the holder subject to examination and Verus to discuss the examination procedures and document production requirements. The meeting shall be followed by a letter further outlining the scope of the procedures to be followed in connection with the examination.
- *Examination of Records* – Verus shall analyze and review the holders' records to determine the type and amount of unclaimed property in the holders' possession due to be remitted to the State.
- *Priority of Escheatment* -- In processing records of holders of unclaimed property, making findings in connection with the review of such records, and making demands for payment of unclaimed property, Verus shall adhere to the holdings of the applicable West Virginia statutes and regulations and any federal legislation regarding which state has the right to escheat property.
- *Monthly Reports* – Verus shall provide monthly reports detailing the status of all examinations assigned, work in progress, and examinations completed.
- *Due Diligence Requirements* – Verus shall inform holders of their statutory obligations to notify owners of unclaimed property and ensure that the holders have complied with all due diligence requirements before property is deemed unclaimed and delivered to the State.
- *Closing Meeting* – At the conclusion of the examination, Verus shall provide the holder with a written audit report informing the holder of the amount of unclaimed property that has been identified as due to be remitted to the State of West Virginia and demand that it be delivered. Verus shall meet with the holder to reconcile the report to be filed with the State prior to the delivery of the property demanded. Further, upon completion of the initial examination of the holder's records, Verus shall instruct holder, or their agent, in writing to complete all future due diligence and to file all future reports directly with the State. Verus shall meet with the holder and/or its agents to go over the reporting requirements to ensure that the holder fully understands its reporting obligations on a going-forward basis.
- *Issuance of Final Report* – A final report detailing the findings, quantifying the aggregate dollar amount due along with the detailed breakdown of individual unclaimed property, and the methodology for determining the amount of unclaimed property in the holder's possession will be submitted to the West Virginia State Treasurer's Office. A release and indemnity agreement will accompany the final report.
- *Delivery of Property* – Verus shall ensure that holders deliver the unclaimed property identified during the review process and included in the report for remittance to the State. Verus shall make a demand from the holders and/or their agents of property for delivery

of the property and any payment of interest and/or penalty deemed owing under the State's unclaimed property law.

- *Uncooperative Holders* -- In the event that a holder is unwilling to provide appropriate access to its records, is uncooperative in an ongoing audit or refuses to remit payable property identified by the audit, Verus shall engage the holder in a process designed to identify the precise nature of the holder's reasons for its unwillingness to cooperate and try to resolve any legitimate concerns that the holder may have regarding the examination process. Verus believes that through this process, it will be able to obtain the holders' cooperation. However, in the event that Verus is unsuccessful, it shall provide the State with written notification within 30 days of a holder's refusal to remit records to be reviewed or a holder's failure or refusal to report or deliver unclaimed property. Verus shall not initiate any further action unless advised otherwise in writing by the State.

#### ***Identification***

Verus shall work with the West Virginia State Treasurer's Office to identify holders whose records are to be examined and the appropriate methods to be used in conducting the examinations. In connection with this process, Verus shall review any reports previously filed by particular holders and/or analyze available data regarding these holders to determine whether there is reason to believe that they are in possession of unclaimed property due to be remitted to the State. Subject to the State's approval, examinations may be undertaken on behalf of the State of West Virginia alone or in conjunction with one or more other states with similar unclaimed property laws.

#### ***Examination of Records***

As soon as practicable, Verus shall commence the examination following the agreed upon procedures. During the examination, Verus shall analyze and review the holders' records to determine the type and amount of unclaimed property in the holders' possession due to be remitted to the State. It is anticipated that holder records will be in various storage media including paper, TIFF images, microfiche and electronic data, among others. An initial assessment of the state of the required documents and the quality of the information will be undertaken during the initial meeting. All data received will be catalogued, coded and indexed. Depending upon the volume of paper, TIFF or microfiche data, it may be necessary to convert the provided data to an electronic format by means of scanning, imaging, optical character recognition, and manual coding prior to the substantive analysis.

#### ***Reporting***

A final report detailing the findings, quantifying the aggregate dollar amount due along with the detailed breakdown of individual unclaimed property, and the methodology for determining the amount of unclaimed property in the holder's possession will be submitted to the West Virginia State Treasurer's Office. The final report shall be submitted in electronic format conforming to the NAUPA standard or any other format specified by the Department.

### ***Collection and Delivery***

If awarded a contract pursuant to this RFQ, Verus shall seek to bring holders into compliance with the West Virginia Unclaimed Property Act and all applicable federal legislation and court rulings: (1) examining holders to ensure past compliance, and; (2) including, as part of its examination processes, reviewing with holders and/or their agents the applicable unclaimed property laws and reporting requirements to ensure that holders fully understand their obligations going forward.

Verus shall ensure that holders deliver the unclaimed property identified during the review process and included in the report for remittance to the State. Verus shall make a demand from the holders and/or their agents of property for delivery to the Contractor the property and payment of penalty deemed owing under the State's unclaimed property law.

### ***Quality Control***

Verus audits are conducted under Generally Accepted Government Auditing Standards (GAGAS), as authored by the U.S. Government Accountability Office and which incorporates the A.I.C.P.A. and GAAS standards for fieldwork, ethical standards and reporting as well as Statements on Auditing Standards. Verus' auditors apply GAAP and GAAS in the identification, collection and delivery of unclaimed property, as well as any examination/auditing procedures promulgated under state and federal laws. Each of these standards incorporate strict ethical standards and Verus staff will adhere to these ethical standards during the course of any examination conducted on behalf of the West Virginia State Treasurer's Office.

#### **3.5 Conflicts:**

*The Vendor must have no conflict of interest with regard to any other work performed by the Vendor for the State of West Virginia, the STO or any other agency, board or commission thereof.*

#### **3.5 Vendor Response:**

Verus does not currently perform any other work on behalf of the West Virginia State Treasurer's Office except services that are the same as those called for within this RFQ. Furthermore, Verus does not have a relationship with any holder, holder's agents, firms, individuals, or subsidiaries that could benefit from Verus providing services as outlined within this RFQ.

Verus does not have any agreements nor will Verus engage in any agreements that entitles holders, holder's agents, firms, individuals, or subsidiaries a portion of fees paid to Verus. With Verus, a state client can be confident that Verus is working exclusively for the state and its citizens and that Verus has no conflicts of interest whatsoever.

#### **3.6 Services:**

*The Vendor must be able to conduct the work necessary to prepare various reports required by the STO and, if needed, to assist Holders in the preparation of the reports as outlined in the following subsections:*

**3.6.1 Audits:** *The Vendor must be able to conduct audits as required by the STO. The Vendor shall undertake to determine, report, and collect all types of unclaimed property in the possession of the Holder, within the scope of the audit. It shall be the Vendor's responsibility to review the records of such Holders of unclaimed property to determine if all property within the scope of the audit, held for owners with a last*

*known address in West Virginia, or in the absence of records of owner names, where the Holder is domiciled in West Virginia, has been reported and remitted to the State. A list of property types and their applicable abandonment periods is attached as Exhibit B.*

**3.6.2 Involuntary Examinations:** *The Vendor must conduct assigned involuntary examinations. The STO will assign Holders to Vendors for involuntary examination. Vendor must obtain an examination authorization letter from the STO prior to commencing any involuntary examination. Should the Vendor believe that it cannot conduct an assigned examination due to a conflict of interest or other such reason, Vendor shall notify the STO of the conflict within thirty (30) days of receiving the assignment from the STO. The STO has the final and sole authority to determine who, if anyone, will conduct an involuntary examination of Holders. All unclaimed property funds or securities submitted by the Vendor or the Holder pursuant to an involuntary examination conducted without prior written approval from the STO shall be received by the STO without compensation to the Vendor.*

**3.6.3 Voluntary Examinations:** *The Vendor must conduct voluntary examinations of Holders as required by the STO. The Vendor shall be permitted to solicit Holders that are organized or incorporated in West Virginia and/or other states to enter into voluntary examination agreements. Prior to commencing an examination pursuant to a voluntary agreement, the Vendor must obtain an examination authorization agreement from the Holder. The agreement must specify the scope of the examination. The Vendor must provide a copy of the agreement to the STO. The Vendor must actually examine the Holders' records to determine the Holders' compliance with the Act, not merely accept the Holders' representations and records as to unclaimed property believed to be held or owing. The Vendor shall not solicit a Holder to enter into a voluntary examination agreement in regard to Holder's unclaimed funds reporting liability if:*

*3.6.3.1 The Holder is under an involuntary examination being conducted by any Vendor on behalf of and at the initiation of the STO, or if the Vendor has been notified that such an examination is being conducted by another Vendor on behalf of and at the initiation of the STO; or*

*3.6.3.2 The Vendor has been notified in writing by the STO that an examination of the Holder is planned; or*

*3.6.3.3 The Holder has been contacted within the scope of the STO's Desk Audit program.*

### **3.6 and 3.6.1 to 3.6.3 Vendor Response:**

Verus understands and will comply in accordance with the Work Plan provided in response to section 3.4.

### **3.7 Timeframe:**

*The Vendor must comply with timeframes established by the STO. The Vendor shall schedule an assigned unclaimed property examination at a time mutually agreeable with the Holder; however, the examination shall commence no later than ninety (90) days after the notification to the Vendor of the assignment of the examination, except on a showing of good cause. The Vendor must complete the examination and submit the report to the STO within one (1) year of the assignment of the examination, unless the Vendor receives a written extension from the STO.*

### **3.7 Vendor Response:**

Verus understands and will comply.

**3.8 Notices:**

*The Vendor must comply with the notice requirements of the STO and applicable State law. The Vendor shall advise each Holder of the requirements of W. Va. Code §36-8-7 for notifying owners of their property ("Due Diligence Requirements"). The Vendor shall notify the STO if Due Diligence has not been carried out by a Holder.*

**3.8 Vendor Response:**

Verus understands and will comply.

**3.9 Act Requirements:**

*The Vendor must have a working knowledge and familiarity with the requirement of the Act so as to properly advise Holders of their obligations there under. The Vendor shall advise Holders that all property reported and remitted must conform to the requirements of the Act. Holders are not exempt from any section of the Act, including but not limited to W. Va. Code §36-8-24, which grants the STO the authority to charge penalties and interest to delinquent Holders. The Vendor shall not represent to Holders that penalties and interest will be waived without written authorization from the STO.*

**3.9 Vendor Response:**

Verus understands and will comply. Verus has engaged in extensive research and analysis of the unclaimed property laws of the various states, including West Virginia. Verus' legal personnel have conducted a careful review of West Virginia's unclaimed property statutes, rules, and regulations and have gained a thorough understanding of the requirements contained therein. These statutes, rules and regulations have been fully integrated into Verus' systems and procedures relevant to the services to be provided pursuant to this RFQ. As a result, in conducting examinations on behalf of the West Virginia State Treasurer's Office, Verus has developed the requisite knowledge and has the appropriate personnel to ensure that all of its processes are fully compliant with applicable West Virginia unclaimed property law and to provide the full scope of services called for by the RFQ. Verus ensures that each holder under examination is aware of participating state laws and protocols regarding penalties and interest as set forth under each state law.

**3.10 Demands for Remittance:**

*The Vendor must be able to demand and accept remittances of unclaimed property from Holders. Unless otherwise authorized by the STO, the Vendor shall not make a demand of a Holder for remittance of property to the STO until such time as the Holder and the Vendor reconcile and agree upon the report to be filed with the STO. In the event the Vendor and Holder do not agree upon the report to be filed, the STO shall decide the matter.*

**3.10 Vendor Response:**

Verus understands and will comply.

**3.11 Out-of-Proof Reports:**

*The Vendor must be able to recognize and handle out-of-proof reports. Out-of-proof reports are those in which inaccurate records keeping results in more accounts listed in the report than actual accounts exist, for which property is remitted to the STO. Vendor shall inform the Holder that out-of-proof reports will only be accepted if the Holder pro-rates the report prior to submittal to the STO, and only if allocated for each individual owner, in order to reconcile to the actual dollar and/or share amount submitted to the STO.*



*Out-of-proof reports will only be accepted with written assurances by Holders that should all owners come forward, Holder will provide the balance due.*

**3.11 Vendor Response:**

Verus understands and will comply in accordance with the Work Plan provided in response to section 3.4.

**3.12 Closure:**

*The Vendor must be able to properly close an audit or engagement. After the Holder and the Vendor have agreed to the amount deliverable, the Vendor will provide the Holder and the STO with a final examination report summarizing the procedures performed and the conclusions reached, including the amount deliverable. The content and format of the report shall be in the manner prescribed by the STO. The Vendor's working papers will be subject to the STO's review. The STO will notify the Holder of any interest or penalties assessed on delinquent property.*

**3.12 Vendor Response:**

Verus understands and will comply in accordance with the Work Plan provided in response to section 3.4.

**3.13 Dispute Resolution:**

*The Vendor must be able to assist in dispute resolution. In the event the Vendor and the Holder are unable to reach an agreement as to the terms of the Vendor's final examination report, the Holder may file an administrative appeal with the STO. In order to initiate the appeal process, the Holder must submit the appeal form or a letter containing the information referenced below and return it to the STO's Assistant Director of Unclaimed Property within twenty (20) days of filing the Holder's initial response to the Vendor's draft report. Otherwise, the Holder will be presumed to have agreed to the terms of the draft report.*

**3.13.1** *The appeal must contain the following information:*

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

**3.13.2** *The STO staff will review the appeal and work with the Holder to resolve issues. For issues which are not resolvable at the Division level, the Treasurer or his or her designated agent will review the appeal. If the Holder has requested a hearing, the Treasurer or the designated agent will schedule a hearing, to be conducted in accordance with the provisions of the West Virginia Administrative Procedures Act. The Treasurer or the designated agent may also contact the Holder or any other entity he or she considers necessary to reach a decision.*

*3.13.3 The Treasurer will issue a written decision to the Holder and the Vendor. The decision will include findings of fact and conclusions of law.*

*3.13.4 Upon receipt of the Treasurer's decision, the Vendor must incorporate the terms of the decision in its final examination report, and must provide the report to the Treasurer and to the Holder.*

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

*3.13.6 Any party adversely affected by the Treasurer's decision is entitled to judicial review thereof under the provisions of the West Virginia Administrative Procedures Act.*

**3.13 and 3.13.1 to 3.13.6 Vendor Response:**

Verus understands and will comply.

**3.14 Reporting:**

*In conjunction with the identification and collection of unclaimed property, in either voluntary or involuntary examinations, the Vendor must:*

*3.14.1 Audit and process records of unclaimed property obtained from Holders and/or their agents;*

*3.14.2 Prepare and submit to the STO reports of unclaimed property in accordance with the requirements of the Act & corresponding legislative rule, 112 CSR 5;*

*3.14.3 Demand Holders and/or their agents deliver to the Vendor the property deemed owing under the Act and corresponding legislative rule, 112 CSR 5. All securities delivered to the Vendor (other than bearer securities) shall be properly endorsed and in form for transfer. The Vendor is responsible for determining if the endorsement is in the proper form for transfer; and*

*3.14.4 Collect and forward the unclaimed property to the STO or its designee.*

**3.14 and 3.14.1 to 3.14.4 Vendor Response:**

Verus understands and will comply in accordance with the Work Plan provided in response to section 3.4.

**3.15 Standards:**

*The Vendor must comply with the professional standards required by the STO. The identification of unclaimed property from the records of Holders, the processing of records and the demands for payment of the property to the STO shall be made pursuant to and in accordance with Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS). Any exceptions to these provisions must be approved in writing by the STO.*

**3.15 Vendor Response:**

Verus understands and will comply. Verus audits are conducted under Generally Accepted Government Auditing Standards (GAGAS), as authored by the U.S. Government Accountability Office and which incorporates the A.I.C.P.A. and GAAS

standards for fieldwork, ethical standards and reporting as well as Statements on Auditing Standards. Verus' auditors apply GAAP and GAAS in the identification, collection and delivery of unclaimed property, as well as any examination/auditing procedures promulgated under state and federal laws. Each of these standards incorporate strict ethical standards and Verus staff will adhere to these ethical standards during the course of any examination conducted on behalf of the West Virginia State Treasurer's Office.

**3.16 Authority:**

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

**3.16 Vendor Response:**

Verus understands and will comply.

**3.17 Reports & Notices:**

*The Vendor must timely submit all required reports and notices. The examination report and any relevant correspondence must be sent to: West Virginia State Treasurer's Unclaimed Property Division, 1 Players Club Drive, Charleston, West Virginia 25311. Inquiries should be directed to the Unclaimed Property Division at (304) 558-2937.*

**3.17 Vendor Response:**

Verus understands and will comply.

**3.18 Electronic Reporting:**

*Vendor must report all unclaimed property electronically using the NAUPA II standardized unclaimed property reporting format. This format can be downloaded from the West Virginia State Treasurer's website address: <http://www.wvsto.com/dept/UP/Reporting/Pages/NAUPA.aspx>. In addition this report must also be submitted in paper format, if requested by the STO. These requirements may be amended at the written direction of the STO.*

**3.18 Vendor Response:**

Verus understands and will comply.

**3.19 Report Format:**

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

**3.19 Vendor Response:**

Verus understands and will comply.

**3.20 Securities:**

*The Vendor must process all securities according to the procedures established by State law and the STO.*

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

**3.20.2** *In the alternative, in lieu of requiring the transfer of a security to the STO, the STO may require that the Holder, acting as agent for the STO, liquidate the security and report the proceeds as unclaimed property.*

**3.20.3** *In order to facilitate this liquidation, when the Vendor has in its possession securities which the Vendor has determined to be reportable to the STO, if requested by the STO, the Vendor shall send to the STO a report of the securities which appear to have market value. The STO will respond and direct the Vendor as to whether to liquidate securities on the list submitted by the Vendor.*

**3.20.4** *Securities listed on an established stock exchange must be sold at prices prevailing on the exchange at the time of sale. Other securities may be sold over the counter at prices prevailing at the time of sale or by any reasonable method authorized by the STO.*

**3.20.5** *Within sixty (60) calendar days of any sale conducted pursuant to this subsection, the Holder shall deliver to the STO the monetary proceeds resulting from the sale, after deducting a proportionate share of the reasonable expense of brokerage and transfer fees from the sale of the property. The Holder shall report the number of shares sold and the value of each share, as well as the expense attributable to the sale. The Holder shall include in the reported property all interest, dividends, increments, earnings and accretions due, payable or distributable at the time of liquidation, and all earnings on the property between the time of liquidation and the time of reporting.*

**3.20 and 3.20.1 to 3.20.5 Vendor Response:**

Verus understands and will comply.

**3.21 Other Property:**

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

**3.21 Vendor Response:**

Verus understands and will comply in accordance with the Work Plan submitted in response to section 3.4

**3.22 Interest Credits:**

*The Vendor must agree to the payment of interest credits in accordance with STO procedures. The STO shall receive an interest credit from the Vendor equal to the interest earned on all cash funds held by the Vendor on behalf of the STO from the date following the day such funds are paid in good funds to the Vendor until, but not including the date such funds are remitted by the Vendor to the STO. Any interest payable to the STO will be credited against fees payable to the Vendor.*

**3.22 Vendor Response:**

Verus understands and will comply.

**3.23 Release Agreements:**

*The Vendor must prepare release agreements according to STO procedures. The Vendor shall prepare a release agreement, when requested by a Holder, to be signed by the Holder and the STO, which shall identify the property to be remitted, and verify that the appropriate abandonment period has been met for each type of property reported. A copy of a sample release agreement form is attached as Exhibit C. The STO reserves the right to modify the terms of the release agreement in its discretion.*

**3.23 Vendor Response:**

Verus understands and will comply.

**3.24 Instructions:**

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

**3.24 Vendor Response:**

Verus understands and will comply.

**3.25 Work-In-Progress Reports:**

*The Vendor must provide to the STO Work-in-Progress reports according to the following procedures:*

**3.25.1** *The Vendor shall provide the STO, by the 15th of each month, a Work-in-Progress Report for each Holder under examination that includes, but is not limited to, the following information:*

- a. Holder's Name*
- b. State of Incorporation*
- c. Federal Employer Identification Number*
- d. Issue Name*
- e. Property Type*
- f. Engagement Date*
- g. Types of records being examined*
- h. Whether the examination is voluntary or involuntary*
- i. Status Commentary (time line of progression or something to this effect)*

**3.25.1 Vendor Response:**

Verus understands and will comply.

**3.25.2** *The Vendor must provide Work-in-Progress reports in the format required by the STO. The Vendor shall provide the information in a comma delimited text electronic file format, and upon the STO's request, in a paper format as well. Only those entities the Vendor is actively engaged in examining may be included on the Work-in-Progress report. Vendors may not include Holders unless an authorization agreement has been obtained from the STO for involuntary examinations, or from the Holder, for voluntary examinations. These requirements may be amended at the written discretion of the STO.*

**3.25.2 Vendor Response:**

Verus understands and will comply.

**3.26 Review of Records:**

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

**3.26 Vendor Response:**

Verus understands and will comply.

**3.27 Joint Examinations:**

*The Vendor must recognize that the STO reserves the right to participate in a joint examination of any Holder, at any time, with the Vendor. Further, the STO reserves the right to reject any audit reports not in compliance with the provisions of this RFQ.*

**3.27 Vendor Response:**

Verus understands and will comply.

**3.28 Property Disputes:**

*The Vendor must be able to assist the STO with regard to property disputes. 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. Delivery requirements may be suspended at the discretion of the STO pending the resolution of said disputes or as otherwise requested by the STO. The Vendor shall notify the STO of any such disputes within thirty (30) days of determination that a dispute exists. The Vendor shall then make all reasonable efforts to resolve disputes as quickly as possible. The Vendor shall provide to the STO the actual resolution date of any such disputes, and shall remit the property within thirty (30) days of resolution of disputes.*

**3.28 Vendor Response:**

Verus understands and will comply.

**3.29 Reasonable Compensation:**

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

**3.29.1.1** *For examinations assigned under those circumstances, the STO will notify the Vendor at the time the examination authorization letter is issued that the alternate payment provisions set forth in this Section and in Section 3.30.2 of this RFQ may apply.*

**3.29.1.2** *The Vendor shall determine and submit to the STO an estimate of the number of hours the Vendor anticipates using to complete the audit, prior to commencing fieldwork for the examination. The STO will review the estimate and thereafter determine the number of hours necessary to complete the assigned examination. Vendor shall be notified of the hours approved by the STO for the examination.*

**3.29.1.3** *The Vendor shall conduct the review of Holder/estimation of hours needed for the examination and the examination itself within the allowed time previously approved by the STO.*

**3.29.1.4** *The Vendor shall notify the STO in writing if additional time is needed to perform the estimation or the examination, explaining the grounds for the request for additional hours. The STO will consider the Vendor's request and inform the Vendor in writing of the approval or disapproval of the request for additional hours. Vendor shall not exceed the allotted or estimated hours without prior written approval by the STO.*

**3.29.1.5** *The Vendor will not be compensated for any hours billed in excess of those allotted for the review or estimated for the examination, unless prior written approval was received from the STO.*

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

**3.29.1 and 3.29.1.1 to 3.29.1.6 Vendor Response:**

Verus understands and will comply.

**3.30 Fees:**

Vendor must agree to payment for audit Services as follows:

**3.30.1** *Except as provided in Section 3.30.2 below, all fees of the Vendor for the identification and collection of unclaimed property will be a flat thirteen (13%) percent of the net unclaimed property remitted to the STO, less any interest due pursuant to the provisions of this RFQ. Net unclaimed property is the gross value of all unclaimed property, minus the value of all unclaimed property delivered by the Holder, if any, that otherwise would have been delivered pursuant to the reporting practices of the Holder as they existed prior to the execution of the agreement with the Vendor. Payment will be made in arrears, based upon invoices submitted by the Vendor, once property is received.*

**3.30.1 Vendor Response:**

Verus understands and will comply.

**3.30.2** *For those involuntary examinations assigned by the STO, referenced in Section 3.6.2 [Involuntary Examinations] payment will initially be calculated according to the payment provisions of Section 3.30.1 of this RFQ; provided, however, that if the amount to be paid to the Vendor under that Section would be less than the hourly rate set forth in this Section, the Vendor will be paid the hourly rate as provided in this Section 3.30.2. Payment based upon an hourly rate will be according to the following terms:*

**3.30.2.1** *The Vendor will be paid on an hourly basis at the rate of \$65 per hour. This amount shall be the total and complete fee payable to the Vendor for the Services delivered, unless the Vendor receives the prior written approval of the STO.*

**3.30.2.2** *The STO will not reimburse the Vendor for travel expenses or expenses incurred to fulfill the requirements of the contract. Vendor shall be responsible for all costs and expenses, including,*

*but not limited to, travel, mileage, meals, lodging, equipment, supplies, personnel and all other costs and expenses of the Vendor.*

*3.30.2.3 Failure to deliver property to the STO within thirty (30) days of receipt from the Holder will result in the following reductions in fees, unless Section 3.28 [Property Disputes] is invoked by the STO or the Vendor or unless the STO waives the reduction for matters beyond the reasonable control of the Vendor.*

*3.30.2.4 Audit reports, funds and securities that are submitted thirty-one (31) to sixty (60) calendar days after the receipt of property by the Vendor or his designee may be subject to up to a 33% fee reduction, at the discretion of the STO.*

*3.30.2.5 Audit reports, funds and securities that are submitted sixty-one (61) to ninety (90) calendar days after receipt of property by the Vendor or his designee may be subject to up to a 66% fee reduction, at the discretion of the STO.*

*3.30.2.6 Audit reports, funds and securities that are submitted past ninety-one (91) calendar days after the receipt of property by the Vendor may be considered past due, and may result in a forfeiture of the entire fee, at the discretion of the STO. The STO reserves the right to require Vendors to submit all reports and property immediately upon reaching past due status.*

**3.30.2 and 3.30.2.1 to 3.30.2.6 Vendor Response:**

Verus understands and will comply.

**3.31 Expenses:**

*The Vendor shall be responsible for the payment or making provision for the payment of all expenses incurred in connection with all Services provided.*

**3.31 Vendor Response:**

Verus understands and will comply.

**3.32 Confidentiality:**

*The Vendor must preserve the integrity of STO security and confidentiality. If the Vendor is engaged in handling confidential information, it shall exercise appropriate security precautions. The Vendor shall maintain as confidential all information concerning a Holder's property. Pursuant to W.Va. Code §36-8-25, unclaimed property records are confidential and not subject to the West Virginia Freedom of Information Act, W.Va. Code 29B-1-1 et seq.*

**3.32 Vendor Response:**

Verus understands and will comply.

**3.33 Terms & Conditions:**

*The Vendor must agree to the Special Terms and Conditions, appended hereto as Attachment 1.*

**3.33 Vendor Response:**

Verus agrees to the Special Terms and Conditions set forth in Attachment 1.



**3.34 Exceptions:**

*Any exceptions to these provisions must be submitted with the Proposal and approved in writing by the STO.*

**3.34 Vendor Response:**

Verus has no exceptions to the Special Terms and Conditions set forth in Attachment 1.

**Miscellaneous Section**

Verus proposes no additional terms and conditions to those outlined within the RFQ. Verus provides *Attachments A, B, and C* to its Technical Proposal, which it deems relevant to the evaluation of the proposal.

**ATTACHMENT A**  
Verus Data and Information Security Overview

## VERUS DATA AND INFORMATION SECURITY SUMMARY

### Summary

Verus recognizes the importance of data and information protection and applies leading industry products and procedures to maintain its security. All Verus employees are trained to strictly adhere to Verus' security policies. This document outlines some of the core components of Verus' Security Program:

1. Employees. Verus has implemented the following policies with regard to employees:
  - a. Background checks are performed on all employees.
  - b. Every employee must sign when hired:
    - i. Confidentiality and Non-Solicitation and Conflicts Covenant
    - ii. Acceptable Use Policy
    - iii. Employee Manual which includes the following Security Policies:
      1. Computer Software
      2. Data Security
      3. Communications
      4. Mobile Computing
      5. Password
      6. Record Retention and Destruction
      7. Physical Security
      8. Security Awareness and Education
  - c. Every employee must complete annual Security training which reviews, among other topics:
    - i. Confidential information
    - ii. Data classifications
    - iii. Data security

2. Computing Devices

- a. All computing and communication devices used by Verus employees while conducting Verus business are issued by Verus. Verus network access is restricted to only Verus issued devices; non-Verus issued devices cannot access the Verus network.
- b. All network data access levels are determined on an individual user level basis.
- c. Verus devices are all pre-loaded with encryption and monitoring software to prevent data leakage.

3. Encryption. Verus has instituted automated encryption software and policies that require:

- a. Whole disk encryption for all individual employee computers, application servers, and data storage servers.
- b. Complete E-mail encryption.
- c. Blackberry encryption.

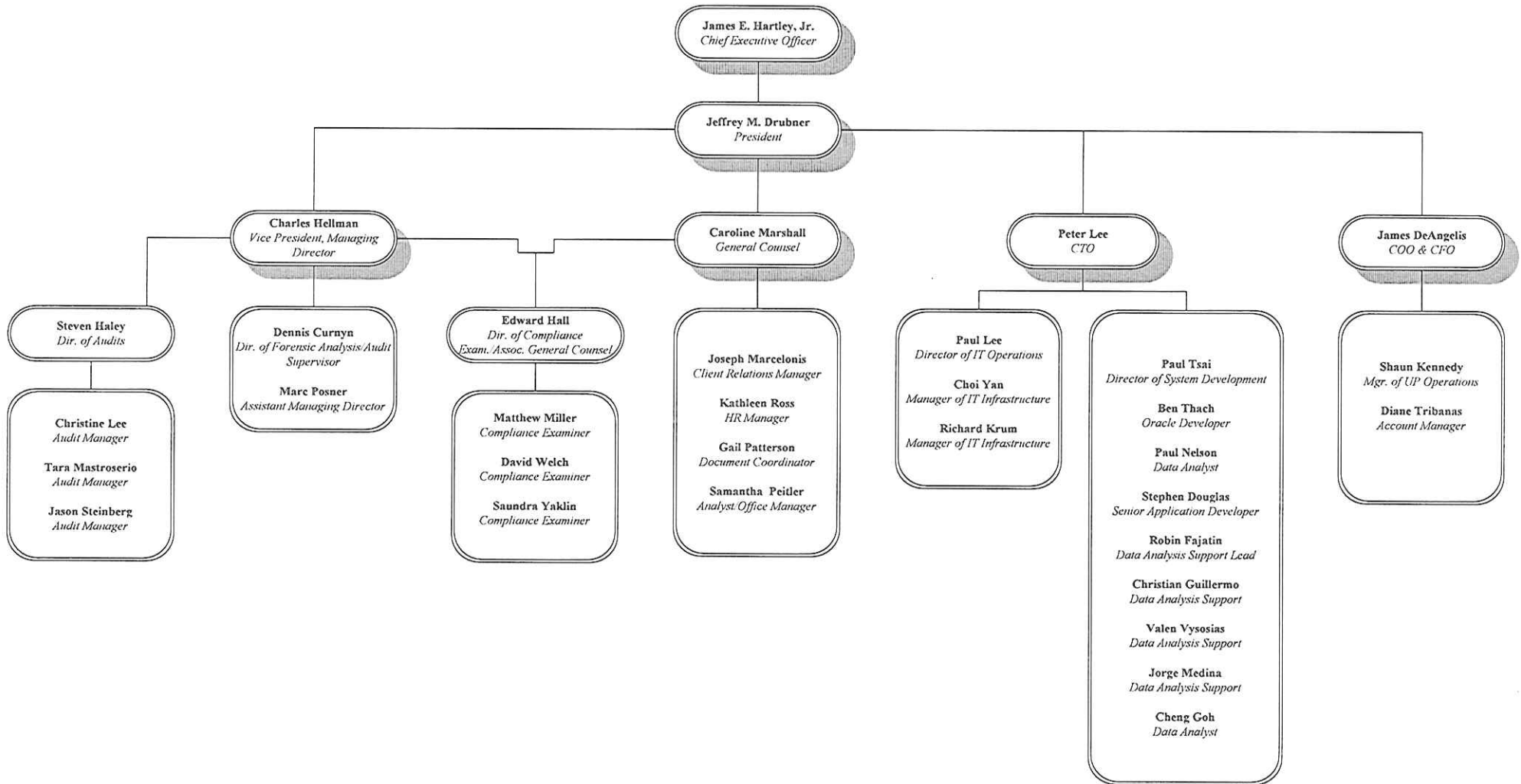
4. Monitoring Software. Verus has implemented computerized monitoring programs that perform:

- a. Recording of employee communications and keystroke activity.
- b. Blocking and/or limitation of potentially malicious software to prevent destruction or risk of stored data.
- c. Screening of employee communications to intercept improper transmission of sensitive data.

5. Digital Access and Video Monitoring Systems

- a. Verus' data facilities are protected by digital access and video monitoring systems.
- b. Verus maintains complete control and monitoring of physical access to servers.

**ATTACHMENT B**  
Organizational Chart



**ATTACHMENT C**  
**Resumes of Key Personnel**



## **James Hartley, Jr.**

Chief Executive Officer

### *Summary of Experience*

Mr. Hartley is a co-founder of Verus. He is an experienced attorney who has represented a wide variety of clients including municipalities, corporations and businesses. He was lead counsel in the seminal Uniform Securities Act case of *Connecticut National Bank v. Giacomi*, as well as lead counsel in the matter of *In re Colonial Realty Litigation Securities Fraud*. Mr. Hartley has also worked with Attorneys Generals in various states prosecuting actions on behalf of businesses and citizens of those states.

Mr. Hartley is a 1972 graduate of Boston College. He received his Juris Doctorate degree in 1975 from Columbia University. Mr. Hartley is a member of the Connecticut bar, the United States District Court for the District of Connecticut, the United States Court of Appeals for the Second Circuit, and the United States Supreme Court.

### *Education*

- **Columbia University:** Juris Doctorate, 1975
- **Boston College:** 1972
- **Connecticut Bar:** member

### *Experience*

- **Verus Financial LLC:** Chief Executive Officer
- **Drubner Hartley & Hellman LLC:** Partner

## **Jeffrey Drubner**

President

### *Summary of Experience*

Mr. Drubner is a former Special Agent with the Federal Bureau of Investigation. During his almost ten years at the Bureau, Mr. Drubner investigated international organized crime, fraud and global money laundering, in addition to other financial crimes. During the investigation and prosecution of these cases, Mr. Drubner was responsible for reviewing voluminous bank, financial and corporate records, as well as conducting large scale audits of large repositories of said financial records. In addition to the above investigative duties, Mr. Drubner served as a certified FBI Legal Instructor and Advisor. He has lectured on money laundering at the FBI Academy in Quantico, Virginia, Fordham University Law School, among other forums.

Mr. Drubner is a 1987 graduate of Emory University. He received his Juris Doctorate degree in 1990 from Boston College Law School (cum laude). Mr. Drubner is a member of the Massachusetts Bar.

### *Education*

- **Boston College Law School:** Juris Doctorate, 1990
- **Emory University:** 1987
- **Massachusetts Bar:** member

### *Experience*

- **Verus Financial LLC:** President
- **Drubner Hartley & Hellman LLC:** Partner
- **Federal Bureau of Investigations:** Special Agent

**Charles Hellman**

Vice President and Managing Director

***Summary of Experience***

Mr. Hellman has been with Verus since the company's inception. Mr. Hellman is an attorney with over fifteen years experience and has developed an extensive knowledge of the unclaimed property laws. His background includes experience working with a number of different state agencies, as well as working on a variety of complex matters involving significant analysis and application of accounting and auditing principles as well as regulatory rules and procedures. Mr. Hellman began his career as an associate at Weil Gotshal & Manges LLP, where he successfully represented clients in a variety of commercial matters.

Mr. Hellman is a graduate of Bard College. He received his Juris Doctorate degree in 1996 from New York Law School (summa cum laude) and began his career as an associate at Weil Gotshal & Manges LLP.

***Education***

- **New York Law School:** Juris Doctorate, 1996
- **Bard College:** Bachelor of Arts, 1986
- **New York Bar:** member

***Experience***

- **Verus Financial LLC:** Director of Legal Affairs
- **Drubner Hartley & Hellman LLC:** Partner
- **Milberg LLP:** Partner
- **Weil Gotshal & Manges LLP:** Associate

**Caroline Marshall**  
General Counsel

### *Summary of Experience*

Ms. Marshall is an attorney with over sixteen years experience. She began her career as a prosecutor at the New York County District Attorney's office and more recently has been litigating complex civil actions. In the course of her career, Ms. Marshall has represented a wide variety of clients, including state pension funds and other institutional investors. Ms. Marshall has extensive experience working closely with auditing experts and forensic accountants. Additionally, Ms. Marshall has been responsible for overseeing teams of attorneys conducting detailed reviews of large volumes of corporate and financial records.

Ms. Marshall is a 1988 graduate of Dartmouth College. She received her Juris Doctorate degree in 1992 from Fordham Law School.

### *Education*

- **Fordham Law School:** Juris Doctorate, 1992
- **Dartmouth College:** Bachelor of Arts, 1988
- **New York Bar:** member

### *Experience*

- **Verus Financial LLC:** General Counsel
- **Bernstein Leibhard LLP:** Of Counsel
- **Milberg LLP:** Senior Associate
- **Deloitte & Touche:** Senior Associate, Business Intelligence Unit
- **New York City District Attorney's Office:** Assistant District Attorney

## **James M. DeAngelis**

Chief Financial Officer  
Chief Operating Officer

### *Summary of Experience*

Prior to joining Verus, Mr. DeAngelis served in senior financial executive capacities in a variety of organizations which design and deliver technical and financial solutions for leading edge technology driven businesses. Mr. DeAngelis was responsible for and/or assisted in \$83+ million of financing, including private placements, IPO financing, Regulation D, hybrid debt/equity placements, equity credit lines, receivables and equipment financing facilities.

Mr. DeAngelis graduated American Graduate School of International Business Administration (Thunderbird) with honors.

### *Education*

- **American Graduate School of International Business Administration (Thunderbird):** Master, Business Administration, 1992
- **University of Connecticut:** Bachelor of Science, Biology; Bachelor of Science, Animal Physiology, 1983

### *Experience*

- **Verus Financial LLC:** Chief Financial Officer and Chief Operating Officer
- **myTriggers.com, Inc.:** Chief Financial Officer, Treasurer, Secretary, and Director
- **Cellceutix, Inc.:** Corporate Development and Strategist
- **Plasmet, LLC:** Corporate Development and Strategist
- **OPEM, LLC.:** Chief Financial Officer and Treasurer
- **Commodore Applied Technologies:** Director, Investor Relations, Sr. Vice President, and Director
- **Commodore Separation Technologies, Inc.:** Senior Vice President, Sales and Marketing
- **Commodore CFC Technologies, Inc.:** President
- **Commodore Environmental Services, Inc.:** Vice President, Business Development, and Market Analyst

### *Contact Information*

**Telephone:** 888-30-Verus ext 235

**Email:** [jdeangelis@verusfinancial.com](mailto:jdeangelis@verusfinancial.com)

**Steven Haley**

Director of Unclaimed Property Operations

*Summary of Experience*

Mr. Haley has over thirteen years of experience in providing unclaimed property related services, including identification and quantification unclaimed property liabilities, analysis of various accounting transactions, general ledger accounts, unclaimed property reserve, and policies and procedures, voluntary disclosure agreements, resolution of unclaimed property liabilities, review of and implementation of best practices, audit defense, and preparation of annual compliance reports.

Prior to joining Verus, Mr. Haley was a member of KPMG's National Unclaimed Property Practice, where he was employed since 2006, advising clients on their unclaimed property procedures and reporting obligations. Prior to joining KPMG, Mr. Haley was a Senior Client Service Officer at ACS Unclaimed Property Clearinghouse, Inc., where he was employed for approximately nine years.

Mr. Haley received a Bachelors of Science in Business Management/Finance from Salve Regina University.

*Education*

- **Salve Regina University:** Bachelor of Science, Business Administration

*Experience*

- **Verus Financial LLC:** Director of Unclaimed Property Operations
- **KPMG LLP:** Associate
- **Affiliated Computer Services Inc.:** Senior Client Service Officer; Client Service Officer; First Line Manager; Senior Account Administrator
- **State Street Bank and Trust Company:** Account Administrator

**Edward Hall**

Associate General Counsel, Director of Compliance Examination

***Summary of Experience***

Mr. Hall is an attorney with over six years experience and has been with Verus since the company's inception. Mr. Hall began his career in complex litigation and at Verus has had extensive experience performing legal analysis of issues related to unclaimed property compliance, reviewing internal policies and procedures of holders under examination, and developing unclaimed property auditing procedures and processes. Additionally, Mr. Hall has been responsible for overseeing teams of examiners conducting detailed reviews of holder records. Prior to joining Verus, Mr. Hall worked in the music industry as the head of production and manufacturing at a record label.

Mr. Hall received his Juris Doctorate from Loyola Law School in Los Angeles and a Bachelors of Arts in Criminology from the University of South Florida.

***Education***

- **Loyola Law School:** Juris Doctorate
- **University of South Florida:** Bachelor of Arts, Criminology

***Experience***

- **Verus Financial LLC:** Director of Unclaimed Property Operations
- **Drubner and Hartley LLC:** Associate
- **Welk Music Group:** Production Manager

**Peter Lee**  
Chief Technology Officer

### *Summary of Experience*

Mr. Lee has more than twenty years of experience in providing business process and information technology services to insurance and financial service industries, among others.

Prior to joining Verus, Mr. Lee served as an outsourced lead project manager for a variety of public and private entities, assisting them in developing and implementing sophisticated data systems. Some of these data system implementations over the past five years include, but are not limited to:

- *Los Angeles County Dept. of Health Services, Solution Architect and Project Manager.* Provided architectural and technical consulting services to implement a “Enterprise Data Repository and eHealth Record” application.
- *Toyota Financial Services, System Architect and Technical Liaison to Senior Management.* Provided architectural and technical consulting services to implement an enterprise “Retail Loan Management and Processing” application.
- *Rockwell Collins Passenger Systems Division, System Architect and Technical Lead.* Managed and led an effort to upgrade an existing Oracle Applications Suite (Corporate ERP Systems) and other customized applications on Sun Microsystems platform.
- *PacifiCare Health Systems, Inc., Unified Physician Repository.* Engaged a fixed price contract to provide outsourced development and data collection services to the PPO/HMO Network Management Department. Leveraged the Oracle Spatial option in the Oracle 8i Enterprise Edition to support “Location Based Services” (LBS) and geographic coverage analysis for contracting.
- *PacifiCare Health Systems, Inc., System Architect and Technical Lead.* Designed and developed a data warehouse application to support marketing, sales, and network coverage analysis to allow PHS PPO Network Management Department to target contracting effort and provide network coverage information for major account sales. Leveraged the Oracle Spatial option in the Oracle 8i Enterprise Edition to support “Location Based Services” (LBS) and geographic coverage analysis for contracting.

Mr. Lee holds a B.S. in Electrical Engineering from and a M.S. in Computer Science from the University of Southern California.

Prior to joining Verus, Mr. Lee was a lead project developer with the company Certus Corp., where he was employed since 2000.

### *Education*

- **Master of Science:** Computer Science
- **Bachelor of Science:** Electrical Engineering



## *Experience*

- **Verus Financial LLC:** Chief Technology Officer
- **Los Angeles County Department of Health Services:** Solution Architect and Project Manager
- **Toyota Financial Services:** System Architect and Technical Liaison to Senior Management
- **Rockwell Collins Passenger Systems Division:** Systems Architect and Technical Lead
- **Pacificare Health Systems, Inc.:** Systems Architect and Technical Lead
- **HealthCare Partners:** Acting Senior Vice President/CIO
- **Certus Corporation:** Lead Consultant for Systems Integration
- **ARCO Termination Information System:** System Integrator
- **AirTouch Cellular (Verizon Wireless):** System Integrator
- **Friendly Hills Medical Group:** Consultant
- **UNOCAL – Wilmington Refinery:** Consultant
- **Four Corners Pipe Line Company:** Consultant

**Joseph Marcelonis**

Manager of Client Relations

*Summary of Experience*

Mr. Marcelonis has over fourteen years of unclaimed property experience. While employed at the ACS Unclaimed Property Clearinghouse, Mr. Marcelonis was involved in day-to-day operation and audit workflow processes as well as acted as client liaison for state clients. Mr. Marcelonis developed and improved workflow efficiencies, ensured proper delivery of unclaimed property to clients, conducted webinars, provided internal training, and communicated regularly with clients on new developments, important unclaimed property issues, and new initiatives.

*Education*

- **Boston College:** Bachelor of Arts, Political Science, 1996

*Experience*

- **Verus Financial LLC:** Manager of Client Relations
- **Affiliated Computer Services, Inc:** Senior Account Manager
- **Affiliated Computer Services, Inc:** Assistant Vice President
- **Affiliated Computer Services, Inc:** Senior Operations Officer
- **Affiliated Computer Services, Inc:** Operations Officer
- **Affiliated Computer Services, Inc:** First Line Manager
- **Affiliated Computer Services, Inc:** Senior Account Administrator
- **Affiliated Computer Services, Inc:** Account Administrator
- **Financial Strategies of John Hancock:** Consultant

## ATTACHMENT 3

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: \_\_\_\_\_

Name: James E. Hartley, Jr.

Title: Chief Executive Officer

Date: April 24, 2012

**WEST VIRGINIA STATE TREASURER'S OFFICE  
VENDOR LAPTOP AND NETWORK SECURITY AGREEMENT**

The Vendor named below hereby acknowledges and agrees as follows:

1. Connection of any laptop to the West Virginia State Treasurer's Office (WVSTO) network requires prior approval. Approval is requested by completing a Network Access Request document and returning to the Primary Contact listed in paragraph 12. Unrecognized laptops on the network are disabled immediately upon discovery (typically by switch port disabling) and the source is investigated. The WVSTO is not liable for loss or damage to unapproved laptops (or the data thereon) by being connected to its network or by being disabled.
2. Efforts to circumvent any network controls (such as Internet filtering) are prohibited.
3. All WVSTO network resources are for WVSTO business purposes only.
4. Use of any network reconnaissance tools without prior approval is prohibited.
5. Network logon accounts for Vendors can be provided for contracted work. These accounts will have expiration dates, which can be extended as needed. VPN access can also be provided.
6. Administrative rights can be provided to Vendors by placing their network logon account or logon account(s) group in the Local Administrators Group of computers affected by the Vendor's scope of work when those computers are joined to the WVSTO domain.
7. Vendors are not afforded domain administrator rights and are prohibited from engaging in activities typically performed by domain administrators, such as joining computers to the WVSTO domain, modifying any active directory, extending the schema, or creating or changing DNS entries. In cases where these activities are required, a WVSTO domain administrator will be assigned to work with Vendors to accomplish these tasks.
8. All servers are to use static IP addresses which will be assigned by WVSTO network administrators. Applicable addressing information such as suffix, DNS and WINS will be provided to the Vendor. Computer names and descriptions for servers requiring static IP addresses are to be provided to WVSTO network administrators for documentation purposes.
9. Any server installed into the WVSTO network will have anti-virus software provided by the WVSTO installed as soon as possible. The Vendor should provide any file and folder exclusions that should be applied to the anti-virus software.
10. A phone with a dedicated phone number and voice mail can be provided to Vendors to facilitate an engagement.
11. Typically a WVSTO network administrator is assigned to Vendor projects as a facilitator and liaison for the duration of the project.
12. Primary contact for network access and resources are:

Kin Richardson, Director of Network Operations  
304.341.0727 or 304.341.0700 (WVSTO Help Desk) / [kin.richardson@wvsto.com](mailto:kin.richardson@wvsto.com)

Alternate contact:  
Matt Ellison, Deputy Treasurer of IT  
304.341.0768 / [matt.ellison@wvsto.com](mailto:matt.ellison@wvsto.com)

I acknowledge receiving these guidelines and agree to comply.

Vendor Name: Verus Financial LLC

Vendor signature: 

Print name: James E. Hartley, Jr.

Date: April 20, 2012

RFQ No. STO12008

STATE OF WEST VIRGINIA  
Purchasing Division

**PURCHASING AFFIDAVIT**

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

**DEFINITIONS:**

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

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

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

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

**WITNESS THE FOLLOWING SIGNATURE**

Vendor's Name: Verus Financial LLC

Authorized Signature: [Signature] Date: April 24, 2012

State of CONNECTICUT

County of NEW HAVEN, to-wit: Waterbury

Taken, subscribed, and sworn to before me this 24 day of April, 20 12.

My Commission expires July 31, 20 15.

AFFIX SEAL HERE

NOTARY PUBLIC [Signature]

