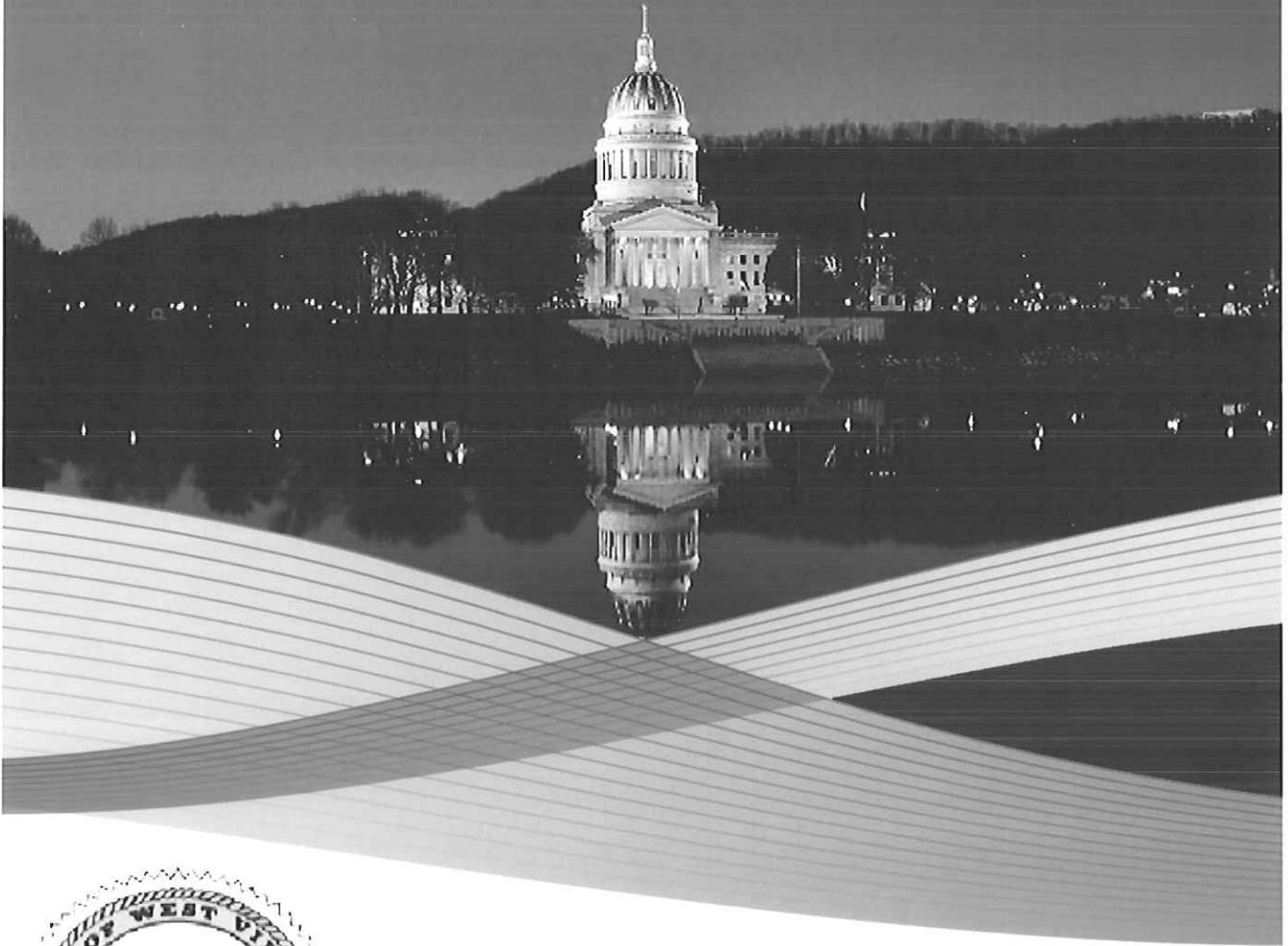


Xerox State & Local Solutions, Inc.  
April 26, 2012



# RFQ #STO12008 Auditing Services West Virginia State Treasurer's Office Technical Proposal

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# Contact

## Primary Contact

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## WVSTO RFQ Technical Proposal Form

RFQ# STO12008

Vendor Name: Xerox State & Local Solutions, Inc.Address: 100 Hancock Street10<sup>th</sup> FloorCity: Quincy State: MA ZIP: 02171Date Proposal Submitted: 04 / 26 / 2012Vendor FEIN: 13-1996647Vendor E-mail Address: gerard.badorrek@acs-inc.comContact Person Name: Gerard Badorrek Phone: 703.891.8852Addenda 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.

Gerard Badorrek

Printed Name



Authorized Signature



April 19, 2012

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

Gerard Badorrek  
Senior Vice President

Xerox State & Local Solutions,  
Inc.  
100 Hancock Street, 10<sup>th</sup> Floor  
Quincy, MA 02171

gerard.badorrek@acs-inc.com  
tel 703.891.8852  
fax 703.891.8969

Dear Mr. Whittaker:

Xerox State & Local Solutions, Inc., a subsidiary of Xerox Business Services LLC, which is a subsidiary of Xerox Corporation (collectively "Xerox") desires to enter into a contract with the West Virginia State Treasurer's Office, Unclaimed Property Division ("STO"), to provide examinations of unclaimed property Holders' records pursuant to the professional auditing services described in Request for Quotation STO12008 ("RFQ").

Xerox was founded on core values. Those core values are client-first, hard work, persistence, keeping promises, taking care of each other and finding creative solutions to real-world business challenges. Our driven, knowledgeable, practical people make Xerox different from our competitors.

We deliver on our promises to our clients. In fact, every attribute below is how our clients, and the advisors in the market, describe Xerox. We are proud to be a world class leading operations partner.

- Flexible – Adapt and Do What it Takes - We are in the business of change. We deliver on time, as promised. Our clients know we have the strength and resilience to help them through every challenge, big or small.
- Responsive – Listen, Anticipate, Act - We listen to our clients. We find or create a solution for every problem. If others say it can't be done, we do it. Responsiveness is the essence of our guiding principles.
- Reliable – Consistently Exceed Expectation and Create Trust - We inspire confidence and create trust. We perform beyond expectations. Our clients entrust their most valuable assets to us: people, information, customers.
- Integrity – Look Forward, Look Backward, Look Inward - We do what we say we are going to do. We deal honestly with our clients and each other. Integrity is the foundation of our guiding principle. Honesty, accountability, credibility and professionalism guide each business relationship. This enables Xerox to provide critical, core services on which our clients depend.

Xerox is a \$22 billion leading global enterprise for business process and document management. Through its broad portfolio of technology and services, Xerox provides the essential back-office support that clears the way for clients to focus on what they do best: their real business.

Headquartered in Norwalk, Connecticut, Xerox provides leading-edge document technology, services, software and genuine Xerox supplies for graphic communication and office printing environments of any size. Xerox also offers extensive business

process outsourcing and IT outsourcing services, including data processing, HR benefits management, finance support and customer relationship management services for commercial and government organizations worldwide. The 136,000 people of Xerox serve clients in more than 160 countries. Xerox is publicly held and trades on the New York Stock Exchange under the stock symbol XRX.

A line of business of Xerox, Unclaimed Property Clearinghouse delivers collections, tax and revenue enhancement services including unclaimed property administration to state governments. Xerox has been providing unclaimed property services to state clients for 26 years - longer than any other private sector entity. Over that time, Xerox has developed written programs and procedures for reviewing holder records, verifying those records and ensuring that all material amounts of unclaimed property are identified and collected for state clients. Since 1985, Xerox has collected more than \$29 million in unclaimed property for the STO and currently provides these unclaimed property services to 47 other states, districts and jurisdictions.

The skills of approximately 90 highly trained professionals, combined with proprietary technology, make Xerox the market leader for unclaimed property services. Our unmatched level of experience, together with our technology and staffing resources, ensure Xerox's ability to examine, process and deliver unclaimed property from Holders to the STO for return to the rightful owners.

Xerox has submitted one (1) electronic copy on CD-ROM, one (1) original and five (5) hard copies of its technical proposal comprised of the required mandatory specifications and requirements, forms and terms and conditions in the order specified in the *Proposal Format* of the RFQ. Xerox certifies that all information included in its response to the RFQ is true and accurate, without collusion or fraud. Through our proposal, Xerox intends to illustrate that it is the most qualified bidder to assist the STO with its responsibility to ensure that Holders are in compliance with the Act and corresponding legislative rules.

We appreciate the opportunity to submit this proposal in response to the RFQ issued on March 29, 2012, and look forward to continue assisting the STO with the audit of unclaimed property Holders.

I certify that I am legally authorized to bind Xerox State & Local Solutions, Inc. to the representations in this proposal, which will remain in effect for at least 90 days after the proposal opening date for this RFQ. As indicated on the second page of our proposal, please contact me or Elizabeth Marciano-Mills if you have any questions.

Sincerely,



Gerard Badorrek

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# Section 1. – Technical Proposal

**2.5.1 Special Terms:** Part 3 of this RFQ details the mandatory requirements that must be met in order for the STO to award a contact under this RFQ. All mandatory requirements must be included in the final contract. Attachment 1, Special Terms & Conditions, lists any special terms and conditions applicable to this RFQ.

## Part 3 – 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.

Xerox State & Local Solutions, Inc., FEIN 13.1996647, the legal entity submitting this proposal, is incorporated in the State of New York and has its principal place of business at 8260 Willow Oaks Corporate Drive, Fairfax, Virginia.

Xerox State & Local Solutions, Inc. is a subsidiary of Xerox Business Services, LLC, which is a subsidiary of Xerox Corporation (collectively ("Xerox"). Xerox is a \$22 billion leading global enterprise for business process and document management. Through its broad portfolio of technology and services, Xerox provides the essential back-office support that clears the way for clients to focus on what they do best: their real business. Headquartered in Norwalk, Connecticut, Xerox provides leading-edge document technology, services, software and genuine Xerox supplies for graphic communication and office printing environments of any size. Xerox also offers extensive business process outsourcing and IT outsourcing services, including data processing, HR benefits management, finance support and customer relationship management services for commercial and government organizations worldwide. The 136,000 people of Xerox serve clients in more than 160 countries. Xerox is publicly held and trades on the New York Stock Exchange under the stock symbol XRX.

A Xerox line of business, Unclaimed Property Clearinghouse was established in 1984, assisting states with unclaimed property auditing services - creating a comprehensive solution to address the unique needs of state programs. Today, Xerox supports 48 state unclaimed property programs in protecting and returning property to its rightful owner, providing high-quality, responsive customer service to constituents and reducing expenses

wherever possible through technology and automation. Xerox has built its comprehensive solution and reputation for excellence upon:

- ◆ Understanding and addressing the needs of our contracting states;
- ◆ Acting competently, and providing the highest level of quality service;
- ◆ Undertaking an innovative approach that promotes ease of compliance for holders as well as owner reunification;
- ◆ Continually upgrading our processes and technology; and
- ◆ Recruiting the best possible personnel, investing in their professional development, and providing a safe and positive workplace.

With the solid foundation and extensive knowledge gained from over 25 years of providing unclaimed property audit services, our team of industry-leading experts as well as our reputation of excellence, Xerox can deliver all of the services required in this RFQ at the highest of standards for the STO.

**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.**

Xerox certifies that we are licensed/registered to do business with and in the State of West Virginia and are in good standing with all regulatory and governmental entities. In accordance with Addendum 2, Answer to Question 6, Xerox will provide proof of licensure/verification to the West Virginia Purchasing Division upon notice of award.

**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.**

Xerox is authorized to conduct business in the State of West Virginia. The primary branch office for any work arising from this solicitation is located at 100 Hancock Street, 10th Floor, Quincy, Massachusetts. A second office, which is primarily responsible for the unclaimed property management systems offered by Wagers & Associates, Inc., also a subsidiary of Xerox, is located in Boulder, Colorado. Xerox also has individual employees working offsite in locations including Maine, Maryland, Missouri, New York, New Jersey and Virginia.

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

Xerox acknowledges and will continue to comply with the requirements of this provision in the manner set forth in this section as it has done for the STO since 1985 and continues to do for its 48 state clients.

**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.**

For more than 25 years, Xerox has been conducting unclaimed property audits utilizing innovative procedures and systems that have enabled states to recover new and previously untapped categories of unclaimed property that holders have overlooked or otherwise failed to report. Xerox is currently contracted with 48 states and jurisdictions to perform audit services similar to those required by this RFQ.

Xerox certifies that it is qualified to provide all services required by this RFP. One of the best indicators of Xerox' qualifications is success in terms of the amount of property recovered for our state clients. Since 1985, Xerox has collected more than \$29 million in unclaimed property for the State of West Virginia. On behalf of all our state clients, during 2011 Xerox identified an amount greater than \$252 million in past due unclaimed property.

The broader impact of Xerox has been felt in the technical, legal, legislative and policy arenas. We have made a difference in many areas of unclaimed property, for the benefit of states and their citizens, including accelerating the reporting of demutualization proceeds, reducing the dormancy period for securities, ensuring the proper reporting of non-dividend paying stock and more. The innovations and creative thinking of Xerox have moved unclaimed property compliance forward and resulted in increased audit collections for the STO and all our state clients.

The role Xerox played in some specific projects is described below.

Creating a National Audit Presence

First and foremost, over the past 25 years Xerox has performed unclaimed property audit services for every state, the District of Columbia and Commonwealth of Puerto Rico. We originated the concept of the multi-state unclaimed property audit in 1984 in order to assist states in working together for their collective benefit by reducing expense and increasing both collections and awareness of reporting obligations. This collective approach has given the STO and all states a national audit presence and enhanced unclaimed property enforcement. Partnered with the STO since 1985 for unclaimed property audit services, more than \$29 million in unclaimed property has been collected for the State and its citizens.

Demutualization

As major insurance companies began to demutualize in the late 1990s and early 2000s, Xerox recognized that large sums of unclaimed property were likely to result. Xerox also recognized that there was an opportunity for states to enact legislation to accelerate the collection of unclaimed property.

While Xerox was confident that the states, unlike the insurance companies, could find many owners, there was also an opportunity to alleviate state budget shortfalls that existed at the time. Success would depend on convincing the companies that both their interests and the interests of the lost owners would best be served by remitting the funds at an accelerated rate.

With this background, Xerox developed model legislation and worked cooperatively with the states and the insurance companies to affect a revolution in this area. Today, 33 states have legislation governing the abandonment of demutualization proceeds. Xerox audited

almost every demutualized insurance company on behalf of the states and returned hundreds of millions of dollars in unclaimed demutualization funds to them.

#### Non Dividend Paying Stock

Early on, Xerox recognized that many holders and transfer agents were misinterpreting state unclaimed property laws and failing to report lost shareholders on non-dividend paying stock issues. Xerox did several things in response:

- ◆ *First*, we surveyed every state unclaimed property law to determine the proper reporting procedure for non-dividend paying stock, including contacting the appropriate person in any state where the law seemed to be unclear.
- ◆ *Second*, we created a document explaining the proper treatment of non-dividend paying stock for each state.
- ◆ *Third*, we undertook an education campaign to make holders and transfer agents aware of these requirements. We called on every transfer agent and explained the issue.
- ◆ *Fourth*, we also worked with transfer agents to develop procedures and program applications for extracting the correct data for review.
- ◆ *Fifth, but certainly not least*, the legal staff and consultants at Xerox published articles in various securities newsletters and spoke to numerous industry groups advising holders and their agents of the requirement to report unclaimed property on non-dividend paying stock.

As a result of all these efforts, holders and transfer agents responded and corrected their reporting practices. In essence, Xerox increased compliance and resulting audit collections of non-dividend paying stock to states by recognizing the problem and taking the initiative to educate holders concerning state law requirements.

#### Initiative to Reduce Securities Dormancy Periods ("5 to 3 Initiative")

In 1998, Xerox prepared and circulated to the states a comprehensive analysis of the newly enacted Securities and Exchange Commission ("SEC") regulations requiring that corporate securities issuers and their transfer agents conduct electronic database searches in an effort to obtain addresses for lost shareholders. At that time, we predicted the impact that these rules would have on state unclaimed property programs. We also encouraged those states that had not already reduced their unclaimed securities provisions to three years to consider doing so. The reasons we offered for adopting the shortened abandonment period were:

- ◆ The rules mandate that most lost accounts undergo two electronic database searches, and that these searches must be completed within 24 months of the account first becoming lost. If the database searches are unsuccessful, it is difficult to develop an argument for waiting another three to five years until the property is transferred to the custody of the states. The SEC has recognized the indisputable fact that the earlier a search is conducted, the higher the probability the owner will be found. Undoubtedly, the sooner a state initiates its owner search efforts, the more owners would be found.
- ◆ Unless the state acts quickly to begin its search, heir finders, working with issuers and their transfer agents, will be charging missing owners one-third to one-half the value of their property.

A number of states accepted Xerox's recommendation. Currently, 32 states have enacted a three year abandonment period for underlying securities. These states have

significantly increased their unclaimed property collections and have also promoted owner protection through preempting heir finders.

Corporate Trust Initiative

Xerox discovered that corporate trust agents were not reporting unclaimed property because they were relying on provisions in trust agreements that required unclaimed bond proceeds be returned to the company after a period of some 10 to 15 years. Xerox' attorneys reviewed the situation and concluded that state unclaimed property laws preempted these trust agreements and required that the bonds be reported as unclaimed property. Xerox then began an education process with the corporate trust agents. We advised them that they, as the agents, had the obligation to report the bonds and to protect the bondholders under the trust agreements.

The agents eventually agreed that it was in the best interest of the bondholders to pay the funds over to the states where they would be available for claim should any of the lost bondholders reappear. The agents were instrumental in changing the trust documents to require that unclaimed bond funds be reported to the states as abandoned property. Eventually, Xerox prepared the initial compliance reports for many of the corporate trust agents and assisted them in coming into compliance with state laws. This property was reported to states without dispute largely as a result of the efforts of Xerox.

Conclusion

As these examples demonstrate, Xerox has a proven history of success in recovering unclaimed property owed to the states and their citizens, including finding new and previously untapped streams of unclaimed property. Xerox meets all the requirements of this RFQ - providing the resources the STO needs in order to recover all categories of unclaimed property that are not currently being reported or that are being underreported to the State.

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

Xerox has been providing unclaimed property services to state governments for over 25 years.

**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.**

Engagement/ Scope of Work	Date	Vendor Location	Client Contact
Professional Auditing Services for the Audit of Unclaimed Property Holders	8/1/2007-7/31/2012	100 Hancock Street, 10 <sup>th</sup> Floor, Quincy, MA 02171	Carolyn Atkinson 304.341.0703
Agreement Between West Virginia State Treasurer's Office and Wagers &	8/15/2007-9/30/2012	5777 Central Avenue, Suite 227, Boulder, CO 80301	Carolyn Atkinson 304.341.0703

Associates, Inc.			
MissingMoney.com Agreement	2/1/0010-1/31/2013	100 Hancock Street, 10 <sup>th</sup> Floor, Quincy, MA 02171	Carolyn Atkinson 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.**

Xerox is currently contracted with 48 states and jurisdictions to perform audit services similar to those required by this RFQ. A list of those state clients for audit services has been enclosed under Appendix Tab A. Contact information for these clients can be provided upon request. Of our 48 audit engagements, the following five (5) can be considered our most significant and most similar to the engagement described in this RFQ.

Client	Contact Person	Telephone Number	Scope of Work	Date of Services
Alaska Department of Revenue, Treasury Division	Rachel Lewis	907.465.5885	Unclaimed property auditing services	Since 1985
Massachusetts Office of the Treasurer and Receiver General	Mark William Bracken	617.367.9333 ext.421	Unclaimed property auditing services	Since 1985
New Mexico Taxation and Revenue Department	Stephanie Dennis	505.827.0762	Unclaimed property auditing services	Since 1985
Ohio Department of Commerce	Yaw Obeng	614.644.6094	Unclaimed property auditing services	Since 1985
Puerto Rico Comisionado de Instituciones Financieras	Salva Doris Valentín Maldonado	787.723.3131	Unclaimed property auditing services	Since 2002

**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.**

Xerox has quality reviews throughout the entire audit process. Control objectives are established and these measures are evaluated and audited as part of the annual SSAE-16. No exceptions have been identified and excerpts from the SSAE-16 have been listed below which demonstrate the adequacy of Xerox controls.

- ◆ Controls provide reasonable assurance that property holder authorization is granted and data is received, balanced and validated prior to further processing.
- ◆ Controls provide reasonable assurance that complete and accurate instructions ("scrub" procedures) are prepared for each applicable packet forwarded to the examination process and the client master is accurately set-up on the system.
- ◆ Controls provide reasonable assurance that property holder data is completely and accurately examined to be in compliance with state laws and all eligible properties are requested.
- ◆ Controls provide reasonable assurance that all physically and electronically received property is completely accounted for and adequately safeguarded.
- ◆ Controls provide reasonable assurance that adjustments are accounted for and that property received is balanced with the eligible property.
- ◆ Controls provide reasonable assurance that delivery authorization packages and fee schedules are authorized and completely and accurately prepared.
- ◆ Controls provide reasonable assurance that the complete property package is delivered to each state and in accordance with state guidelines.
- ◆ Controls provide reasonable assurance that access to check stock is restricted; usage is monitored, inventoried monthly and reconciled to usage records.
- ◆ Controls provide reasonable assurance that check issue is authorized and checks are restricted to authorized personnel.
- ◆ Controls provide reasonable assurance that all received checks are deposited in the bank.
- ◆ Controls provide reasonable assurance that the DAS system and bank records are reconciled on a periodic basis, out-of-balance conditions are investigated and resolved, and results are reviewed by management.
- ◆ Controls provide reasonable assurance that access to the Xerox facility is restricted.
- ◆ Controls provide reasonable assurance that the Xerox facility and data center equipment are protected from heat, fire and power loss.
- ◆ Controls provide reasonable assurance that use of the network is restricted to authorized individuals.
- ◆ Controls provide reasonable assurance that access to computer programs and data files is restricted to authorized users.
- ◆ Controls provide reasonable assurance that data files sent by property holders to Xerox are secure and customer data files sent from Xerox to the data center are securely transmitted.

- ◆ Controls provide reasonable assurance that development of new functionality in the software programs are documented tested and approved prior to being moved into production.

**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.**

Xerox currently serves the unclaimed property programs of all 50 states, the District of Columbia, Commonwealth of Puerto Rico and Province of Quebec. Of the 48 states that Xerox currently provides unclaimed property audit services, the following state programs are substantially similar to the services requested in the RFQ. Contact information for these three clients is provided below.

Alaska Department of Revenue, Treasury Division

Ms. Rachel Lewis  
Administrator  
Unclaimed Property Unit  
333 Willoughby Avenue  
11th Floor  
PO Box 110420  
Juneau, AK 99811-0420  
907.465.5885 (p)  
907.465.2394 (f)  
rachel.lewis@alaska.gov

Xerox has performed unclaimed property auditing services since 1985.

Massachusetts Office of the Treasurer and Receiver General

Mr. Mark William Bracken  
Assistant Treasurer  
One Ashburton Place, 12th Floor  
Boston, MA 02108  
617.367.9333 x412 (p)  
617.248.3944 (f)  
mwbracken@tre.state.ma.us

Xerox has performed unclaimed property auditing services since 1985.

New Mexico Taxation and Revenue Department

Ms. Stephanie Dennis  
Supervisor  
Unclaimed Property Office

1200 South St. Francis Drive

P.O. Box 25123

Santa Fe, NM 87504-5123

505.827.0762 (p)

505.827.1759 (f)

stephanie.dennis@state.nm.us

Xerox has performed unclaimed property auditing services since 1985.

## 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.**

Xerox has long recognized that having the best thought leadership and talent in unclaimed property policy, law, auditing, accounting and systems technology would be critical to its success and that of its clients, so it makes retaining the brightest minds in these areas a top priority. Approximately 60 individuals are responsible for identifying candidates for examination, securing consent from holders to report unclaimed property, examining and analyzing holders' records, preparing reports of unclaimed property, securing delivery of property, reconciling the audit findings to the amount reported and delivering property to the states. All of these individuals are located in the primary office which is located in Quincy, Massachusetts including the STO's Client Service Executive, Bill Slade, who will provide all project management support and respond to all STO inquiries.

Many additional individuals play supporting roles in areas such as IT services, accounting, legal services, management and administration. The management staff of Xerox possesses more than a century of cumulative experience in the identification and collection of unclaimed property. This experience extends to both the public and private sectors. Xerox ensures that eligible employees are groomed to serve as lieutenants in key positions so as to maintain continuity of command.

Xerox submits resumes as Appendix Tab B for four groups of key leaders who, along with their respective staff, will play a key role in the fulfilment and administration of any contract arising from this RFP:

- ◆ Key Executive Management and Client Service
- ◆ Key Audit Personnel
- ◆ Key Operations Personnel
- ◆ Key Consultants and Subject Matter Experts

**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.**

Xerox Representative	Telephone	Fax	Address	Email
<b>Designated Client Executive Liaison</b>				
<b>Bill Slade</b> Senior Vice President	617.722.9689	617.532.8770	100 Hancock Street, 10 <sup>th</sup> Floor, Quincy, MA 02171	bill.slade@acs- inc.com
<b>Executive Management</b>				
<b>Gerard Badorrek</b> Managing Director	703.891.8852	703.891.8969	8620 Willow Oaks Corp. Drive, Fairfax, VA 22031	gerard.badorrek@a cs-inc.com
<b>Jeremy Katz</b> BPS Chief Operating Officer	914.949.1570	914.949.8254	79 Davis Avenue, White Plains, NY 10605	jeremy.katz@acs- inc.com
<b>Tracy Olsen</b> UPCH Chief Operating Officer	617.722.9484	617.532.8767	100 Hancock Street, 10 <sup>th</sup> Floor, Quincy, MA 02171	tracy.olsen@acs- inc.com
<b>Michelle Colbert</b> Client Service Senior Vice President	617.722.9648	617.532.8751	100 Hancock Street, 10 <sup>th</sup> Floor, Quincy, MA 02171	michelle.colbert@a cs-inc.com
<b>Contracts</b>				
<b>Karen Severy</b> Contracts Manager	703.891.8716	703.891.8980	8620 Willow Oaks Corp. Drive, Fairfax, VA 22031	karen.severy@acs- inc.com
<b>Invoice &amp; Payments</b>				
<b>Stella Chan</b> Assistant Vice President	617.722.9605	617.722.9645	100 Hancock Street, 10 <sup>th</sup> Floor, Quincy, MA 02171	stella.chan@acs- inc.com
<b>Initial Compliance</b>				
Reporting Inquiries:				
<b>Michael Normandin</b> Assistant Vice President	617.722.9610	617.722.9660	100 Hancock Street, 10 <sup>th</sup> Floor, Quincy, MA 02171	michael.normandin @acs-inc.com
Stock Reporting Inquiries & Owner Claims:				
<b>Sonny Wong</b> Assistant Vice President	617.722.9609	617.722.9636	100 Hancock Street, 10 <sup>th</sup> Floor, Quincy, MA 02171	sonny.wong@acs- inc.com
<b>Audit</b>				
<b>Richard Goggin</b> Director	617.371.9980	617.532.8762	100 Hancock Street, 10 <sup>th</sup> Floor, Quincy, MA 02171	richard.goggin@ac s-inc.com

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

For any contract arising from this RFQ, the Contract Manager will continue to be William Slade, Senior Vice President. Bill is the Client Service Senior Executive Liaison specifically assigned to the STO. As the Executive Liaison for the STO, Bill is responsible for serving as the primary point of contact and maintaining close communication with the STO. STO personnel are encouraged to contact the assigned Executive Liaison with any issues that may arise. Xerox's Client Service program is designed to facilitate and improve communication, information sharing and problem solving among Xerox and its state clients.

Xerox Representative	Telephone	Fax	Address	Email
Designated Client Executive Liaison				
<b>Bill Slade</b> Senior Vice President	617.722.9689	617.532.8770	100 Hancock Street, 10 <sup>th</sup> Floor, Quincy, MA 02171	bill.slade@acs- inc.com

William Slade, Senior Vice President and Client Service Executive Liaison  
With Xerox since 2003

William Slade, a senior executive, is focused on client relationships for Xerox. In 2003, Bill joined Xerox through the acquisition of the National Abandoned Property Processing Corporation (NAPPCO), a company he founded in 1988.

Prior to founding NAPPCO, he held senior marketing and general management positions with the Cabot Corporation and Ciba-Geigy Corporation. The responsibilities commensurate with these positions encompassed activities in the United States, Canada, Mexico, South America, Great Britain and Europe. As President of an abandoned property software and systems consulting firm, he managed the administration of the design and development of its abandoned property processing system.

Bill was honored by the National Association of State Treasurers (NAST) and recognized for his defense of the states' statutes and rights when he was awarded the 2000 Corporate Affiliate Award. In recognition of his dedication and accomplishments in representing the states' interest, the National Association of Unclaimed Property Administrators (NAUPA) honored Bill with its 2011 Lifetime Achievement Award.

Bill is a member of a number of trade associations including NAST, where he served as director and Chairman of the Corporate Affiliates Advisory Board, and the Society of Corporate Secretaries and Governance Professionals, where he served on the Corporate Practices Committee and the Escheat and Abandoned Property Subcommittee. He served as NAPPCO's representative to NAUPA and serves as Xerox's representative to NAST.

Bill holds a B.A. in Chemistry from Colby College and is a graduate of the Program for Management Development, Harvard University Graduate School of Business.

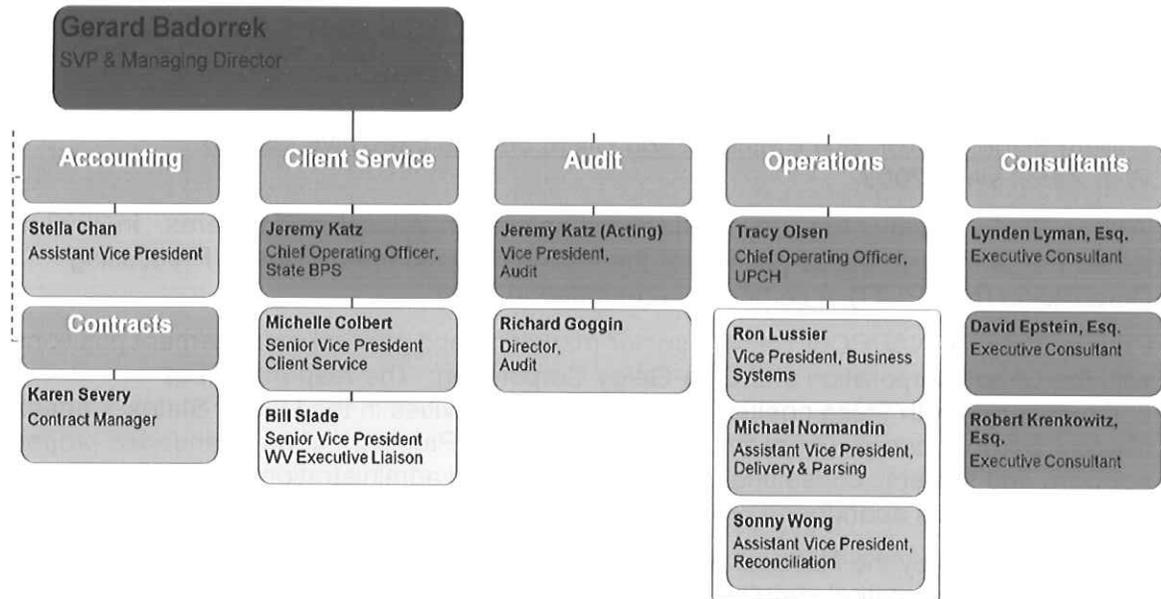
**3.3.4 Project Team: The Vendor must provide experienced staff which will be a part of the Project Team that will implement the Services required by this RFQ. The Project Team members will include staff from the STO Unclaimed Property Division and other**

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.

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

For detailed descriptions regarding roles and responsibilities and organizational structure of the staff members, please refer to the resumes of key personnel and organizational charts enclosed under Appendices Tab B and Tab C.

## Xerox Client Service Team West Virginia Unclaimed Property Audit Services



**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.

Xerox is pleased to provide a response that demonstrates the continuity of staff assigned to the STO. Almost all of the staff depicted in the chart above in response to the immediately preceding question have been with Xerox for more than a decade and many for more than

two. If any of these individuals are reassigned, Xerox will inform the STO in writing of the changes. The STO will retain the right to approve or reject replacements.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

The Bank of New York Mellon ("BNY Mellon") has been the custodian for Xerox's state unclaimed property collections since 2003. Xerox recognizes the importance of The Bank of New York Mellon relationship to ensure proper accounting and control of all state assets. Xerox reconciles the cash and securities held by BNY Mellon to its own records on a daily basis. Xerox also has regular management meetings with BNY Mellon to ensure satisfactory performance and achievement of service levels.

BNY Mellon is a New York State chartered bank and wholly owned subsidiary of The Bank of New York Mellon Corporation, a publicly owned company whose stock ("BK") is traded on the New York Stock Exchange. The Bank of New York Mellon Corporation, the parent of The Bank of New York Mellon, is incorporated in the state of Delaware. The Bank of New York Mellon Corporation was incorporated on July 1, 2007. The Bank of New York Mellon Corporation ("BNYM Corp") is a publicly held financial holding company supervised by the Board of Governors of the Federal Reserve System ("Federal Reserve").

BNY Mellon was formed in July 2007, when The Bank of New York Company, Inc. and Mellon Financial Corporation merged to form a new company. The combination of these two holding companies rich in history, vision and performance has created a global financial services growth company unmatched in its commitment to asset management and servicing.

The Bank of New York Company, Inc.'s history began on February 23, 1784, with a small advertisement in The New York Packet, announcing plans to start New York's first bank. A meeting was held the next evening at which prominent New York citizens launched The Bank of New York, the company's earliest predecessor institution.

Alexander Hamilton, a highly respected New York attorney and future statesman, was enlisted to write the new bank's constitution. He became the individual most actively involved in the organization of The Bank of New York, guiding it through its early stages, and leaving a lasting imprint on the organization it would become.

The credit markets recognize BNY Mellon's strong financial position, and it enjoys excellent long-term credit ratings of AAA by Moody's and AA by S&P. Its debt continues to trade at the best spreads in the industry among the 10 major U.S. banks. BNY Mellon has seen a very large growth in deposits, which is an indication of the strength of the company.

BNY Mellon has an extraordinary range and depth of product and service offerings. Its world class capabilities including premier pension, not for profit, banking and fund services are delivered by over 12,000 professionals worldwide.

As a well capitalized company, BNY Mellon is positioned to handle both the volume and volatility being experienced in the marketplace. BNY Mellon remains one of the strongest financial institutions globally with excellent liquidity, strong earnings versus its peers and ample capital.

The Bank of New York Mellon (BNY Mellon)

Paul R. Kraus  
500 Grant Street  
One Mellon Center, Suite 1320  
Pittsburgh, PA 15258-0001  
412.234.0044 (p)  
412.236.1928 (f)  
paul.kraus@bnymellon.com

### 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.**

Under a contract with the STO, Xerox will perform all services pursuant to the requirements of the State's Unclaimed Property Act. Xerox will operate as the STO's agent to audit holders of unclaimed property, to verify the accuracy and completeness of holder records and to provide the STO with a narrative or other appropriate report of the work completed for each holder examined. Xerox has been conducting unclaimed property examinations longer than any other private sector entity and has developed written programs for all its reviews. Xerox provides substantial and comprehensive audit and verification procedures to qualify the records that the STO seeks in this RFQ. Xerox does this by following detailed written audit procedures that include:

- ◆ taking in all of a holder's records (raw data) relevant to determining unclaimed property liability;
- ◆ refusing to accept records that have been edited by holders;
- ◆ subjecting these records to numerous manual and electronic testing and verification procedures;

- ◆ looking for missing records, inconsistencies in records, unusual occurrences in records, and any other record deficiencies;
- ◆ questioning the holders and their agents until all issues are resolved;
- ◆ reviewing the entire universe of property in order to verify which accounts are currently escheatable;
- ◆ researching and correcting addresses to ensure that each state receives all property that is due;
- ◆ conducting multiple quality assurance checks of all work performed;
- ◆ providing an appropriately detailed report to accompany each delivery of property to the State.

In order to fulfill the requirements of the RFQ, Xerox will employ a combination of advanced technology and trained personnel to execute its audit and record verification strategy.

#### Identification

Xerox will identify entities potentially holding past-due unclaimed property subject to report and delivery to the STO. Some of these entities may never have filed unclaimed property reports while others may have underreported property to the STO. In either instance, Xerox will have done its homework to determine that the entity is likely to be holding a material amount of reportable property.

Our approach to identifying unclaimed property is grounded in the need, and the ability, to document that there is "reason to believe" that a holder has failed to report material amounts of unclaimed property. Under this approach, holders are not contacted and audited at random. Rather, the appropriate research is performed and analyzed for purposes of identifying those holders who are likely to possess significant amounts of abandoned assets. Research can include, but is not limited to:

- ◆ Date of holder's incorporation or organization
- ◆ Lines of business operated by holder
- ◆ Sales and other revenues
- ◆ Demographics of customer base
- ◆ Reporting history
- ◆ Experiences with reporting by industry peers

No holder should be selected for examination in the absence of a specified determination of non-compliance. Similarly, to ensure the optimal allocation of audit resources, no holder should be selected for examination where it cannot be established that the findings are likely to be material.

The identification of unclaimed property should not be limited to any one industry, property type or geographic area. Rather, multiple opportunities for identifying (and ultimately, collecting) unclaimed property should be pursued. Consistent with this approach, Xerox has examined holders in virtually all major industries, and collected all types of unclaimed property.

If unclaimed property is not correctly identified and analyzed, it is impossible for the unclaimed property agent to function properly. When the state or its agent pursues "false leads," resources will be wasted and credibility will be called into question. Consequently,

our approach calls for a significant investment in human and investigative resources to identify unclaimed property. We must, and we do, utilize the best information in proposing holders for audit.

### Compliance Audits

Xerox was the first enterprise to pioneer the concept of collective examinations for abandoned property, whereby a single agent examines a holder's records on behalf of multiple states, simultaneously applying each state's respective reporting requirements. Today Xerox is the industry leader, driving improvements in property identification and collection as well as database management and owner outreach.

Xerox has developed sophisticated technologies and proprietary systems to support its efforts. In combination with Wagers, the company provides a broad new dimension of technological capabilities and efficiencies to its state clients. Xerox has the financial stability and resources to support these initiatives.

*Securities Examinations:* Xerox was created initially as a solution to address non-compliance in securities reporting, and it was in securities examinations that it developed its most significant protocols, procedures, quality assurance tests and technology. Xerox was the earliest organization to operate a successful multi-state, coordinated approach to examining holders of securities, one that would offer holders the crucial incentive of achieving compliance with many states by cooperating in a single examination. In order for this approach to succeed, it was necessary to craft an examination process that would address each participating state's particular laws—as well as provide protocols for areas of the law that were silent or ambiguous—that would be acceptable to all participating states. Xerox began examinations using this pioneering approach with 15 charter states in 1985, and subsequently has performed examinations for the unclaimed property programs of every state, including Michigan, plus the District of Columbia and Commonwealth of Puerto Rico. As a result, Xerox has methodologies and procedures documented for virtually every type of securities examination, including exchanges, spin-offs, mergers and acquisitions and liquidations. We have worked extensively with both debt and equity types of securities.

It is our belief that Xerox's proprietary system designed and maintained by Xerox is unique and no other processing system includes these sophisticated auditing systems (the system being used is a third-generation unclaimed property system built by Xerox and would cost in excess of \$8 million to duplicate). This proprietary system offers features and benefits, not provided by other firms, to ensure the accuracy and quality of data which assists the STO in the return of property to West Virginia citizens.

Xerox utilizes a compliance-audit data system that has one-of-a-kind capacity in the search and audit of holder/agent recordkeeping systems, verifying the accuracy of the records being examined. For example, the system automatically notes the absence of missing records (e.g., missing dividends), unusual last activity dates (all owners become lost on the same date), identifies unexplained account activity (cashing of an individual check by a "lost" shareholder) and analyzes other data in order to determine the reliability of information. Additionally, the system utilized by Xerox automatically calculates all amounts owing to missing owners based on the corporate history of the mutual fund, stock brokerage house or other holder. These "imputed" amounts are then compared with the holder's records to

verify the accuracy of those records. Thus, our proprietary systems can verify the accuracy of holder/agent records, rather than simply compile, sort and age data.

The technology incorporated in Xerox's unclaimed property system is not limited to merely identifying all reportable property. The system additionally is programmed to ensure that property is reported to the correct state. Each account is analyzed to confirm that the state code and zip code as contained in the holder's records are accurate (which often results in the identification of incorrect state codes); artificial last known addresses (such as those "care of" the company to the transfer agent) substituted for the last known address on suppressed-mail accounts are targeted for further research and incomplete registrations are consolidated in an attempt to assemble addresses sufficient for the delivery of first class mail.

*General Ledger Examinations:* Xerox has substantial experience performing general ledger examinations for many industries including banking/ financial services, communications, insurance, manufacturing and many others in its 25 year history. Some recent collection information as well as current examinations by industry is provided below:

- ◆ Property/Casualty Insurers - Xerox has completed nine significant examinations of property/casualty insurers, resulting in total recoveries exceeding \$54 million since 2004. Xerox is currently examining three additional major property/casualty insurers that will likely result in additional multi-million dollar recoveries.
- ◆ Life Insurers - Xerox is currently examining eight life insurance companies and will be using state of the art technology to match policies to the Social Security Death Index (and other databases) in order to establish a date of death (as directed by the state).
- ◆ Rebate Processors & Associated Client Companies - Xerox has been conducting examinations of various rebate processing companies since 2006. At this time, efforts to obtain compliance from holders are ongoing. To date, eleven holders have complied with state laws and have remitted approximately \$18 million in unclaimed rebates. Xerox continues to be in discussion with approximately 15 other holders, who collectively owe an estimated \$20 million in unclaimed rebates. Complex legal and accounting issues need to be resolved prior to the completion of these reviews. In addition, an examination of a large rebate processor resulted in remittances of more than \$7 million in unclaimed rebates. Xerox has multiple ongoing examinations of holders which sponsor the rebate programs.
- ◆ General Corporations - Xerox has performed over 165 examinations of corporations for general ledger property, recovering in excess of \$210 million for states, with numerous other general ledger audits ongoing.

For non-securities property, different examination methodologies are utilized for each property type/recordkeeping system involved. Where a field examination is required, procedures are tailored to fit the requirements and needs of the engagement and included in the audit plan. We perform a complete general ledger review. We focus on areas such as disbursement accounts (accounts payable and payroll), accounts receivable credit balances, deposits, etc. Our examination includes the company in its entirety (i.e., subsidiaries, divisions, etc.) to capture the full extent of abandoned property liability.

Xerox has also served as advisor to numerous state unclaimed property programs in the states' own examinations of holders for general ledger property.

*Other Examination Experience:* With regard to specific unclaimed property examination expertise, we believe we are the only firm with extensive experience in examining mutual funds, and no other firm has experience examining multiple stock brokerage houses. Xerox has examined 15 stock brokerage houses, including seven of the nation's largest. We have performed comprehensive examinations in six cases for portfolio dividends (the property in question in *Delaware v. New York*). Additionally we have examined approximately 330 mutual funds.

Xerox also represents the only unified effort to recover unclaimed assets in bankruptcy litigation, and has successfully intervened on behalf of the states in more than 10 instances (this effort has resulted in the states receiving millions of dollars in cash and securities that would have otherwise been irretrievably lost through the bankruptcy courts).

Xerox has audited 11 demutualized insurance companies resulting in multi-million dollar recoveries to almost every state.

As major insurance companies began to demutualize in the late 1990s and early 2000s, Xerox recognized that large sums of unclaimed property were likely to result. Xerox also recognized that there was an opportunity for states to enact legislation to accelerate the collection of unclaimed property.

While Xerox was confident that the states, unlike the insurance companies, could find many owners, there was also an opportunity to alleviate state budget shortfalls that existed at the time. Success would turn on convincing the companies that both their interests and the interests of the lost owners would best be served by remitting the funds at an accelerated rate.

With this background, Xerox developed model legislation and worked cooperatively with the states and the insurance companies to affect a revolution in this area. Today, 33 states have legislation governing the abandonment of demutualization proceeds. Xerox audited almost every demutualized insurance company on behalf of the states and returned hundreds of millions of dollars in unclaimed demutualization funds to them.

#### Reporting Unclaimed Property

Our approach to the reporting of unclaimed property is centered on accuracy. If data is misinterpreted, audit findings cannot be correctly compiled. If audit findings are not correctly compiled, the state will receive either more or less property than is due. In either case, the credibility of the state is compromised, and the unclaimed property agent incurs liability.

Consequently, Xerox makes significant investments in ensuring the accuracy of data and, as a result, the accuracy of reports. The processes through which such data capture and related quality steps are undertaken are summarized here.

From the inception of Xerox, our approach has called for collecting as much useful data as possible. The report and data input formats received by Xerox have a greater number of fields to capture more data than most state reporting formats require. For example, wherever possible, we identify and record when an owner opened an account, last initiated a transaction and became lost. In addition, we document the dates of issuance of property due the owner.

Under this approach, maximizing the information collected on each owner account serves two critical purposes. First, the collected data serves as an audit trail to validate the

correctness of including the account in the audit findings. This is particularly important in the processing of complex unclaimed property types, where the state's claim is not based simply on the aging of an unclaimed item. Second, the data provides a useful basis in determining ownership once a claimant appears, and helps the claimant understand why his or her account was deemed abandoned.

We do not limit reports to only property that is "reportable." Because we use a compilation of unedited records, and not merely those records that the holder chooses to provide, or that the holder believes to be "relevant," the audit reports identify both property due to the states, and ineligible (i.e. not due) property. Moreover, there are in excess of one million accounts loaded annually to the Xerox proprietary system that, although not yet reportable, are retained with the ability to print in the form of reports at any time. Thus, if there is ever a question in the future on why we did or did not include an account in the findings, we will be in a position to respond.

Xerox recognizes that a key objective of the state is to return property to missing owners. This objective is difficult to achieve when reports do not include full and complete names and addresses. Xerox has never made it a practice to aggregate items or avoid the research, compilation and reporting of names and addresses where this information exists in favor of the easier course of estimations. We will continue in this current practice. The only exception to this approach is in instances where the cost of providing the names and addresses would significantly exceed the value of the unclaimed property, and where the states have authorized an alternative approach.

Our reports are in a format that is useable by states. Accordingly, we will produce reports in any format and sort as required by a state, as well as provide the report in one or more media and deliver the reports securely. Final audit reports should likewise be in formats useable by the holder.

Xerox views itself as the long-term custodian of all reports. We retain all data in the event that any state misplaces a report, or otherwise requires that a report be recreated. Xerox's monthly reports in Excel and PDF format are retained as long-term storage for a minimum of 10 years.

#### Remitting Unclaimed Property

Our approach is to timely reconcile and remit property to the states. When property is held for protracted periods by the unclaimed property agent or its custodian, numerous problems arise. First, until property is balanced and remitted, the audit cannot be closed. Second, invariably owners reappear and demand their property while under the temporary custody of the unclaimed property agent. Third, if the holder is not immediately made aware of problems with the remittance, the focus will shift, and the holder will be less inclined to assist in reconciliation.

Realizing the clear advantages of timely remittance of unclaimed property, our approach involves devoting significant resources to the "back-end" process required to reconcile and remit property. Indeed, half of the administrative personnel that Xerox utilizes in processing unclaimed property are devoted to reconciliation and remittance functions. Additionally, there are a number of other personnel that will help support this contract in areas such as accounting, systems, legal, and management services. We recognize that audit/collection and reconciliation/remittance processes are equally important.

The procedures utilized in reconciliation and remittance are formalized, written and extensive. These procedures reflect our prior status as a division of a regulated financial institution, as well as the strong control environment we maintain.

Again, recognizing that the audit cannot be closed until remittance is made and accepted by the state, Xerox has an inherent interest in delivering reports that upload easily to the state's recordkeeping system, and in delivering report content that is clean, accurate and balances to the remittance. To that end, in 2004 Xerox acquired Wagers & Associates, Inc. ("Wagers"), the leader in state unclaimed property database systems.

### Reports and Tools

Xerox's processes and procedures include the use of:

- ◆ an Audit Engagement Letter (AEL), indicating the Holder's agreement to submit to an examination;
- ◆ the Agreed to Participate List (ATP), a spreadsheet which includes pertinent information about holders Xerox seeks authorization to audit, including but not limited to, holder name, property types to be examined, state of incorporation and corporate domicile, FEIN and corporate contact information;
- ◆ the Work in Progress Report (WIP), which presents a snapshot of Xerox's progress in the auditing, reconciling, report preparation and delivery process for authorized issues; and
- ◆ the final Delivery Report Packet.

These documents will allow Xerox and the State to communicate for purposes of proposing audit candidates, authorizing examinations, providing/reviewing status updates fulfilling contract requirements and closing audits. Samples of these documents are attached as Appendix Tab D.

A workflow of Xerox's process is included under Appendix Tab E.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

If awarded, Xerox will notify STO of any conflict of interest which may arise during the term of this contract.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

#### Identifying Holders

Likely holders of past-due unclaimed property owed to the STO will be reviewed through a series of research steps, including the following.

- ◆ Research of Industry Activity by Property Type - Just as certain types of securities corporate actions give rise to unclaimed property, specific types of property have a tendency to become abandoned at higher rates than others. Examples include property where the owner has no tangible reminder of the underlying ownership interest (e.g., book entry mutual fund shares) and where the holder does not know who the owner is, and thus cannot notify him or her concerning the property (e.g., gift certificates). In cases where the abandonment rate of the property is high and the average value of an individual transaction is material, the associated industry generating the unclaimed property warrants review.
- ◆ Research of Holder Activity in States with Less Active Programs - The experience of Xerox has been that there is a direct correlation between the rate of reporting compliance and a state utilizing auditors or otherwise proactively enforcing its law. Xerox has, and will continue to research opportunities specifically within states that have not been aggressive in seeking in-state compliance. Holders within such states will be identified and researched for the likelihood that their activities would generate unclaimed property.
- ◆ Networking – Xerox has found that while many suitable candidates have been identified through research of industry materials and state reporting databases, many other suitable candidates have come to light through less formal procedures. Through actively networking with the states, industry trade groups, business consultants and third party administrators, information of a less public nature can frequently be further developed into a solid “reason to believe” that a holder is not compliant. Xerox has also found that its contracting states are an excellent source for recommending holders for review, and Xerox would encourage the STO to share the names of any companies that it would like to see Xerox research further.
- ◆ Affirmatively Seeking Holder Cooperation - Many holders with material unclaimed property reporting obligations want to comply, but have difficulty getting the compliance process underway. In some cases there are legitimate legal issues; for others, there may be operational obstacles. Until recently, neither the legal nor accounting professions had a good understanding of unclaimed property and the availability of assistance was minimal.

Xerox' experience has been that, at any given time, some portion of the holder community is interested in obtaining a reporting solution, and settling all unclaimed property disputes.

Through making its operation and services widely known (by networking, as described in the prior paragraph, and through other awareness opportunities), Xerox is frequently contacted by holders. Regardless of whether Xerox identifies the holder or the holder Xerox, the state will be the benefactor, through increased and accurate collections.

#### Soliciting Holder Cooperation with an Unclaimed Property Examination

Xerox recognizes that holder cooperation is the cornerstone to a successful audit/auditor agent program. If holders are unwilling to cooperate, property will not be timely and efficiently collected. It is also the experience of Xerox that when holders of past-due reporting obligations are correctly approached, they can be persuaded to come into compliance. The following approach has been consistently successful:

- ◆ Accurate Targeting of Holders - The holder must be holding past-due unclaimed property, and thus have the need for compliance. The greater the liability, the greater the need.
- ◆ Pinpoint the Optimal Holder Contact - The contact should be made directly to the relevant individual at the holder, who possesses the need to resolve the compliance issue.
- ◆ Identify the Need - Disclose to the holder contact that the states have reason to believe that the holder is not in compliance, and provide the particulars of such non-compliance.
- ◆ Provide the Solution - Explain in detail how the holder has the opportunity to obtain compliance, through a program coordinated by the states. Discuss the availability of relief from interest and penalties, if applicable. Explain the mechanics of the process. Review the history of Xerox, the backgrounds of its personnel and the availability of state and holder references. Offer written materials or analysis, as needed or requested.
- ◆ Disclose the Alternatives - As necessary, share with the holder the risk that it faces in not agreeing to a course of compliance.
- ◆ Obtain a Letter from the Company Electing to Comply - It is not always possible to obtain an audit engagement letter on the first call to the company. However, this approach is generally successful.

Xerox engineered the concept of cooperative compliance in 1984 and it is still successful today.

Xerox anticipates numerous opportunities to solicit cooperation from holders. In addition to the direct and unsolicited contact of holders outlined above, Xerox will actively solicit compliance and utilization of its services through industry and trade organizations, industry and trade shows, third party administrators and writing and speaking engagements. Xerox additionally hopes that the State of Kansas will refer holders to us where the issue of multi-state compliance exists, and the state does not elect to undertake its own examination of the holder.

#### Collecting Property

We believe that property is most easily and timely collected where:

- ◆ The holder plays an active role in the audit process, and there is adequate communication of material matters between the holder and the auditor.

- ◆ The audit is performed competently and professionally, with findings based on facts and not speculation.
- ◆ The holder receives unlimited aid (special reports and technology, or on-site assistance) in reconciling the report and preparing the audit remittance, provided the holder acts in good faith.
- ◆ All questions and concerns of the holder are responded to timely and correctly.

For the collection of property to actually occur, it is also necessary to have timeframes and procedures. In the absence of timeframes and procedures, the holder will not likely make the remittance of property a priority. Timeframes and procedures used by Xerox include:

- ◆ When a holder agrees to work with Xerox, the holder is advised, in writing, that it must at all times operate in good faith and otherwise observe certain timeframes.
- ◆ These timeframes include a requirement that the property must be remitted within 60 days of the issuance of the audit report, which can only be extended upon a showing of good cause.
- ◆ When the audit report is issued, the holder is reminded of the need to make delivery of the property within the 60 day timeframe disclosed at the beginning of the engagement.
- ◆ Within 10 days after the issuance of the audit report, the holder receives a telephone call to confirm receipt of the audit report, to determine whether the holder has any questions concerning the findings and to again remind the holder of the need to make timely delivery.
- ◆ Thirty days following the issuance of the audit report, the holder receives a follow-up call.
- ◆ If the holder has not made delivery of the property within 60 days of the issuance of the audit report, and the holder has not previously articulated a good cause for delay, the holder is contacted to determine specifically what is delaying the report.
- ◆ If within 90 days of the issuance of the audit report the property is not collected, and the holder has not provided good cause for the delay, the state(s) is to be contacted and given recommendations for aiding in the collection of property.

#### Processing Unclaimed Property Reports

- ◆ Information Services Unit - Records that are received from various holders are sent to the Information Services Unit where a set of written instructions internally referred to as a "scrub" is created. This blueprint documents how to process the issue and is prepared by an individual possessing suitable knowledge and experience with the record type and holder. As part of this process, the Information Services Unit reviews all records received to ensure completeness. In addition, this unit verifies documents such as a capital changes history, a cash dividend payment history and any special instructions that relate to the particular issue.
- ◆ Audit Processing Unit - From there, the records are given to the Audit Processing Unit, which logs the records onto an internal tracking system and assigns the issue to an administrator for processing. The administrator copies the records over and runs a series of diagnostic tests designed to verify that all of the accounts have moved to the correct state. The administrator then runs these records against the Xerox proprietary escheatment system to determine which accounts are currently reportable to a state and which accounts will be reportable at a future time.

- ◆ Quality Assurance Unit - The issue is then reviewed by the Quality Assurance Unit, which reviews the issue in detail to be sure that all of the accounts are properly accounted for. The Quality Assurance Unit then signs off on the issue and sends it to the Property Request Unit, which creates a letter and a hard copy of the report instructing the holder to remit the reportable property to Xerox.

#### Transferring Property

- ◆ Reconciliation Unit - When a holder remits the property that is requested based on Xerox audit findings, the property is received and logged into the tracking system by the Reconciliation Unit. Within 24 hours of receipt of property, it is deposited with Xerox' custodian, Bank of New York Mellon. The Reconciliation Unit will then balance the remitted amount to the audit report, reflecting what is owed each state. If the report is out of balance, the administrator in this unit works with the holder to determine the next course of action. Examples of why a report would be out of balance include: owners came forward and the holder paid them prior to remitting the property, a dividend was issued prior to Xerox receiving the property or a corporate action occurred. The administrator makes all changes necessary or obtains the additional property needed to reconcile the report.
- ◆ Authorization Unit - Once the report is reconciled and reviewed for accuracy, the issue is moved to the Authorization Unit. This Unit verifies that the issue is in balance and that the report is accurate. The unit also verifies that Xerox has approval to deliver the report to the state and completes a delivery authorization package containing instructions on the delivery of the report to the states.
- ◆ Delivery Unit - After the issue is reviewed for accuracy, it is moved to the Delivery Unit. This Unit again verifies that the report is in balance and completes the package that will be sent to the state, including the owner detail report, other documents required by the state, file(s)/diskette(s), a check or wire and a stock certificate or DTC transfer of stock. After the package is reviewed for accuracy, it is mailed to the states.

#### Using Subcontractors

Xerox subcontracts with Bank of New York Mellon ("BNY Mellon") for the receipt, control and disbursement of cash and securities only. All other work is performed by Xerox.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

**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.

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

## 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.

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

Our experience, commitment and professionalism permit us to commence and complete the vast majority of examinations within the prescribed timeframes. Naturally, on occasion the complexity of an audit or factors beyond the control of Xerox will prolong the audit and postpone its completion beyond the parameters of the desired timeframe. In those instances, Xerox will communicate regularly and timely with the STO, providing updates and sometimes seeking direction or approval for a recommended course of action. At no time will STO be unaware of the fact or the underlying reasons why an audit cannot be completed in the above referenced timeframe.

## 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 536-8-7 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

As a leader in unclaimed property compliance and best practices, Xerox fully understands the intent of the due diligence requirements in the West Virginia Code. Xerox instructs the Holders it works with of the due diligence obligations they must meet under the respective laws of its client states. Xerox will offer to assist Holders with meeting due diligence requirements and will provide STO with a statement from examined Holders that the due diligence requirement has been fulfilled.

## 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 thereunder. 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 636-8-24, 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

When working with Holders on behalf of STO, Xerox recognizes that it represents the interests of STO and impartially will apply all of the requirements of West Virginia Code to the circumstances and records of the Holder during the course of its examination. Xerox will make no representation to Holders that STO will or will not exercise its authority to charge interest and penalties to delinquent Holders, which remains at the discretion of STO, unless STO authorizes in writing.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

### 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

Xerox has many years of experience in dealing with out-of-proof accounts, and will comply with this section. We will instruct the Holder to pro-rate each account for each individual owner. If the Holder is unable to do so, Xerox will pro-rate each account before delivery to the STO and detail the prorated amounts owing to individual owners on a prorated report. Xerox offers the STO the option to receive an additional report detailing *the reportable* amount owed to each owner. This report would help STO pay the true and total obligation to each reappearing owner of prorated property. Xerox will request that the Holder confirm in writing that, should the funds remitted be exhausted due to the payment of claims, the Holder will agree to remit the balance due.

### 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

The procedures developed by Xerox and followed for over 25 years comply with the requirements of this section. The final examination reports submitted by Xerox will contain the content and be formatted in the manner prescribed by STO. STO may review Xerox's working papers at any time. Xerox recognizes that the STO will notify the Holder of any interest and penalties assessed on delinquent property.

### 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.

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

## 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;**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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;**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

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

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it relates to GAAP. Xerox audits holders pursuant to agreed upon procedures between the STO and Xerox. Xerox does not consider its unclaimed property audits to be analogous to a financial statement audit.

Xerox has over 25 years of experience in identifying, processing, and collecting unclaimed property, which would not have been achievable if it utilized unprofessional business practices. As the oldest and most successful records examiner, Xerox sets a high standard for examining records for unclaimed property liabilities and that standard is thorough and methodologically sound. Our processing capabilities are detailed, documented, and verified by multiple quality checks and reviews for thoroughness and the correct application of states' reporting requirements. Our effectiveness and professionalism when dealing with Holders makes possible the high volumes of property we deliver to our customers.

### 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

It is our goal to provide as much owner information as possible in every case because we realize that owner information is critical to the states in returning property to owners. It is not the practice of Xerox to report property without owner information where that information is available. Where West Virginia has received property from Xerox with no name or address it is generally because the property was 1) "no address" in nature (e.g., gift certificates, bearer bonds) or 2) reported as a result of a negotiated settlement.

Xerox regularly undertakes the research, compilation, and reporting of names and addresses where this information exists as opposed to the easier course of estimations. Our operation is capable of large data processing jobs, and we have never shied away from large volumes of records, regardless of the format.

### 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

Examination reports and relevant correspondence will be delivered to the address listed above and inquiries will be made using the telephone number shown.

## 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.as~x>. 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

Our processing and remittance software produces electronic files in the NAUPA standard format. Reports will be delivered concurrently with property being remitted. Xerox administers and develops (on a continuous basis) improvements in the NAUPA standard format and accordingly has first-hand knowledge of its specifications and nuances. We have been providing reports to the STO in the NAUPA format for many years.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

Xerox final delivery reports and/or the accompanying transmittal letter contain all of the data items requested above, when those data items are presented or discovered during the examination. It is not the practice of Xerox to report property without owner information where that information is available. A sample final delivery report is attached under Appendix Tab D.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

Xerox acknowledges and will comply with the terms of this section. We will deliver securities to STO via DTC whenever possible. For securities that are not DTC-eligible, Xerox will cause them to be re-registered in West Virginia's nominee name and delivered in physical form to the STO or its designee or via Direct Registration Share statement depending upon the preference of the STO.

**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.**

Xerox acknowledges and will comply with the requirements of this provision. If requested by the STO, Xerox can liquidate securities and report the proceeds.

**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.**

Xerox acknowledges and will comply with the requirements of this provision. If requested by the STO, Xerox will send a report of the securities which appear to have market value and will await direction from the STO as to whether to liquidate securities on the list.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

**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.**

Xerox acknowledges and will comply with the requirements of this provision. If requested by the STO, Xerox will update the report and owners to reflect the liquidated value.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients. Xerox will transfer property to West Virginia within 30 days of receipt from the holder/transfer agent in most cases. In some cases, as STO acknowledges below, there may be delays through no fault of Xerox. For example, in some instances Xerox receives only partial delivery of property or the property received from the holder is not reconcilable to the findings. In such cases, our current practice is to document the problem deliveries on the weekly "Issues Potentially Requiring over 30 Days to Deliver" report along with the reason for the potential delay. Xerox has every incentive to make timely delivery of property to STO; however, there are many legitimate situations beyond our control. We seek the opportunity to be paid a full fee where our efforts justify a full fee, notwithstanding that a delivery cannot be made within the time limits established in this section.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients. Xerox delivers semi-annual interest payments to the STO and its other state clients in February and July.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

It is one of Xerox's standard operating procedures to prepare a release agreement that identifies the property that is the finding of the examination and verifies that the abandonment period has been met. Our standard Release Agreement is attached under Appendix Tab D for STO's review. Xerox acknowledges STO's right to modify the terms of the Release Agreement at its discretion.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

Xerox is well versed in the requirements of State law and will instruct Holders to file all future reports with STO. Xerox will not charge a fee for subsequent reports where the principal company is re-examined except with prior written permission of STO.

## 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)**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

Xerox will provide STO with a Work in Progress ("WIP") report. For each holder under examination, the STO will receive the data points requested above and more through a combination of the WIP and Agree to Participate ("ATP") reports. The WIP report is provided for audits that have already commenced for which the STO is participating. The ATP report is provided to the STO as a request or authorization for the STO to participate and is

therefore distributed at the beginning of the audit. Under current practice, information on involuntary audits is communicated to STO in the SAE State Status (WIP) Report. Xerox is committed to furnishing the STO with the information it needs to operate its Unclaimed Property Division. Samples of these reports are enclosed under Appendix Tab D.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

Xerox can provide STO with a WIP report in a comma delimited text electronic file format and upon request, in hardcopy format. Only those entities in which the STO has engaged Xerox to examine will be included in the WIP report.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985 and continues to do for its 48 state clients.

## 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.

Xerox acknowledges and will continue to comply with the requirements of this provision.

## 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 may or may not result in sufficient findings in order for the Vendor to be reasonably compensated.

Xerox acknowledges and will continue to comply with the requirements of this provision.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision. Estimated hours will be submitted at the time that potential audit candidates are proposed before the STO.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision.

## 3.30 Fees

**Vendor must agree to payment for audit Services as follows:**

Xerox will transfer property to West Virginia within 30 days of receipt from the holder/transfer agent in most cases. In some cases, as STO acknowledges below, there may be delays through no fault of Xerox. For example, in some instances Xerox receives only partial delivery of property or the property received from the holder is not reconcilable to the findings. In such cases, our current practice is to document the problem deliveries on the weekly "Issues Potentially Requiring over 30 Days to Deliver" report along with the reason for the potential delay. Xerox has every incentive to make timely delivery of property to STO; however, there are many legitimate situations beyond our control. We seek the opportunity to be paid a full fee where our efforts justify a full fee, notwithstanding that a delivery cannot be made within the time limits established in this section.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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:**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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:**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

**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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

## 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.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

## 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 936-8-25, unclaimed property records are confidential and not subject to the West Virginia Freedom of Information Act, W.Va. Code 298-1-1 et seq.**

Xerox acknowledges and will continue to comply with the requirements of this provision as it has done for the STO since 1985.

We appreciate the importance of confidentiality in the workplace and will protect the STO's confidential information at all times. Xerox has the strictest levels of security policies, enforces and consistently monitors adherence to those policies. All Xerox employees are required to execute a Trade Secret and Confidentiality Agreement as a condition of employment. This agreement reinforces to employees the confidential nature of information encountered in the course of their work and advises them that any breach of confidentiality could subject them to civil and/or criminal prosecution. Additionally, any employee who divulges confidential information is subject to disciplinary action and termination of employment.

Xerox holds as confidential *all* information received on behalf of its state clients and has implemented procedures and controls to ensure that the confidentiality of non-public information is protected. This includes limiting the employees who have access to such information to those who need it for business purposes, and granting such access through a documented process. Procedures also include the proper identification and classification of sensitive information. All sensitive information is appropriately identified and protected from dissemination into the public domain. When appropriate, sensitive information is marked as confidential to assure that the information is identified as sensitive and appropriately handled. When storing or transmitting confidential, non-private information, security mechanisms are used to protect the information. Xerox has the capability of securely transmitting data with Secured FTP with SSL and SFTP with SSH. Additionally, social security numbers have been carefully removed from reports and screens, and hardcopy documents that contain this information are stored in a secured area during non-business hours. Any emailed files containing social security numbers are encrypted for security purposes.

When destroying confidential, non-public information, whether electronic or printed, it is destroyed in accordance with company policy so that the information cannot be disseminated. This includes the shredding of printed information, and the destruction of electronic files in conformity with the specifications of the particular operating platform. Disks and drives are destroyed in a way so as to render them inoperable and irreparable.

## 3.33 Terms & Conditions

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

Xerox certifies acknowledgment and concurrence to the term and conditions listed in Attachment 1 - Special Terms and Conditions of the RFQ.

## 3.34 Exceptions

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

Xerox respectfully requests the modifications listed below for the purpose of clarifying the intent of the parties, and to more accurately reflecting standard insurance wording consistent with the coverages provided to all other Xerox clients.

Proposed deletions are indicated by way of strikethroughs (e.g. deletions), and proposed additions are indicated by way of underlined, bold, italicized text (e.g. **addition**).

## Attachment 1, Special Terms and Conditions

### Section 2. Insurance Requirements

- a. "All such insurance policies must remain in full force in effect for the entire term of this Contract and shall not be cancelled or **materially** changed except after 30 days written notice to the STO **by either the insurance or Contractor.**"
- c. "All insurance policies, **except for the errors and omissions insurance,** required by the Contract resulting from this RFQ must provide coverage for all claims arising from activities occurring during the term of the policy regardless of the date the claim is filed or expiration of the policy. **Such errors and omissions insurance may be written on a per claims made basis and shall be maintained throughout the contract period plus two additional years following the contract completion or a two year discovery period to be provided by such coverage following contract completion.**"
- d. "The insurer **or Contractor** shall ~~state in the certificate~~ **provide** that no cancellation of the insurance will be made without at least thirty (30) days prior written notice to the Treasurer."

### Section 13. Liquidated Damages

Xerox also respectfully requests the deletion of the following clause as this clause concerning incentives for the Contractor is duplicative of paragraphs 3.30.24, 3.30.25, and 3.30.26 of the RFQ. Xerox contends that the requirements of *W. Va. Code §5-A-3-4(8)* are satisfied by those provisions. In addition, this clause is not contained in the current contract between Xerox and the STO.

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

# Section II. Miscellaneous Section

## Executive Summary

### Introduction

This response to Request for Quotation STO12008 for Professional Audit Services ("RFQ") issued by the West Virginia State Treasurer's Office, Unclaimed Property Division ("STO") is submitted by Xerox State & Local Solutions, Inc. ("Xerox"). The STO is seeking a vendor to provide examinations of unclaimed property Holders' records. Currently, Xerox provides the services required in this RFQ to 48 state unclaimed property programs including the STO, making Xerox the leading unclaimed property auditing firm in the nation. With this experience, Xerox is well positioned to continue providing the required unclaimed property audit services to the STO.

Xerox is dedicated to providing state and local governments with solutions that support a wide variety of programs, such as unclaimed property. Xerox has long been viewed as the industry-leader with some of the best and brightest minds in unclaimed property. Through our innovative approach, Xerox has identified and reported many unique types of property.

We have a long and successful history serving the State of West Virginia. The primary unclaimed property support services provided by Xerox, through its Unclaimed Property Clearinghouse are the identification, examination, processing and delivery of unclaimed property—the same services required in this RFQ. Xerox has successfully provided these services to the STO since 1985, delivering more than \$29 million in unclaimed property for the benefit of West Virginia and its citizens.

### Unclaimed Property Auditing Services – Industry Leading Innovations

The mission of Xerox's Unclaimed Property Clearinghouse is to be the premier provider of unclaimed property support services in the nation. Our commitment is to provide the highest of quality services to its clients through our unique and innovative approach.

Xerox has been conducting multi-state unclaimed property audits for more than 25 years. These audits are designed to assist the participating states by creating a national audit presence, increasing audit collections, enhancing awareness of unclaimed property laws and maximizing resources while reducing expenses. Xerox combines its experience with proprietary technology and the best subject matter and legal experts in the industry to provide an unclaimed property examination solution that meets all the requirements of the RFP and produces excellent results. Xerox currently provides these audit services to 48

state unclaimed property programs, including the STO. Xerox has extensive experience reviewing records of all types of holders, including brokerage firms, holders of mutual funds, banks and insurance companies, and has audited corporations of every size and type. Xerox has the capability to review and receive holder records in any format and to produce and file reports according to all state specifications, including those of the STO.

Xerox has detailed work plans and methodologies for every aspect of its audit business. Xerox has developed time tested processes to identify holders that have not reported or have underreported unclaimed property, then Xerox collects, reports and remits that property to the states. Xerox has always recognized that gaining the cooperation of the holder, when possible, provides the greatest benefit to all parties. This cooperation is a contributing factor to the success of Xerox's compliance program, which has resulted in increased audit collections for all participating states. Xerox has detailed work plans, methodologies and quality assurance procedures for all steps in the audit process. An overview of these processes is included in this proposal.

## Solution Advantages

Xerox offers best-in-class audit services supported by relationship management, subject matter expertise, experienced professional personnel, automated processes, customized and robust technology and optimized price of services.

Exceptional customer service and focus on our clients' needs and expectations is the foundation on which our solution is built. Xerox has assembled an unparalleled team of unclaimed property experts. Xerox has approximately 90 professionals solely dedicated to providing unclaimed property services - bringing together the acknowledged subject matter experts in unclaimed property law, auditing, administration and systems. Our team includes a former state administrator, former assistant attorneys general, industry founders in the areas of unclaimed property records review and systems development and leaders in escheat with backgrounds in operations from major banks and transfer agents. These team members are authors and editors of unclaimed property legal treatises, articles and legislation; noted speakers and lecturers on unclaimed property topics at state and national meetings; and corporate members of unclaimed property and treasury associations.

In addition, Xerox is a Fortune 200 company with proven financial stability. Xerox is a \$22 billion leading global enterprise for business process and document management. Through its broad portfolio of technology and services, Xerox provides the essential back-office support that clears the way for clients to focus on what they do best: their real business. Headquartered in Norwalk, Connecticut, Xerox provides leading-edge document technology, services, software and genuine Xerox supplies for graphic communication and office printing environments of any size. Xerox also offers extensive business process outsourcing and IT outsourcing services, including data processing, HR benefits management, finance support and customer relationship management services for commercial and government organizations worldwide. The 136,000 people of Xerox serve clients in more than 160 countries. Xerox is publicly held and trades on the New York Stock Exchange under the stock symbol XRX.

## Why Xerox?

We have worked with every state and virtually all of the Fortune 500 companies to advance compliance with unclaimed property laws. The financial stability and collective unclaimed property knowledge and experience of industry leaders are the resources that set Xerox apart from every other service provider in the unclaimed property industry - allowing Xerox to be able to offer a complete solution at a competitive and cost-effective price. Xerox maintains a reputation for excellence among its clients and encourages the STO to contact any and all of its clients for information on the services provided.

Xerox is fully qualified and experienced to provide all services required in the RFQ. Based on our substantial qualifications, more than 25 years of experience providing quality unclaimed property audit services and a proven record of success assisting with the recovery of more than \$29 million in unclaimed property for the benefit of the citizens of West Virginia, Xerox delivers the highest level of services at the best value for the STO.

# Mandatory Forms

**2.5.2 Mandatory Forms: The final agreement between the parties must include the provisions of the Mandatory Forms required by the State of West Virginia and/or the STO.**

Please refer to the completed and signed Mandatory Forms enclosed in Xerox's Proposal under Tabs 1-4 including Addendum 2, Addendum 1, Quotation Form and Purchasing Affidavit.



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

# Request for Quotation

RFQ NUMBER:  
 STO12008

PAGE:  
 1

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

RFQ COPY

TYPE NAME/ADDRESS HERE

**Xerox State & Local Solutions, Inc.**  
 100 Hancock Street  
 10<sup>th</sup> Floor  
 Quincy, MA 02171

VENDOR

SHIP TO

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

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
04/17/2012				
BID OPENING DATE: 04/26/2012		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	QAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
***** ADDENDUM NO. 2 *****						
THIS ADDENDUM IS ISSUED TO PROVIDE THE ATTACHED TECHNICAL QUESTIONS AND ANSWERS.						
THE BID OPENING DATE AND TIME HAVE NOT CHANGED.						
***** END ADDENDUM NO. 2 *****						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Con Bu</i>	TELEPHONE 703.891.8852	DATE April 19, 2012
TITLE Senior Vice President	FEIN 13-1996647	ADDRESS CHANGES TO BE NOTED ABOVE

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

**GENERAL TERMS & CONDITIONS**  
**REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
  2. The State may accept or reject in part, or in whole, any bid.
  3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
  4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. ~~In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.~~
  5. Payment may only be made after the delivery and acceptance of goods or services.
  6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
  7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
  8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
  9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
  10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
  11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
  12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
  13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at [www.state.wv.us/admin/purchase/vrc/hipaa.html](http://www.state.wv.us/admin/purchase/vrc/hipaa.html) and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
  14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
  15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
  16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.
- I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as EQUAL to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



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

# Request for Quotation

RFQ NUMBER  
 STO12008

PAGE  
 1

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

RFQ COPY

TYPE NAME/ADDRESS HERE

VENDOR

Xerox State & Local Solutions, Inc.  
 100 Hancock Street  
 10<sup>th</sup> Floor  
 Quincy, MA 02171

SHIP TO

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

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
04/06/2012				

BID OPENING DATE: 04/26/2012 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
***** ADDENDUM NO. 1 *****						
THIS ADDENDUM IS ISSUED TO:						
1) PROVIDE THE DEADLINE FOR TECHNICAL QUESTIONS THAT WAS OMITTED FROM THE ORIGINAL RFQ IN ERROR.						
ALL TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO FRANK WHITTAKER IN THE WV PURCHASING DIVISION VIA EMAIL AT FRANK.M.WHITTAKER@WV.GOV OR VIA FAX AT 304-558-4115. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 04/11/2012 AT 4:00 PM ALL TECHNICAL QUESTIONS WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE.						
2) EXTEND THE BID OPENING DATE AND TIME TO:						
BID OPENING DATE: 04/26/2012						
BID OPENING TIME: 1:30 PM						
***** END ADDENDUM NO. 1 *****						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Cam Bel</i>	TELEPHONE 703.891.8852	DATE April 19, 2012
TITLE Senior Vice President	FEIN 13-1996647	ADDRESS CHANGES TO BE NOTED ABOVE

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



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

# Request for Quotation

RFQ NUMBER  
 ST012008

PAGE  
 1

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

RFQ COPY  
 TYPE NAME/ADDRESS HERE  
**VENDOR**  
 Xerox State & Local Solutions, Inc.  
 100 Hancock Street  
 10<sup>th</sup> Floor  
 Quincy, MA 02171

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

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

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

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
001	1	LS		946-20		
AUDITING SERVICES  THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA STATE TREASURER'S OFFICE, IS SOLICITING BIDS FOR THE EXAMINATION OF UNCLAIMED PROPERTY HOLDERS' RECORDS PER THE ATTACHED SPECIFICATIONS.  EXHIBIT 3  LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON ..... AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.  UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT BY THE STATE OF WEST VIRGINIA, ITS AGENCIES, OR POLITICAL SUBDIVISIONS, THE TERMS, CONDITIONS, AND PRICING SET FORTH HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.  RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30)						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Cam Baker</i>	TELEPHONE 703.891.8852	DATE April 19, 2012
TITLE Senior Vice President	FEIN 13-1996647	ADDRESS CHANGES TO BE NOTED ABOVE

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



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

# Request for Quotation

RFQ NUMBER  
 STO12008

PAGE  
 2

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

RFQ COPY  
 TYPE NAME/ADDRESS HERE

VENDOR

**Xerox State & Local Solutions, Inc.**  
 100 Hancock Street  
 10<sup>th</sup> Floor  
 Quincy, MA 02171

SHIP TO

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

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

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

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Car Ben</i>	TELEPHONE 703.891.8852	DATE April 19, 2012
TITLE Senior Vice President	FEIN 13-1996647	ADDRESS CHANGES TO BE NOTED ABOVE

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State of West Virginia  
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# Request for Quotation

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STATE TREASURER  
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 25305 304-343-4000

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

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

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
ELECTRONIC MEDIUM SUCH AS CD-ROM. REV. 01/17/2012 NOTICE A SIGNED BID MUST BE SUBMITTED TO: DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130 THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED: SEALED BID BUYER: 44 RFQ. NO.: STO12008 BID OPENING DATE: 04/10/2012 BID OPENING TIME: 1:30 PM PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: 617.532.8743						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Cam Bal...</i>	TELEPHONE 703.891.8852	DATE April 19, 2012
TITLE Senior Vice President	FEIN 13-1996647	ADDRESS CHANGES TO BE NOTED ABOVE

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



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
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# Request for Quotation

RFQ NUMBER  
 STO12008

PAGE  
 4

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
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 304-558-2316

RFQ COPY  
 TYPE NAME/ADDRESS HERE  
**VENDOR**  
 Xerox State & Local Solutions, Inc.  
 100 Hancock Street  
 10<sup>th</sup> Floor  
 Quincy, MA 02171

**SHIP TO**  
 STATE TREASURER  
 MAIN CAPITOL BUILDING  
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 CHARLESTON, WV  
 25305 304-343-4000

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

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

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
CONTACT PERSON (PLEASE PRINT CLEARLY): Gerard Badorrek						
***** THIS IS THE END OF RFQ STO12008 ***** TOTAL:						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Cam B...</i>	TELEPHONE 703.891.8852	DATE April 19, 2012
TITLE Senior Vice President	FEIN 13-1996647	ADDRESS CHANGES TO BE NOTED ABOVE

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

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 exceed 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: Xerox State & Local Solutions, Inc.

Authorized Signature: *Cam Bern* Date: April 19, 2012

State of Massachusetts

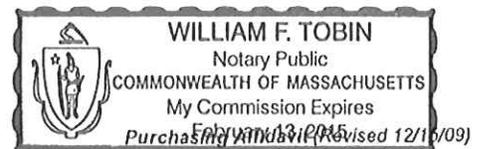
County of Norfolk, to-wit:

Taken, subscribed, and sworn to before me this 19 day of April, 2012.

My Commission expires Feb 13, 2015.

AFFIX SEAL HERE

NOTARY PUBLIC *W.F. Tobin*



## Additional Terms

**2.5.3 Additional Terms:** The State/STO may consider additional terms and conditions that the Vendor wishes to propose, including those generally used in the industry, provided that such terms are not contrary to any of the Mandatory Forms or to State law. Any proposed terms, including any special account agreements, authorizations, etc., must be submitted with the Proposal. The State/STO will not consider any additional terms that are tendered by the Vendor after an award of the contract.

Xerox has not proposed any additional terms and conditions. Exceptions have been noted in the appropriate Section 3.34., Exceptions.

# Appendices

Appendix Tab A: State Audit Client List

Appendix Tab B: Key Personnel Resumes

Appendix Tab C: Organizational Charts

Appendix Tab D: Sample Reports

Appendix Tab E: Operations Workflow

# Xerox Unclaimed Property Audit Services

## State Client List

Alabama State Treasury	Montana Department of Revenue
Alaska Department of Revenue, Treasury Division	Nebraska State Treasurer's Office
Arizona Department of Revenue	Nevada Office of the State Treasurer
Arkansas Auditor of State	New Jersey Department of Treasury
California State Controller's Office	New Mexico Taxation and Revenue Department
Colorado Office of the State Treasurer	New York Office of the State Comptroller
Connecticut Office of the State Treasurer	North Carolina Department of State Treasurer
Delaware Department of Revenue	North Dakota Department of State Lands
District of Columbia Office of Finance and Treasury	Ohio Department of Commerce
Florida Department of Financial Services	Oklahoma State Treasurer's Office
Georgia Department of Revenue	Oregon Department of State Lands
Idaho State Treasurer's Office	Puerto Rico Office of the Commissioner of Financial Institutions
Illinois State Treasurer's Office	Rhode Island Office of the General Treasurer
Iowa Treasury's Office	Office of the South Carolina Treasurer
Kansas State Treasurer's Office	South Dakota Office of the State Treasurer
Kentucky Office of the State Treasurer	Tennessee State Treasury Department
Louisiana Department of the Treasury	Texas Comptroller of Public Accounts
Maine State Treasurer's Office	Utah State Treasurer's Office
Maryland Comptroller's Office	Office of the Vermont State Treasurer
Massachusetts Treasurer and Receiver General	Virginia Department of the Treasurer
Michigan Department of Treasury	Washington Department of Revenue
Minnesota Department of Commerce	West Virginia State Treasurer's Office
Mississippi Office of the State Treasurer	Wisconsin Office of the State Treasurer
Missouri State Treasurer	Wyoming State Treasurer's Office

## Key Executive Management and Client Service

### **Gerard Badorrek, SVP and Managing Director**

*State Business Process Solutions (BPS)*

Gerard Badorrek is currently SVP and Managing Director of Business Process Solutions (BPS) within the State Enterprise Solutions group of Xerox. Prior to this role, Gerard was COO and SVP of State Enterprise Solutions.

In his current role, Gerard is responsible for the management and growth of Business Process Solutions, which offers state governments services that range from unclaimed property to call center operations, revenue enhancement, system integration, financial services and other operational support such as document management and managed print. The BPS team works closely with state governments on opportunities to reduce costs, streamline operations and improve services to constituents.

Gerard has over 25 years of experience as a finance and operations executive, including roles as VP Business Operations, CFO and Business Unit Controller. He has managed organizations and complex operations that encompass the revenue to cash cycle from contracts to billing, collections and audits for a \$10B+ revenue stream.

He has an MBA from Stanford, MA in Economics from Case Western Reserve and a BS in Operations Research and Engineering from Cornell.

Under a contract with the STO, Gerard Badorrek will be responsible for all aspects of compliance with the contract, including adherence to terms.

### **Jeremy Katz, Senior Vice President**

*With Xerox since 2003*

Jeremy Katz is a senior executive with over 17 years of experience in the unclaimed property field. Jeremy has extensive experience in unclaimed property database management systems, product development, compliance solutions, marketing and sales, contract management and strategic planning.

Jeremy leads Business Development and Marketing areas, along with the Account Management Program. This program is designed to foster better and more frequent communication between the Xerox and its state clients and provides each state with designated account managers who are accountable to that state. Jeremy also manages the MissingMoney.com national database, which has received wide acclaim from clients.

Jeremy previously held the position of Senior Vice President of State Relations for NAPPCCO, which was acquired by the Unclaimed Property Clearinghouse in 2003. While at NAPPCCO, Jeremy developed the company's first proprietary sales and marketing database. He was also responsible for the development of business solutions addressing such needs as remittance of funds to the states.

Prior to joining NAPPCCO, Jeremy held senior positions in finance and administration for private, mid-sized companies and worked as an analyst in the Internal Revenue Service's Office of Strategic Planning in Washington, D.C.

Jeremy is a graduate of the University of Maryland and has focused his continuing professional education in the areas of business and marketing management at Johns Hopkins University. Jeremy is presently serving on the Corporate Affiliate Board of the National Association of State Treasurers (NAST).

Under a contract with STO, Jeremy will be responsible for overseeing a strong and successful partnership and will be the temporary leader of the audit team.

## **Michelle Colbert, Senior Vice President**

*With Xerox since 1990*

Michelle Colbert is a senior executive with over 20 years of experience in unclaimed property administration. Michelle manages Marketing, Business Development and Client Service for Xerox Finance & Revenue Solutions where she is responsible for identifying both the current and long-term needs of state unclaimed property programs and developing business solutions to meet those needs.

Michelle previously led the operation and management of the Custody Services group, which provides portfolio management services for state unclaimed property programs and has assets of over \$1 billion under custody, as well as the claims processing group, which provides supplemental claims processing and call center support to state programs. Michelle played a key role in the development and growth of the State Services Unit.

Michelle launched a second service center for Xerox outside its primary location, responsible for claims processing services as well as providing call center services for all of our customer service support contracts. Michelle holds an MBA from Simmons College, Graduate School of Management in Boston Massachusetts.

Under a contract with the STO, Michelle Colbert will lead the client service team.

## **William Slade, Senior Vice President and Client Service Executive Liaison**

*With Xerox since 2003*

William Slade, a senior executive, is focused on client relationships for Xerox. In 2003, Bill joined Xerox through the acquisition of the National Abandoned Property Processing Corporation (NAPPCO), a company he founded in 1988.

Prior to founding NAPPCO, he held senior marketing and general management positions with the Cabot Corporation and Ciba-Geigy Corporation. The responsibilities commensurate with these positions encompassed activities in the United States, Canada, Mexico, South America, Great Britain and Europe. As President of an abandoned property software and systems consulting firm, he managed the administration of the design and development of its abandoned property processing system.

Bill was honored by the National Association of State Treasurers (NAST) and recognized for his defense of the states' statutes and rights when he was awarded the 2000 Corporate Affiliate Award. In recognition of his dedication and accomplishments in representing the states' interest, the National Association of Unclaimed Property Administrators (NAUPA) honored Bill with its 2011 Lifetime Achievement Award.

Bill is a member of a number of trade associations including NAST, where he served as director and Chairman of the Corporate Affiliates Advisory Board, and the Society of Corporate Secretaries and Governance Professionals, where he served on the Corporate Practices Committee and the Escheat and Abandoned Property Subcommittee. He served as NAPPCO's representative to NAUPA and serves as Xerox's representative to NAST.

Bill holds a B.A. in Chemistry from Colby College and is a graduate of the Program for Management Development, Harvard University Graduate School of Business.

Under a contract with the STO, Bill Slade will continue to be the primary contact person for the STO.

**Suzanne Darling, Esq., Vice President of Client Service & Legal Compliance Liaison**  
*With Xerox since 2003*

Suzanne Darling is a senior executive with extensive knowledge and experience in unclaimed property law and policy. She joined Xerox in 2003. Suzanne is a licensed attorney and a member of the Virginia Bar who has practiced unclaimed property law for more than 25 years. At Xerox, Suzanne advises all units concerning compliance with state unclaimed property laws. She reviews and monitors legislation on a national basis to ensure that Xerox' processes and procedures are current and in accordance with all state requirements. Suzanne is also a member of the Client Services Team and serves as the client service representative for several states. In addition, Suzanne serves as the states' contact for questions regarding unclaimed property policy and administration, as well as recommendations on "best practices."

Suzanne served for more than 20 years as a Virginia Assistant Attorney General, and in that capacity was counsel to the State Treasurer and the State's Division of Unclaimed Property. While with the State, she was active in the National Association of Unclaimed Property Administrators (NAUPA) and served as chairman of the NAUPA Uniform Law Committee. Suzanne also served as an advisor to the committee of the National Conference of Commissioners on Uniform State Laws that drafted the 1995 Uniform Unclaimed Property Act.

Suzanne holds a B.A. from University of Richmond with Departmental Honors, Magna Cum Laude, and Phi Beta Kappa. Suzanne also earned a J.D. from the T.C. Williams School of Law at the University of Richmond.

Under a contract with the STO, Suzanne Darling will provide her unclaimed property legal and subject matter expertise to the State.

**Melissa Cearlock, Solutions Consultant**  
*With Xerox since 2004*

Melissa Cearlock is a Solutions Consultant who has been with Xerox since 2004. As a Solutions Consultant, Melissa recommends process and technology efficiency improvements and "Best Practices" to Wagers & Associates, Inc. clients. Melissa also provides general client support and training documentation for Wagers systems products and services to numerous state clients.

# Xerox Key Personnel Resumes



Prior to joining Xerox, Melissa spent six (6) years as Claims Manager and Securities Manager for the Illinois State Treasurer's Office Unclaimed Property Division.

Melissa holds a B.S. in Management/Information Technology Management from Kaplan University.

Under a contract with the STO, Melissa Cearlock will be the primary contact regarding Wagers systems needs which are directly related to services of the contract.

## **Karen Severy, Esq., Contracts Manager**

*With Xerox since 2012*

Karen Severy is responsible for the management of all contracts on behalf of Finance and Revenue Solutions.

Karen is a licensed attorney in New York and the District of Columbia with over 15 years of legal experience.

Karen's prior experience includes extensive litigation, regulatory, administrative law, legislative, and criminal work. Karen began her legal career at a large Wall Street law firm, but the majority of her legal experience has been in the Government sector. She served as a Senior Assistant District Attorney in Brooklyn, New York, and later worked for the District of Columbia Government, the U.S. Court of Appeals for the District of Columbia Circuit, and the U.S. Department of Transportation. Karen has also served as an Assistant Attorney General for both the District of Columbia and the Commonwealth of the Northern Mariana Islands.

Karen earned a B.A. in Economics from the University of Maryland, and a J.D. with honors from The George Washington University Law School.

Under a contract with the STO, Karen Severy will be responsible for the management of the contracts between the STO and Xerox State & Local Solutions, Inc.

## **Stella Chan, Assistant Vice President of Accounting**

*With Xerox since 1984*

Stella Chan manages the Cash Management and Accounts Receivable areas of Xerox, which include seven demand deposit accounts (DDAs) and investment accounts totaling over \$40 million in assets. In this position, Stella is responsible for monitoring all account transactions and daily cash investments in short term vehicles and augmenting Xerox' collection efforts for five accounts receivable in all lines of business.

Stella began her career as a Wire Transfer Administrator for State Street Bank where she was responsible for all outgoing and incoming wire activity. She then progressed to an Account Administrator with State Street Bank's Unclaimed Property Division. In that capacity, her duties included posting journal entries for payments received from state clients. By the time Xerox acquired what was then the Unclaimed Property Clearinghouse from State Street Bank in 1999, Stella was leading the Accounting Department as an accounting officer.

Stella holds an Associates Degree in Accounting from New England College of Finance and is a graduate of the Computer Systems Specialist program from Northeastern University, Boston.

Under a contract with the STO, Stella Chan will manage the accounts receivable from the State.

**Tracy Olsen, Senior Vice President**  
*With Xerox since 2011*

As Xerox' Chief Operating Officer, Tracy oversees all operations.

Tracy Olsen joined Xerox in 2011 with over 23 years of experience in the financial service and banking service industries.

Prior to joining Xerox, Tracy was a Senior Vice President of D.F. King & Co., Inc. Tracy managed the operations for D.F. King's Mutual Fund proxy solicitation division as well as shareholder outreach programs for corporate clients. She also developed and managed D.F. King's lost shareholder programs and unclaimed property escheatment process and procedures. Tracy focused her efforts on developing and implementing operational procedures and process improvements increasing overall performance. In addition, Tracy was responsible for all client management as well as corporate contracts including the proposal process.

Previous to D.F. King, Tracy spent over 10 years at Equiserve (Bank of Boston). As a senior operating manager at Equiserve, Tracy managed 70 employees charged with processing stock transfer transactions, supervised large corporate action projects and managed client administrators and operations teams.

Tracy is a graduate of Providence College.

Under a contract with the STO, Tracy Olsen will be responsible for ensuring the highest level of service delivery to the State.

## Key Audit Personnel

**Richard Goggin, Audit Director**  
*With Xerox since 2008*

Rich Goggin joined Xerox in 2008 as Audit Director. In this role, he is responsible for the daily oversight and direction of multi-state unclaimed property general ledger examinations of large public and private corporations, insurance companies, hospitals, utilities and financial institutions. Rich also serves as a resource to the auditors on unclaimed property operational, legal and accounting issues encountered during the course of general ledger, debt and equity audits of all types of holders.

Prior to working at Xerox, Rich was a senior manager in Deloitte & Touche LLP's Regulatory & Capital Markets Consulting area. While there, he managed multiple unclaimed property engagements and supervised the workload of managers and senior

consultants conducting onsite reviews of holder financial records in order to determine the level of compliance with various governmental unclaimed property statutes. In his role as senior manager, Rich also prepared and presented risk assessment engagement reports and presentations of findings to holder senior management, including chief financial officers, controllers and treasurers. During Rich's tenure at Deloitte, he was also a manager performing general ledger unclaimed property engagements of banks, mutual funds, transfer agents, custodians, brokerage houses, insurance companies, manufacturers, technology firms, retailers and service companies.

Rich's other unclaimed property experience also includes tenures as a manager and senior consultant with the accounting firm of Andreoli, Johanson & Wood (AJW), which functioned as a third party auditor conducting unclaimed property examinations on behalf of the Commonwealth of Massachusetts.

Additionally, Rich has experience as a business continuity planner with the information technology groups of State Street Bank and Trust Company and Citizens Financial Group (CFG). In this capacity, Rich conducted business impact analyses (BIAs) used to identify critical functions of multiple business units within State Street and CFG.

Rich began his career in unclaimed property with the Massachusetts Abandoned Property Division where he served as Chief Auditor and Director of Audit and Compliance.

Rich holds an MBA from Suffolk University and a BA in History from Bridgewater State College. He is also a Certified Business Continuity Professional (CBCP).

Under a contract with the STO, Rich Goggin will be responsible for the daily oversight and direction of multi-state unclaimed property general ledger examinations, as well as providing support to the audit team on unclaimed property operational, legal and accounting matters.

## **William Gosselin, Audit Manager**

*With Xerox 1991-2000 & 2007-present*

William Gosselin rejoined Xerox in 2007 as the Operations Manager of the Audit area. Bill has more than 20 years of unclaimed property auditing and operations experience. He is well versed in the dormancy periods, property types, report dates and formats of every state. Bill's chief responsibilities include facilitating and managing all facets of state authorized examinations of holders on behalf of state clients. This involves determining audit scopes through the comprehensive examinations of companies' reporting histories, structures, financial records, record-keeping systems and procedures to determine liabilities, in accordance with state unclaimed property laws. In his current capacity, Bill is also charged with providing guidance and expertise to a team of 12 seasoned auditors. As such, Bill oversees both the initial conference and ongoing communication with holders for each assigned audit to ensure its timely completion.

Bill previously spent five years as a field auditor for Kelmar Associates, LLC where he conducted multi-state, third party contracted abandoned property audits. In this role, Bill reviewed and analyzed pertinent supporting data from corporations, as they related to state unclaimed property law, researched and recommended potential audit candidates and prepared examination reports for state clients. Bill was also a senior associate for PriceWaterhouseCoopers, LLC where he performed similar duties and tasks.

Bill formerly worked at Xerox from 1991-2000 as an operations officer. At that time, he was charged with providing unclaimed property support services for over one hundred corporate clients. These services included acting as Xerox' operational contact, preparing unclaimed property reports and reviewing state filings. During this period, Bill also documented processing procedures that were the basis for those currently in use today.

Bill began his career in unclaimed property at the Bank of Boston. While there, Bill not only oversaw the unclaimed property department, but also assisted in the design, testing and implementation of a new stock transfer system.

Bill holds a B.S. in Business Management from the University of Massachusetts, Boston.

Under a contract with the STO, Bill Gosselin will manage all facets of state authorized examinations of holders on behalf of the STO.

## **Cory Roberts, Audit Manager**

*With Xerox since 2004*

Cory Roberts is a Senior Auditor with nine years of auditing experience who joined Xerox in 2004. Cory's responsibilities include:

- Planning, conducting and completing detailed audits of diverse companies including telecommunication, life insurance and rebate fulfillment agents to determine compliance with statutory requirements of state unclaimed property laws
- Reviewing and analyzing companies' open and unresolved unclaimed property items
- Setting up audit work-papers to document companies' unclaimed property reporting history, compliance tests and unclaimed property findings
- Performing reviews in conjunction with holder retained advocates, including all of the "Big Four" accounting firms

Prior to joining Xerox, Cory served as a Senior Accountant with The Bollard Group, a business and taxation consulting firm in Boston. While there, he performed detailed reviews of internally prepared financial statements and analyzed those results. Cory was also responsible for analyzing cash flow and evaluating the performance of clients' public and private investments. Cory gained valuable experience managing project teams and developing project plans, budgets and financial statements.

Earlier in his career, Cory was a Senior Auditor with Wolf & Company, P.C., a leading regional certified public accounting firm, where he was responsible for planning, budgeting and performing financial statement audits for clients. His responsibilities also included training, supervising and evaluating junior staff members. Cory also worked as a Staff Auditor for Robert Sharkansky & Company where he audited and reviewed balance sheet and income statement accounts for privately held corporations and partnerships.

Cory holds a B.S. in Accounting from Northeastern University in Boston, Massachusetts.

Under a contract with the STO, Cory Roberts will be an auditor for state authorized examinations of holders on behalf of the STO.

## **Alexander Curcio, Senior Auditor**

*With Xerox since 2003*

Alexander Curcio is a Senior Auditor with 17 years experience in Internal Auditing who joined Xerox in 2003.

As a Senior Field Auditor, Alexander performs field audit examinations of selected companies for State clients. Alex's audit experience includes:

- Researching and analyzing company corporate history using various financial sources
- Conducting and completing detailed audits of diverse companies including pharmaceuticals and high tech companies to determine compliance with the States' Unclaimed Property Laws.
- Organizing audit work-papers documenting compliance tests, field examination procedures and unclaimed property findings

Prior to joining Xerox, Alexander was a Senior Auditor for Bose Corporation. His responsibilities included conducting fiscal year-end financial audits for subsidiaries in Australia and Europe. Alexander also performed compliance audits for local retail stores across the country.

Alexander was also employed at Fresenius Medical Care (FMC) as a Staff Auditor, where his responsibilities included fiscal year-end financial audits of several Business Centers across the country. Alexander conducted operational reviews of Billing Centers, performed financial audits of the offices in Brazil and Portugal. Also analyzed the financial information of the acquisition target businesses and performed due diligence and audits while employed at Fresenius.

Alexander previously held several positions at Lowell Medical Instrument Co., including Assistant Accounting Manager where he supervised the accounts receivables and payables functions, implemented new accounting software for the company and acted as the IT point of contact.

Alexander graduated with a B.S. degree in Business Administration/Accounting from Merrimack College, Massachusetts.

Under a contract with the STO, Alexander Curcio will be an auditor for state authorized examinations of holders on behalf of the STO.

## **William Callagy, Senior Auditor**

*With Xerox since 2010*

William Callagy is a Senior Auditor who joined Xerox in 2010. As a Senior Auditor, William's duties include:

- Performing matches of insurers' life insurance, annuity, and retained asset account records against the Social Security Death Master File
- Performing detailed audits and compliance reviews of diverse companies with a focus on life insurance, annuities, and retained asset property types
- Reviewing and analyzing company financial records to recognize potential unreported property

- Creating detailed reports on unclaimed property findings
- Assisting companies with identifying unclaimed property
- Making recommendations to companies to improve internal controls

Prior to joining Xerox, William was a staff accountant with Shaheen, Pallone & Associates and before that with Walter & Shuffain, P.C. ,where he prepared monthly, quarterly and year-end write up work, as well as tax returns, financial statements and bank reconciliations. William participated as a member of engagement teams for audit, review and compilation services and has experience with real estate entities, high net worth individuals and not for profit organizations. William's client interaction included extracting and analyzing reports, including balance sheets, income statements, cash flows and general ledgers, preparing year-end journal entries, analysis of general ledger and specific accounts and the performance of payroll functions.

William holds a B.B.A in Accounting from the University of Massachusetts. William has also passed the CPA exam and is enrolled at Suffolk University in an M.B.A. program which he hopes to complete in early 2013.

Under a contract with the STO, William Callagy will be an Auditor for state authorized examinations of holders on behalf of the STO.

## **Erik Kallevik, Senior Auditor**

*With Xerox since 2010*

Erik Kallevik is a Senior Auditor who joined Xerox in 2010. As a Senior Auditor with experience conducting oil & gas as well as technology & media audits, Erik's duties include:

- Planning, conducting and completing detailed audits of diverse companies to determine compliance with statutory requirements of state unclaimed property laws
- Reviewing and analyzing company financial records to recognize potential unreported property
- Setting up audit work-papers to document companies' unclaimed property reporting history, compliance tests and unclaimed property findings
- Assisting companies with identifying unclaimed property
- Preparing audit reports detailing audit scope
- Performing reviews in conjunction with holder retained advocates, including all of the "Big Four" accounting firms

Prior to joining Xerox, Erik was a senior financial accountant with Forrester Research, where he supervised the Travel & Entertainment (T&E) team to ensure employees were following Forrester's T&E policy as well as the accounts payable process. Erik also produced, analyzed and presented Financial Reports to both the Controller and Chief Accounting Officer and assisted in implementing a new T&E process to identify any employees violating Forrester's T&E policy.

Before working with Forrester Research, Erik held positions as an Accounting/Finance Manger with First Act, Incorporated, where he supervised the accounts payable department, streamlined the reporting process and worked with auditors to mitigate risk within the

accounting and finance departments. Previously, Erik was a Senior Associate in Internal Audit & Regulatory Compliance with KPMG International where he analyzed business processes to identify high risk controls, audit planning, development of audit programs and testing of internal controls of critical business areas (such as finance, billing, accounting, external reporting (10K, 10Q), investment management, Sarbanes Oxley 404 compliance, marketing, HR, etc.) for companies in the Financial Services, Commercial Banking, Wealth Management, Consumer Goods, Telecommunications & Equipment Rental industries.

Earlier in Erik's career, he held several positions with State Street Corporation, including Assistant Controller, Auditor, Senior Portfolio Accountant and Portfolio Accountant.

Erik holds a B.S. in Resource Economics with a concentration in Managerial Accounting from the University of Massachusetts.

Under a contract with the STO, Erik Kallevik will be an Auditor for state authorized examinations of holders on behalf of the STO.

## **Purcella Jennings, Auditor**

*With Xerox since 2010*

Purcella Jennings is an auditor who joined Xerox in 2010. As an Auditor, Purcella's audit experience includes:

- Performing detailed audits and compliance reviews of holders, including media, energy & technology companies as well as life insurance companies
- Assisting companies with quantifying their unclaimed property liability

Prior to joining Xerox, Purcella was a staff accountant with CCR LLP, where she provided client services in audits, reviews, compilations, tax, and bookkeeping. Purcella has conducted financial statement audits and OMB Circular A-133 audits in accordance with generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS) for both private and public companies. While there, Purcella also prepared individual, corporate, and non-profit tax returns for various clients.

Before working at CCR LLP, Purcella was an Accounting Assistant with Preventative Medicine Associates, Inc., where she prepared General Journal entries, including quarter end accruals and reconciled all bank accounts, as well as processed payroll information and audited quarter end payroll tax reports.

Purcella holds a B.S.B.A., Dual Concentration: Accounting and Management Information Systems from Northeastern University and is looking to complete her M.B.A with the University of Phoenix in 2012.

Under a contract with the STO, Purcella Jennings will be an Auditor for state authorized examinations of holders on behalf of the STO.

## **Heidi T. Lee, Auditor**

*With Xerox since 2004*

Heidi Lee is an Auditor and has been with Xerox for seven years. Heidi's experience includes:

- Leading and managing audits of diverse industries including health, banking, retail, consumer products, consulting, technology, and biotechnology
- Reviewing and analyzing company financial records to recognize potential unreported property
- Assisting companies with identifying unclaimed property

Prior to joining Xerox in 2004, Heidi was an internal audit intern at the Dana Farber Cancer Institute. At Dana Farber Cancer Institute she conducted compliance and operational audits for the Vice President of Audit and the Audit Committee.

Heidi holds a B.S. in Corporate Finance and Accounting from Bentley University.

Under a contract with the STO, Heidi Lee will be an Auditor for state authorized examinations of holders on behalf of the STO.

## **Chantel Watkins, Auditor**

*With Xerox since 2010*

Chantel Watkins is an auditor who joined Xerox in 2010. During that time, Chantel has worked on a variety of industry-specific audits, including life insurance, and manufacturing. As an Auditor, Chantel's responsibilities include:

- Performing detailed financial research on potential audit candidates
- Reviewing and analyzing company financial records to recognize potential unreported property
- Creating detailed reports on unclaimed property findings
- Assisting companies with identifying unclaimed property
- Making recommendations to companies to improve internal controls

Prior to joining Xerox, Chantel held positions including staff accountant with David Prothero, CPA and CCR, LLP, as well as tax associate at PricewaterhouseCoopers LLP in the Private Company Services group, where she prepared multi-state and federal income tax returns for high-net-worth individuals, trusts, partnerships, private foundations, C-corporations and S-corporations (consolidated and stand-alone). Chantel also performed tax research using CCH and the Internal Revenue Codes and Regulations, prepared federal and state quarterly estimates and extensions in addition to scheduling deductions and credits, including federal and state R&D credits, and assisted with the collection and analysis of tax information for IRS and state notices and audits.

Chantel holds a B.S. in Business Administration with Dual Concentration: Accounting and Management Information Systems from Northeastern University.

Under a contract with the STO, Chantel Watkins will be an Auditor for state authorized examinations of holders on behalf of the STO.

## **Bridget Nelson, Auditor**

*With Xerox since 2010*

Bridget Nelson is an auditor who joined Xerox in 2010. As an Auditor with experience performing Pharmaceutical and Manufacturing audits, Bridget's duties include:

- Performing detailed financial research on potential audit candidates
- Reviewing and analyzing company financial records to identify potential unreported property
- Making recommendations to companies to improve internal controls

Prior to joining Xerox, Bridget worked with the State of New Hampshire, holding positions in various departments:

- With the Liquor Commission, Bridget was an accounts payable supervisor and moved on to internal auditor where she audited 76 liquor stores statewide, prepared audit reports, presented audit and quarterly inventory findings, audited contract payments and established policies.
- As an agency auditor with the Bureau of Accounts, Bridget audited payment vouchers, rejected invalid object/class combinations and enforced administrative and purchasing procedure.
- As an accounting technician with the Department of Resources and Economic Development, Bridget audited invoices and supporting documentation, maintained contracts and purchase orders and verified account balances.

Bridget is a Certified Fraud Examiner, holds a B.A. in Business Management from Curry College and a M.S. in Accounting from Southern New Hampshire University..

Under a contract with the STO, Bridget Nelson will be an Auditor for state authorized examinations of holders on behalf of the STO.

## **Jenny Hernandez, Auditor**

*With Xerox since 2010*

Jenny Hernandez is an auditor who joined Xerox in 2010. As an Auditor, Jenny's duties include:

- Performing detailed audits and compliance reviews holders, including life insurance and energy
- Reviewing and analyzing company financial records to recognize potential unreported property
- Creating detailed reports on unclaimed property findings
- Assisting companies with identifying unclaimed property

Prior to joining Xerox, Jenny was an assistant vice president with State Street Bank & Trust where she was responsible for reviewing key areas of daily operations in order to ensure accuracy and compliance with procedures and controls; ensuring the completeness and timeliness of reporting to clients, outside parties, and other internal departments; assigning responsibilities and ensuring an efficient work environment; reviewing accounting related

issues including posting corporate actions and pricing problems and taking prompt action to correct problems as required. .

Before working with State Street, Jenny was a fund manager with Investors Bank and Trust, where she verified and authorized trades, cash movement and investments, wire transfers and corporate actions, reviewed all daily accounting activities performed on mutual funds, including pre-pricing, pricing and NAV calculation to ensure client satisfaction, assisted in conducting periodic audits, as well as financial statements and researched and resolved pricing discrepancies. Jenny also worked as a mutual funds supervisor with J.P. Morgan Invest, LLC, where she was responsible for information distribution, ensuring data accuracy, establishing controls and being aware of issues within the team.

Earlier in Jenny's career, she held several positions with State Street Bank & Trust, including sales communications specialist, senior audit analyst, senior account supervisor and mutual fund accountant.

Jenny holds a B.S. in Business Administration from the University of Massachusetts.

Under a contract with the STO, Jenny Hernandez will be an Auditor for state authorized examinations of holders on behalf of the STO.

## Key Operations Personnel

### **Mark Capprini, Vice President of Operations**

*With Xerox since 2006*

Mark Capprini is the Vice President of Operations. In this role, Mark is responsible for managing the operations workflow to ensure that all state deadlines are met. Mark holds a key role in handling the operational issues of Xerox' state clients. Mark is an expert at capturing key data elements and specifications and, as a result, he is often relied upon to provide various financial and statistical analyses to multiple organizational levels of Xerox.

Prior to joining Xerox, Mark served as the Manager of Internal Reporting and Operations for Beacon Mutual Insurance Company. While there, his responsibilities included the development and initiation of a business scorecard to track key performance indicators and operating metrics tied to the company's strategic plan. He also developed and managed the annual corporate operating budget.

Throughout his career, Mark has held numerous management positions at such companies as Managed Comp. These positions included Director of Financial Operations, Manager of Corporate Operations and Supervisor of Financial Systems and Controls. A few of Mark's noted accomplishments during this period were the development of a quality assurance program and the implementation of a new claims and managed care system.

Mark holds a B.A. in Economics from Tufts University and a certificate in Project Management.

Under a contract with the STO, Mark Capprini will manage the workflow of the STO's reportable unclaimed property and perform quality reviews of all reports.

## **Ron Lussier, Vice President of Business Systems Development**

*With Xerox since 1992*

Since joining Xerox in 1992, Ron Lussier has led the Information Technology unit of Xerox. As Vice President of Business Systems Development, Ron is responsible for overseeing the input of records into the Xerox proprietary Escheatment system (the AS400), including all conversions of data, the electronic media output to the state and the maintenance of the Xerox website and FTP site.

Under a contract with the STO, Ron Lussier will be responsible for ensuring the proper input of all records to the AS400, i.e. all conversions of data, the electronic media output to the state and the maintenance of the Xerox website and FTP site. Ron will be aided by the entire Information Technology team of systems analysts, programmers and operators.

## **Kevin F. Skinner, Assistant Vice President of Operations**

*With Xerox since 1998*

Kevin Skinner is a senior executive who began his career at Xerox in 1998 as a processing administrator. He currently oversees the Scrub Writing, Processing and Quality Assurance units of Xerox. In this role, Kevin is responsible for the verification process of all unclaimed property records from initial receipt to delivery of property. This verification process includes determining whether or not unclaimed property accounts have been properly coded, in accordance with individual state abandoned property laws.

Additionally, Kevin has held numerous positions within the Processing and Information Services units of Xerox.

Prior to joining Xerox, Kevin spent 24 years in the jewelry industry in a variety of capacities. He has a diamond grading certification from the Gemological Institute of America (GIA).

Kevin holds a B.A. in Economics from the University of Massachusetts, Boston.

Under a contract with the STO, Kevin Skinner will be responsible for the verification process of all unclaimed property records from initial receipt to delivery of property.

## **Andrew Dingley, Compliance Analyst**

*With Xerox since 2001*

Andrew Dingley is a Compliance Analyst who works closely with the Business Systems department in order to streamline the operation and optimize efficiencies. Andrew is also responsible for technical training of the Audit Compliance team and coordinating with IT and Legal areas to update Xerox' proprietary escheatment system in accordance with all changes in state laws.

Andrew previously managed the Audit Processing department of Xerox. Andrew's role included monitoring workflows, conducting training sessions, updating procedures based on law changes, ensuring the quality of the work output and processing complicated issues.

Andrew joined Xerox in 2001 as an Accounts Administrator in the Audit Compliance area, and in that time has processed thousands of reports for all types of unclaimed property.

Andrew holds a B.A. in History and Environmental Studies from Gordon College.

Under a contract with the STO, Andrew Dingley will oversee procedures and complex processing of records.

## **Josie Margiotta, Supervisor of Information Services & Audit Compliance**

*With Xerox since 2004*

Josie Margiotta is the supervisor of the Information Services and Audit Compliance departments of Xerox. In this position, she is responsible for managing the operational workflow and staff development for both departments.

Josie was previously the Transaction Processing Team Leader for the Audit Compliance department. Prior to being a team leader, she was an Account Administrator in the Information Services department. Josie has processed thousands of reports for all types of unclaimed property.

Josie joined Xerox in 2004 as an Administrative Assistant performing various mailroom and reception duties.

Josie holds a B.A. in Psychology from Salem State University.

Under a contract with the STO, Josie Margiotta will manage and analyze records received.

## **Scott Goss, Supervisor of Due Diligence & Property Request**

*With Xerox since 2008*

Scott Goss is the supervisor of the Due Diligence and Property Request departments of Xerox. In this role, Scott is responsible for assuring proper notice is made to unclaimed property owners and directing the timely request of unclaimed property from holders for delivery to the states. Scott also plays an active role as a coordinator for rebate settlements and as operational liaison with the State Mandated Audit group.

Scott was previously a Functional Analyst with the Audit Processing department. Scott's role included managing all due diligence functions as well as leading special projects such as rebate settlements.

Scott joined Xerox as a Transaction Processor in 2007.

Scott holds degrees from Boston College and Boston University.

Under a contract with the STO, Scott Goss will oversee due diligence and property request functions.

Under a contract with the STO, Lynden Lyman will provide his unclaimed property legal and subject matter expertise.

**David J. Epstein, Esq., Executive Consultant**  
*Founder*

David Epstein is the Xerox Unclaimed Property Clearinghouse founder and an attorney specializing in unclaimed property law for over 30 years. David is a member of the California Bar. As the reporter to the Uniform Law Commission, David assisted in drafting the 1981 Model Act, and in subsequent years played a key role in many states adopting the statute. He was an advisor to the Uniform Law Commission Drafting Committee which was responsible for drafting the 1995 Model Act.

David remains actively involved as a consultant to Xerox in Boston, Massachusetts. Having audited over 500 holders of all types of unclaimed property, David is responsible for advising and training of audit personnel and coordinating field audits. Additionally, he is also responsible for recommending "best practices" operations improvements.

Some of David's notable accomplishments:

- Served as an Advisor to the Presidential Advisory Commission on Holocaust assets in the United States
- Advisor to the Consumer and Monetary Affairs Subcommittee of the United States House of Representatives
- Former Commissioner on the California Commission on State Government Organization and Economy

David earned a B.A. from the University of California, Honors in Accounting, and a J.D. at University of Los Angeles, School of Law.

Under a contract with the STO, David Epstein will provide his unclaimed property legal and subject matter expertise.

**Robert P. Krenkowitz, Esq., Policy/Legal Issues Consultant**  
*Xerox Executive Consultant*

Robert Krenkowitz is a licensed attorney who has practiced in the field of escheat and unclaimed property for over 30 years. He is a member of the Bars of the States of Arizona and New Jersey, the US Court of Appeals for the Fifth and Seventh Circuits and the US District Court for the District of New Jersey. Currently, Robert is an executive consultant to Xerox providing legal services involving research, surveys of state laws, analyses of new types of unclaimed property and responses to state and holder inquiries.

Robert previously served as senior deputy attorney general of New Jersey and special assistant attorney general with the states of Oregon and North Dakota. He also served as special counsel to the attorney general of Ohio.

Additionally, Robert is an author and editor who has written articles on unclaimed property law subjects for the NAUPA News and for Solutions in Practice, a publication of Xerox.

# Xerox Key Personnel Resumes



Under a contract with the STO, Robert Krenkowitz will provide his unclaimed property legal and subject matter expertise.

**Paul R. Kraus, Vice President**  
*Bank of New York Mellon*

Paul R. Kraus is a Vice President and Relationship Manager in his 28<sup>th</sup> year with BNY Mellon Asset Servicing. As Relationship Manager, he is the primary contact for all service and administrative issues and coordinates the efforts of conversion, legal, accounting & reporting, tax, performance, benefit disbursement and information delivery teams. He works with an integrated team to support the custody and trustee needs of various relationships, including pension, nuclear decommissioning, corporate cash, Taft-Hartley, VEBA, Rabbi and settlement trusts.

Prior to his work in client service, Paul was a technology manager and developed and supported information systems at Mellon Financial, including the Workbench and custom client solutions.

Paul received his B.A. in Anthropology and M.S. in Information Systems from the University of Pittsburgh in Pittsburgh, PA. Using his extensive experience, Paul has taught information technology, programming and systems analysis classes in local colleges and was a contributing author to *Computer Sciences* (Macmillan Reference USA, 2002).

# Xerox Organization Charts

RFQ #STO12008

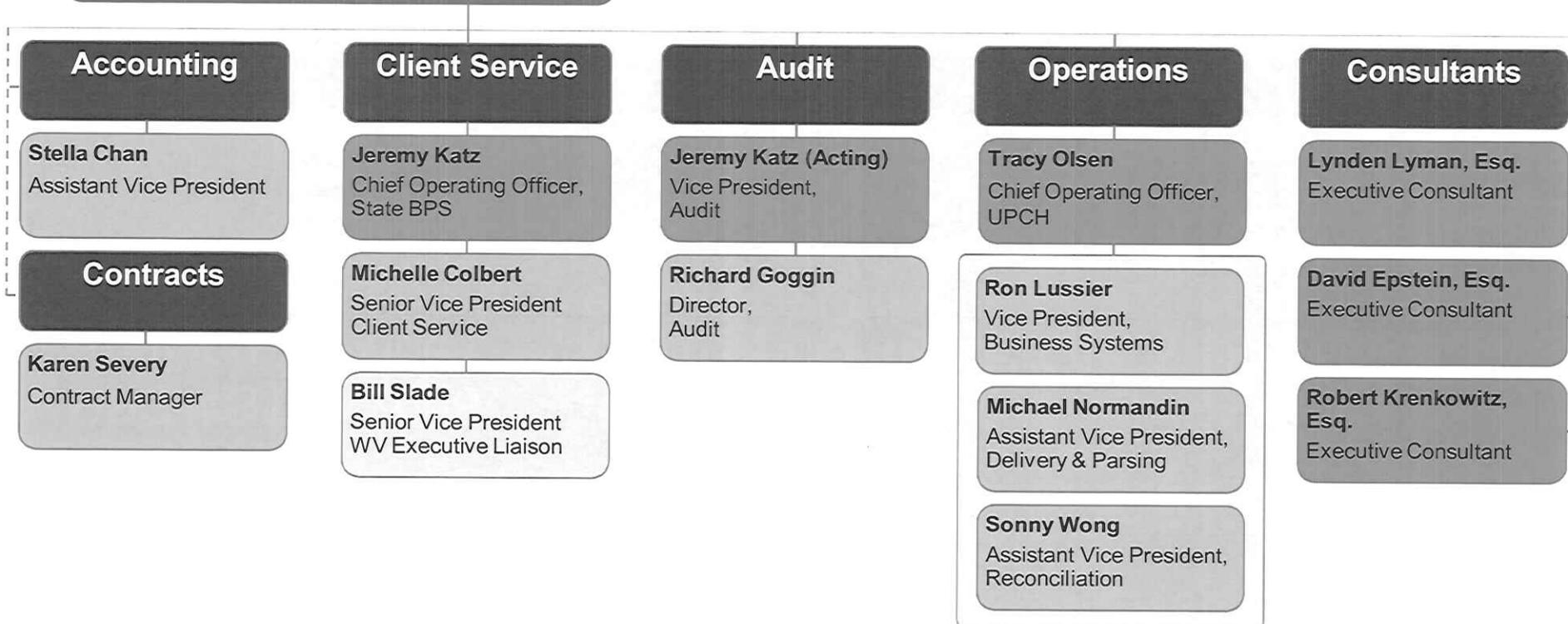
Auditing Services - Audit of Unclaimed Property Holders  
West Virginia State Treasurer's Office

# Xerox Client Service Team

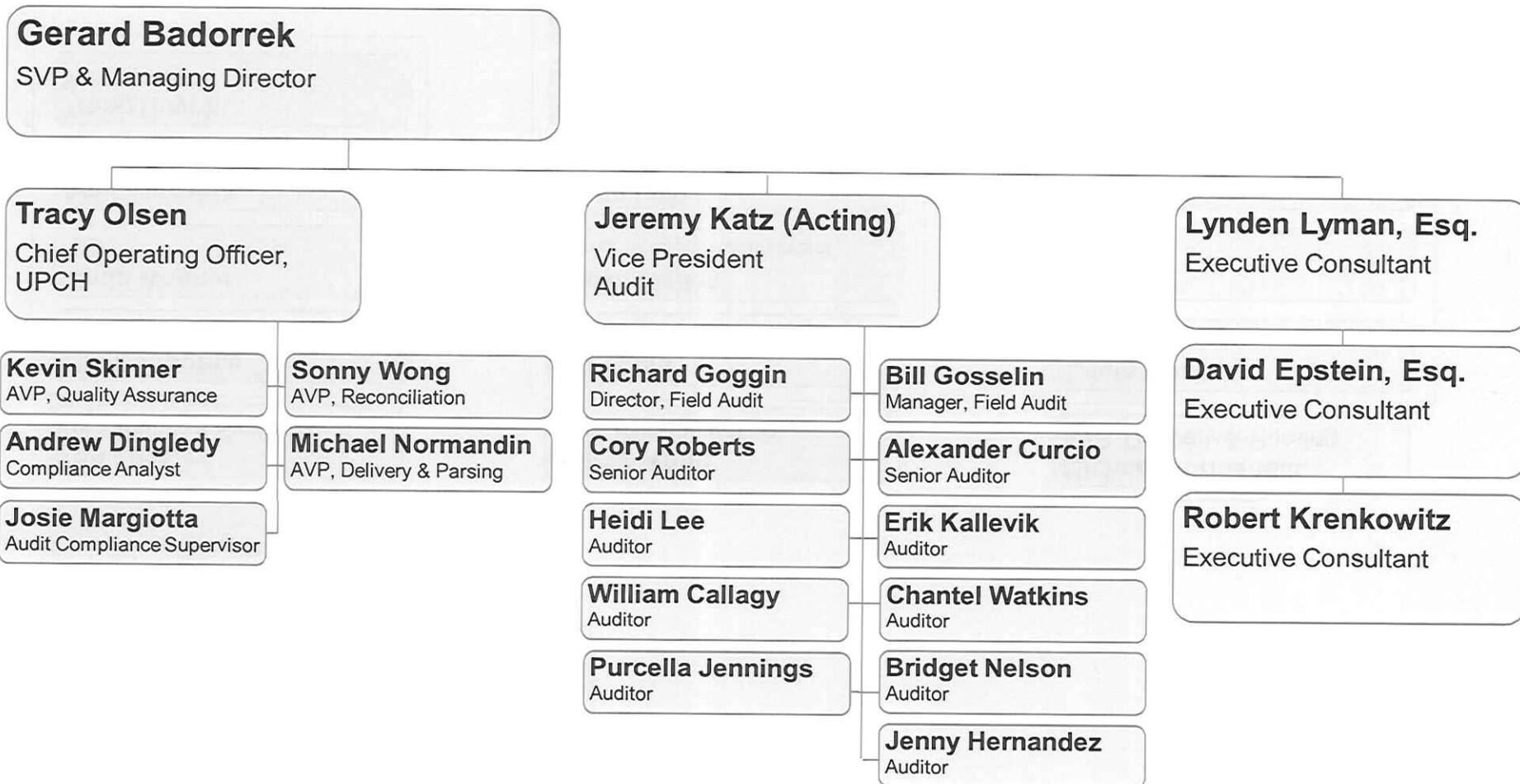
## West Virginia Unclaimed Property Audit Services

**Gerard Badorrek**

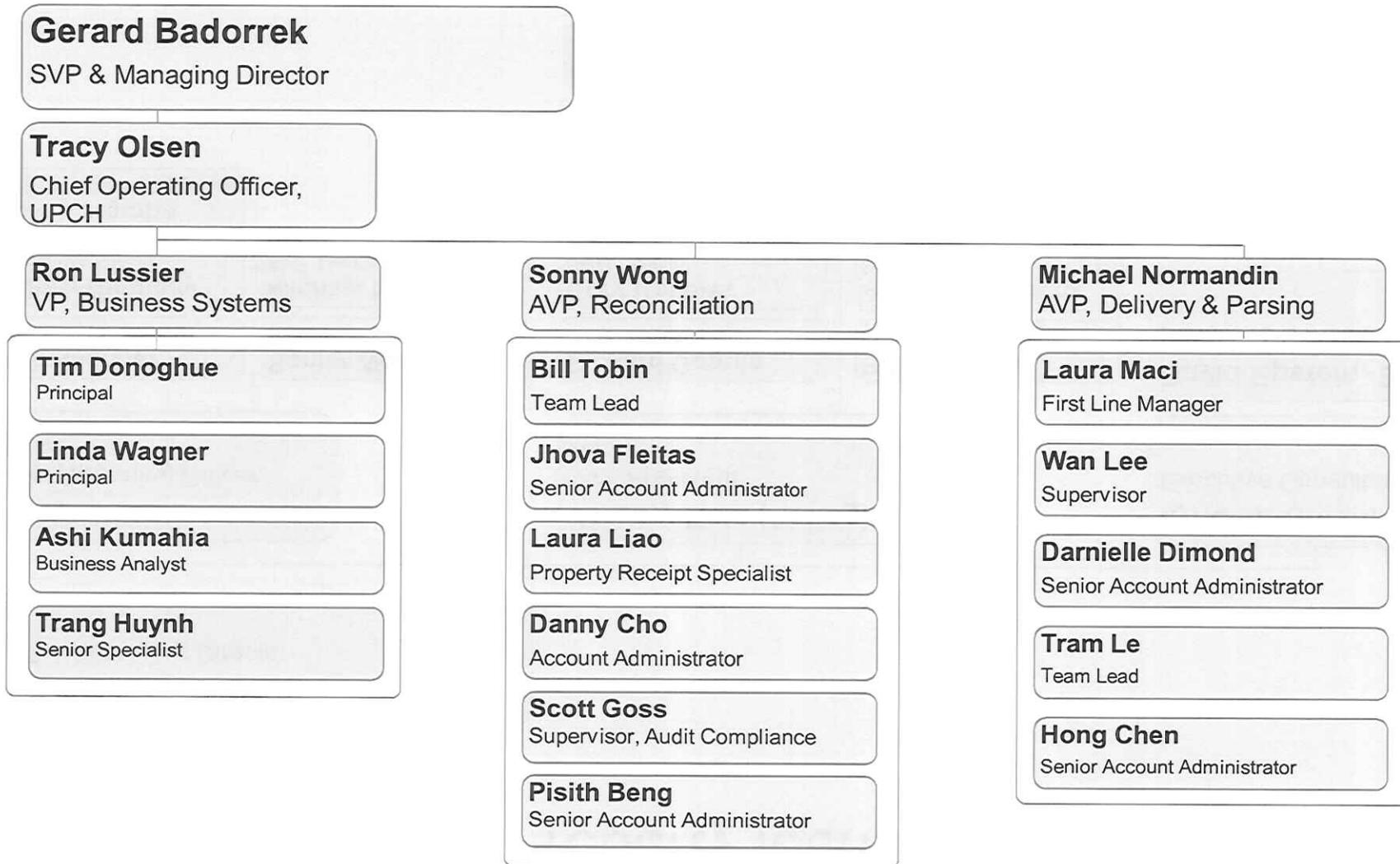
SVP & Managing Director



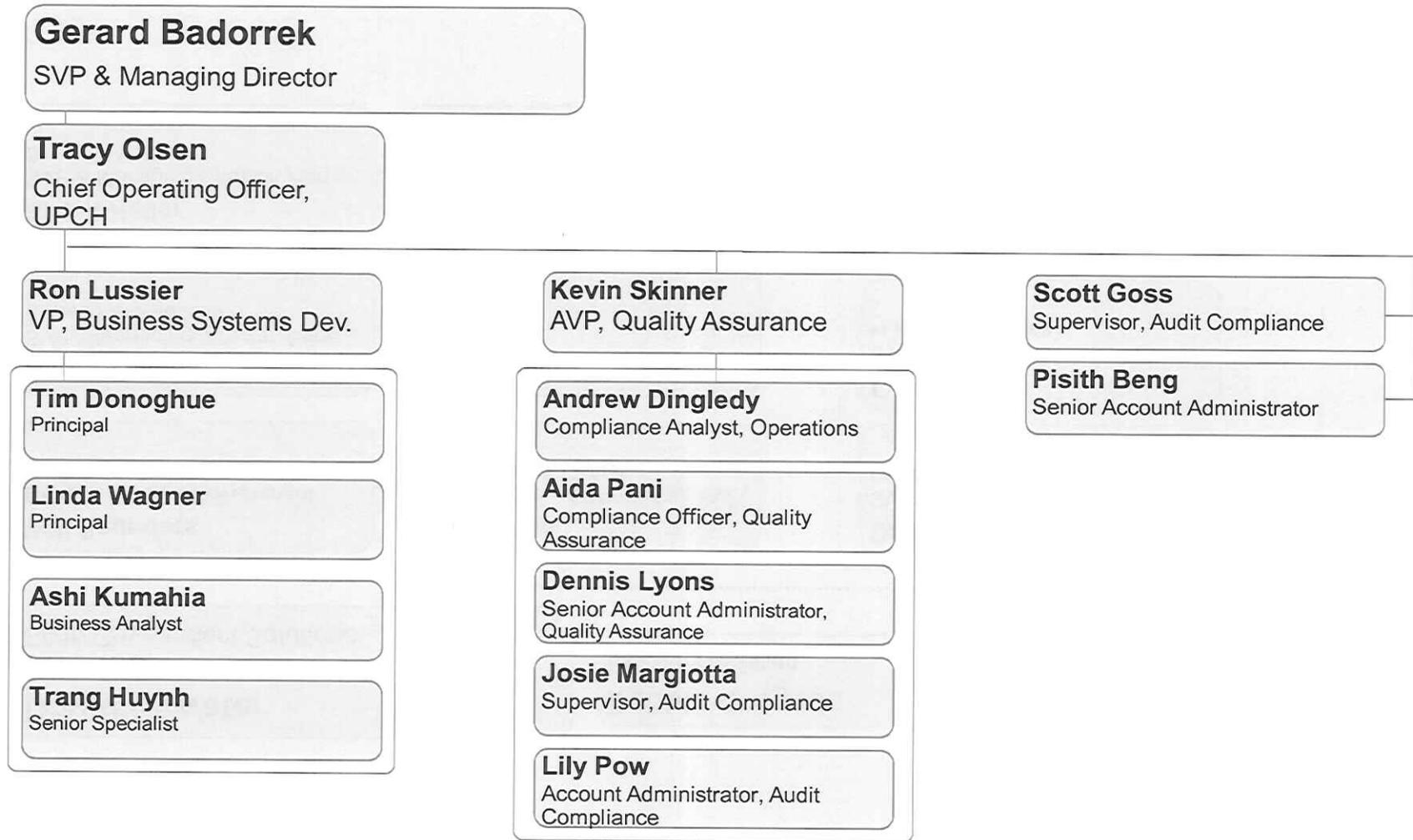
# Xerox Unclaimed Property Identification



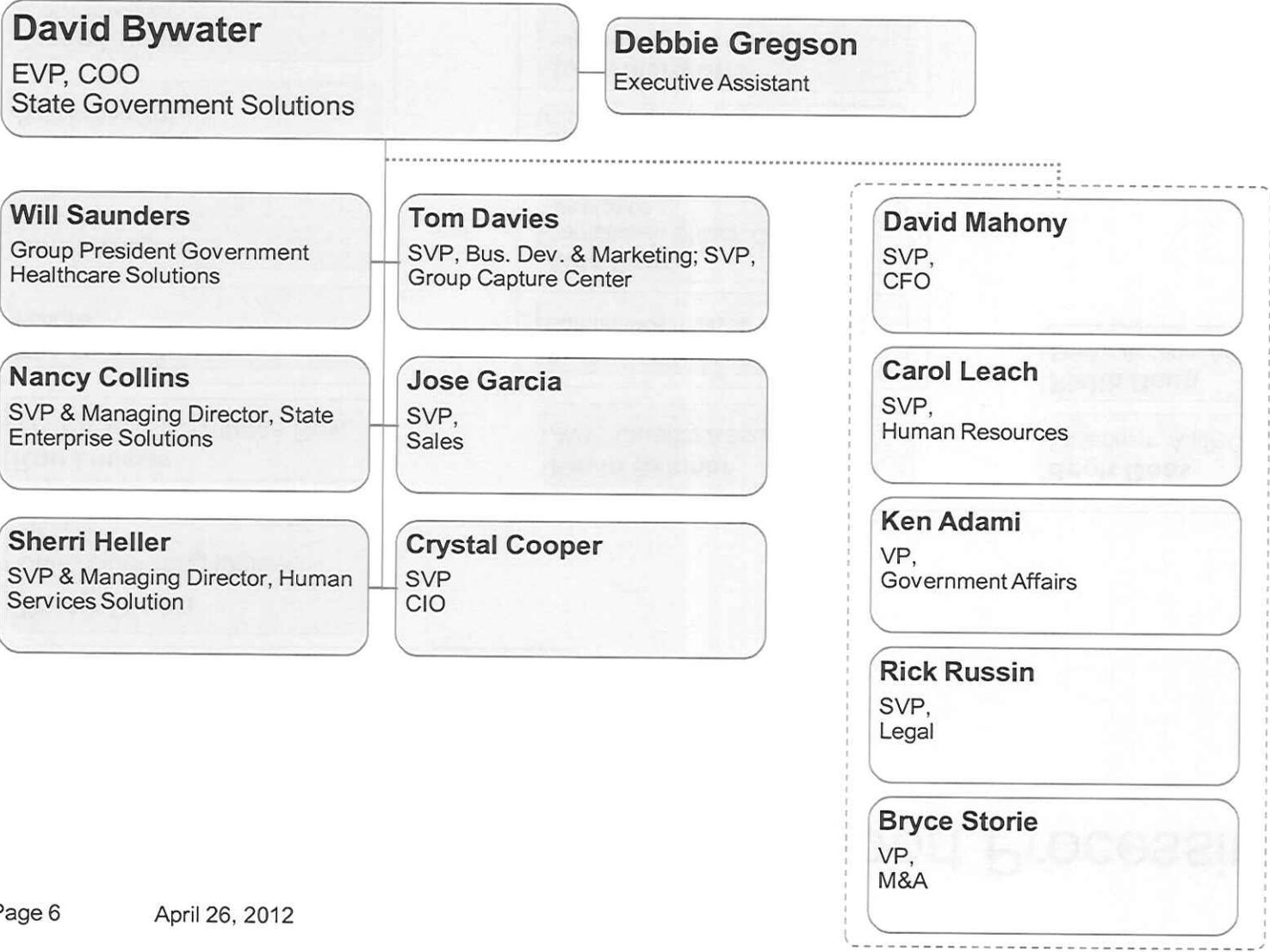
# Xerox Unclaimed Property Remittance



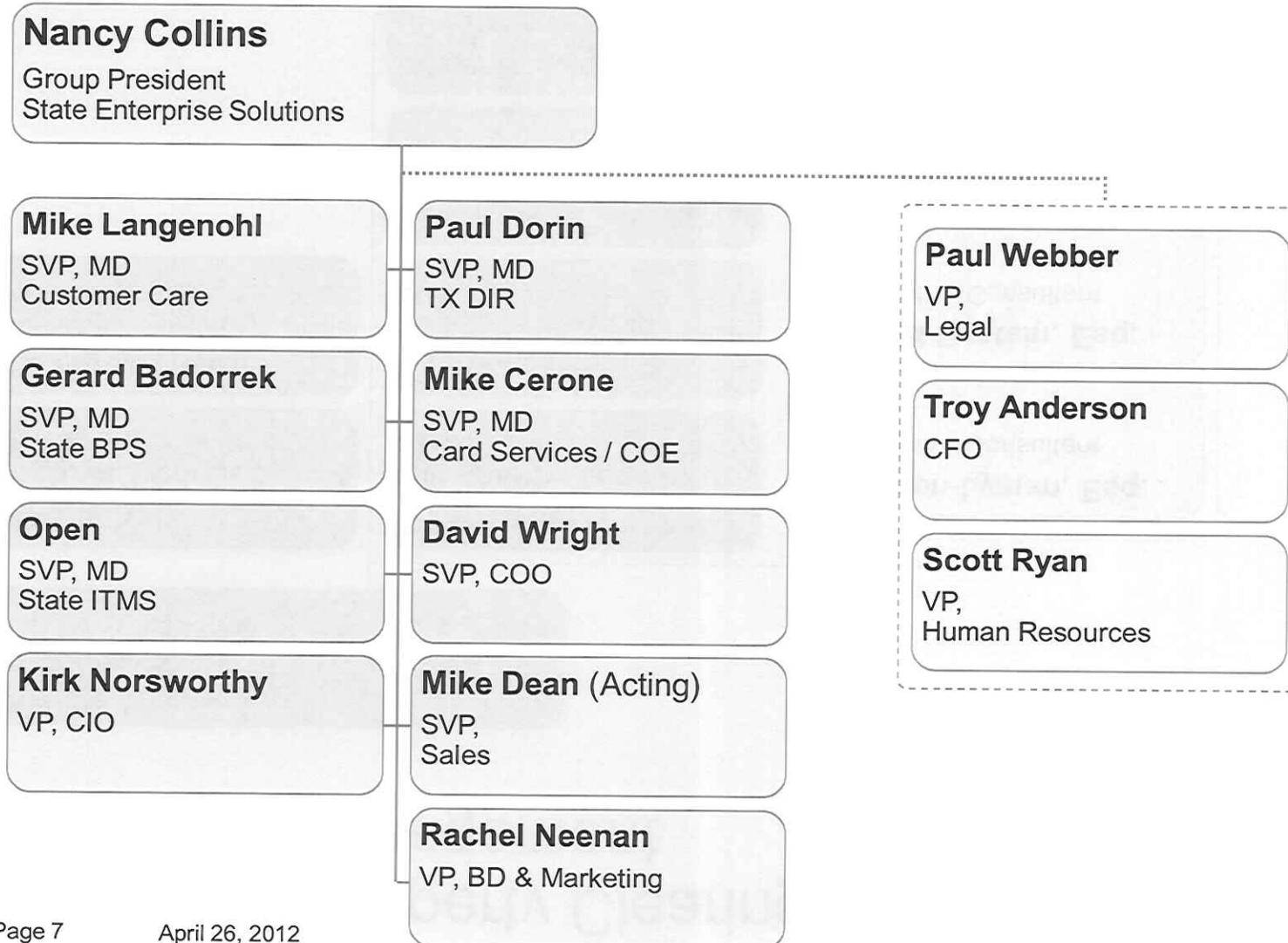
# Xerox Unclaimed Property Report Processing



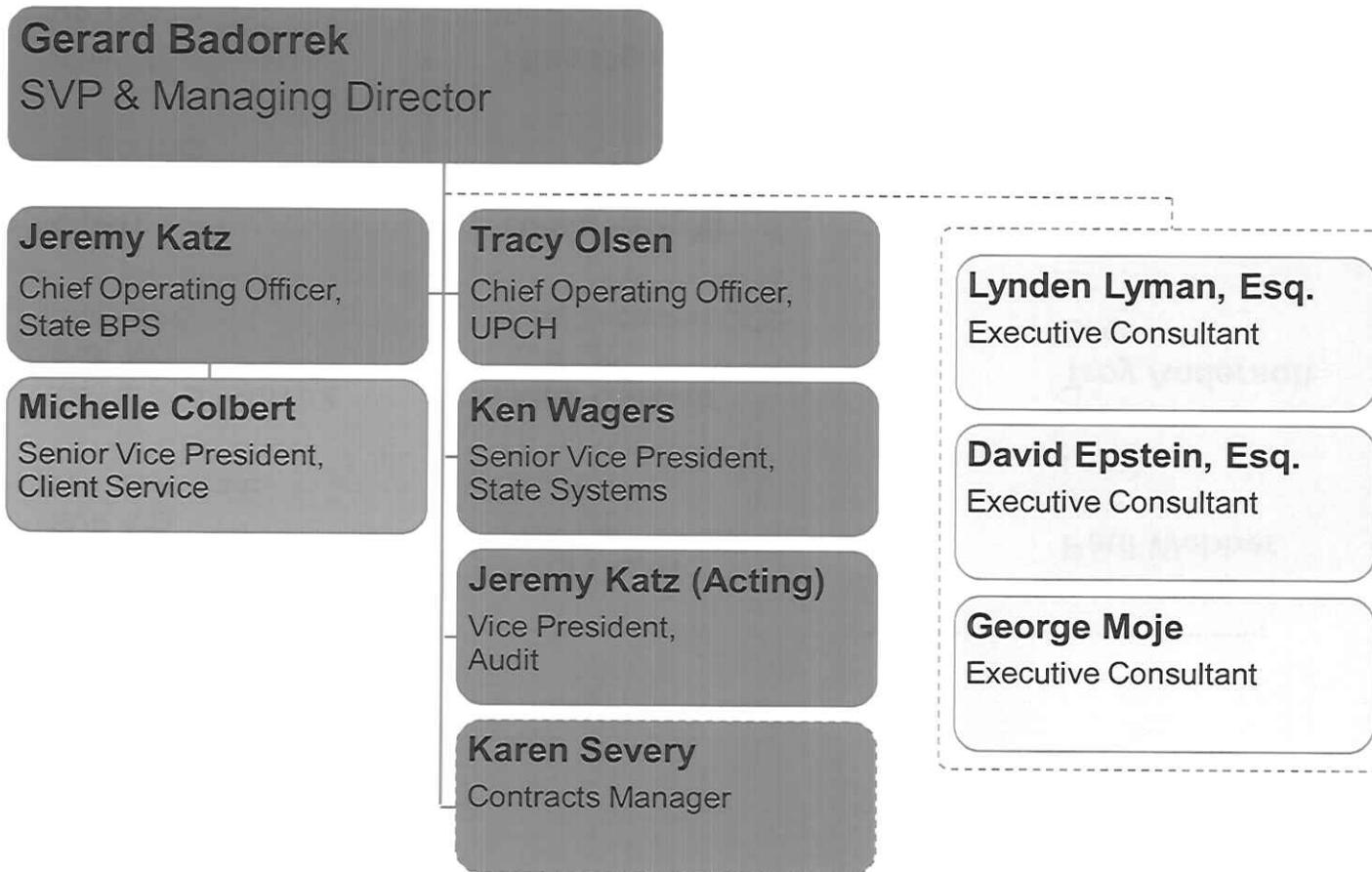
# State Government Solutions (SGS)



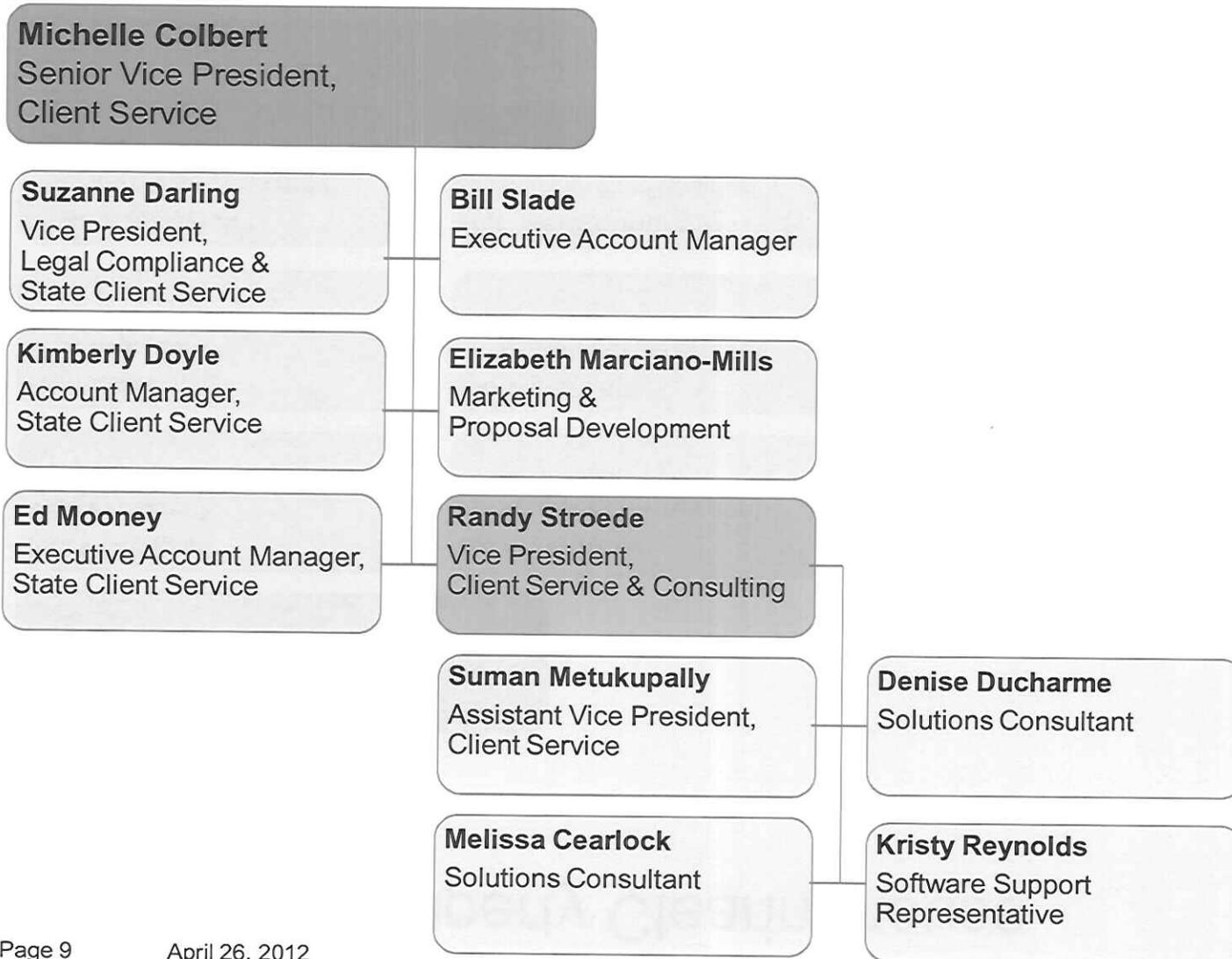
# State Enterprise Solutions (SES)



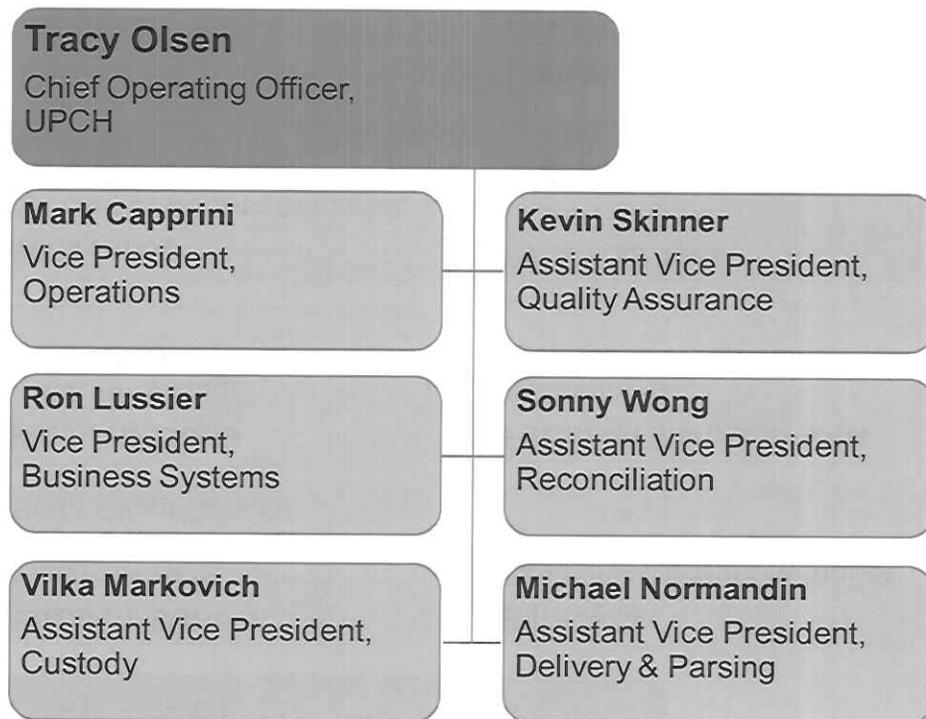
# Unclaimed Property Clearinghouse Executive Management



# Unclaimed Property Clearinghouse Client Service



# Unclaimed Property Clearinghouse Operations



# Unclaimed Property Clearinghouse Operations



# Unclaimed Property Clearinghouse Operations

## Kevin Skinner

Assistant Vice President,  
Quality Assurance

### Andrew Dingley

Compliance Analyst,  
Operations

### Aida Pani

Compliance Officer,  
Quality Assurance

### Dennis Lyons

Senior Account Administrator,  
Quality Assurance

### Josie Margiotta

Supervisor,  
Audit Compliance

### Lily Pow

Account Administrator,  
Audit Compliance

## Sonny Wong

Assistant Vice President,  
Reconciliation

### Bill Tobin

Team Lead

### Jhova Fleitas

Senior Account Administrator

### Laura Liao

Property Receipt Specialist

### Danny Cho

Account Administrator

### Scott Goss

Supervisor,  
Audit Compliance

### Pisith Beng

Sr. Account Administrator,  
Property Request

## Michael Normandin

Assistant Vice President,  
Delivery & Parsing

### Laura Maci

First Line Manager

### Wan Lee

Supervisor

### Darnielle Dimond

Senior Account Administrator

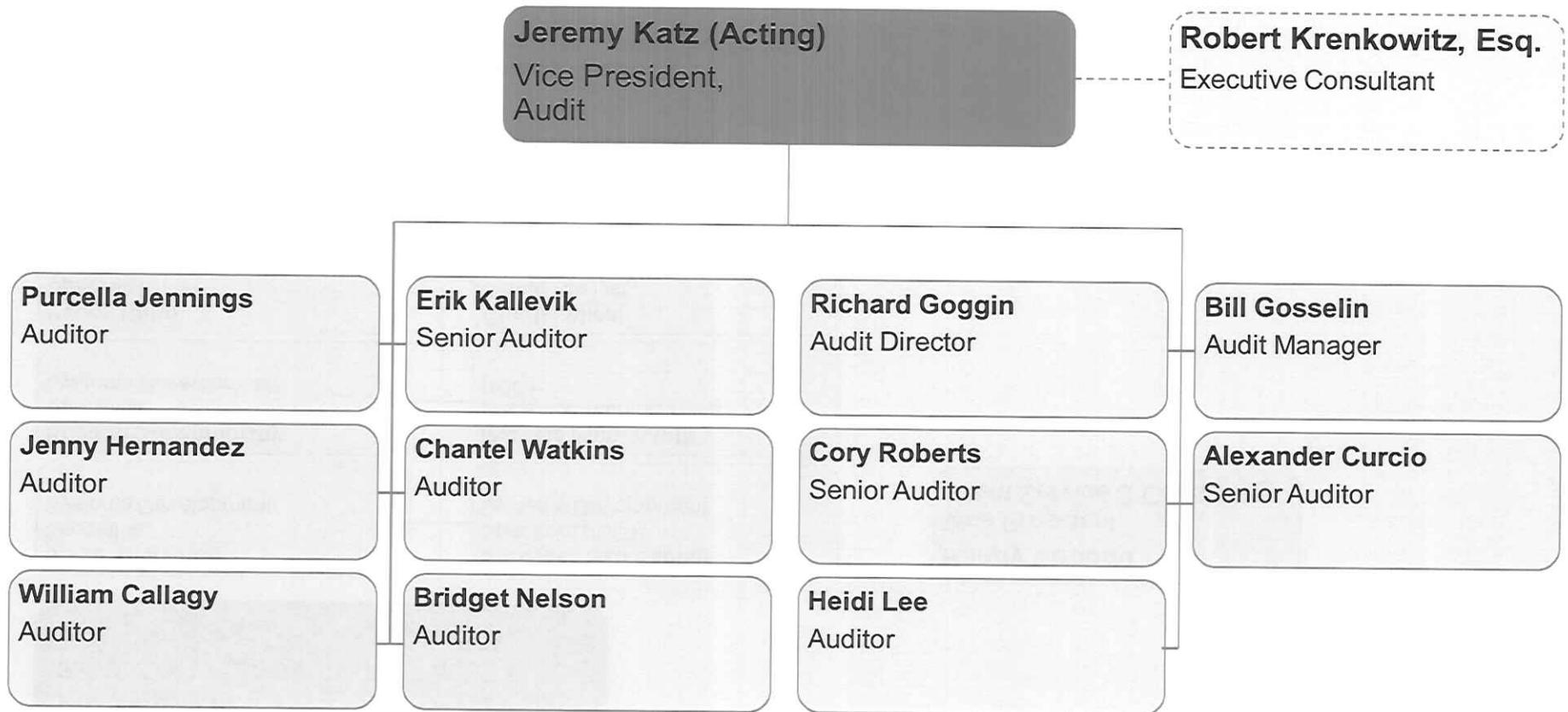
### Tram Le

Team Lead

### Hong Chen

Senior Account Administrator

# Unclaimed Property Clearinghouse Audit



# Unclaimed Property Clearinghouse State Systems Support & Development

**Ken Wagers**  
Senior Vice President,  
State Systems

**Steve Sherwood**  
Specialist,  
Systems Development

**Priya Krishnamoorthy**  
Specialist,  
Systems Development1

**Peggy Kuhn**  
Specialist,  
Systems Development

**Mitra Fathollahi**  
Quality Analyst,  
Systems Development

**Panduranga RaoSingeetham**  
Specialist,  
Systems Development

**Jean Francois Martineau**  
Senior Analyst

**Srinivasa Rao Sapher**  
Specialist (IDC),  
Systems Development

**Mamata Hanumanth**  
Database Administrator,  
(IDC)

**Charlie Allen**  
Senior Analyst ,  
Systems Consulting

**Dennis Fuller**  
Systems Development  
(Joint Effort Solutions)

**Jeremy Rosine**  
Specialist, Systems Development

**Frank LeGrand**  
Systems Development

**Randy Stroede**  
Vice President,  
Client Service & Consulting





THE BANK OF NEW YORK MELLON

**Client Service**  
Fax: 617-382-2989

Douglas Merrill  
Team Leader  
617-382-9960  
Douglas.merrill@bnymellon.com

Maria Psychos  
Client Service Officer  
617-382-2498  
Maria.psychos@bnymellon.com

Michael Downing  
Client Service Officer (Backup)  
617-382-2485  
Michael.downing@bnymellon.com

November 1, 2011

**Client Account and Reporting Services**

(Team handles valuation and client cash activity - i.e., expenses, redemptions, subscriptions)

Bill McGaffick  
Unit Manager  
412-234-1448  
William.mcgaffick@bnymellon.com

Bill Lippert  
Sr. Supervisor  
Fund Valuation Services  
412-236-5233  
William.lippert@bnymellon.com

Christine Tierney  
Supervisor  
Fund Valuation Services  
412-234-8603  
Christine.tierney@bnymellon.com

Mary McMonagle  
Senior Trust Specialist  
Fund Valuation Services  
412-236-0725  
Mary.mcmonagle@bnymellon.com

**Relationship Management**

Bill Blatchford  
Relationship Executive  
617-382-9561  
William.blatchford@bnymellon.com

Paul Kraus  
Relationship Manager  
412-234-0044  
Paul.kraus@bnymellon.com

**Investment Support Services**  
E-mail: ACS Shared Mailbox  
Fax: 866-644-6036

Pam Mohr  
Unit Manager  
412-234-1477  
Pamela.mohr@bnymellon.com

Kathy Janocha  
Supervisor  
412-234-0403  
Kathy.janocha@bnymellon.com

Nina Mosley  
Trade Specialist  
412-236-3155

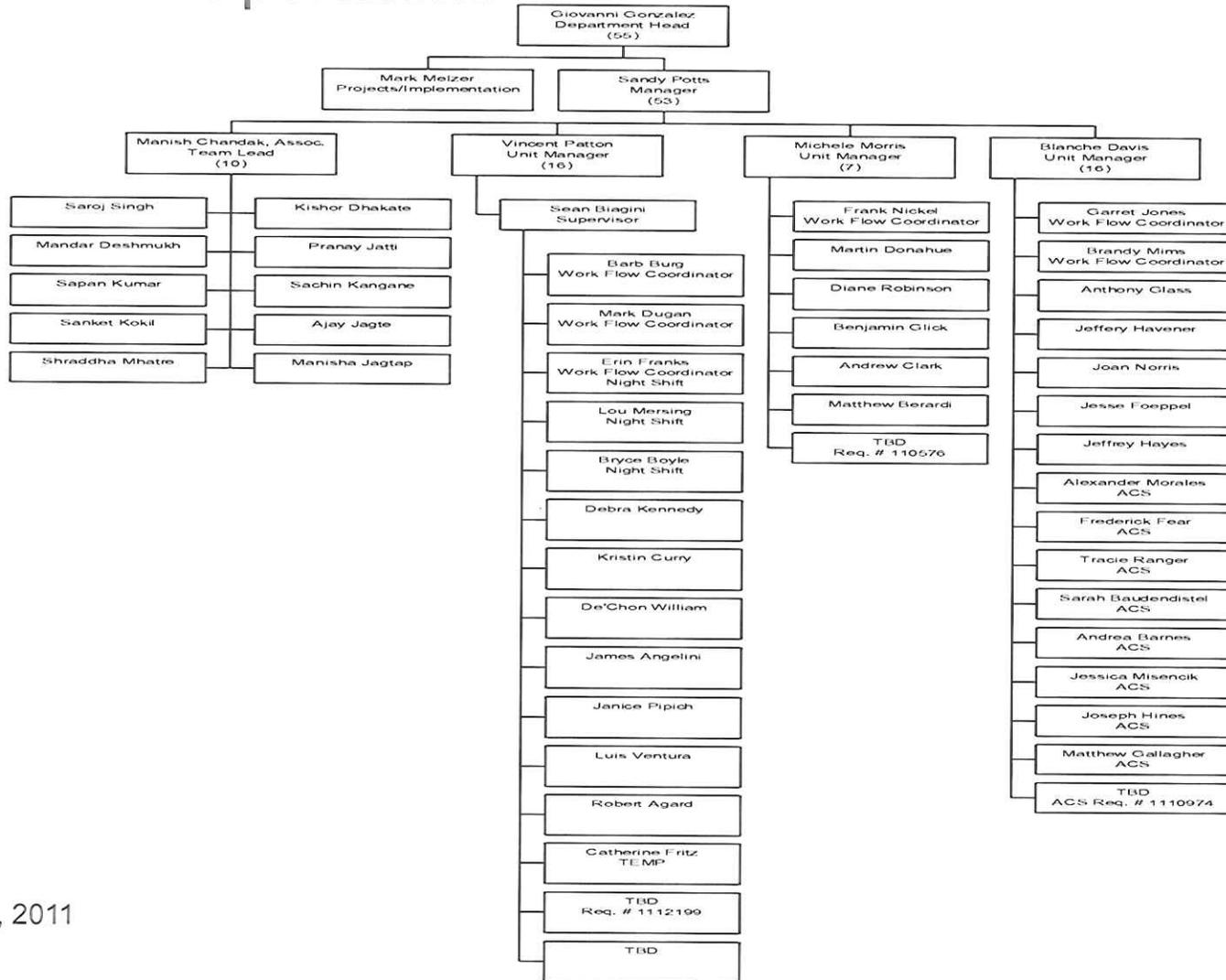
Kathy Lang-Allebach  
Trade Specialist  
412-236-2080

Eling Herr  
Trade Specialist  
412-234-3157



THE BANK OF NEW YORK MELLON

# Mutual Funds Operations



November 21, 2011

[ON COMPANY LETTERHEAD]

Gerard Badorrek  
Senior Vice President  
Xerox State & Local Solutions, Inc.  
Unclaimed Property Clearinghouse  
100 Hancock Street, 10<sup>th</sup> Floor  
Quincy, MA 02171

Dear Mr. Badorrek:

This is to advise you that (**name of company**) has decided to use Unclaimed Property Clearinghouse ("Xerox") to report and deliver to the client states any unclaimed (**property type**).

We understand that you are acting in the capacity of an auditor on behalf of the states with which you contract and that there will be no fees charged by Xerox. We additionally understand that, based on your examination, you will be obtaining release and, as applicable, indemnification agreements from those states which will provide such agreements. The examination period will encompass all prior periods through and including the current reporting year.

You have advised (**name of company**) that upon completion of the clean-up report and next succeeding report as permitted, it will be our responsibility to file future reports. We understand that we will be responsible for reporting those types of property not included in your examination directly to the states, and acknowledge that we will perform the required due diligence prior to delivering any property to Xerox.

[By way of the attached letter, we are advising our transfer agent of this and are authorizing it to deliver to Xerox pertinent records that it has regarding unclaimed dividends. We will be sending to Xerox any records of unclaimed dividends which have been turned over to us by our current or prior transfer agent, as well as a letter outlining the states to which the company has reported unclaimed dividends and/or securities in the past.]

Attached as Exhibit A is a list of issued to be processed and Exhibit B is contact information for (**name of company**) and other relevant information.

Sincerely,

[EXHIBIT A]

Issues to be Processed

[EXHIBIT B]

Issuer Name:

Contact:

Name:

Address:

Phone Number:

State of Incorporation:

FEIN:

State of Primary Business:

Project Contact:









# SAE State Status Report:

# SAE's

## Management Summary as of 1/27/2011

### Review Status Summary

Jobs

AD : Analyzing data	7
AR : Contact established - Holder gathering initial data	11
CP : Contact pending	1
ER : Additional records requested for review	21
FC : Findings complete and presented to holder	4
OH : On hold	6
PC : Pending confidentiality agreement	9
RP : Property requested from holder	6
RR : Initial records received and under review	4
UR : Additional records received and under review	9
<b>Total jobs started</b>	<b>78</b>

### Review Type Summary

Jobs

DR : Directed Review	0
Enf. : Enforcement	78
<b>Total jobs started</b>	<b>78</b>



# SAE State Status Report:

# SAE's

Holder Name / Address / Federal Id & INC	Review Status	Job Type	Age	Letter Sent	First Conf.	Records Received	Records Reviewed	Anticipated Completion Date	Last Contact	Job Comments
HOLDER 123 MA	ER	Enf.	525	8/20/09	11/11/09			6 / 2011	12/20/10	Audit Proceeding, Slower Than Anticipated HOLDER is slow in responding to ACS' Information & Documentation Requests (IDRs). HOLDER is currently working gathering information in response to IDR 2. ACS is scheduled to be on-site the week of February 14, 2011 to review information gathered and conduct functional interviews of HOLDER personnel responsible for billings and collections.
HOLDER 456 CA	ER	Enf.	253	5/19/10	6/21/10	7/16/10		12 / 2011	1/13/11	Audit Proceeding HOLDER has provided ACS with OS check detail and AR detail in response to IDR 1. HOLDER is on process of gathering GL detail in response to IDR 2. This audit started out slow with some minor HOLDER delays. ACS has been holding monthly status call with the HOLDER. ACS has provided the HOLDER with items that will need to be researched. GL Transaction histories to be released to ACS as soon as approved by the HOLDER'S audit coordinator.
HOLDER 789 NY	RP	Enf.	924	7/17/08				12 / 2010	12/28/10	Audit Completed HOLDER remitted property to ACS - ACS delivered to STATES.
HOLDER 000 NV	ER	Enf.	525	8/20/09	11/11/09	7/20/10		9 / 2011	10/28/10	Audit Proceeding HOLDER supplied all information in response to ACS' Information * Documentation Requests (IDR 1 thru IDR 5) and ACS has quantified potential unclaimed property. HOLDER to perform necessary research, remediation and due diligence. ACS had discussions with HOLDER regarding research and acceptable documentation.

Final Report: 12/28/2010



April 19, 2012

Ms. Tammy Tubbs  
Unclaimed Property Division  
West Virginia Treasury  
1 Player's Club Drive  
Charleston, WV 25311

Dear Ms. Tubbs:

The enclosed reports and property are submitted to you by ACS Unclaimed Property Clearinghouse pursuant to its record processing and custodial contract with your state.

The unclaimed property include:

AMPEX CORP CLASS A OS CASH	129350411 07/05/2011
AT&T WIRELESS SERVICES INC OUTS CASH	ATWCHQDXG07/06/2011
CORRECTIONS CORP OF AMERICA 12% SER B PF OUTS CASH	117270411 07/06/2011
ELXSI CORP (NEW)/ELXSI CORP ('92 OLD)	010618AXD 07/04/2011
FERTITTA GROUP INC/LANDRYS RESTAURANT INC	037110511 07/06/2011
INDEPENDENCE TAX CREDIT PLUS L.P.(INDE)	010783LXX 05/04/2012
MOORE WALLACE INC OS CASH	143930411 07/06/2011
NEWPORT NEWS SHIPBUILDING INC OUTS CASH	NEPCHQAXN 07/06/2011
POTOMAC ELE POWER CO 2.28 PFD REDEMPTION	257150511 07/06/2011
STEEL CITY PRODUCTS/HALLWOOD INDUSTRIES INC	077230511 07/06/2011
STERLING CONSTRUCTION CO INC/HALLWOOD/HECKS INC	07724051A 07/06/2011
STERLING CONSTRUCTION CO INC/HECKS INC	077240511 07/06/2011
STERLING CONSTRUCTION CO/HALLWOOD INDUSTRIES INC	07723051A 07/06/2011
THERMODYNETICS INC(NEW)/THERMODYNETICS INC(OLD)	T23000LXX 05/03/2012

Please see the enclosed description letter for information relative to the above issue(s).

Also enclosed is a statement of fees related to this property.

Please call the undersigned if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Normandin".

Michael Normandin  
Assistant Vice President  
(617)722-9610

MN/cc  
Enclosures  
Delivery # 120419001

April 19, 2012

Ms. Tammy Tubbs  
Unclaimed Property Division  
West Virginia Treasury  
1 Player's Club Drive  
Charleston, WV 25311

Dear Ms. Tubbs:

The following shares that correspond to the enclosed delivery reports are being transferred to your state under separate cover by the Transfer Agent/Depository Trust Company (DTC):

<u>Issue Name</u>	<u># Shares</u>	<u>Cusip</u>
STERLING CONSTRUCTION CO INC/HALLWOOD/HECKS INC	73	859241101
STERLING CONSTRUCTION CO/HALLWOOD INDUSTRIES INC	74	859241101
THERMODYNETICS INC(NEW)/THERMODYNETICS INC(OLD)	80	883622409

Please contact me at the number below if you have any questions.

Sincerely,



Michael Normandin  
Assistant Vice President  
(617)722-9610

Delivery # 120419001

## CONTACT INFORMATION SHEET

**Issue:** AMPEX CORP CLASS A OS CASH  
**Holder Name:** AMERICAN STOCK TRANSFER & TRUST CO LLC  
**State of Inc.:** DELAWARE  
**Tax ID #:** 133667696

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**Corporate Contact:** JOHN BUONOMO  
**Address:** AMPEX CORP CLASS A OS CASH  
6201 15TH AVENUE  
BROOKLYN, NY 11219

**Telephone:** (800) 937-5449

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**TA Contact:** JOHN BUONOMO  
**Title:**  
**Address:** AMERICAN STOCK TRANSFER & TRUST  
6201 15TH AVENUE  
BROOKLYN, NY 11219

**Telephone:** (718) 921-8568

State: WEST VIRGINIA

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Issue: AT&T WIRELESS SERVICES INC OUTS CASH  
Cusip: ATWCHQDXG 07/06/11  
FEIN: 04-2800528

Cash	\$4.14	
Total Billable Property Value	\$4.14	
UPRS Fee	\$ .00	
UPRS Fee Invoiced ==>	\$ .00	
CASH REMITTED ==>=>		\$4.14

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Issue: NEWPORT NEWS SHIPBUILDING INC OUTS CASH  
Cusip: NEPCHQAXN 07/06/11  
FEIN: 74-1541566

Cash	\$3.31	
Total Billable Property Value	\$3.31	
UPRS Fee	\$ .00	
UPRS Fee Invoiced ==>	\$ .00	
CASH REMITTED ==>=>		\$3.31

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Issue: THERMODYNETICS INC(NEW)/THERMODYNETICS INC(OLD)  
Cusip: T23000LXX 05/03/12  
FEIN: 06-1042505

Cash	\$ .00	
Shares	80.00	
Billable Share Value	\$13.60	(\$.1700/share)
Total Billable Property Value	\$13.60	
UPRS Fee	\$ .00	
UPRS Fee Invoiced ==>	\$ .00	
CASH REMITTED ==>=>		\$ .00
SHARES REMITTED ==>=>		80.00

SHARE VALUATION: (Security Cusip: 883622409)  
Price Date      Price              Shares              Share Value  
03/20/2012      .1700              80.00000          \$13.60000

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Issue: ELXSI CORP (NEW)/ELXSI CORP ('92 OLD)  
Cusip: 010618AXD 07/04/11  
FEIN: 77-0151523

Cash	\$411.54	
Total Billable Property Value	\$411.54	
UPRS Fee (Calc at 13.00%)	\$53.50	
UPRS Fee Invoiced ==>	\$53.50	
CASH REMITTED ==>=>		\$411.54

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Issue: INDEPENDENCE TAX CREDIT PLUS L.P.(INDE)  
Cusip: 010783LXX 05/04/12  
FEIN: 13-3589920

Cash	\$832.04	
Total Billable Property Value	\$832.04	
UPRS Fee (Calc at 13.00%)	\$108.16	

This issue continued on next page

State: WEST VIRGINIA

Issue: INDEPENDENCE TAX CREDIT PLUS L.P.(INDE)  
Cusip: 010783LXX 05/04/12  
FEIN: 13-3589920

This issue continued from previous page

UPRS Fee Invoiced ==> \$108.16  
CASH REMITTED ==> \$832.04

Issue: FERTITTA GROUP INC/LANDRYS RESTAURANT INC  
Cusip: 037110511 07/06/11  
FEIN: 76-0405386

Cash \$5.00  
Total Billable Property Value \$5.00  
UPRS Fee \$ .00  
UPRS Fee Invoiced ==> \$ .00  
CASH REMITTED ==> \$5.00

Issue: STERLING CONSTRUCTION CO/HALLWOOD INDUSTRIES INC  
Cusip: 07723051A 07/06/11  
FEIN: 25-1655321

Cash \$ .00  
Shares 74.00  
Billable Share Value \$788.10 (\$10.6500/share)  
Total Billable Property Value \$788.10  
UPRS Fee (Calc at 13.00%) \$102.45  
UPRS Fee Invoiced ==> \$102.45  
CASH REMITTED ==> \$ .00  
SHARES REMITTED ==> 74.00

SHARE VALUATION: (Security Cusip: 859241101)  
Price Date Price Shares Share Value  
02/28/2012 10.6500 74.00000 \$788.10000

Issue: STEEL CITY PRODUCTS/HALLWOOD INDUSTRIES INC  
Cusip: 077230511 07/06/11  
FEIN: 25-1655321

Cash \$1.23  
Total Billable Property Value \$1.23  
UPRS Fee \$ .00  
UPRS Fee Invoiced ==> \$ .00  
CASH REMITTED ==> \$1.23

Issue: STERLING CONSTRUCTION CO INC/HALLWOOD/HECKS INC  
Cusip: 07724051A 07/06/11  
FEIN: 25-1655321

Cash \$ .00  
Shares 73.00  
Billable Share Value \$734.38 (\$10.0600/share)  
Total Billable Property Value \$734.38  
UPRS Fee (Calc at 13.00%) \$95.46  
UPRS Fee Invoiced ==> \$95.46

This issue continued on next page

State: WEST VIRGINIA

Issue: STERLING CONSTRUCTION CO INC/HALLWOOD/HECKS INC  
Cusip: 07724051A 07/06/11  
FEIN: 25-1655321

This issue continued from previous page

CASH REMITTED ==>>> \$ .00  
SHARES REMITTED ==>>> 73.00

SHARE VALUATION: (Security Cusip: 859241101)  
Price Date Price Shares Share Value  
02/22/2012 10.0600 73.00000 \$734.38000

Issue: STERLING CONSTRUCTION CO INC/HECKS INC  
Cusip: 077240511 07/06/11  
FEIN: 25-1655321

Cash \$1.23  
Total Billable Property Value \$1.23  
UPRS Fee \$ .00  
UPRS Fee Invoiced ==> \$ .00  
CASH REMITTED ==>>> \$1.23

Issue: CORRECTIONS CORP OF AMERICA 12% SER B PF OUTS CASH  
Cusip: 117270411 07/06/11  
FEIN: 62-1763875

Cash \$159.26  
Total Billable Property Value \$159.26  
UPRS Fee (Calc at 13.00%) \$20.70  
UPRS Fee Invoiced ==> \$20.70  
CASH REMITTED ==>>> \$159.26

Issue: AMPEX CORP CLASS A OS CASH  
Cusip: 129350411 07/05/11  
FEIN: 13-3667696

Cash \$1.05  
Total Billable Property Value \$1.05  
UPRS Fee \$ .00  
UPRS Fee Invoiced ==> \$ .00  
CASH REMITTED ==>>> \$1.05

Issue: MOORE WALLACE INC OS CASH  
Cusip: 143930411 07/06/11  
FEIN: 36-1004130

Cash \$16.11  
Total Billable Property Value \$16.11  
UPRS Fee \$ .00  
UPRS Fee Invoiced ==> \$ .00  
CASH REMITTED ==>>> \$16.11

Issue: POTOMAC ELE POWER CO 2.28 PFD REDEMPTION  
Cusip: 257150511 07/06/11  
FEIN: 52-2297449

Cash \$17.10

This issue continued on next page

ACS State & Local Solutions, Inc.  
a/k/a ACS Unclaimed Property Clearinghouse  
100 Hancock Street, 10th Floor  
Quincy, MA 02171  
FEIN: 13-1996647

Date: 04/19/2012  
Invoice #: 1104 UPRS  
Amount Due: \$380.27

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UNCLAIMED PROPERTY RECOVERY SERVICES

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Issue Name: CORRECTIONS CORP OF AMERICA 12% SER B PF OUTS CASH  
Issue Cusip: 117270411 Report Date: 07/06/11  
FEIN: 62-1763875

Cash	\$159.26
Share Value	\$.00
Total Property Value	\$159.26
Billable Property Value	\$159.26

Fee Calculated at	13.00%	UPRS Fee	\$20.70
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Amount Due	\$380.27
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Please send remittance to the attention of:  
ACS State & Local Solutions, Inc.  
a/k/a ACS Unclaimed Property Clearinghouse  
100 Hancock Street, 10th Floor  
Quincy, MA 02171

RUN DATE: 4/18/12  
 RUN TIME: 16:11:41

ACS UNCLAIMED PROPERTY CLEARINGHOUSE  
 UNCLAIMED PROPERTY SERVICE SYSTEM  
 PROPERTY DELIVERY REPORT  
 SUMMARY BY STATE

REPORT ID: SSBR20  
 PAGE: 7

STATE: WEST VIRGINIA

ISSUE NAME	CUSIP	REPORT DATE	DATE OF PRICE	TOTAL SHARES	SHARE PRICE	SHARE VALUE	CASH AMOUNT	TOTAL PROPERTY VALUE
AT&T WIRELESS SERVICES INC OUT	ATWCHQDXG	070611	000000	.00000	.0000	.00	4.14	4.14
*** ISSUE TOTAL . . . . :				.00000		.00	4.14	4.14
	CANCELLED SHARES . . . . :			.00000				
NEWPORT NEWS SHIPBUILDING INC	NEPCHQAXN	070611	000000	.00000	.0000	.00	3.31	3.31
*** ISSUE TOTAL . . . . :				.00000		.00	3.31	3.31
	CANCELLED SHARES . . . . :			.00000				
THERMODYNAMICS INC(NEW)/THERMO	T23000LXX	050312	032012	80.00000	.1700	13.60	.00	13.60
*** ISSUE TOTAL . . . . :				80.00000		13.60	.00	13.60
	CANCELLED SHARES . . . . :			400.00000				
ELXSI CORP (NEW)/ELXSI CORP ('	010618AXD	070411	000000	.00000	.0000	.00	411.54	411.54
*** ISSUE TOTAL . . . . :				.00000		.00	411.54	411.54
	CANCELLED SHARES . . . . :			918.00000				
INDEPENDENCE TAX CREDIT PLUS L	010783LXX	050412	000000	.00000	.0000	.00	832.04	832.04
*** ISSUE TOTAL . . . . :				.00000		.00	832.04	832.04
	CANCELLED SHARES . . . . :			.00000				
FERTITTA GROUP INC/LANDRYS RES	037110511	070611	000000	.00000	.0000	.00	5.00	5.00
*** ISSUE TOTAL . . . . :				.00000		.00	5.00	5.00
	CANCELLED SHARES . . . . :			.00000				
STERLING CONSTRUCTION CO/HALLW	07723051A	070611	022812	74.00000	10.6500	788.10	.00	788.10
*** ISSUE TOTAL . . . . :				74.00000		788.10	.00	788.10
	CANCELLED SHARES . . . . :			.00000				
STEEL CITY PRODUCTS/HALLWOOD I	077230511	070611	000000	.00000	.0000	.00	1.23	1.23
*** ISSUE TOTAL . . . . :				.00000		.00	1.23	1.23
	CANCELLED SHARES . . . . :			74.00000				
STERLING CONSTRUCTION CO INC/H	07724051A	070611	022212	73.00000	10.0600	734.38	.00	734.38
*** ISSUE TOTAL . . . . :				73.00000		734.38	.00	734.38
	CANCELLED SHARES . . . . :			.00000				
STERLING CONSTRUCTION CO INC/H	077240511	070611	000000	.00000	.0000	.00	1.23	1.23
*** ISSUE TOTAL . . . . :				.00000		.00	1.23	1.23
	CANCELLED SHARES . . . . :			3350.00000				

RUN DATE: 4/18/12  
 RUN TIME: 16:11:41

ACS UNCLAIMED PROPERTY CLEARINGHOUSE  
 UNCLAIMED PROPERTY SERVICE SYSTEM  
 PROPERTY DELIVERY REPORT  
 SUMMARY BY STATE

REPORT ID: SSBR20  
 PAGE: 8

STATE: WEST VIRGINIA

ISSUE NAME	CUSIP	REPORT DATE	DATE OF PRICE	TOTAL SHARES	SHARE PRICE	SHARE VALUE	CASH AMOUNT	TOTAL PROPERTY VALUE
CORRECTIONS CORP OF AMERICA 12	117270411	070611	000000	.00000	.0000	.00	159.26	159.26
*** ISSUE TOTAL . . . . :				.00000		.00	159.26	159.26
	CANCELLED SHARES . . . . :			.00000				
AMPEX CORP CLASS A OS CASH	129350411	070511	000000	.00000	.0000	.00	1.05	1.05
*** ISSUE TOTAL . . . . :				.00000		.00	1.05	1.05
	CANCELLED SHARES . . . . :			.00000				
MOORE WALLACE INC OS CASH	143930411	070611	000000	.00000	.0000	.00	16.11	16.11
*** ISSUE TOTAL . . . . :				.00000		.00	16.11	16.11
	CANCELLED SHARES . . . . :			.00000				
POTOMAC ELE POWER CO 2.28 PFD	257150511	070611	000000	.00000	.0000	.00	17.10	17.10
*** ISSUE TOTAL . . . . :				.00000		.00	17.10	17.10
	CANCELLED SHARES . . . . :			.00000				
*** TOTAL FOR WEST VIRGINIA				227.00000		1,536.08	1,452.01	2,988.09
	CANCELLED SHARES . . . . :			4742.00000				
	*** TOTAL CNLD SHARES:			4,742.00000				
	*** TOTAL CASH AMOUNT:			1,452.01				
	*** TOTAL CUSTODIAL FEE:			380.27	INVOICE			
	*** TOTAL SPECIAL COUNSEL FEE:			.00				
	*** REMITTANCE:			1,452.01				

# Xerox Operations Workflow

