



# West Virginia Purchasing Division

2019 Washington Street, East  
Charleston, WV 25305  
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The following documentation is an electronically-submitted vendor response to an advertised solicitation from the *West Virginia Purchasing Bulletin* within the Vendor Self-Service portal at ***wvOASIS.gov***. As part of the State of West Virginia's procurement process, and to maintain the transparency of the bid-opening process, this documentation submitted online is publicly posted by the West Virginia Purchasing Division at ***WVPurchasing.gov*** with any other vendor responses to this solicitation submitted to the Purchasing Division in hard copy format.

## Header @ 1

List View

**General Information** | [Contact](#) | [Default Values](#) | [Discount](#) | [Document Information](#)

Procurement Folder: 330243

SO Doc Code: CRFQ

Procurement Type: Central Master Agreement

SO Dept: 1300

Vendor ID:

SO Doc ID: STO1700000006

Legal Name: KELMAR ASSOCIATES LLC

Published Date: 5/25/17

Alias/DBA:

Close Date: 6/8/17

Total Bid: \$0.00

Close Time: 13:30

Response Date:

Status: Closed

Response Time:

Solicitation Description:

Total of Header Attachments: 1

Total of All Attachments: 1



Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

**State of West Virginia  
 Solicitation Response**

**Proc Folder :** 330243

**Solicitation Description :** Addendum No. 1 - Professional Auditing Services for UP

**Proc Type :** Central Master Agreement

| Date issued | Solicitation Closes    | Solicitation Response        | Version |
|-------------|------------------------|------------------------------|---------|
|             | 2017-06-08<br>13:30:00 | SR 1300 ESR06071700000006150 | 1       |

| VENDOR                                |
|---------------------------------------|
| 000000100899<br>KELMAR ASSOCIATES LLC |

**Solicitation Number:** CRFQ 1300 STO1700000006

**Total Bid :** \$0.00                      **Response Date:** 2017-06-07                      **Response Time:** 15:15:19

**Comments:** Kelmar will offer a 9% discount for payments made within 20 days of invoice, resulting in a net flat fee of 10.5%

**FOR INFORMATION CONTACT THE BUYER**  
 Tara Lyle  
 (304) 558-2544  
 tara.l.yle@wv.gov

|                          |               |             |
|--------------------------|---------------|-------------|
| <b>Signature on File</b> | <b>FEIN #</b> | <b>DATE</b> |
|--------------------------|---------------|-------------|

All offers subject to all terms and conditions contained in this solicitation

| Line | Comm Ln Desc   | Qty     | Unit Issue | Unit Price  | Ln Total Or Contract Amount |
|------|----------------|---------|------------|-------------|-----------------------------|
| 1    | Audit services | 0.00000 | LS         | \$11.500000 | \$0.00                      |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 84111600  |              |               |         |

|                               |                |
|-------------------------------|----------------|
| <b>Extended Description :</b> | Audit services |
|-------------------------------|----------------|

**Comments:** Unit Price in accordance with RFQ Section 4.1.21, including a flat fee of 11.5%

Solicitation Number: CRFQ  
1300 STO1700000006

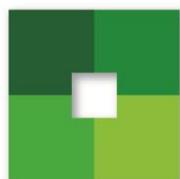
Request for Quotation  
Professional Auditing  
Services for UP

Your  
Partner in  
Unclaimed  
Property  
Resources

West Virginia State Treasurer's Office,  
Unclaimed Property Division

Amended Bid Opening: June 8, 2017

Electronic Submission via wvOASIS



**KELMAR**

**Kelmar Associates, LLC**

500 Edgewater Drive, Suite 525  
Wakefield, Massachusetts 01880

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Wakefield, MA 01880  
781-213-6926  
www.kelmarassoc.com

## Transmittal Letter

June 6, 2017

Ms. Tara Lyle  
Buyer Supervisor  
State of West Virginia  
Purchasing Division  
2019 Washington Street, East  
Charleston, West Virginia 25305

Re: Solicitation Number CRFQ 1300 STO1700000006, Request for Quotation for Professional Auditing Services for UP

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Dear Ms. Lyle:

Kelmar Associates, LLC (hereinafter "Kelmar" or the "Company") respectfully submits this Bid in response to Solicitation Number CRFQ 1300 STO1700000006, Request for Quotation for Professional Auditing Services for UP issued on May 12, 2017 (hereinafter the "RFQ" or "Solicitation") on behalf of the West Virginia State Treasurer's Office, Unclaimed Property Division (hereinafter the "STO" or "State"). Kelmar has reviewed, understands, and will comply with all applicable laws, regulations and ordinances. Kelmar is enthusiastic about the opportunity to submit its Bid to the STO highlighting the Company's qualifications to conduct the work specified in the RFQ and is committed to providing the services sought consistent with the STO's requirements.

Since 2001, Kelmar has been dedicated to assisting state governments with the administration and enforcement of their respective unclaimed property compliance programs, including performing unclaimed property examinations. Kelmar's Bid demonstrates the Company's considerable experience and expertise in the field of unclaimed property as a third-party professional auditing services provider and outlines the Company's proficient ability to fulfil the STO's Mandatory Contract Services Requirements and Deliverables outlined in the RFQ.

Kelmar's Bid includes the following sections: Transmittal Letter (herein), Table of Contents, Executive Summary, Specifications, Required Forms, and Supporting Documentation. In submitting its responses to the required provisions, Kelmar has provided information concerning its practical unclaimed property experience and technical approach to identify, collect and deliver unclaimed funds from holders. The Bid further illustrates the Company's capacity to satisfy the objectives of the RFQ by including Kelmar's certificates of registration, good standing and



**KELMAR**

insurance, as well as resumes of Kelmar's Key Personnel. In accordance with RFQ submission requirements, no proprietary information has been supplied in the Bid that has been submitted electronically through wvOASIS.

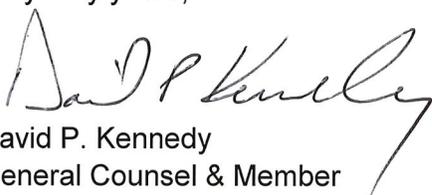
As General Counsel & Member, I am legally authorized to commit Kelmar to the services and requirements as stated in the RFQ, and warrant that the representations and affirmations contained within Kelmar's Bid are true, accurate, and reliable for the purpose of the evaluation process. By signing this Bid, I further certify and represent that: (1) Kelmar's Bid was made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, person or entity submitting a bid or offer for the same material, supplies, equipment or services; (2) Kelmar's Bid is in all respects fair and without collusion or fraud; (3) the Contract [resulting from this RFQ (if any)] is accepted and entered into by Kelmar without any prior understanding, agreement, or connection to any other entity that could be considered a violation of law; and (4) Kelmar has reviewed this Solicitation in its entirety; and understands the requirements, terms, and conditions, and other information contained herein. I further affirm that neither Kelmar nor its representatives have any interest, nor shall Kelmar or its representatives acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the STO. As an individual signing this Bid on behalf of Kelmar, I also certify that I am authorized by Kelmar to execute this Bid or any documents related thereto on Kelmar's behalf; and I am authorized to bind Kelmar in a contractual relationship. To that end, to the best of my knowledge, Kelmar has properly registered with any and all State agencies that may require registration.

While I trust you will find all documents in order, should you have any questions or require further information concerning Kelmar's submission, please do not hesitate to contact the following individuals:

| Authorized Representative:   | Procurement Contact:   | Contracting / Legal Contact:   |
|--|--|--|
| Mr. David P. Kennedy<br>General Counsel & Member<br>500 Edgewater Dr., Suite 525<br>Wakefield, MA 01880<br>781-928-9205<br>david.kennedy@kelmarassoc.com | Ms. Elizabeth Marciano-Mills<br>Marketing Manager<br>500 Edgewater Dr., Suite 525<br>Wakefield, MA 01880<br>781-928-9220<br>elizabeth.marciano-mills@kelmarassoc.com | Ms. Catherine Zejnnullahu<br>Associate General Counsel<br>500 Edgewater Dr., Suite 525<br>Wakefield, MA 01880<br>781-928-9231<br>catherine.zejnnullahu@kelmarassoc.com |

On behalf of the Company, I thank you for your time and consideration in reviewing Kelmar's Bid.

Very truly yours,

  
David P. Kennedy  
General Counsel & Member



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# Executive Summary

Kelmar is pleased to submit its Bid in response to the solicitation to establish a contract for professional auditing services on behalf of the STO. Kelmar's Bid addresses the specifications of the RFQ and demonstrates that the Company is qualified to provide examinations of unclaimed property holders' records. Having collectively worked hundreds of thousands of hours on unclaimed property audits involving general ledger and securities property types inclusive of unpaid death benefits owed to beneficiaries of life insurance policies, annuity products, and retained asset accounts, Kelmar's professionals are well qualified to perform the services sought by the STO.

Over the years, Kelmar has invested in innovative tools and technologies designed to improve the efficiency of state unclaimed property programs and, ultimately, return more unclaimed property to rightful owners. In so doing, Kelmar has earned a professional reputation as a reliable partner in unclaimed property resources. With industry leading professional and technical resources and an unwavering commitment to perform services of the highest quality, Kelmar is uniquely positioned to serve as a qualified and independent vendor to conduct holder audits, collect and process various forms of unclaimed property and remit unclaimed property identified to the STO for return to rightful owners.

Kelmar's unclaimed property auditing services are conducted in an effective and professionally responsible manner in accordance with all applicable federal, state, and local laws, rules and regulations, and accounting principles. Equipped with its unique methodology for identifying, examining, collecting, and reporting property described herein, Kelmar offers the most comprehensive unclaimed property auditing services in the industry. Further, as a leader in unclaimed property, Kelmar is able to share its knowledge with both state unclaimed property programs and the holder community. In addition to satisfying the requirements of the RFQ, Kelmar's Bid details related services that complement its professional auditing services, including consulting on program best practices and training to help advance unclaimed property compliance.

Details provided in the following pages illustrate that Kelmar is a qualified, capable, and reliable resource to: manage multi-state unclaimed property compliance examinations on behalf of multiple state unclaimed property programs; timely compile and collect findings with minimal state intervention; identify and resolve compliance issues in a collaborative manner with holders; and secure the confidence and satisfaction of client states, including the State of West Virginia, State Treasurer's Office, Unclaimed Property Division.



# Specifications

## 3. Qualifications

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**3. QUALIFICATIONS:** Vendor, or Vendor's staff if requirements are inherently limited to individuals rather than corporate entities, shall have the following minimum qualifications. By signing and submitting its bid, Vendor certifies that it has the minimum qualifications. Vendor shall provide complete responses to each requirement and provide any additional information as requested in this section. All required documents should be provided with Vendor's bid and shall be provided within 24 hours of request.

### Organization

**3.1. 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.

Kelmar is a professional services company working exclusively on behalf of government agencies to help them effectively manage their unclaimed property program operations. The Company provides compliance and process management services and support to unclaimed property departments across the country. A distinct business model, comprehensive support services, and multi-disciplined team of unclaimed property professionals have earned Kelmar the reputation of reliability and trustworthiness that has altered the unclaimed property landscape and set the bar for excellence in providing third party services to state governments. As demonstrated in the description of Kelmar's organizational structure, size, ownership, experience, ability, capacity and qualifications below, Kelmar is sufficiently able to provide the services required by the STO.

### Organizational Structure – Strategic Alignment

Kelmar's organizational structure has been aligned to provide its audit professionals with the appropriate management and direction, professional training and education, and administrative and technical support essential to the delivery of superior unclaimed property services. This structure is further complemented by the Company's specialty group infrastructure which includes key personnel and audit legal support to verify that each client state's respective unclaimed property laws, regulations and administrative policies are implemented and adhered to throughout the examination process. By assigning audit professionals from each tier of Kelmar's organizational structure to an examination, Kelmar ensures that its examination assignments are managed appropriately and completed timely in conformity with all participating state requirements. Likewise, since Kelmar's examinations are performed by teams of solely internal personnel, quality replacement personnel are readily available in the event that supervisory personnel or audit leads are unavailable due to unforeseen circumstances. To further illustrate Kelmar's organizational structure and the Company's ability to deliver the services sought by the



STO in this RFQ, descriptions of Kelmar's Executive Management, Audit Teams, Specialty Group Infrastructure and Legal Support are provided below:

- Executive Management and Examination Management: Kelmar's Executive and Examination Management are comprised of the Company's Executives, Vice Presidents / Service Line Leaders, and Directors. These individuals play key roles in determining Kelmar's corporate policies and procedures, and are supported by Kelmar's legal support team, senior audit professionals and specialty service personnel.
- Kelmar Executives are regarded nationally as experts in the field of unclaimed property and include two (2) of the Big Four's National Practice Leaders for Unclaimed Property, as well as the former Director of Audit and Compliance for the Commonwealth of Massachusetts' Unclaimed Property program. Each Executive is responsible for providing the necessary leadership and direction to achieve the highest level of unclaimed property services to client states. These individuals accept personal responsibility for setting, monitoring and maintaining Kelmar's professional standards. Executives ultimately oversee all Compliance Services, including each phase of the examination process, and specifically the identification, examination, collection, and transfer of all unclaimed property types.

Responsibilities of the Executives include, without limitation, the following:

- providing strategic direction to the organization and ensuring staff accountability;
  - establishing industry standards of excellence in the delivery of all areas of client service (e.g., auditing, consulting, system design and implementation, litigation support, etc.);
  - partnering with client states to foster trust and respect within the holder community;
  - participating in National Association of State Treasurers (NAST) / National Association of Unclaimed Property Administrators (NAUPA) Conferences, State Auditor Training and Holder Educational Seminars;
  - monitoring Kelmar's overall performance to ensure client state expectations are met and/or exceeded; and
  - overseeing quality controls throughout the collection and transfer of unclaimed property liabilities from holders to client states and state custodians, to ensure adherence with proscribed timelines.
- Kelmar Vice Presidents have extensive experience in the field of unclaimed property management and are responsible for the management, oversight and effective operations of each of Kelmar's business lines, including Compliance Services. The Vice President of Compliance Services ensures that examinations assigned by the Company's client states are performed consistently and with the highest degree of skill and professionalism in compliance with all applicable laws, regulations, policies and professional standards. The primary function of a Vice President at Kelmar is to ensure that, in all operational and



technical areas, Kelmar's commitment to quality, timeliness, integrity and professional ethics are met.

Responsibilities of a Vice President include, without limitation, the following:

- ensuring that the industry standards of excellence in the delivery of all areas of client service (e.g., auditing, consulting, system design and implementation, litigation support, etc.) established by Kelmar Executives are met or exceeded;
  - managing and directing Company resources effectively and efficiently and providing clear direction to reporting managers and staff;
  - strategic planning to ensure overall process improvement and successful development and deployment of new systems and client services;
  - ensuring the quality and timely completion of all unclaimed property examinations;
  - presenting regularly to Kelmar's Executives and participating in industry conferences and seminars;
  - monitoring and reviewing unclaimed property legislative changes for client states;
  - working with the Executives in developing strategies to generate the efficient collection and transfer of unclaimed property from holders to states.
- Kelmar Directors are dedicated entirely to the oversight and strategic direction of audits assigned under their charge from a technical, time-management, client communications and professional ethics perspective. Directors possess significant unclaimed property examination experience and expertise, and each offers a unique skill set that enhances the performance of Kelmar's services under its state contracts.

Responsibilities of Directors include, without limitation, the following:

- communicating, both verbally and in writing, the status of all audits assigned;
- controlling the quality and consistency of audits assigned to ensure adherence to best practices during the identification, examination, collection, and transfer of unclaimed property liabilities;
- supervising and mentoring audit teams to ensure proper development of team members;
- contributing to improvements in the Company's exam procedures and standards; and
- understanding the impact of all relevant unclaimed property laws, regulations and case law affecting the performance of audits.



- Audit Teams: Kelmar's audit teams are comprised of Senior Managers, Audit Managers, Senior Associates, Associates and Data Specialists. The details below outline the responsibilities of these individuals.
  - Senior Managers provide direct oversight and guidance to Kelmar's audit staff, resulting in completion of all audits assigned in an accurate and timely manner while maintaining the Company's high standards of professional ethics. Notably, each Senior Manager is responsible for performing tasks inclusive of the following:
    - reviewing audit work papers and supporting documentation for overall technical correctness;
    - providing high-level analysis on the more complex areas of an unclaimed property audit;
    - creating innovative solutions to manage large volumes of holder data;
    - proactively communicating with holders, advocates and states to resolve time delays;
    - overseeing Audit Managers, approving audit work and preliminary and final reports of audit findings; and
    - escalating issues to Executive Management when appropriate.
  - Audit Managers participate in all phases of the unclaimed property examinations and oversee the audit team. Each Audit Manager is responsible for performing tasks inclusive of the following:
    - performing detailed analysis of audit related information to derive preliminary and final reports of examination;
    - developing audit work papers and supporting documentation for review by Senior Managers;
    - conducting audit related meetings and conference calls with holders and advocates; and
    - overseeing Senior Associates and Associates inclusive of reviewing initial memoranda and preliminary holder record review.
  - Senior Associates participate in all phases of the examination, including the review and analysis of audit related information, discussions with holders and advocates, and the preparation of audit document requests, memoranda, and reports.
  - Associates participate in all phases of the examination, including the review and analysis of audit related information, the preparation of memos and audit status reports, and the review of data entry work product.



- Data Specialists are responsible for data input resulting from the holder's production of documents throughout the examination process. Said individuals are *not* responsible for holder correspondence and are closely monitored and supervised by supervising audit team members.
- Specialty Group Infrastructure: In addition to its experienced auditors, the Company has established several specialty groups who aid in ensuring that audit assignments are completed accurately, timely, and in compliance with applicable state and federal laws as well as the Company's state contract requirements. These specialty groups include:
  - Research: A research group provides Kelmar's audit teams with key publicly-available information that is relevant to conduct an efficient and effective exam of unclaimed property. This team also assists with identifying holders who are subject to report under the unclaimed property laws of the Company's client states.
  - Remediation and Reporting: A fully dedicated internal remediation and reporting team with decades of experience in reconciling unclaimed liabilities, preparing examination materials, and coordinating the prompt remittance of property and NAUPA reports to Kelmar's client states.
  - Statistical Sampling: A fully dedicated internal statistical sampling expert supports the audit teams by applying widely-accepted and state approved statistical sampling techniques to help make accurate conclusions of any potential unclaimed property liabilities in a manner that does not put any undue burden on the holder. This same expert also performs regression analysis and other forms of data analysis upon request.
  - Information Technology: A fully staffed IT department, led by Kelmar's Director of Information Services, ensures the security and confidentiality of all records stored, created, collected, maintained and/or transmitted in connection with the examination process. The IT department also seeks to use the latest available technology to assist the audit teams in becoming more efficient by eliminating manual tasks wherever possible.
  - Practice Development: A sophisticated Practice Development department ("PRD") led by Kelmar's Vice President of Compliance Services is responsible for client communications and monitoring client satisfaction with Kelmar's examination services. PRD is also responsible for participating and contributing, where possible, to outside unclaimed property organizations that are important to Kelmar's client states. For example, Kelmar often donates its time and efforts to NAST and has presented at NAST conferences. As a corporate affiliate of NAST, Kelmar employees are routinely well-represented at NAST/NAUPA conferences.
  - Finance: A dedicated Finance department, led by Kelmar's Chief Financial Officer and supported by Kelmar's Controller and several staff accountants, is responsible for financial and operational reporting and analysis, planning and budgeting, cash management and business policies, controls and procedures. Among the primary responsibilities of Finance at Kelmar are: (1) assisting with the preparation of Kelmar's Internal Financial Statements;



(2) providing financial data and working with Kelmar's outside accountant; (3) assisting the Company with controlling costs (e.g., ensuring that employee expense reimbursement requests adhere to Company policies); (4) administering unclaimed property collected from holders and coordinating the remittance of property to Kelmar's client states; and (5) implementing appropriate accounting controls and segregation of duties over billing and collections related to unclaimed property.

- **Legal Support:** Kelmar's fully staffed internal Legal Support Team ("LST") includes Kelmar's CEO & President, General Counsel, Vice President & Chief Legal Counsel, two (2) Associate General Counsels, one (1) Junior Associate General Counsel and, one (1) Junior Associate Attorney. These individuals are experts in unclaimed property law and serve as an invaluable resource to the Company's audit professionals and client states alike.
  - **Legal Compliance:** Kelmar's LST members are well versed in the unclaimed property laws of the states, including West Virginia's Unclaimed Property Act (the "Act"). These legal experts also have extensive knowledge of all applicable state and federal case law, including specifically the landmark U.S. Supreme Court decisions: *Texas v. New Jersey*, 380 U.S. 518 (1965), *Pennsylvania v. New York*, 407 U.S. 206 (1972), and *Delaware v. New York*, 507 U.S. 490 (1993). They have reviewed these fundamental legal decisions in detail (including listening to the respective oral arguments) as well as industry commentary and secondary authoritative sources relating thereto. Having garnered considerable knowledge and legal expertise in the field of unclaimed property, Kelmar's LST members have presented and given training to numerous state officials and administrators on relevant statutory authority and case law inclusive of the aforementioned U.S. Supreme Court decisions. Working closely with Kelmar's Executive and Examination Management, the LST also reviews all audit processes and procedures implemented by the Company to ensure compliance with Kelmar's state contracts and all applicable laws inclusive of state and federal unclaimed property statutes, regulations, administrative codes, case law, and examination protocols.
  - **Audit Support:** Kelmar's LST is tasked with a variety of responsibilities, including, but not limited to, providing legal advice to Kelmar's unclaimed property audit teams concerning the application and interpretation of unclaimed property laws, rules and regulations; reviewing merger and acquisition agreements, stock purchase and asset and assumption agreements to determine the legal impact on matters affecting unclaimed property examinations; reviewing legal opinions received from holders under audit and briefing the same for the Company's client states; researching and drafting internal legal memoranda concerning emerging unclaimed property legal issues for the Company's Executive Management Committee; monitoring relevant state and federal cases which affect Kelmar's client states; and routinely tracking legislation and regulations impacting clients' unclaimed property laws. These individuals also work with holders to address issues of confidentiality, privacy and data security, and routinely negotiate agreements with holders relating to the same. Members of the LST routinely confer with Kelmar's client states and often provide training on unclaimed property legal issues.



- Advisory Services: Members of Kelmar's LST routinely confer with its client states concerning unclaimed property legal issues that may arise during an examination and/or generally within the industry during the contract period. In such instances, the LST assists Kelmar's client states with conducting research, drafting responsive documents to holders, developing education and training, consulting on legislative initiatives and, drafting white papers. Examples of topics researched and reviewed include the following:
  - analysis of merger and acquisition agreement in determining holder liability and application of the priority rules;
  - analysis of rebate programs and structures in determining holder liability;
  - use of foreign entities to circumvent state unclaimed property laws;
  - federal preemption of state unclaimed property laws (e.g., ERISA, interstate commerce, etc.);
  - owner rights and holder liabilities associated with loyalty programs and other forms of "neo-currency";
  - state exemptions of unclaimed property types and their impact on applying the priority rules for taking custody of unclaimed property;
  - use of dormancy fees by holders of gift cards;
  - creation of special purpose entities by holders in order to circumvent unclaimed property liabilities (e.g., GIFTCO's); and
  - factoring companies and the treatment of accounts receivable credits as unclaimed property liabilities.

## Size – Company Resources and Structural Benefits

Kelmar has the financial strength and stability to maintain the resources necessary to deliver services and support to state unclaimed property departments across the country. Over the years, Kelmar has invested in innovative tools and technologies designed to improve the efficiency of state unclaimed property programs and, ultimately, return more unclaimed property to rightful owners. In so doing, Kelmar has earned a professional reputation as a reliable partner in unclaimed property resources. Kelmar currently employs one hundred and thirty-five (135) professionals at office locations in Wakefield, Massachusetts (corporate headquarters); Rockland, Massachusetts; Boulder, Colorado; and Wilmington, Delaware.

Two-thirds of Kelmar's workforce is dedicated to performing unclaimed property audit functions. Audit professionals from each tier of Kelmar's hierarchical organizational structure (described above) are located in Kelmar's Massachusetts and Delaware offices and are assigned to a given examination of a holder. Kelmar's size and structure foster extensive mentoring and training opportunities to enhance the professional development of Kelmar's personnel and allow professionals across all tiers with expertise in a particular industry or property type to collaborate



on examinations of holders and ensure uniformity and audit best practices. Additional benefits include, without limitation, the following:

- Multi-level teams allow for a high quality review process throughout each phase of an exam because the work performed at each level of the audit team is reviewed by a more senior professional. Before an exam is permitted to advance to the next phase, there are multiple layers of quality reviews and sign-offs required and memorialized. These signoffs are typically evidenced by internal memos that require a signoff by Senior Management.
- Kelmar’s experience has shown that the more time-intensive tasks related to completing an exam are those tasks that are typically found to be routine in nature and less complicated to complete. Consequently, these basic time-intensive tasks can be “leveraged down” to Associates and Data Specialists which allows Kelmar’s more experienced professionals to dedicate their time toward the completion of specialized, more complex examination assignments while ensuring that qualified supervisory personnel review and approve the work performed by more junior individuals.
- Kelmar assigns audits to professionals that have prior unclaimed property audit experience within the targeted industry type and who have prior experience conducting audits on behalf of the client states engaged in the exam. This strategy enables Kelmar’s auditors to work more efficiently due to their familiarity with unclaimed property issues associated with specific industries as well as the specific client state’s unclaimed property laws and regulations. Likewise, the process allows Kelmar to build familiarity between client states and auditors to foster better and more frequent communications tailored to the format and frequency that each client state prefers.

While Kelmar’s approach is consistently applied by its auditors, Kelmar’s structure and size offer flexibility to incorporate each client state’s respective unclaimed property laws, regulations and administrative policies into its audit processes to comply therewith. Equipped with experienced professional resources, state-of-the art technology systems, and developed software and data processing programs for unclaimed property reporting and analysis, Kelmar shall successfully deliver the service requirements of the RFQ.

### Ownership – Kelmar’s Managing Members

Formed on October 2, 2001, Kelmar is a privately held Delaware limited liability company controlled solely by its four (4) Managing Members listed below, all of whom serve as the sole representatives on the Company’s Management Committee.

|   |   |
|---|---|
| <b>Mr. Mark S. McQuillen</b><br>Chief Executive Officer, President & Member | <b>Mr. Michael J. LeBlanc</b><br>Chief Financial Officer & Member |
| <b>Mr. Mark X. Russo</b><br>Chief Administrative Officer & Member           | <b>Mr. David P. Kennedy</b><br>General Counsel & Member           |



## Experience – Serving as a State’s Partner in Unclaimed Property Resources

Kelmar is widely recognized as one of the leading unclaimed property service providers in the United States and possesses technical expertise in the field that is unsurpassed by others. For more than fifteen (15) consecutive years, Kelmar has been committed to fulfilling its mission of increasing unclaimed property regulatory compliance and serving as the states’ *partner in unclaimed property resources*. With substantial knowledge of state government, systems tools and workflow processes, Kelmar has helped unclaimed property departments in all operational areas. Kelmar integrates technological innovations with best practices to develop the solutions that unclaimed property programs need to achieve their goals, including the unclaimed property compliance services and program and process management support described below.

- Unclaimed Property Compliance Services: All of Kelmar’s state mandated examinations are performed by highly trained internal personnel who analyze the records received from holders and ask probing questions to uncover the liabilities and inconsistencies in data that are unique to each examination. Kelmar’s ample experience in performing unclaimed property audits inclusive of specific tasks set forth in Mandatory Requirements of the RFQ is described throughout this Proposal. Below is further information regarding Kelmar’s proven experience increasing holder compliance with unclaimed property laws through its comprehensive Compliance Services.
- General Ledger Examination Services: Kelmar has been performing general ledger examinations since 2001. Kelmar’s compliance experts collectively possess hundreds of years of general ledger unclaimed property examination experience. The Company’s general ledger audit teams are uniquely skilled and consist of individuals with experience in public accounting, auditing, project management, consulting and financial services. The combined knowledge and experience of Kelmar’s general ledger examiners enables the Company to offer the most comprehensive general ledger examination services in the industry.
  - *Life Insurance Examination Services*: Kelmar’s general ledger experts include a specialized team of insurance specialty professionals who are well versed on issues involving non-compliance and underreporting of insurance property categories. As prior members of public accounting and consulting firms, Kelmar’s insurance specialty professionals have extensive experience examining large and mid-sized life insurance companies for unclaimed property. Kelmar’s insurance team continuously and methodically tracks and analyzes all regulatory actions, industry group directives and insurance company disclosures promulgated in this area. This industry experience and expertise allows Kelmar to offer its state clients unsurpassed insurance audit services.
  - *Specialty Property Examination Services*: Kelmar also boasts a dynamic audit services team focused on unique general ledger property types. New and emerging categories of unclaimed property have evolved from changes in the marketplace, industry trends and advancements in technology. Kelmar’s ability to address unique property types associated with specific industries, including, without limitation, Broker/Dealers, Gift Card/Stored Value Card Programs, and Loyalty/Reward Programs and other forms of



“neo-currency” further distinguishes the Company from other third party contract auditors.

- Securities Examination Services: Kelmar began conducting securities examinations on behalf of state governments in 2010. The Company’s securities experts collectively possess decades of unclaimed securities examination experience with each supervising professional having more than a fifteen (15) years of hands on experience reviewing the records of holders, transfer agents and brokerage firms. Utilizing firsthand knowledge of the record keeping practices and operational protocols of holders, their transfer agents, and brokers, Kelmar’s securities professionals issue pointed document requests and swiftly interpret the large amount of automated data provided in response. As a result, Kelmar is able to identify unclaimed property liabilities attributed to issuers who have historically under-reported or never reported unclaimed securities liabilities, including common stock and other active CUSIPs, Employee Stock Purchase Plans, Restricted Stock Plans, mergers and acquisitions and bond issuances.
- Program Support and Process Management: In addition to its unclaimed property compliance services, Kelmar offers comprehensive unclaimed property support solutions including, but not limited to, the following:
  - *Unclaimed Property Process Management and Support*: Kelmar’s Client Information Services Division provides states with support for claims processing, holder reporting services, securities reconciliation, and owner outreach services. A range of support options is offered ranging from a full outsource to limited overflow services. These services are delivered by an established team of nine (9) full time employees and several temporary employees all of whom are led by a Director with over sixteen (16) years of unclaimed property operational experience. Additional staff members are also available on an as needed basis to accommodate specific program goals.
  - *Unclaimed Property Program Consulting*: Kelmar consults with client states on operational best practices and program strategy, legislation governing the escheatment of unclaimed property and the development and application of unclaimed property legislative initiatives, litigation strategy, document review and consultation, and customized training services. Kelmar’s training programs provide an excellent way for the Company’s experienced unclaimed property professionals to share the knowledge they possess with client states, their respective unclaimed property staff and the holder community (at the request of Kelmar’s client states) regarding evolving industry trends, changes in applicable unclaimed property legal issues, and improvements in processes.
  - *Unclaimed Property Management Systems*: Kelmar is uniquely positioned to provide the next generation in unclaimed property management systems. The KAPS® system platform builds on three (3) generations of unclaimed property systems and utilizes proven and industry standard technologies to provide a scalable, configurable, and manageable unclaimed property solution for unclaimed property programs. Kelmar’s staff possesses years of experience successfully implementing unclaimed property solutions for state governments, administering KAPS® with the highest-level of



technical support and professional integrity throughout the entire performance of Kelmar's contracts.

## Ability – Established Examination Methodology

Since its inception, Kelmar has continued to refine its distinct examination approach and has created a comprehensive full scope forensic examination process, complete with quality control procedures at each stage of the review. Kelmar's dedicated audit and support staff ensure that all applicable state requirements, and auditing and accounting standards are met throughout every stage of an examination, including the requirements and standards contained in this RFQ. Kelmar also looks for guidance from its client states with respect to any ambiguities and/or changes in a respective state's unclaimed property law to ensure examinations are performed in accordance therewith. Furthermore, Kelmar maintains an examination manual detailing the audit methods, techniques, procedures, and tools utilized throughout the examination process, including research and identification, records review and analysis, collection, reporting, and delivery of property. This comprehensive and efficient means of examining the compliance of holders with state unclaimed property laws is exclusive to Kelmar. In recent years, Kelmar has completed hundreds of unclaimed property examinations on behalf of client states, resulting in hundreds of millions of dollars of unreported or under-reported unclaimed property remittances to client states.

Kelmar's examination manual contains confidential and proprietary comprehensive work plans for general ledger, securities, and life insurance related examinations (hereinafter collectively referred to as the "Work Plan") with customized methodologies for determining compliance, analyzing records, collecting, reporting, and delivering property, as well as Kelmar's established internal controls and security for records and funds under Kelmar's control in administering such examination services. The confidential Work Plan details audit methods, techniques, procedures and processes, and the Company's methodology conveyed therewith (collectively Kelmar's "examination processes"). The Work Plan also includes details of Kelmar's management and oversight of each phase of the examination process. Upon request and execution of a confidentiality agreement, Kelmar can provide the STO with a copy of its confidential Work Plan. Notwithstanding, an overview of Kelmar's examination procedures and methodology addressing the STO's service requirements has been provided below in response to the mandatory requirements of RFQ Section 4.

- Identifying Potential Holders – Examination Authorization and Commencement: As part of its examination services, Kelmar often identifies potential holders of unclaimed property who may have failed to report and/or deliver unclaimed property due and owing to a client state pursuant to its unclaimed property law, regulation and/or statute. As the decision to select a holder for review lies solely within the discretion of a client state, Kelmar never conducts an examination without first receiving written authorization. Upon receipt of a state's authorization, Kelmar commences with the assigned examination. This initial commencement process is briefly explained below.
- Research and Identification: Kelmar's research group conducts research of industry groups and specific holders in order to identify and propose examinations of holders who may have unclaimed property and have never reported or have improperly reported



unclaimed property to the STO. Kelmar is experienced in identifying unclaimed property liabilities of holders across a range of industries.

- **Authorization and Commencement:** Prior to the commencement of an audit, Kelmar shall obtain written approval from the STO (as described in RFQ Section 4.1.3). Kelmar understands that the STO has final and sole authority to determine if an examination of a holder shall be conducted. In this regard, Kelmar acknowledges and understands that it shall not be compensated for examinations conducted without prior approval by the STO. After completing the research and identification of potential holders who have never reported unclaimed property or improperly reported unclaimed property, Kelmar shall issue customized Examination Authorization Requests to the STO where research has indicated the holder may have unclaimed property due and owing. These Examination Authorization Requests can contain any content or be provided in any format, media or delivery method required by the STO.

Subsequent to receiving written authorization from the STO to conduct an examination of a holder, Kelmar contacts the holder to arrange an opening conference at a time mutually agreeable with the holder. Kelmar shall comply with the timeframes established by the STO, with the exception of good cause, and commence the examination no later than ninety (90) days after the notification of the assignment is received.

Once contact has been established, Kelmar explains the examination process to the holder and addresses any initial questions raised. Kelmar also provides any state required handouts, including a copy of West Virginia State Treasurer's Auditing Guidelines and a copy of the STO's written approval authorizing Kelmar to perform the examination on the STO's behalf. Kelmar also provides all holders with Kelmar's standard form Confidentiality and Non-Disclosure Agreement ("NDA").

For information regarding the experience and expertise of Kelmar's key personnel involved throughout the identification, research, and authorization processes, please refer to the resumes of Ms. Stephanie Borusiewicz and Mr. Mark Udinski enclosed in the *Resumes of Kelmar Key Personnel* attached hereto and incorporated herein under Supporting Documentation TAB B of Kelmar's Proposal.

- **Initiating the Examination:** After receiving proper written authorization from the STO, Kelmar shall undertake to identify, report, and collect all types of unclaimed property in the possession of the holder, within the scope of the audit. Kelmar shall act only within the scope of authority granted to it by the STO. With a familiarity and working knowledge of the Act, Kelmar shall examine the books and records of a holder of unclaimed property for owners with a last known address in West Virginia, or in the absence or records of owners, where the holder is domiciled in West Virginia. Kelmar shall comply with timeframes established by the STO. Kelmar shall complete the examination and submit the report to the STO within a reasonable time of the assignment of the examination, unless Kelmar receives a written extension from the STO.

The Company goes to great lengths to complete examinations within a reasonable amount of time and strives to ensure that the examination does not disrupt the holder's customary business activities. Kelmar is also committed to keeping its client states apprised of the



progress throughout the examination and duly notifies them of any undue delay. If for any reason Kelmar is unable to commence an examination within a reasonable time (i.e. ninety (90) days of the examination assignment) or there is good cause for a delay in examination completion, Kelmar shall inform the STO as to the reasons why. If at any point in the examination the timeframes vary from that which was agreed upon, or if the holder refuses to cooperate with the examination and/or to produce records and/or to report or deliver property or penalty fees as required, Kelmar shall likewise notify both the holder and the STO. In such occurrences, Kelmar shall request direction from the STO as to the next appropriate course of action.

- The Opening Conference: At the opening conference, Kelmar shall provide the holder with an introduction to the examination process, advise holders of their obligations under the Act, and confirm understanding of required processes and procedures.
  - *Examination Process Overview*: During the discussion, Kelmar shall describe the components of the examination, as defined in the Auditing Guidelines, including, without limitation, the time period to be covered by the examination, the general examination methods and procedures to be employed, including sampling and estimation, and the fee arrangement that Kelmar has with the STO. Kelmar shall identify each and every individual who will take part in the examination, including the full name, title, address, telephone and facsimile numbers of the STO's examination liaison to whom Kelmar is accountable, and advise the holder that it is free to discuss the examination directly with the liaison any time regarding allegations of misconduct, unethical behavior, or significant disagreement relating to legal authority. Kelmar shall also explain to the holder that any abandoned property identified during the examination as owing to the State of West Virginia must be remitted to Kelmar for delivery to the STO and that all property remitted must conform to the requirements of the Act.
  - *Act Requirements and Notices*: Kelmar shall explain any unique aspects of the Act as compared to other states, and other requirements and notices under the Act including, but not limited to, use of estimation, right to appeal, due diligence, continuing obligation to report and penalties and interest. Kelmar shall explain the circumstances in which estimation techniques may be used, along with a description of the methodology that maybe employed. Kelmar shall explain the holder's right to appeal, including the appeal process and Kelmar's responsibility during the process. Kelmar shall obtain written confirmation from the holder, acknowledging understanding of the STO's Dispute Resolution requirements. To ensure the holder understands its due diligence obligations, Kelmar shall provide copies of respective due diligence requirements to the holder. Kelmar shall advise the holder of the requirements of W. Va. Code § 36-8-7 for notifying owners of their property ("Due Diligence") and shall notify the STO if due diligence has not been carried out by a holder. Kelmar shall advise the holder of the continuing obligation to report property to the STO. Kelmar shall inform the holder that they are not exempt from any section of the Act, including but not limited to W. Va. Code § 36-8-24, which grants the STO the authority to charge penalties and interest to delinquent Holders. Any penalties and interest may only be waived with written authorization from the STO.



To aid the holder in further understanding the examination process, Kelmar provides the holder with an Examination Overview & Participating State Acknowledgements Document.

- Review, Analysis and Identification of Unclaimed Property: Kelmar performs all examinations in accordance with the respective unclaimed property statutes, regulations, rules, and administrative protocols of the states authorizing the review (including the Act). The Company also follows Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS) to the extent applicable to unclaimed property audits, and adheres to all relevant state and federal court rulings inclusive of the U.S. Supreme Court rulings of *Texas v. New Jersey*, 380 U.S. 518 (1965), *Pennsylvania v. New York*, 407 U.S. 206 (1972), and *Delaware v. New York*, 507 U.S. 490 (1993). Throughout the examination, Kelmar also looks for guidance from its client states concerning any ambiguities and/or changes in a respective state's unclaimed property law to ensure examinations are performed in accordance therewith.

- Work-in-Progress Reports, Work Papers and Record Retention: From the start of the examination, Kelmar applies an approach based on transparency and open communication to ensure that its examination methodology is applied consistently, with accuracy, in accordance all applicable state requirements inclusive of the Act. Kelmar is committed to keeping its client states apprised of the progress throughout an examination and maintains written documentation of the examination for review. Using the work-in-progress reports, working papers and record retention policy described below, Kelmar shall ensure that the STO can easily review and evaluate the work performed and the findings that result from an examination performed by Kelmar on behalf of the STO.

- *Work-in-Progress Reports*: After conducting the opening conference, the examination is included on Kelmar's Work In Progress Report ("WIP"). Within thirty (30) days of the commencement of the exam, and every thirty (30) days thereafter, Kelmar provides a WIP via email (or another means of communication at the client state's request). The formatting of the WIP is customized to the specifications of Kelmar's client states and can be supplemented to include any additional information requested.

Kelmar shall provide the STO with a WIP by the 15<sup>th</sup> of each month for each holder under examination that includes, but is not limited to, the following information: holder name, state of incorporation, federal employer identification number, issue name, property type, engagement date, types of records being examined, and status commentary (timeline of progression or something to this effect). Kelmar shall provide the WIP in the format required by the STO, including comma delimited text electronic file format and a paper format (upon the STO's request), and amended at the written discretion of the STO.

- *Working Papers*: Kelmar shall prepare working papers that provide documentary evidence of the work performed in the examination, including proper support for findings, conclusions, and, recommendations. Working papers shall be clear, understandable, legible, and neat. The information contained in working papers shall be restricted to matters materially important, relevant, and useful to the objectives established for the examination. Each work paper shall serve as a "stand alone" record



- and include adequate cross-references. The format for individual working papers shall contain a heading, signature and date, pagination, source, purpose, scope, procedures, findings, conclusions, indexing, cross-referencing, legends and tick marks, and sampling requirements as outlined in the RFQ (as applicable).
- *Record Retention:* Kelmar shall permit the STO to review all records maintained by the Company in connection with the services provided to ensure Kelmar's compliance with all the terms and conditions of the purchase order issued pursuant to this RFQ. All working papers and reports shall be retained, at Kelmar's expense, for a minimum of ten (10) years from the originating date, unless otherwise required in writing by the STO to extend the retention period.
  - Kelmar Examination Methodology & Work Plan: Kelmar follows established examination processes and procedures to review, analyze, and identify overdue and unreported unclaimed property escheatable to states authorizing the examination in accordance with their respective unclaimed property laws. With this in mind, if auditing a holder of unclaimed property on behalf of the STO, Kelmar shall conform its examination practices to meet the Mandatory Requirements set forth in Section 4 of the RFQ. In so doing, Kelmar will ensure that its examination methodology includes the following STO required tasks: basic information gathering; site selection, devising the examination program for a recent period, examination of recent period; consistency, and detailed testing covering entire examination period; calculations of amounts due. In completing the STO's required examination tasks, Kelmar shall endeavor to adhere to the timeframes established by the STO taking into consideration factors including, but not limited to, the nature of a holder's business and/or organizational structure, the scope of property types included in an examination, and the holder's level of cooperation or lack thereof. In particular, Kelmar shall perform the following:
    - *Basic Information Gathering; Site Selection:* At or before the opening conference, Kelmar shall request basic data to determine the particular entities/business units/third-party accounts to be examined where not all record keeping, accounting and abandoned property reporting are centralized. Kelmar will also provide a written information request to the holder and inform the holder that it shall be fully responsive to Kelmar's request within an agreed upon time period not to exceed thirty (30) days. If at any point in the examination, there is a dispute between the holder and Kelmar such as the holder refuses to produce records or to report or deliver property, Kelmar shall promptly notify the STO.
    - *Devising the Examination Program for a Recent Period:* Kelmar shall devise the examination approach to determine the amount of unclaimed property generated during a recent period, implement the policies and procedures related to accounting for reporting abandoned property during the recent period, and identify the amount of outstanding liability related to the stale-dated and dormant amounts contained in the holder's internal accounting system.
    - *Examination of Recent Period; Consistency:* Kelmar shall test the holder's assertions regarding its creation and treatment of abandoned property for a recent period by



requesting and reviewing holder data. Kelmar shall work with the holder to coordinate a mutually agreed upon date for a site visit, online meeting, or teleconference, during which time, Kelmar shall analyze the holder's books and records, select items for testing, and explain to the holder that it shall produce documentation supporting accounting for the items selected. Upon receipt, Kelmar shall then review and analyze the documents produced requesting additional data as required and ultimately working with the holder to coordinate subsequent site visits, online meetings, and/or teleconferences to facilitate the review..

- *Detailed Testing Covering Entire Examination Period; Calculations of Amounts Due:* Kelmar shall determine the overall abandoned property due and owing for the entire period under examination. If, due to record retention policy constraints, less than the entire examination period will be examined, Kelmar shall determine the base period to be utilized; calculate total abandoned property generated during the base period (*i.e.*, amounts that are abandoned, plus amounts suspended, plus amounts written off); extrapolate total abandoned property results from base period to entire period; then credit amounts actually reported and paid to the STO.

When performing these tasks, Kelmar will request additional documents as deemed necessary and perform testing procedures and select samples for testing. The holder will then be required to research and remediate selected samples. Because many holders have multiple divisions, subsidiaries, and affiliates, and generate various types of property that require examination, separate analyses and reports shall be prepared, so that the STO may receive property as amounts due are determined, and not wait for all areas to be completed. Throughout this phase of the review, Kelmar will remain in close contact with the holder via site visits, online meetings and/or teleconferences to facilitate successful completion of the examination.

The aforementioned STO examination requirements will be incorporated into Kelmar's customized examination work plans for each type of review (*i.e.*, general ledger, securities, and insurance); summaries of which are provided below:

- *General Ledger Examination Work Plan:* Kelmar requests each identified entity's general ledger. The examination team analyzes all data collected. Follow-up data requests are issued and Kelmar analyzes and processes the data provided in each property category. Kelmar's Work Plan customized for an examination of general ledger property types includes the following phases: PHASE I. Planning and Development of Examinations; PHASE II. Preliminary Data Collection (within each identified legal entity); PHASE III. Preliminary Analysis; PHASE IV. Secondary Data Requests; and PHASE V. Secondary Data Analysis.
- *Securities Specific Examination Work Plan:* Kelmar's securities team reviews holder-supplied procedures, agreements, and prior escheatment reports; analyzes shareholder registration data; performs merger and acquisition testing; and confirms the integrity of the critical data elements supplied. Kelmar's Work Plan customized for an examination of securities property types includes the following phases: PHASE I.



Preliminary Data Collection; PHASE II. Preliminary Records Analysis; and PHASE III. Secondary Records Analysis.

- *Insurance Specific Examination Work Plan*: Kelmar's unclaimed property audits of life insurance companies focus on: (a) unpaid death benefits owed to beneficiaries of life insurance policies and annuity contracts, as well as deceased or inactive retained asset account owners (hereinafter referred to as the "Death Benefit Audit"), and (b) all other general ledger and securities property types including other insurance property type codes. Kelmar's Work Plan customized for an examination of insurance property types includes the following phases: PHASE I. Preliminary Data Collection and Analysis; and PHASE II. Secondary Data Collection and Analysis.

For information regarding the experience and expertise of Kelmar's key personnel involved throughout the examination process, please refer to the resume of Kelmar's examination management staff enclosed in the *Resumes of Kelmar Key Personnel* attached hereto and incorporated herein under Supporting Documentation TAB B of Kelmar's Proposal.

- Closing the Examination: After completing the review and analysis of the holder's records, Kelmar focuses on reaching an agreement with the holder on the amount of abandoned property due and owing. Kelmar undertakes the following reporting, collection, and remittance processes:
  - Report of Examination: Upon the holder completing its research, remediation, and statutory due diligence, Kelmar presents the holder with a draft report of preliminary examination findings detailing the preliminary unclaimed property liability amount in cash and securities. The holder then has an opportunity to review and respond to the preliminary examination findings to make any necessary adjustments before Kelmar prepares and submits a final Report of Examination ("ROE") for a state's approval. The ROE acts as a summary of findings and also details the property types and entitlements reviewed, including merger and acquisition entitlement rates and dates where applicable. The ROE incorporates the results of the remediation analysis as well as the results of any approved sampling methodologies for applicable property categories. In sum, the preliminary ROE serves as the draft report required by the STO.

If performing exams for the STO, the review period provided to the holder shall consist of, at a minimum, twenty (20) days. Thereafter, within fifteen (15) days of the holder's initial response, Kelmar will have discussions with the holder to reach an agreement on the amount deliverable. Kelmar shall then provide the holder and the STO with the final ROE summarizing the procedures performed and conclusions reached. The examination period shall be extended to include any year subsequent to the years initially included if the examination is completed after additional report years have elapsed.

For information regarding the experience and expertise of Kelmar's Senior Manager of Property Reporting, please refer to the resume of Mr. Anthony D'Alleva enclosed in the *Resumes of Kelmar Key Personnel* attached hereto and incorporated herein under Supporting Documentation TAB B of Kelmar's Proposal.



- Sampling: If fully reliable records are available for the examination period, Kelmar shall inform the holder that there is no need for estimation techniques.

Alternatively, Kelmar shall inform the holder that where there are inaccurate, insufficient or inaccessible records and the amount of reportable property cannot be ascertained from the books and records of the holder, Kelmar shall discuss the use of projection / estimation with the STO as well as any methodologies relating to the use of the same. Kelmar shall advise the holder of the sampling technique and try to reach an agreement with the holder regarding use thereof. Kelmar shall inform the holder that if sampling techniques are used, the liability determined by Kelmar represents a fair estimation only.

Kelmar understands that STO approval is required for the use of estimation in the absence of holder records and that STO approval shall be obtained prior to estimation being undertaken. Kelmar shall act only within the scope of authority granted to it by the STO. In the event that records do not exist or owner names and addresses are non-existent, Kelmar shall obtain written approval prior to utilizing any sampling, projection and/or estimation techniques to determine unclaimed property due. Notably, the sole purpose of determining an estimated liability in a time period where complete records exist is for calculating an unclaimed property liability in years where adequate records do not exist. All sampling and statistical estimation techniques used by Kelmar are in accordance with Government Auditing Standards (GAS) and American Institute of Certified Public Accountants (AICPA) professional standards.

Upon request, Kelmar shall provide the STO with any and all guidance necessary to assist the STO in making an informed decision regarding the most appropriate estimation technique given the facts and circumstances at hand. To assist in this process, Kelmar employs a dedicated statistical sampling expert who utilizes SAS Enterprise Guide 4.2, widely recognized statistical software designed to efficiently analyze large datasets and ensure random, replicable and verifiable samples.

For information regarding the experience and expertise of Kelmar's Statistical Analyst, please refer to the resumes of Mr. Rodney Dominique enclosed in the *Resumes of Kelmar Key Personnel* attached hereto and incorporated herein under Supporting Documentation TAB B of Kelmar's Proposal.

- Release Agreement: In accordance with STO procedures, Kelmar shall prepare a release agreement when requested by the holder, to be signed by the holder and the STO. The release agreement shall identify the property to be remitted and verify that the appropriate abandonment period has been met for each type of property reported.
- Collection: Once the ROE is approved, Kelmar instructs the holder to remit both cash and securities property owing to the STO. In instances where a client state has directed Kelmar to collect the unclaimed property in trust for the state and perform custodial services in whole or part, Kelmar demands delivery of the respective property from the holder. Kelmar shall only accept out-of-proof reports with written assurances by the holder that should owners come forward, the holder shall provide the balance due. All funds, securities and other property will be segregated and securely maintained by Kelmar 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 Kelmar.

Kelmar's collection processes and procedures for cash and securities property are described below:

- *Cash Property Collection:* All cash property (inclusive of cash derived from securities property) delivered to Kelmar is segregated into separate interest bearing bank accounts held in trust for Kelmar's client states. Kelmar presently utilizes Boston Private Bank & Trust ("Boston Private") as its bank and receives monthly statements for each client state escrow account.
- *Securities Property Collection:* In connection with the performance of custodial services for securities property on behalf of its client states, Kelmar utilizes the services of Wells Fargo, First Clearing LLC ("Wells Fargo"). Kelmar maintains a custodial account for the benefit of its client states and collects securities and reconciles the remittance to the total unclaimed property due and owing to each state participating in the review. Once reconciled, Kelmar transfers the securities from the Wells Fargo account held in trust for a client state to the appropriate designated state custodial account. All property delivered by holders to the Wells Fargo is segregated into a separate account or accounts for each client state and is not co-mingled with any other unclaimed property that may be in safekeeping with Kelmar or its custodian.

Kelmar shall process all securities according to the procedures established by State law and the STO. Kelmar shall cause all securities to be re-registered to the State of West Virginia or its nominee as directed by the STO. Securities shall be delivered using Depository Trust Company (DTC) designations when applicable, or delivered in physical form to the STO or its designee if not DTC eligible. Alternatively, in lieu of transferring a security to the STO, Kelmar, acting as agent for the STO, shall liquidate the security and report the proceeds as unclaimed property. Securities listed on an established stock exchange shall be sold at the prices prevailing on the exchange at the time of sale. Other securities shall be sold over the counter at prices prevailing at the time of sale or by any reasonable methods authorized by the STO. Within sixty (60) calendar days of any sale conducted pursuant to the requirements of the STO, Kelmar shall deliver to the STO the 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.

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



Kelmar's Reporting Manager is responsible for the management of Kelmar's short term custody portfolio, including reconciling the remittance of shares and cash received by holders and coordinating the remittance of securities related property to Kelmar's state clients. For information regarding the experience and expertise of Kelmar's Reporting Manager involved in these processes, please refer to the resume of Ms. Marsela Strakosha enclosed in the *Resumes of Kelmar Key Personnel* attached hereto and incorporated herein under Supporting Documentation TAB B of Kelmar's Proposal.

- **Delivery:** Kelmar reconciles the property received from the holder or transfer agent with the report of examination and delivers required reports and notices to West Virginia State Treasurer's Unclaimed Property Division. Kelmar shall prepare and submit to the STO reports of unclaimed property in accordance with the requirements of the Act and corresponding legislative rule, 112 CSR 5. Kelmar's Examination Closing Package evidencing the complete delivery of property to the STO shall include the following:
  - *Report of Examination (ROE):* As explained on page 21 above, the ROE acts as a summary of findings and also details the property types and entitlements reviewed including merger and acquisition entitlement rates and dates where applicable. Each ROE created shall conform to the STO's specifications.
  - *Unclaimed Property Report/NAUPA:* Upon delivery of the property, Kelmar shall report all unclaimed property electronically using the NAUPA II standardized unclaimed property reporting format. In addition, this report shall also be submitted in paper format, if requested by the STO. As the current NAUPA format may not include space for special policy data that a client state may need in order to validate and pay claims for death benefits in an efficient manner, Kelmar also provides its client states with a customized report to compliment the NAUPA file that includes beneficiary information derived from any life insurance policies, annuity contracts or retained asset accounts to validate and pay claims in an efficient manner. Likewise, as the NAUPA format does not support information on share valuation, Kelmar shall provide this information.
  - *Securities Report Format:* Upon receipt of securities property, Kelmar shall prepare a securities report to include: the cusip number for the issue; the issue name of the security; the amount of shares for each property; and the Holder's FEIN number. If liquidation of securities is requested by the STO, Kelmar shall send the STO a report of the securities that appear to have market value. Once liquidated, the securities report shall reflect the number of shares sold and the value of each share, as well as the expense attributable to the sale. Also included in the report: all interest, dividends, increments, earnings and accretions due, payable or distributable at the time of the liquidation and all earnings on the property between the time of liquidation and the time of reporting.
  - *Invoice:* The Examination Closing Package also includes an invoice statement for Kelmar's services. Kelmar shall submit invoices in arrears. The invoice statement reflects the gross value of unclaimed property reported to the STO and the fees due to Kelmar associated with the remittance. For the identification and collection of unclaimed property, the invoice shall reflect a flat 11.5% fee, less any interest is due



pursuant to the RFQ. For those examinations requiring alternate reasonable compensation, the invoice shall reflect a rate of \$65 per hour, unless prior written approval is issued by the STO. The invoice shall also include the value of shares on the date the property is received by Kelmar. 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 Kelmar or its 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.

Having overseen the creation of thousands of electronic files remitted to state abandoned property units in NAUPA format, Kelmar's Senior Manager of Reporting and Remittance is responsible for overseeing the processing, reporting, and filing of all reports associated with Kelmar's securities and life insurance examinations. Among the primary responsibilities of Kelmar's finance team is coordinating the remittance of property to Kelmar's client states, submitting an invoice for payment of services, and implementing appropriate accounting controls and segregation of duties over billing and collections related to unclaimed property. For information regarding the experience and expertise of Kelmar's key personnel involved in these processes, please refer to the resumes of Mr. Andrew Harmon and Ms. Elizabeth Sullivan enclosed in the *Resumes of Kelmar Key Personnel* attached hereto and incorporated herein under Supporting Documentation TAB B of Kelmar's Proposal.

- Supplemental Examination Procedures and Practices: In addition to Kelmar's procedures for due diligence, remediation, collection, and remittance of the unclaimed property, Kelmar maintains operational policies and procedures that include quality controls applied to all examinations. Throughout the conduct of an examination on behalf of a client state, Kelmar follows the supplemental examination procedures and practices outlined below:
  - Kelmar utilizes customized procedures to verify the accuracy and completeness of property holder records largely through the use of existing and accessible records.
  - Kelmar's internal legal team, through various legal resources, monitors states' unclaimed property statutes for modifications to dormancy and reporting periods.
  - If, at any time before or during the course of an examination, Kelmar learns that a holder has filed for bankruptcy, Kelmar notifies its client state of the bankruptcy filing and provides the necessary information to enable the state to file a proof of claim.
  - Kelmar follows the appropriate state unclaimed property law and all relevant state and federal court rulings, including specifically the holdings of the U.S. Supreme Court in *Texas v. New Jersey*, 85 S. Ct. 1136 (1965), *Pennsylvania v. New York*, 92 S. Ct. 2820, (1972), and *Delaware v. New York*, 113 S. Ct. 1550, (1993), and any applicable federal legislation when determining which state has the right to escheat property. In the event that records do not exist or owner names and addresses are non-existent, Kelmar obtains written approval prior to utilizing any sampling, projection and/or estimation technique to



determine unclaimed property due. Notably, these policies and procedures relating to estimation are generally inapplicable to Kelmar's securities and life insurance examinations.

- Kelmar expends significant resources to maintain the security and confidentiality of all records and findings created, obtained, and/or stored in connection with all examination services rendered. In so doing, Kelmar shall preserve the integrity of STO security and confidentiality and affirms its commitment to exercise appropriate security precautions in the signed *Confidential / Non-Disclosure Agreement* attached hereto and incorporated herein under Required Forms Tab 4 of Kelmar's Bid. Kelmar further agrees to comply with the Agency's policies, procedures and rules set forth in the Confidentiality Policies and Information Security Accountability Requirements.

Kelmar maintains independence and objectivity in all matters relating to an examination and has established quality controls to reinforce compliance with professional standards and applicable legal and regulatory requirements. Kelmar follows its quality control procedures throughout the examination process to ensure that all audits are performed consistently in a high quality, professional and competent manner. Additional information concerning Kelmar's quality controls can be found below on pages 32-33 and 40-41 of Kelmar's Bid.

### Capacity – Distinct Examination Approach

The Company routinely evaluates its audit methodology and adopts timesaving technologies to ensure its processes and procedures are as efficient as possible while adhering to all applicable laws, rules, regulations, professional standards and state policy mandates. Further, Kelmar's examinations have been thoughtfully aligned to avoid disruption to a holder's business practices. These factors, described in more detail below, allow Kelmar to streamline compliance examinations and provide quality unclaimed property examination services without compromising contract and legal compliance.

- Ensuring Holder Cooperation: Kelmar's holder cooperation strategies include educating holders under audit of their reporting responsibilities and providing guidance on common compliance pitfalls. Experience has taught Kelmar that the best means for ensuring timely completion of the examination and encouraging holder cooperation comes from a combination of: (1) thoroughly explaining the examination process to ensure holder understanding; (2) reviewing the purpose of document requests and how the information will be analyzed; (3) narrowly tailoring document requests to only those records reasonably related to the examination; (4) offering the holder multiple options for providing information requested inclusive of secure electronic records transfer; (5) assisting with data extraction inclusive of identifying relevant fields, reports and queries; and (6) reasonably accommodating quarter and year-end close accounting obligations and regulatory reporting requirements of the holder.
- Kelmar offers suggestions to holders to provide readily available information in a format that ensures maximum efficiency when providing and processing information. However, the Company does not request that a holder create or recreate records, but simply asks



holders to provide readily available information in a format that ensures maximum efficiency when reviewing and processing the information. By way of example, Kelmar requests a complete Federal Tax Return Form 1120 from the holder, including consolidating income statement, balance sheet and cost of goods sold schedules for all entities within the organization, including those disregarded for federal tax purposes. This information allows Kelmar to quickly and efficiently eliminate entities from review that do not have the potential for unclaimed property in the states participating in the examination. Barring the receipt of complete tax information and the elimination of immaterial entities, a holder would need to produce general ledgers for all entities within its organization, which would be unnecessarily burdensome and time consuming.

- Kelmar makes every effort to accommodate the holder's schedule during the examination process and maintains regular communication concerning examination tasks and required documents. In so doing, Kelmar ensures minimal disruption to the holder's business. Likewise, Kelmar accepts records from the holder in any electronic format which the holder supplies. This permits an efficient transfer of data and expedited review. For example, working with electronic files for cash disbursement records as opposed to paper copies of bank reconciliations, outstanding check lists, etc. has the following advantages: (a) avoids manual keying of outstanding checks (Kelmar actually double keys these to identify any key stroke errors); (b) expedites timeline for selecting transactions for holder remediation; (c) reduces rather significantly the selection of "false positives" (i.e., checks that are not unclaimed property because they were reissued or were voided for cause); and (d) allows for a more rapid analysis of holder's policies surrounding voids and potential write-offs of outstanding checks.
- Obtaining electronic files also enables Kelmar to employ licensed data mining software. This software has resulted in saving literally hundreds of hours in processing time on some Kelmar audits. For example, by using advanced data mining software, Kelmar was able to effectively analyze a series of very complex data sets, with in excess of 100 million lines related to gift cards, suspense accounts, and unapplied cash, in less than two (2) days.
- Another Kelmar method for ensuring the timely completion of examinations is to provide the holder with multiple options and avenues for providing requested information. These options include the ability to easily transfer information to Kelmar's secure EPortal, to the holder's own FTP site, or to advocate sites that meet industry security standards.
- Kelmar also expedites examination processes by routinely traveling to various holder facilities to either retrieve information or process it on-site. In instances where the holder has indicated that requested information is available, but there are issues with logistics or data format, Kelmar has employed various creative solutions. These include simply renting photocopy equipment when a holder does not make such equipment available, as well as locating and renting microfiche and tape-reading equipment for historical information maintained only in these older media forms. From experience, many holders that initially require Kelmar to obtain or review all information on-site often shift to providing the information remotely once Kelmar establishes its willingness and ability to show up at their location to complete data gathering and processing on-site.



- **Leveraging Technology:** While holder records are never processed through a mechanized routine and each finding is based upon a thorough examination of the books and records of the examination subject, Kelmar is committed to maximizing the use of technology to assist in the identification of unclaimed property liabilities and rightful owners. By leveraging technology, Kelmar maximizes efficiencies and eliminates manual tasks wherever possible. Below are details of how Kelmar leverages technology resources to deliver superior service to its client states.
  - Utilizing various programming capabilities and data conversion tools, Kelmar's information technology experts support Kelmar's audit teams. In so doing, Kelmar's audit teams are able to accept holder records in any electronic format that the holder supplies, without causing any disruptions to the holder's regular business activities.
  - As indicated above, Kelmar licenses data mining software that has resulted in saving hundreds of hours in processing time on audits. Kelmar has also created templates, reporting standards, and project management tools utilized throughout the audit process to increase efficiency and ensure firm consistency.
  - The Company employs a dedicated team of subject matter experts whose sole function is to facilitate the extraction, normalization, and retention of the name and address registration data which is critical in identifying the unclaimed property liabilities of a holder. With an emphasis on data security and the protection of personal information, this group is charged with the creation and development of a proprietary escheatment platform that facilitates the examination process.
  - Kelmar has developed a proprietary java-based software application which serves as an internal repository for recordkeeping and reporting. The application utilizes a relational database management system (RDBMS) to securely store and maintain all critical data elements received from holders. The database is managed within Kelmar's business continuity process which includes regularly scheduled backups. Where applicable, properties that are determined dormant under state law are exported directly from the proprietary system into standard NAUPA II format.
  - To meet the demands of the ever-changing world of data security, and to comply with the highest degree of information security and regulatory compliance, Kelmar regularly implements state of the art information technology software and security features, including, without limitation, a secure EPortal server to facilitate the transmission and retrieval of holder and state records and reports, computer and network encryption protocols developed and endorsed by the Department of Defense, full disk encryption, complex password protection for all electronic devices and user accounts and files, state-of-the-art antivirus and antispymware software, patch management, the latest intrusion prevention and detection software programs, extensive firewalls and access systems, and around the clock daily monitoring of all systems. Likewise, all audit records are stored in Kelmar's secure data center which is audited annually and is SSAE-16 Compliant.



- Confidentiality and Non-Disclosure, Information Security, and Quality Controls: Kelmar recognizes that states have sole authority for issuing unclaimed property assessments, and in turn equips its client states with a finished work product that conclusively supports the unremediated property identified as a result of a full scope examination of the books and records of a holder of unclaimed property. To ensure the accuracy and completeness of all records, books, supporting documents, and information resulting from Kelmar's work on behalf of its client states, Kelmar has implemented and routinely evaluates various data security and quality control measures over its audit processes and implements enhanced measures where necessary to maintain its technical and professional expertise. In so doing, Kelmar ensures that all services are performed consistently in a high quality, professional and competent manner. These measures include Kelmar's established confidentiality and non-disclosure protocols, information security practices, and quality controls described below.
- Personnel Compliance – Confidentiality and Non-Disclosure Agreements: Kelmar understands the importance of confidentiality and takes extensive measures to ensure all information, documents, reports, and unclaimed property received from holders and its client states are treated with the utmost confidentiality. Below is a summary of Kelmar's practices governing the treatment of confidential information received during the examination process.
  - *Kelmar Personnel*: As a condition of employment, Kelmar requires that each of its employees executes a confidentiality and non-disclosure agreement that contains language requiring the employee to: (a) honor the terms of any confidentiality agreement entered into by Kelmar with a holder and/or client state; (b) maintain strict confidentiality of all Kelmar records including examination records; and (c) prevent the use of insider information. Kelmar also has adopted and implemented employee policies governing the use of confidential information, independence, conflicts of interest, and insider trading. The Company provides extensive training on these topics and vigilantly enforces compliance to ensure that confidentiality is maintained, and that information is disclosed solely to those individuals who have a need to know in connection with the examination services. Violations of Kelmar's policies governing confidential information may result in disciplinary action up to and including termination of employment. Upon involuntary/voluntary termination, user accounts are disabled, all access is removed, mobile devices are remotely wiped and all Kelmar issued items are collected and recorded immediately.
  - *Vendors*: Where applicable, all Kelmar third-party vendors performing services for the Company are required to execute confidentiality agreements wherein they agree to treat all information or records in the course of performing work as confidential. Additionally, Kelmar reviews its vendors' information security policies and procedures, along with evidence of insurance to ensure compliance with all applicable state and federal laws, rules, and regulations as well as Kelmar's state contracts.
  - *Holders*: In addition to the protections afforded under its contracts with the states and applicable law to information received from the holders, as part of its customary examination process, Kelmar offers a form Confidentiality & Non-Disclosure Agreement supplementing the confidentiality protections afforded under applicable



local, state and federal laws, rules and regulations inclusive of the M.G.L. c. 200A et seq. This agreement provides additional protection to information received during the exam and affords the holders with a greater sense of security.

- Information Security - Resources, Tools and Controls: Kelmar expends significant resources to maintain the security and confidentiality of all records and findings created, obtained, and/or stored in connection with any examination services rendered.
  - *Written Information Security Program*: The Company has implemented a comprehensive written information security program (“WISP”) which includes stringent administrative, procedural, technical and physical safeguards for the protection of confidential information (including any protected personal information). These safeguards include policies and procedures governing the collection, transmittal, storage, and/or destruction of confidential records; as well as state-of-the-art electronic security measures including, without limitation, intrusion prevention and detection systems, stateful firewalls and antimalware software, and encryption methodologies. In each respect, Kelmar complies with all applicable federal and state laws, rules, and regulations governing the treatment of confidential information including specifically, those laws governing personal information such as the national standard codified in M.G.L. c. 93H and 201 Mass. Code Regs. 17.01, et seq. Kelmar’s security tools and methods have been implemented and designed to restrict access to information systems and data on a “need to know” security model. All Kelmar users, administrators and contractors are required to have a unique ID and complex password. To mitigate the risk of unintentional or intentional disclosure, inappropriate or unauthorized access to confidential data, Kelmar employs industry standard encryption methodologies on all workstations and utilizes industry best practices with regard to email usage. Kelmar encrypts all data at rest as well as in transit and expressly prohibits the transmittal of audit related materials and reports via email. To facilitate data transfer during its examinations, Kelmar utilizes a secure E-Portal data transfer solution as well as email encryption. Kelmar’s E-Portal solution is described below.
  - *EPortal*: To facilitate the secure transfer of confidential electronic records received in connect with Kelmar’s examination services over a variety of Internet standard protocols such as FTP/S, SFTP, and HTTP/S, Kelmar utilizes an internally managed EPortal Server (“EPortal”). EPortal is an in-house File Transfer Server solution that ensures the highest levels of compliance with state and federal data security and privacy regulations, including, but not limited to, FIPS 140-2 (e.g., the Federal Information Processing Standard employed by the United States Department of Defense), PCI DSS 1.2 (Payment Card Industry Data Security Standards), HIPAA, HITECH and Sarbanes-Oxley, as well as applicable corporate security policies and mandates. Entry to Kelmar’s EPortal is first established through the DMZ Gateway, a security module that acts as a “force field” between Kelmar’s network and the internet. This information security tool resides in the demilitarized zone and provides secure communication with the EPortal behind intranet firewalls without requiring any inbound firewall holes between the internal network and the DMZ. The connection between the internal network and the DMZ is opened only in an incoming direction and is guaranteed through the use of encryption and authentication protocols. Because the



connection is streamed through the DMZ Gateway to the EPortal, user authentication is handled by the EPortal as if the user was logging in directly to the server from the internal network.

Access to Kelmar's EPortal can be amended and/or disabled at any time and is securely limited through a unique password-based, two-factor authentication system. This requires use of a user-defined password as well as RSA's Secure ID token. All user authentication passwords are stored as one-way and non-reversible. Complex passwords are required using multiple criteria, including, but not limited to, minimum length restrictions, defined alphanumeric sub-options, disallowing words contained in a dictionary file, disallowing the username as the password, and disallowing cyclical passwords. Digital certificates are also closely monitored and evaluated to authenticate identity. Likewise, all website addresses are tracked and white-listed for an added layer of protection. This sophisticated login method not only helps prevent unauthorized entry, it also allows Kelmar to capture intelligence and keep a detailed tamper-proof audit trail of those who visited the data-room, the types of information reviewed, and when they reviewed it; thus providing a completely transparent and fully documented GUI-based information flow.

Kelmar's EPortal is hosted on dedicated servers controlled and maintained by Kelmar. These servers are protected by Cisco Adaptive Security Appliance Firewalls and Intrusion Prevention/Detection software. Kelmar also utilizes Sophos endpoint protection as an additional layer for Antivirus, Antispyware and Data Loss Prevention. The Antivirus software is configured for real-time virus scanning of all files entering or leaving the organization. Full System Scans are performed regularly. The EPortal File Transfer Server employs an auto-ban system intended to prevent possible DoS attack attempts by monitoring all connection patterns, tracking each computer's activity density, and banning any IP addresses with unnaturally dense activity. All EPortal user sessions are fully encrypted using Secure Sockets Layer and Transport Layer Security (SSL-TLS), which is the same technology used by banks in order to transfer credit card data. SSL-TLS technology offers end-to-end protection by encrypting information (user files, swap files, system files, hidden files, etc.) at 2048 bit and using symmetric key cipher(s) user authentication protocols. Secure data transmission is further enforced by automatically redirecting incoming HTTP traffic to HTTPS. Kelmar also offers the use of PGP encryption when transmitting data, provided that the holder's information system supports this protocol.

All documents uploaded to the EPortal are digitally signed using a keyed-Hash Message Authentication Code and a Secure Hash Algorithm (a cryptographic hash algorithm published by the United States Government which produces a 160-bit hash value from an arbitrary length string) in order to verify data integrity and message authenticity, and prevent unauthorized changes or alteration. By utilizing these cryptographic modules, Kelmar ensures that all file transfers are protected by best-in-class security.



- Examination Quality Controls: Kelmar’s internal controls are designed and implemented by its Executive Management and executed by its Directors and Senior Managers, who are responsible for the establishment of more specific internal control policies and procedures for personnel responsible for the Company’s functions. Kelmar’s controls include, but are not limited to: (a) segregation of duties to prevent fraud and errors by one person; (b) verification of work by various levels; (c) authorization of transactions by appropriate persons; (d) retention of records to substantiate transactions; (e) supervision and review of ongoing operational activity; and (f) top-level review and analysis of actual results versus organizational goals. Examples of Kelmar’s quality control procedures that ensure an accurate and comprehensive finished work product upon which the STO can rely include, but are not limited to, the following:
  - *Open Communication*: As an essential component of Kelmar’s established unclaimed property examination project management approach, Kelmar recognizes the importance of open communication and consistently confers with its client states as to their position with respect to relevant federal, state or local case law, which may impact a Kelmar state mandated examination. Overall responsibility for client relationships and communications rests with Kelmar’s Vice President of Compliance, who is supported by Kelmar’s Senior Manager responsible for coordinating client communications, overseeing state research and examination authorization requests, and monthly reporting. To further ensure the highest degree of service, Kelmar assigns a dedicated Client Relationship Manager (“CRM”) to each client state. The CRM is responsible for collaborating with the audit teams engaged on the client state’s examinations to facilitate routine updates to state officials concerning examination matters, and generally serving as the state’s dedicated resource at Kelmar. Such open and frequent communication not only ensures that Kelmar’s client states are adequately apprised of the status of all holder reviews, but also ensures process transparency and satisfactory contract compliance.
  - *Examination Assignments*: Kelmar assigns examinations to teams that have prior unclaimed property audit experience within the targeted industry type and prior experience conducting examinations on behalf of the client states engaged in the audit. This control measure enables Kelmar’s audit teams to work more efficiently due to their familiarity with unclaimed property issues associated with specific industries as well as the specific client state’s unclaimed property laws and regulations. Likewise, the process allows Kelmar to build familiarity between client states and audit teams to foster better and more frequent communications tailored to the format and frequency preferred by each client state.
  - *Task Management*: Kelmar’s experience has shown that the more time-intensive tasks related to completing an examination are those that are typically routine in nature and less complicated to complete. Consequently, each audit team has the ability to “leverage down” basic, time-intensive tasks to Associates and Data Specialists which allows Kelmar’s more experienced professionals to dedicate attention to more specialized and complex examination assignments, while ensuring that qualified supervisory personnel review and approve the work performed by more junior individuals.



- *Review Process:* All document requests and resulting analysis are reviewed and approved by the Manager or Senior Manager overseeing the examination. Before an exam is permitted to advance to a new phase signaling the completion of an examination milestone, such as identifying in-scope entities, finalizing property types for review and preparing the Reports of Examination or Summary of Audit Findings, there are multiple layers of quality reviews and sign-offs required. These signoffs are typically evidenced by internal memoranda and workpapers that are reviewed and approved by Senior Management.
  - *Data Validation:* Kelmar generally receives records from holders in electronic form; however, in some instances holders provide physical records. If physical records are received from the holder, two (2) audit staff members will independently enter the information. A comparison is then generated and any inconsistencies are identified and remedied. A supervisor performs a final quality check and reviews the data to validate that it was entered accurately by cross referencing original source documentation. For example, Kelmar will reconcile information back to a general ledger or tax return balance.
  - *Exam Progression Approval and Available Personnel:* Kelmar's Senior Management meets with audit teams at least once per month to discuss progress on each examination assignment and the availability of personnel to perform work required for its client states to ensure timelines are met. These discussions focus on work performed, holder cooperation, and state communications. Likewise, required memorandums which must be approved by Senior Management at specified junctures throughout the examination are addressed.
  - *Executive Management Oversight:* Kelmar's audit teams are separately monitored and evaluated by the Company's Executive Management. Executive Management meets regularly to review all active examinations to ensure consistency across audit teams, and to monitor the time spent on examination assignments.
  - *IS Security:* Kelmar ensures the security and confidentiality of all information and/or records stored, created, collected, maintained and/or transmitted by Kelmar records, and personal information. The Company has adopted security measures and/or controls to combat any and all internal or external risks to the security, confidentiality, and/or integrity of any electronic, paper or other records containing confidential information.
- **Business Continuity Plan:** Disasters can strike without notice at any time. Consequently, Kelmar recognizes the importance of maintaining sufficient procedures and redundancy capabilities to assure continued processing in an emergency and the accurate back-up and full recovery of all data storage systems. These procedures are outlined in Kelmar's comprehensive Business Continuity Plan ("BCP"). Having a BCP provides Kelmar with a comprehensive plan for recovering critical business functions and data in a timely fashion with minimal interruption in the event of a disaster. Below is an overview of Kelmar's BCP. A complete copy of the BCP is available upon request.



- Contingency Planning: Kelmar's BCP identifies the necessary personnel and resources required for both disaster preparation and response, and also outlines the proper steps to be taken to ensure the timely restoration of critical business functions without undue delay in the event of a disaster.
  - Executing the BCP may include employees working from remote locations or home residences. In the event that a geographic business disruption occurs, all critical staff will be instructed to work in a virtual environment from a safe location. Staff laptops are equipped with remote mobility and soft-phones. All staff will have full access to the wide area network ("WAN") and can remain operable until the local office is safe to resume normal business operation.
  - In addition, key Kelmar response staff members carry personal cell phones for response outside of Kelmar's telecommunications network and Kelmar maintains call trees with personal contact information for use when normal communication channels fail. Kelmar's KAPS<sup>®</sup> support team will notify customers within one (1) business hour of a known outage that affects that customer. Kelmar asks that clients provide a call tree of Treasury personnel to contact in case of disaster or outage.
  - All employees who are part of Kelmar's disaster recovery team are required to cross-train on any new system or disaster recovery process that is classified as critical to the Company's business operations. All identified system controls and processes are documented, and there are primary and secondary employees responsible for all support and maintenance activities. Consequently, in the event any key employee is incapacitated due to illness there is sufficient coverage for his/her duties. Likewise, Kelmar has relationships with supporting vendors that may be utilized in the unlikely event Kelmar's alternative staffing member is similarly incapacitated.
  - Likewise, in the event of a disaster requiring the replacement of equipment, Kelmar's vendors play a critical role in its continued business operations. For this reason, Kelmar has partnered with major information technology hardware/software providers and entered Service Level Agreements which guarantee less than four (4) hour response times, Gold Support Level, and next day replacement parts which greatly reduce the recovery timeframe in the event of a major disaster. Each of these data and equipment restoration protocols allows Kelmar to resume operations in an efficient manner following the identification and/or declaration of a disaster.
  - Kelmar maintains a separate near-line recovery site in case disaster strikes. All critical business systems are failed over to the backup location and operations of those systems will remain at this location until the Kelmar BCP team determines that it is safe for normal operations to continue at the primary location(s). Kelmar's data center is housed in one of the country's most secure environments. This data center provider secures state-of-the-art systems for a significant portion of the nation's leading finance and insurance companies, as well as many governmental agencies. The data center is SSAE 16 Type II certified as well as PCI, DSS, and HIPAA compliant.



- Recovery Actions: In the event of a disaster affecting Kelmar, the Business Continuity Management Team (“BCMT”) will be activated. Members of Kelmar’s BCMT include Kelmar’s Executive Management, Service Line Leaders, and Director of Information Services. The BCMT will respond in accordance with the BCP and will initiate specific actions for recovery.
  - Once activated, the BCMT will evaluate the initial status of the disaster, estimate the method and time for recovery, and assess the salvageability of the affected resources. The problem or disaster will be categorized by incident level. A Level One incident impacts, or is likely to impact, a number of critical functions and will require minimal level of recovery efforts. A Level Two incident impacts, or is likely to impact, a geographic location preventing staff from safely traveling to their respective offices. A Level Three incident impacts, or is likely to impact, a large number of critical functions and will require significant recovery efforts.
  - Kelmar’s Director of Information Services and his staff will commence troubleshooting procedures and institute the Plan in accordance with a Criticality of Service List, which denotes the technology resources utilized by Kelmar’s personnel to conduct business operations. For the Criticality of Service List, each technology resource was evaluated and allocated a place in one of four categories based on the level of criticality to Kelmar’s business operations.
  - If server or network device hardware fails, the vendor will be contacted for delivery of replacement parts. The defective hardware will be replaced based on a reimage with the latest full server image. The Director and his staff will restore all differential backups to point of failure, test for validity, bring the affected systems back online and document the incident and all action steps taken.
  - If software or an operating system fails, the vendor will be contacted, when applicable. The Director and his staff will determine the most efficient timeline for total restoration. Both the device and the Server OS will be restored to full operation with a valid backup. Prior to placement in production, the device or server will be fully patched with all applicable vendor security patches and the incident and all action steps taken will be documented.
- Business Continuity Plan Training: BCP training of personnel is an integral component of the disaster recovery process. The goal of training is to ensure that the recovery team personnel are able to execute their respective recovery roles.
  - The system specialist is responsible for developing the training program. Training is conducted annually of the entire system and periodically throughout the year to address key areas and functionalities. Additional training is provided when significant changes are made to the IS system environment, Kelmar’s business processes, or the BCP generally. New employees who have contingency plan responsibilities also receive training promptly after hire.



- Personnel training consists of individual and team training to ensure currency of knowledge and skills necessary to implement the BCP and carry out essential functions. Training incorporates simulated events to facilitate effective response by personnel in a crisis situation.
- Kelmar's BCP is made available to all employees on the company's intranet and is provided upon hire. Members of the recovery team are responsible for maintaining and updating BCP documentation upon the occurrence of any system or process changes.
- Restoration Protocols and Testing: At the foundation of its BCP, Kelmar has implemented the following daily data restoration protocols and regular plan testing to ensure preparedness.
  - *Data Restoration:* Each of the following data types, Client data, Kelmar data, email, databases and the Company's EFTP server, are evaluated and assessed a rating of one (1) to four (4) (on a scale of one (1) to four (4) with four (4) being the highest level of sensitivity) to Kelmar's business. This data is stored on RAID Server Storage and is also encrypted. Kelmar's data backup strategies include full backups once per week; differential backups four (4) times a week; and offsite storage based on a four (4) week rotation. Full server images, which can be restored to hardware, are deployed for all critical business systems. Tapes are stored offsite, rotated every four (4) weeks and certified destroyed after six (6) months of use.
  - *Plan Testing:* Kelmar's BCP is reviewed annually to reflect and incorporate necessary changes and is enforced by Kelmar's Director of Information Services. Partial tests of individual components are routinely carried out under the direction of the Director of Information Services. Likewise, on a bi-annual basis, Kelmar's Information Systems Department personnel perform tests of randomly selected critical services by simulating a total systems failure. All tests are documented and logged in accordance with the BCP.
  - Kelmar's most recent disaster recovery test took place in July 2016 when a critical failure was simulated within Kelmar's WAN topology. With Kelmar's High Availability (HA) design, recovery was achieved within seconds of the test failure with users never losing connectivity to any internal services, including email, network files and phones. Additionally, KAPS<sup>®</sup> unclaimed property management system, Kelmar's website and EPortal all remained functional throughout the test. Kelmar's Information Systems team was able to verify that the Company's automatic redundant backup circuits worked appropriately and that connectivity to all services remained intact.
- Additional Audit Services: In addition to the unclaimed property examination services outlined in Kelmar's Proposal, the Company routinely provides unclaimed property consultation and advisory services to assist client states in the administration of their respective unclaimed property programs. Such assistance may include consultation on strategies for encouraging compliance and/or educational training sessions for state staff or the holder community. Additional costs may be associated with Kelmar's consultation and advisory services depending on the nature, complexity, and frequency of a client state's request. If awarded a



contract resulting from this RFQ, Kelmar can further discuss with the STO the additional services described below.

- Program Strategies: Identifying process improvements and developing best practices improves unclaimed property compliance. Understanding the reasons for noncompliance and under compliance is essential when developing new compliance initiatives. In offering these services to its client states, Kelmar first focuses its attention on a review of the state's current compliance challenges, including a review of industry trends, audit selection best practices, evaluation of voluntary disclosure agreements, the enforcement and application of relevant state and federal laws governing the escheatment of unclaimed property, and emerging unclaimed property legal issues. Once this assessment is complete, Kelmar works to develop best practices and assist with the production of new materials, training seminars, etc.
- Reporting Patterns: Kelmar's experience examining emerging property categories enables it to help states assess reporting patterns and increase compliance across all property types. Emerging categories of unclaimed property have evolved from changes in the marketplace, industry trends and advances in technology. Addressing unique property types such as those associated with Financial Broker/Dealer Agreements, Gift Card/Stored Value Card Companies, and Factoring Companies can help increase the amount of unclaimed property reported.
- Training Services: Upon request, Kelmar often provides training services to its client states' auditors related to Kelmar's comprehensive unclaimed property auditing processes and procedures. Kelmar's training programs are available in a variety of formats including on-site training sessions, interactive webinar presentations, and via the development of published materials. Trainings occur on mutually agreed upon dates and times. Kelmar's training curriculum generally covers: (a) Introduction and the Kelmar Approach; (b) Unclaimed Property Legal Orientation; (c) Phases of a General Ledger Exam; (d) Phases of a Securities Exam; (e) Phases of a Life Insurance Company Exam; and (f) Unclaimed Property Case Study.
- Holder Education: Despite best efforts to encourage compliance, sometimes holders fail to comply with state unclaimed property requirements due to a lack of understanding of the correct application of unclaimed property law, regulations and policies specific to each state. Increasing industry awareness can be effective in bringing more holders into compliance. With this in mind, Kelmar can help develop customized holder training modules targeted to address compliance challenges, including training modules such as: (a) Unclaimed Property Basics; (b) State Trends and Hot Topics; (c) Compliance-Related Trends in Unclaimed Property; (d) Reporting Basics, Electronic Reporting, and Record Retention; and (e) Compliance, Penalties, and Audits.



## Qualifications – Industry Leading Expertise

As detailed throughout its Proposal, Kelmar has the business and technical qualifications to provide the services requested in the RFQ. Kelmar's unclaimed property professionals collectively possess several hundred years of diversified experience in the field of unclaimed property and offer unsurpassed technical expertise. These individuals are among the most knowledgeable in the field of unclaimed property, and are well trained in all applicable state unclaimed property laws and regulations (inclusive of the Act), and pertinent state and federal court rulings and legislation, as well as GAAP and GAAS examination and auditing procedures. In particular, Kelmar's auditors are proficient in the U.S. Supreme Court rulings of *Texas v. New Jersey*, 380 U.S. 518 (1965), *Pennsylvania v. New York*, 407 U.S. 206, (1972), and *Delaware v. New York*, 507 U.S. 490, (1993), which set forth the priority rules governing the escheatment of unclaimed property.

Kelmar is fortunate to employ the brightest talent in the unclaimed property industry, with staff members often participating as leading authorities at industry-related events and trainings. These individuals frequently serve as presenters and/or panel speakers at conferences hosted by organizations including, but not limited to, NAST, NAUPA, and the National Institute of Public Finance (NIPF). As evidenced throughout its Proposal, Kelmar also possesses a sophisticated IT and client services team as well as legal experts in the field of unclaimed property law who assist its audit teams with legal matters arising during the examination process. They also serve as a valuable resource to assist client states with drafting legislation and regulations designed to update and/or interpret respective unclaimed property laws to enhance their respective unclaimed property compliance programs.

Kelmar's talented workforce, including acknowledged experts and innovators in the unclaimed property industry, have work experience with every major unclaimed property stakeholder class in the industry. Some have worked as unclaimed property compliance officers for holders; others have represented holders in advocacy audit defense roles; still others are former state employees whose job responsibilities ranged from unclaimed property auditing to administering a state's entire unclaimed property program. Along with professional experience and formal education, Kelmar's licensed professionals routinely take continuing education courses to meet their respective licensing credit requirements, and keep current with the latest reporting and accounting standards. Kelmar also offers internal training on project management and leadership, audit policies and procedures, and developments in unclaimed property statutory, regulatory, administrative, procedural and legal concepts. Kelmar maintains research and reference materials that are widely recognized as authoritative sources within the field of unclaimed property, and provides its professionals with access to these resources.

These diverse backgrounds uniquely qualify Kelmar's professionals and afford them insight and sensitivity to holder unclaimed property audit concerns, while balancing the Company's primary responsibilities to client states. Moreover, Kelmar's extensive experience performing unclaimed property examinations of business enterprises in every major industry has provided its auditors a thorough understanding of the accounting practices utilized by holders, allowing for an efficient and accurate review of all records. Kelmar also possesses a sophisticated legal team of experts in the field of unclaimed property law who assist its audit teams with legal matters arising during the examination process. Having dedicated hundreds of thousands of hours to completing unclaimed property audits on behalf of state governments, Kelmar's professionals are experts in



all phases of the compliance process including the review, analysis, and processing of records, the creation and assembly of reports, and the collection and transfer of property due and owing to state governments. These qualifications are further highlighted below:

- Kelmar has extensive knowledge of how holders (through public accounting firms) conduct “self-audits” or “voluntary disclosures” which enables client states to better evaluate, and make informed decisions about, these self-determinations of escheat liability.
- The Company has extensive experience reviewing data extracted from various ERP software systems utilized by large corporations, including but not limited to: Oracle, JD Edwards, Microsoft Dynamics GP, SAP, PeopleSoft, Enterprise, AS400 and IFS. In addition, Kelmar has worked with various holders to successfully extract automated data from homegrown ERP systems. Such data includes but is not limited to general ledger information (summary and detail level), sub-ledger information (summary and detail level – e.g., accounts receivable, disbursement, cash receipts, etc.), various reporting modules (e.g., financial statements, electronic check registers, customer information, account reconciliations, etc.)
- Similarly, Kelmar has extensive experience reviewing data extracted from the various data and recordkeeping systems of transfer agents. Each transfer agent produces their own distinct reports for outstanding shareholder account population extracts, debit and credit activity for accounts associated with holding funds for shareholders, mail returned by the post office and the current contact dates located within each account. Through years of experience, Kelmar is aware of, and able to quickly identify, areas where there could be misrepresentation within the data pulls and documentation presented to Kelmar for their review. Furthermore, Kelmar has extensive experience reviewing the varied data provided by brokerage houses.
- Kelmar possesses the technical capability to report and deliver unclaimed property due and owing to STO via an electronic media format. Since commencing operations in October 2001, Kelmar has prepared and filed several thousands of automated unclaimed property reports to its client states. These filings of holder-approved and state-compliant reports evidence Kelmar's ability to process information pertaining to all types of unreported unclaimed property liabilities, produce and submit those reports required by governmental agencies and remit records timely using the NAUPA format.

## Licenses

**3.2. 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.**

In accordance with West Virginia Code of State Rules § 148-1-6.1.e, Kelmar is properly licensed and in good standing 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, West Virginia Insurance Commission, or any other state agency or political subdivision. Furthermore, Kelmar is properly registered with the West Virginia Purchasing Division and has paid the \$125 fee. As proof that Kelmar meets the licensing criteria of the RFQ, copies of certificates of good standing, insurance ACORD forms, and vendor registration confirmation are attached hereto and incorporated herein by reference under Supporting Documentation Tab A of Kelmar’s Bid.

**Location**

**3.3. LOCATION: Vendor must 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.**

Kelmar is authorized to conduct business in the State of West Virginia and remains in good standing. All examination records and professionals responsible for providing services under a contract resulting from this RFQ shall be located within the United States. Audit work will be performed by Kelmar’s professionals located in the three (3) office locations identified below. Management and oversight of contract matters will primarily be performed by employees located at Kelmar’s corporate headquarters in Wakefield, Massachusetts. Physical examination records will be maintained at each of the locations below with electronic records located on servers in Kelmar’s secure Tier 4 data center hosted by SunGard Availability Services, LP, 250 Locke Drive, Marlborough, Massachusetts 01752.

|                               | Headquarters   | District Office   | District Office  |
|-------------------------------|--|---|--|
| Nature of Business Conducted: | Location of authorized representative, contract administrator, contract manager and audit services | Location of audit services                                    | Location of audit services                                     |
| Physical Location:            | 500 Edgewater Drive<br>Suite 500<br>Wakefield, MA 01880<br>USA                                     | 1050 Hingham Street<br>2nd Floor<br>Rockland, MA 02370<br>USA | 2200 Concord Pike<br>12th Floor<br>Wilmington, DE 19803<br>USA |

**Quality Control Review Litigation**

**3.4. 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. Vendor should provide all quality control reviews of the Vendor's work for the past two (2) years with the bid, however, this information may be required prior to contract award.**



Kelmar is committed to protecting data and information stored at all physical locations and within the Company's data centers and networks. The Company has adopted information security industry best practices to define the development and implementation of its information security program. The program is based upon the National Institute of Standards and Technology (NIST) standards in conjunction with ISO/IEC 27002 security controls and includes the use of SSL and AES encryption, stateful packet inspection firewalls, intrusion detection/prevention systems, web content filtering, routine scheduled vulnerabilities scanning and secure file transfer. Kelmar routinely tests and monitors its information security controls to ensure compliance and eliminate risks. Each of the below-referenced annual security assessments, conducted by independent third party examiners, ensures that Kelmar's information security practices meet and/or exceed industry standards and all legal and regulatory requirements.

The Company utilizes the services of an independent examiner to audit its controls and security protocols annually through an ISO-27002 compliance review. Kelmar's annual ISO-27002 compliance review includes both an external and internal audit focusing on all aspects of Kelmar's organization to ensure the highest degree of information security and regulatory compliance. During the audit, Kelmar's controls within all domains of the ISO/IEC2700X are reviewed and tested. The independent examiner, SunGard, Inc., also provides recommendations for additional controls, if warranted. In addition to its ISO-27002 compliance review, Kelmar audits its organization and information security controls as part of its annual SSAE-16 review. Kelmar will be conducting a SSAE-16 / SOC 2 review in June 2017. As part of its information security program, Kelmar also ensures that its data center, which houses Kelmar's servers, is SSAE-16 / SOC 2 compliant. Each year, Kelmar obtains a copy of SunGard's compliance report and reviews the controls to ensure the Company's servers remain in an environment with the highest degree of security. Kelmar's independent auditors are likewise provided with a copy of the report as needed. Upon request and execution of a confidentiality agreement, Kelmar can make available copies of its confidential SSAE-16 /SOC 1, SOC 2 and ISO Compliance Reports. Kelmar can also provide the confidential and proprietary SSAE-16 SOC 2 report for its Tier 4 SunGard data center which houses Kelmar's servers.

For additional information describing Kelmar's established security and quality control measures over its audit processes, please refer to the detailed description of Kelmar's capacity in response to RFQ Section 3.1, beginning on page 29 of Kelmar's Bid.

## References

**3.5. 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. The STO reserves the right to contact any person or entity it believes prudent and to inquire about the Vendor.**



Vendor: Kelmar Associates, LLC

|    | Agency   | Contact Name   | Telephone             | Services Provided  |
|----|--|--|-----------------------|--|
| 1. | Arizona Department of Revenue, Unclaimed Property Unit                       | Mr. Joshua Joyce Unclaimed Property Administrator                  | 602-716-6033          | May 2002–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar also performs unclaimed property consulting and advisory services.  |
| 2. | Massachusetts Department of the State Treasurer, Unclaimed Property Division | Ms. Judith Franchi Audit & Compliance Director                     | 617-367-9333 ext. 412 | June 2003–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.   |
| 3. | Pennsylvania Treasury Department, Bureau of Unclaimed Property               | Ms. Barbara Benkovic Assistant Division Manager, Holder Compliance | 717-705-2958          | September 2011–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar also provides consulting & training services including litigation support services, claims processing and other research and advisory services. |

Subcontractors (Proposed Third Parties):

Identification Verification Services: LexisNexis® Risk Solutions FL, Inc.

|    | Agency  | Contact Name                             | Telephone    | Services Provided   |
|----|---|--|--------------|---|
| 1. | Pennsylvania Treasury, Bureau of Unclaimed Property | Ms. Karen L. Gurzenda Assistant Director | 717-772-1481 | Identification verification to support claim payments to rightful owners. |



### Identification Verification Services: The Berwyn Group, Inc.

| Agency  | Contact Name   | Telephone    | Services Provided   |
|---|--|--------------|---|
| 1. For publicly available information concerning services provided and client testimonials, please refer to The Berwyn Group's website at <a href="https://www.berwyncgroup.com/db/DeathFeatures.asp">https://www.berwyncgroup.com/db/DeathFeatures.asp</a> . The Berwyn Group may be contacted directly for any additional information concerning client references. | Mr. Michael Murphy<br>Vice President<br>The Berwyn Group, Inc. | 216-755-7008 | The Berwyn Group provides mortality verification (death audits) and new address determination (locator services) for various industries, departments and organizations that require knowing the mortality or current addresses of holders, beneficiaries and members. |

### Custodial Services: Wells Fargo Advisors, LLC / First Clearing, LLC

| Agency   | Contact Name                        | Telephone    | Services Provided                                     |
|--|-------------------------------------|--------------|---|
| 1. Georgia Department of Revenue, Unclaimed Property Program | Mr. Steve Harbin<br>Program Manager | 404-724-7058 | Custody and Brokerage Services for Unclaimed Property |

## Experience

**3.6. EXPERIENCE: The Vendor must have at least three (3) years' experience in providing unclaimed property audit services for state governments. 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.**

Since 2001, Kelmar has had the privilege of providing unclaimed property services to client states across the country and has conducted compliance audits involving multi-billion dollar national and international companies across a range of industries. Over the past fifteen years (15) years, Kelmar has identified, collected, processed, and remitted unclaimed property on behalf of its client states, while experiencing consistent growth in the number of states represented, state-mandated examinations performed, and the scope of property types reviewed. Utilizing the examination



processes and procedures described throughout its Proposal, Kelmar has conducted hundreds of full scope forensic examinations of holders to determine compliance with the unclaimed property laws, rules and regulations promulgated by Kelmar’s client states. Kelmar has successfully identified, collected, processed and remitted unclaimed property to its client states from holders across various industries, including without limitation:

|                          |                                    |                               |
|--------------------------|------------------------------------|-------------------------------|
| Agricultural Industry    | Healthcare Products                | Property & Casualty Insurance |
| Air Freight Companies    | Health Insurance                   | Restaurant – Food Service     |
| Apparel Industry         | Homebuilding                       | Retail                        |
| Automobile Manufacturers | Hospitals                          | Securities Clearing Houses    |
| Banking                  | Human Resource & Payroll Providers | Semiconductor                 |
| Beverage Industry        | Life Insurance                     | Sports and Recreation         |
| Broker / Dealer Firms    | Lodging                            | Steel Industry                |
| Cable Companies          | Media and Publishing               | Supermarket & Drugstores      |
| Car Dealerships          | Music and Entertainment            | Telecommunications            |
| Chemical Companies       | Oil and Gas Industry               | Third Party Administrators    |
| Credit Card Companies    | Packaging                          | Trucking Companies            |
| Defense Contractors      | Payment Processors                 | Utilities                     |
| Delivery Services        | Pharmaceutical                     | Waste Services                |
| Gaming                   | Private Equity Firms               | Wholesale Distribution        |

In the most recent three (3) years, Kelmar has completed 457 unclaimed property examinations on behalf of client states, resulting in over three hundred ninety million dollars (\$390,000,000) of unreported or under-reported unclaimed property being remitted to these states. The Company currently contracts with forty-one (41) state unclaimed property programs to perform unclaimed property audit and consulting services as listed below.

|    | State Contracting Entity  | Services Provided & Timeframe   |
|----|---|---|
| 1. | Alabama State Treasury, Unclaimed Property Program                          | January 2014–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.   |
| 2. | Alaska Department of Revenue, Treasury Division, Unclaimed Property Program | March 2013–Present: Out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |
| 3. | Arizona Department of Revenue, Unclaimed Property Unit                      | May 2002–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar also performs unclaimed property consulting and advisory services. |
| 4. | Arkansas Auditor of State, Unclaimed Property Division                      | September 2013–Present: In state and out of state unclaimed property audit services for any and all   |



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|     |  | property types. These services include collection and delivery of property.  |
| 5.  | California State Controller's Office, Division of Audits - Information Technology and Unclaimed Property Audits Bureau | April 2013–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |
| 6.  | Colorado Office of State Treasurer, The Great Colorado Payback Office  | December 2010–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.   |
| 7.  | Connecticut Office of State Treasurer, Unclaimed Property Division   | July 2014–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.   |
| 8.  | Delaware Department of Finance, Office of Unclaimed Property   | October 2001–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar also provides consulting & training services including litigation support services, claims processing and other research and advisory services. |
| 9.  | District of Columbia Office of Finance and Treasury, Unclaimed Property Unit   | June 2010–Present: In state and out of state unclaimed property audit services for any and all property types, inclusive of custodial services. While the contract has expired, Kelmar is actively finishing exams on behalf of the District of Columbia.  |
| 10. | Florida Department of Financial Services, Bureau of Unclaimed Property   | February 2005–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar's contract also provides for consulting & training services.   |
| 11. | Idaho State Treasury, Unclaimed Property Program   | September 2013–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar's contract provides for other services which include, but are not limited to, consulting, advisory services, research, and issue analysis.    |



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| 12. | Illinois Office of the State Treasurer, Unclaimed Property Division                           | July 2005 to Present: In state and out of state unclaimed property audit services for any and all property types, inclusive of custodial services.  |
| 13. | Indiana Office of the Attorney General, Unclaimed Property Division                           | April 2015–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.                               |
| 14. | Iowa Office of the State Treasurer, Unclaimed Property Program                                | April 2016–Present: In state and out of state unclaimed property audit services for any and all property types, inclusive of custodial services.  |
| 15. | Kentucky Office of State Treasurer, Unclaimed Property Division                               | July 2012–Present: Out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.   |
| 16. | Louisiana Department of Treasury, Unclaimed Property Division                                 | October 2013–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.                             |
| 17. | Office of the Maine State Treasurer, Unclaimed Property                                       | September 2015–Present: In state and out of state unclaimed property audit services for any and all property types, inclusive of custodial services. Kelmar also provides training services to the state. |
| 18. | Comptroller of Maryland, Compliance Division - Unclaimed Property Unit                        | December 2014–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.                            |
| 19. | Massachusetts Department of the State Treasurer, Unclaimed Property Division                  | June 2003–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.                                |
| 20. | Michigan Department of Treasury, Office of Departmental Services, Unclaimed Property Division | December 2004–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.                            |
| 21. | Minnesota Department of Commerce, Unclaimed Property Unit                                     | August 2013–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar has also provided     |



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|     |  | consulting on best practices for securities reconciliation.  |
| 22. | Missouri State Treasurer's Office, Unclaimed Property Division           | November 2005–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar also provides consulting services to the state regarding the administration of its unclaimed property program. |
| 23. | Montana Department of Revenue, Unclaimed Property Division               | April 2016–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |
| 24. | Nevada Office of the State Treasurer, Unclaimed Property Program         | June 2006–Present: In state and out of state unclaimed property audit services for any and all property types, inclusive of custodial services. While the contract has expired, Kelmar is actively finishing exams on behalf of Nevada.  |
| 25. | New Hampshire Treasury Department, Abandoned Property Division           | January 2002–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |
| 26. | New Jersey Department of Treasury, Unclaimed Property Administration     | January 2008–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |
| 27. | New Mexico Taxation & Revenue Department , Unclaimed Property Unit       | January 2015–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |
| 28. | New York Office of the State Comptroller, Unclaimed Funds                | August 2016–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.   |
| 29. | North Carolina Department of State Treasurer, Unclaimed Property Program | December 2011–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar shall also provide training to the state.  |
| 30. | North Dakota Department of Trust Lands, Unclaimed Property Program       | December 2012–Present: Out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |



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| 31. | Ohio Department of Commerce, Division of Unclaimed Funds                  | June 2017 – Present: Out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |
| 32. | Oregon Department of State Lands, Unclaimed Property Section              | March 2016–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |
| 33. | Pennsylvania Treasury Department, Bureau of Unclaimed Property            | September 2011–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar also provides consulting & training services including litigation support services, claims processing and other research and advisory services. |
| 34. | Rhode Island Office of the General Treasurer, Unclaimed Property Division | April 2007–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |
| 35. | South Carolina State Treasurer’s Office, Unclaimed Property Program       | July 2012–Present: Out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.  |
| 36. | South Dakota State Treasurer, Unclaimed Property Division                 | August 2014–Present: In state and out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. Kelmar’s contract provides for other services which include but are not limited to consulting, advisory services, research, and issue analysis.           |
| 37. | Tennessee Treasury Department, Unclaimed Property Division                | September 2004–Present: In state and out of state unclaimed property audit services for any and all property types, inclusive of custodial services. Kelmar also provides consulting and advisory services involving audit issues.   |
| 38. | Utah State Treasurer’s Office, Unclaimed Property Division                | June 2016–Present: In state and out of state unclaimed property audit services for any and all property types, inclusive of custodial services. Kelmar's contract also provides for consulting & training services.  |



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| 39. | Virginia Department of the Treasury, Unclaimed Property Division | February 2012–Present: Out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property. |
| 40. | Washington Department of Revenue, Unclaimed Property Section     | April 2011–Present: Out of state unclaimed property audit services for any and all property types. These services include collection and delivery of property.    |
| 41. | Wisconsin Department of Revenue, Unclaimed Property Unit         | July 2005–Present: In state and out of state unclaimed property audit services for any and all property types, inclusive of custodial services.                   |

With more than a decade of experience serving state unclaimed property programs as a professional auditing services provider, Kelmar has developed customized processes and procedures for the review of various property types, including general ledger, life insurance, specialty property, and security examination services, please refer to the description of Kelmar's experience provided in response to RFQ Section 3.1 beginning on page 13 of Kelmar's Bid. Kelmar recognizes that understanding the reasons for non-compliance and under compliance are essential to properly developing specialized audit or asset locating policies and procedures. Enclosed below are several common pitfalls and commonly under reported property types that Kelmar has identified relating to unclaimed property compliance audits.

- **Identifying Common Pitfalls:** Record keeping anomalies, system conversions, decentralization of operations, and misinterpretations of state unclaimed property laws all result in the underreporting of unclaimed property. Enclosed below are several common challenges facing holders of unclaimed property.
  - Most publically traded issuers report unclaimed property annually through their transfer agent. In particular, transfer agents face challenges in recording shareholder generated activity. Oftentimes, the dates of last contact recorded as owner generated by transfer agents actually reflect non-owner generated activities such as the mailing of proxy statements and the reissuance of unrepresented checks.
  - Brokerage firms are faced with additional operational challenges in accurately reporting unclaimed property because there is no centralized mechanism for tracking accountholder activity. Calls, emails, and secure web log-ins are recorded within different systems than proxy votes, branch, and advisor activities. For this reason, many brokers report based on an undeliverable mail standard without consideration of the last date of owner activity, even when they may never, or rarely send mail to an accountholder. With advances in technology and the increase in electronic communications, there is less and less physical mail sent from issuers, agents and brokers to accountholders. Cost savings and green initiatives result in increased email correspondence. Where physical mail is sent, it is rarely delivered First Class or with the ancillary service endorsements required for mail to be returned to sender and tracked as undeliverable. The unintended consequences of the



application of the undeliverable mail standard used by many states is the effective exemption it provides to holders and issuers who do not mail to accountholders and hence do not have any accountholders whose mail is ever returned as undeliverable.

- As with brokerage and securities accounts, there may also be significant historic under compliance in general ledger reporting. Over the years, corporations change their reporting policies and procedures on a go forward basis, but never look back and report unclaimed property assets written off or taken into income prior to the time of policy change. States consistently face challenges when dealing with holders that have not retained records in compliance with the state record keeping requirements. System conversions and decentralization of records across corporate entities are also common pitfalls of compliance.
- Addressing Specific Property Types: Although most large corporations, major banking institutions, and brokers report unclaimed property annually to the states, there are significant deficiencies in the reporting of certain property types, ongoing non-compliance for small to medium sized businesses and banks, as well as the need to address emerging categories of unclaimed property.
  - Historically Under Reported Property Types: Taking inventory of reporting patterns across industry types can be a useful tool in identifying under compliance and non-compliance. If businesses of a certain size and footprint within your state are reporting unclaimed property while others report much less or no unclaimed property, states may want to reach out to those holders in an effort to inform about their obligations in reporting unclaimed property. Likewise, an analysis of reporting trends year over year can bring to light under compliance or non compliance. If a holder has consistently reported for many years and then drops off the reporting radar or starts reporting significantly less unclaimed property, it may be beneficial to reach out to the holder to remind them of their reporting obligations and identify the reason for the reduced amount of property reported.
  - Emerging Property Types: Emerging categories of unclaimed property have evolved from changes in the marketplace, industry trends and advances in technology. Addressing unique property types such as those associated with Financial Broker/Dealer Agreements, Gift Card/Stored Value Card Companies, and Factoring Companies can help increase the amount of unclaimed property reported to the State. The complex nature of Kelmar's examinations and focus on emerging property categories such as those described above not only set Kelmar apart from other audit contractors, but having this specialized experience is just one of many distinguishing factors that equip Kelmar with the resources and tools to help its client states expand compliance initiatives and increase reporting.

## Staff Qualifications

**3.7.1. 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. Vendor should include, with the bid, the names and contact information of the specific staff to be assigned to the STO contract and a**



resume for each staff member listed. Include any 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. This information may be required prior to contract award.

Kelmar's state initiated examinations are performed by highly trained internal personnel who work cooperatively to conduct a thorough analysis of holder books and records, and provide client states with well-documented audit findings that tie back precisely to the unclaimed property liabilities identified. As noted throughout this Bid, Kelmar will perform assigned examinations in an effective and professionally responsible manner in accordance with RFQ specifications and all applicable federal, state, and local laws and court rulings, as well as in compliance with GAAP and GAAS.

Kelmar's success in providing the services required by its client states is directly attributed to its personnel resources with the extensive experience described above in response to RFQ Section 3.1 beginning on page 5 of Kelmar's Bid. In accordance with the requirement 3.7.1, enclosed below is a list of individuals who will have primary responsibility for the oversight and provision of services contemplated by this RFQ. The name, years of technical unclaimed property audit and audit support experience, assigned role in connection with the work set forth in this RFQ, and contact information for each of Kelmar's key personnel are as follows:

| Name  | Technical Experience | Contract Role                                    | Contact Information |
|---|----------------------|--|---------------------|
| <b>Executive Management</b>   |                      |  |                     |
| <b>Mr. Mark S. McQuillen</b><br>Chief Executive Officer & President | 21 years             | Strategic Direction, Accountability, Development | 781-928-9203        |
| <b>Mr. David P. Kennedy</b><br>General Counsel                      | 17 years             | Strategic Direction, Accountability, Development | 781-928-9205        |
| <b>Mr. Michael J. LeBlanc</b><br>Chief Financial Officer            | 19 years             | Strategic Direction, Accountability, Development | 781-928-9202        |
| <b>Mr. Mark X. Russo</b><br>Chief Administrative Officer            | 33 years             | Strategic Direction, Accountability, Development | 781-928-9206        |
| <b>Mr. John A. DeMarco</b><br>Chief Operating Officer               | 19 years             | Strategic Direction, Accountability, Development | 781-928-9214        |
| <b>Mr. Mark E. Udinski</b><br>Vice President                        | 16 years             | Compliance Services                              | 781-928-9407        |
| <b>Mr. Brian J. Scanlon</b><br>Vice President, Chief Legal Counsel  | 25 years             | Legal Consulting                                 | 781-928-9246        |



| Examination Management & Key Audit Specialty Personnel                      |                                   |  |              |
|---|-----------------------------------|--|--------------|
| <b>Mr. Gary M. Duvall</b><br>Director, General Ledger Exam Services         | 12 years                          | General Ledger Examination                       | 781-928-9920 |
| <b>Ms. Kate A. Stevens</b><br>Director, Securities Exam Services            | 16 years                          | Securities Specific Examination                  | 781-928-9227 |
| <b>Mr. Michael Gizzi</b><br>Senior Manager, Life Insurance Exam Services    | 12 years                          | Insurance Specific Examination                   | 781-928-9223 |
| <b>Ms. Stephanie L. Borusiewicz</b><br>Senior Manager, Practice Development | 7 years                           | Identification of Holders, Monthly Status Report | 781-928-9464 |
| <b>Mr. Anthony D. D'Alleva</b><br>Senior Manager, Property Reporting        | 12 years                          | Remediation & Due Diligence                      | 781-928-9225 |
| <b>Mr. Andrew D. Harmon</b><br>Senior Manager, Reporting & Remittance       | 16 years                          | Reporting & Remittance                           | 781-928-9179 |
| <b>Ms. Elizabeth S. Sullivan</b><br>Controller                              | 12 years<br>(Accounting)          | Payment, Invoicing, Financial Reporting          | 781-928-9207 |
| <b>Ms. Marsela Strakosha</b><br>Reporting Manager                           | 13 years                          | Custodial Reporting                              | 781-928-9286 |
| <b>Mr. Rodney Dominique</b><br>Statistical Analyst                          | 6 years<br>(Statistical Modeling) | Statistical Sampling                             | 781-928-9172 |
| Examination Support Management  |                                   |  |              |
| <b>Ms. Cheryl R. Giannasca</b><br>Senior Manager, Human Resources           | 25 years<br>(HR)                  | Human Resources, Recruiting                      | 781-928-9235 |
| <b>Mr. Sean O'Connell</b><br>Director, Information Systems                  | 25 years<br>(IT)                  | Information Systems                              | 781-928-9255 |
| <b>Mr. Timothy J. Cullen</b><br>Associate General Counsel                   | 13 years                          | Legal Consulting & Audit Services                | 781-928-9211 |
| <b>Ms. Catherine G. Zejnullahu</b><br>Associate General Counsel             | 9 years                           | Contracts Management & Regulatory Compliance     | 781-928-9231 |

Resumes detailing the qualifications, work experience, education, and skills of Kelmar's executive and examination management, and key specialty personnel, including legal support, are attached hereto and incorporated herein under Supporting Documentation Tab B of Kelmar's Proposal.



**3.7.2. PARTNERS & SUPERVISORY QUALIFICATIONS: The Vendor must identify and all principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the audit engagements.**

In accordance with the requirement 3.7.2, enclosed below is a list of Kelmar’s principal supervisory staff, including Kelmar’s Executive Management, Directors, Senior Management, and Managers responsible for the oversight and provision of examination and support services contemplated by this RFQ.

| Partners & Supervisors of Auditing Services |                                     |
|---|-------------------------------------|
| <b>Executive Management</b>                 |                                     |
| Mr. Mark S. McQuillen                       | Chief Executive Officer & President |
| Mr. David P. Kennedy                        | General Counsel                     |
| Mr. Michael J. LeBlanc                      | Chief Financial Officer             |
| Mr. Mark X. Russo                           | Chief Administrative Officer        |
| Mr. John A. DeMarco                         | Chief Operating Officer             |
| Mr. Mark E. Udinski                         | Vice President, Compliance Services |
| Mr. Brian J. Scanlon                        | Vice President, Chief Legal Counsel |
| <b>Directors</b>                            |                                     |
| Mr. Robert H. Dean                          | General Ledger Exam Services        |
| Mr. Gary M. Duvall                          | General Ledger Exam Services        |
| Mr. Sean O’Connell                          | Information Systems                 |
| Ms. Kate A. Stevens                         | Securities Exam Services            |
| <b>Senior Management</b>                    |                                     |
| Ms. Stephanie Borusiewicz                   | Practice Development                |
| Mr. Timothy Cullen                          | Associate General Counsel           |
| Mr. Anthony D’Alleva                        | Property Reporting                  |
| Ms. Cheryl Giannasca                        | Human Resources                     |
| Mr. Michael Gizzi                           | Life Insurance Exam Services        |
| Mr. Andrew Harmon                           | Reporting & Remittance              |



|                               |  |
|-------------------------------|--|
| Mr. Shawn Hibbard             | General Ledger Exam Services             |
| Mr. Eric LaCroix              | Securities Exam Services                 |
| Ms. Monique Magno             | Securities Exam Services                 |
| Ms. Jennifer Martin           | General Ledger Exam Services             |
| Mr. Brian Sharpe              | General Ledger Exam Services             |
| Ms. Elizabeth Sullivan        | Controller                               |
| Ms. Catherine Zejnullahu      | Associate General Counsel                |
| <b>Managers</b>               |  |
| Ms. Kelly Burdick             | General Ledger Exam Services             |
| Mr. Michael Doherty           | Systems Engineering Manager              |
| Mr. Rodney Dominique          | Information Systems, Statistical Analyst |
| Mr. Stephen Frentzos          | General Ledger Exam Services             |
| Ms. Caitlin Griffin           | General Ledger Exam Services             |
| Ms. Lindsey Guiseppe          | General Ledger Exam Services             |
| Mr. Adam Harrison             | General Ledger Exam Services             |
| Mr. Liam Kraft                | General Ledger Exam Services             |
| Ms. Dawna Leahy               | General Ledger Exam Services             |
| Mr. Christopher Lemay         | General Ledger Exam Services             |
| Mr. Andres Macellaro          | Junior Associate General Counsel         |
| Mr. Owen Morris               | General Ledger Exam Services             |
| Ms. Cristina Perez de la Mesa | Life Insurance Exam Services             |
| Ms. Allison Rosabianca        | General Ledger Exam Services             |
| Mr. Brian Ross                | General Ledger Exam Services             |
| Ms. Lauren Tower              | Address Auditing                         |
| Ms. Marsela Strakosha         | Custody & State Reporting                |



**3.7.3. CONTINUATION OF QUALITY STAFF: Vendor shall provide quality of staff over the term of the contract and ensure that any new or additional staff members have the same qualifications, training and experience as the staff members. Vendor should provide this information in its bid to this RFQ. The Vendor shall inform the STO in writing of any personnel or staff changes that would affect the Services provided to the STO.**

Kelmar invests in its workforce by recruiting top talent, offering training and professional development to existing employees, and procuring state of the art technology and resources to ensure the highest quality work product for its client states. As Kelmar’s audits are performed by numerous teams, quality replacement personnel (i.e. Managers, Senior Associates, and Associates) are readily available in the event that supervisory personnel or audit leads are unavailable due to unforeseen circumstances. Kelmar’s audit teams are supported by the Company’s established organizational structure and comprehensive training and mentor programs that enhance its workforce. Although Kelmar does not anticipate needing to hire additional management, supervisory and/or key personnel in order to fulfill the obligations of the contract resulting from this RFQ, the Company shall continue to invest in its corporate infrastructure and recruitment efforts as business needs warrant. In so doing, Kelmar ensures that quality staff are assigned over the term of a contract and that any new or additional staff members have the same or substantially similar qualifications, training and experience as current staff members. Kelmar shall promptly inform the STO, in writing, of any personnel or staff changes that would affect the services provided to the STO.

To further illustrate Kelmar’s continuation of quality staff, the following list outlines the backup staff that may be called upon to assist or replace the primary individuals assigned to the tasks of a contract resulting from this RFQ. For more information regarding the experience and expertise of Kelmar’s primary and backup staff involved throughout the professional auditing services for unclaimed property, please refer to the *Resumes of Key Personnel* attached hereto and incorporated herein by reference at Supporting Document Tab B of Kelmar’s Proposal.

| Contract Role   | Primary Personnel  | Back-up Personnel   |
|---|--|---|
| <b>Examination Management &amp; Key Audit Specialty Personnel</b> |  |   |
| General Ledger Examination  | <p><b>Mr. Gary M. Duvall</b><br/>           Director, General Ledger Exam Services<br/>           12 years of UCP experience<br/>           781-928-9920</p> | <p><b>Mr. Robert H. Dean</b><br/>           Director, General Ledger Exam Services<br/>           10 years of UCP experience<br/>           781-928-9245</p>    |
| Securities Specific Examination                                   | <p><b>Ms. Kate A. Stevens</b><br/>           Director, Securities Exam Services<br/>           16 years of UCP experience<br/>           781-928-9227</p>    | <p><b>Ms. Monique E. Magno</b><br/>           Senior Manager, Securities Exam Services<br/>           9 years of UCP experience<br/>           781-928-9243</p> |



|  |  |   |
|--|--|---|
| Insurance Specific Examination                   | <p><b>Mr. Michael Gizzi</b><br/>Senior Manager, Life Insurance Exam Services<br/>12 years of UCP experience<br/>781-928-9223</p>   | <p><b>Mr. John A. DeMarco</b><br/>Chief Operating Officer<br/>19 years of UCP experience<br/>781-928-9214</p>                     |
| Identification of Holders, Monthly Status Report | <p><b>Ms. Stephanie L. Borusiewicz</b><br/>Senior Manager, Practice Development<br/>7 years of UCP experience<br/>781-928-9464</p> | <p><b>Mr. Mark E. Udinski</b><br/>Vice President, Compliance Services<br/>16 years of UCP experience<br/>781-928-9407</p>         |
| Remediation & Due Diligence                      | <p><b>Mr. Anthony D. D'Alleva</b><br/>Senior Manager, Property Reporting<br/>12 years of UCP experience<br/>781-928-9225</p>       | <p><b>Mr. Andrew D. Harmon</b><br/>Senior Manager, Reporting &amp; Remittance<br/>16 years of UCP experience<br/>781-928-9179</p> |
| Reporting & Remittance                           | <p><b>Mr. Andrew D. Harmon</b><br/>Senior Manager, Reporting &amp; Remittance<br/>16 years of UCP experience<br/>781-928-9179</p>  | <p><b>Ms. Kate A. Stevens</b><br/>Director, Securities Exam Services<br/>16 years of UCP experience<br/>781-928-9227</p>          |
| Payment, Invoicing, Financial Reporting          | <p><b>Ms. Elizabeth S. Sullivan</b><br/>Controller<br/>12 years of accounting experience<br/>781-928-9207</p>                      | <p><b>Mr. Michael J. LeBlanc</b><br/>Chief Financial Officer<br/>19 years of UCP experience<br/>781-928-9202</p>                  |
| Custodial Reporting                              | <p><b>Ms. Marsela Strakosha</b><br/>Reporting Manager<br/>13 years of UCP experience<br/>781-928-9286</p>                          | <p><b>Mr. Andrew D. Harmon</b><br/>Senior Manager, Reporting &amp; Remittance<br/>16 years of UCP experience<br/>781-928-9179</p> |
| Statistical Sampling                             | <p><b>Mr. Rodney Dominique</b><br/>Statistical Analyst<br/>6 years of statistical modeling experience<br/>781-928-9172</p>         | <p><b>Mr. Robert H. Dean</b><br/>Director, General Ledger Exam Services<br/>10 years of UCP experience<br/>781-928-9245</p>       |



| Examination Support Management               |  |  |
|--|--|--|
| Human Resources, Recruiting                  | <b>Ms. Cheryl R. Giannasca</b><br>Senior Manager, Human Resources<br>25 years of HR experience<br>781-928-9235 | <b>Mr. Michael J. LeBlanc</b><br>Chief Financial Officer<br>19 years of UCP experience<br>781-928-9202           |
| Information Systems                          | <b>Mr. Sean O'Connell</b><br>Director, Information Systems<br>25 years of IS experience<br>781-928-9255        | <b>Mr. Michael J. LeBlanc</b><br>Chief Financial Officer<br>19 years of UCP experience<br>781-928-9202           |
| Legal Consulting & Audit Services            | <b>Mr. Timothy J. Cullen</b><br>Associate General Counsel<br>13 years of UCP experience<br>781-928-9211        | <b>Mr. Brian J. Scanlon</b><br>Vice President, Chief Legal Counsel<br>25 years of UCP experience<br>781-928-9246 |
| Contracts Management & Regulatory Compliance | <b>Ms. Catherine G. Zejnullahu</b><br>Associate General Counsel<br>9 years of UCP experience<br>781-928-9231   | <b>Mr. Brian J. Scanlon</b><br>Vice President, Chief Legal Counsel<br>25 years of UCP experience<br>781-928-9246 |

**3.7.4. SUBCONTRACTORS:** The Vendor must disclose any potential subcontractor in its bid to this RFQ. In the event the Vendor proposes providing the required Services through a subcontractor, the bid should include the name, address, contact information, experience and staff qualifications of the potential subcontractor. This information may be required prior to contract award. Any proposed subcontractor must meet the same mandatories to provide the Services in this RFQ prior to entering into any agreement with the Vendor. A bid 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.

Kelmar exclusively utilizes internal staff to perform all of its unclaimed property auditing functions. The Company does not subcontract any of its auditing work to external sources or subcontractors. Utilizing its forensic examination methodology, Kelmar performs all of the examination work and leveraging state-of-the-art proprietary resources in order to produce the highest quality work product. To better serve its client states, Kelmar works with third party vendors that offer additional resources and enhancements to the examination services provided by Kelmar. The identification verification and custodial services utilized by Kelmar are provided by vendors that meet the required mandatories sought by the STO. Below are details concerning these service



enhancements as well as the contact information, experience and qualifications of Kelmar’s third party vendors.

### Identification Verification Service Providers

As an enhancement to Kelmar’s audit services, and to complement its unclaimed property expertise, Kelmar’s auditors utilize available tools and techniques to positively identify decedents and verify dates of death as part of its Death Master File (“DMF”) matching procedures. Such tools are provided by industry leaders LexisNexis® and The Berwyn Group. Kelmar utilizes these technology resources to assist with applying both exact and non-exact matching algorithms (also referred to as “fuzzy logic matches”) to those items with incomplete data that do not result in an exact DMF match, or to comply with the terms of various Global Resolution Agreements and/or other settlement terms that specifically require the use of LexisNexis® searches, or a similar vendor like The Berwyn Group. Notwithstanding the use of these tools, no duties under Kelmar’s state contracts are delegated to these vendors. Kelmar’s auditors exclusively perform all aspects of the life insurance audits, and maintain full discretion throughout the DMF matching process up to and including determining which DMF matches constitute audit findings. The overview of designated services and experience listed below demonstrate the ability of these vendors to perform the auxiliary services provided in conjunction with the performance of the requirements of the RFQ.

| LexisNexis Risk Solutions FL, Inc. (“LexisNexis®”) |   |
|--|---|
| Contact Information:                               | 100 Alderman Drive, Atlanta, Georgia 30005<br>603-489-2226  |
| Experience:  | <p>LexisNexis® offers subscribers access to thousands of sources, including public records and newspaper, magazine, and journal articles, through its LexisNexis® Legal &amp; Professional business. The bulk of content focuses on legal, tax, business, government, and academic information. Flagship research service LexisNexis.com offers online access to documents from some 45,000 sources. The company also offers risk management and fraud prevention services via LexisNexis Risk Solutions. The news and business information research service was launched in 1979; it became part of publishing giant Reed Elsevier Group in 1994.</p> <p>LexisNexis® will assist Kelmar in authenticating policy information provided by the holder and perform address matching for potential matches to the Death Master File (DMF). No duties under a contract resulting from this RFQ will be delegated to this subcontractor. Kelmar’s auditors exclusively perform all aspects of the life insurance audits and maintain full discretion throughout the DMF matching process, up to and including determining which DMF matches constitute audit findings.</p> <p>For additional information concerning LexisNexis®’s experience, please refer to the client reference information provided in response to RFQ Section 3.5 on page 42 of Kelmar’s Bid.</p> |



**KELMAR**

|                          |   |
|--------------------------|---|
| <b>Qualifications:</b>   | <p>LexisNexis® stays at the forefront of industry and technology trends and events to deliver vital insight. LexisNexis® assists seventy percent (70%) of local government and almost eighty percent (80%) of federal agencies in the U.S. to safeguard citizens and reduce financial losses. This vendor's flagship product, Accurint®, provides investigators the information and analysis they need to quickly and confidently work their cases.</p> <p>Kelmar is using the Accurint® product from LexisNexis®, which is a technology designed to perform batch processing services involving Death Master File (DMF) searches. The batch process has been customized in accordance with the terms of various Global Resolution Agreements and/or other settlement terms that specifically require, in certain instances, the use of a vendor like LexisNexis® to help authenticate information provided by holders and achieve even greater confidence levels for those items with incomplete data that do not result in an exact DMF match. The Accurint® batch process is also used to verify name, social security number, date of birth, and address information provided by holders during the course of an unclaimed property examination.</p> <p>For additional information concerning LexisNexis®'s qualifications, please refer to the <i>Resumes of Key Personnel</i> attached hereto and incorporated herein under Supporting Documentation Tab B of Kelmar's Bid.</p> |
| <b>Same Mandatories:</b> | Kelmar confirms that LexisNexis® meets the required mandatories to provide the services described above in connection with the performance of services contemplated in this RFQ. Proof of compliance shall be provided to the STO upon request.   |

|  |   |
|--|---|
| <b>The Berwyn Group, Inc. ("The Berwyn Group")</b> |   |
| <b>Contact Information:</b>                        | 23215 Commerce Park Drive, Suite 215, Beachwood, OH 44122<br>847-440-1570   |
| <b>Experience:</b>                                 | The Berwyn Group, Inc. has a long history of working with highly complex data sets and creating useable information from such data. Their management team has more than thirty (30) years of management and consulting experience with large insurance companies and financial services clients delivering software solutions and DMF matching and verification services. The Berwyn Group's focus has always been on helping clients meet regulatory requirements, maintain fiduciary responsibilities, improve bottom-line performance and increase work efficiency. Their software solutions adopt the strictest security standards and are ISO compliant. The Berwyn Group's clients span the insurance |



|                                 |   |
|---------------------------------|---|
|                                 | <p>industry and the entire range of business, labor and public services entities.</p> <p>The Berwyn Group will assist Kelmar in authenticating policy information provided by the holder and perform address matching for potential matches to the Death Master File (DMF). No duties under a contract resulting from this RFQ will be delegated to this subcontractor. Kelmar's auditors exclusively perform all aspects of the life insurance audits and maintain full discretion throughout the DMF matching process, up to and including determining which DMF matches constitute audit findings.</p> <p>For additional information concerning The Berwyn Group's experience, please refer to the client reference information provided in response to RFQ Section 3.5 on page 43 of Kelmar's Bid.</p>  |
| <p><b>Qualifications:</b></p>   | <p>The Berwyn Group is the industry leader in mortality verification (death audits) and new address determination (locator services) for pension fund and 401(k) administrators, insurance companies, banks, unions, public and municipal employee retirement systems, state teacher's retirement systems, investment firms, credit card companies, epidemiology departments and organizations that have a financial interest in knowing the mortality or current addresses of their pensioners, policyholders, beneficiaries, members, account holders, etc. In auditing, The Berwyn Group identifies more deceased individuals than any other comparable service in the industry. This vendor has the best data and search engine and its address search capabilities provide reliable accurate addresses within days of request.</p> <p>Kelmar uses identification matching software and services from the technology vendor. The software tool is used most often to perform Death Master File (DMF) searches. The batch process has been customized in accordance with the terms of various Global Resolution Agreements (GRA) and/or other settlement terms that specifically require, in certain instances, the use of a vendor like The Berwyn Group to help authenticate information provided by holders and achieve even greater confidence levels for those items with incomplete data that do not result in an exact DMF match.</p> <p>For additional information concerning The Berwyn Group's qualifications, please refer to the <i>Resumes of Key Personnel</i> attached hereto and incorporated herein under Supporting Documentation Tab B of Kelmar's Bid.</p> |
| <p><b>Same Mandatories:</b></p> | <p>Kelmar confirms that The Berwyn Group meets the required mandatories to provide the services described above in connection with the performance of services contemplated in this RFQ. Proof of compliance shall be provided to the STO upon request.</p>   |



## Custodial Service Provider

As an enhancement to its examination services, Kelmar offers custodial services to its client states. Kelmar maintains individual accounts with both Wells Fargo Advisors, LLC and Boston Private Bank & Trust Company for each respective state thereby ensuring that securities and cash due and owing to each state are not comingled. Kelmar ensures that its custodial agents comply with all information security protocols and standards required by its client states and that the vendor meets and/or exceeds insurance requirements. Below are details of Kelmar's custodians.

| Wells Fargo Advisors, LLC / First Clearing, LLC (“Wells Fargo Advisors”) |   |
|--|---|
| Contact Information:   | 400 Capitol Mall, Suite 1700, Sacramento, California 95814<br>(916) 443-4789  |
| Experience:  | <p>Wells Fargo Advisors, LLC was formerly known as Wachovia Securities, LLC. As a result of the acquisition of Wachovia Corporation by Wells Fargo &amp; Company, Wachovia Securities, LLC's name was changed in May 2009. Wells Fargo Advisors, LLC was founded in 1986 as a Delaware limited liability company and is headquartered in St. Louis, Missouri. First Clearing, LLC, Wells Fargo Advisors' subsidiary and custodian, is a Delaware limited liability company and originally entered the clearing business in 1983 under the name Butcher &amp; Singer. In 1988, Wheat First, a company originally founded in 1934, acquired Butcher &amp; Singer and changed the company name to WFS Clearing. Subsequently, First Union acquired WFS Clearing in 1998 and the new entity was renamed First Clearing, LLC. Through its affiliation with Wells Fargo &amp; Company beginning in 2009, First Clearing is connected with a more than 160-year legacy built on perseverance and innovation.</p> <p>Wells Fargo Advisors' years of experience allow it to act as a prudent advisor and problem solver to unclaimed property managers. Its services include, but are not limited to: periodic and on-demand reporting; recordkeeping; sales; claims processing; received securities; mutual funds; core custody services; corporate actions; tax reclaim. Wells Fargo Advisors is trusted in the industry and serves as the custodial and liquidation agent for a number of state unclaimed property departments.</p> <p>Kelmar has partnered with Wells Fargo Advisors, LLC / First Clearing, LLC to provide the short term custodial services required for Kelmar to receive and reconcile securities that have been identified due and owing to its client states as a result of Kelmar's compliance examinations. As both a clearing firm and a brokerage firm, Wells Fargo Advisors provides custody and brokerage services for unclaimed property, along with retail brokerage services to investment broker-dealers and their financial professionals in the United States. Wells Fargo Advisors specializes in providing custody and brokerage services to state unclaimed property departments and working closely with state clients developing</p> |



|                                 |   |
|---------------------------------|---|
|                                 | <p>customized solutions to meet specific custodial service needs, including the states of Arkansas, California, Georgia, Idaho, Minnesota, South Carolina, and Washington.</p> <p>For additional information concerning Wells Fargo Advisors's experience, please refer to the client reference information provided in response to RFQ Section 3.5 on page 43 of Kelmar's Bid.</p>   |
| <p><b>Qualifications:</b></p>   | <p>Wells Fargo Advisors is one of the nation's premier financial services firms, serving and advising clients nationwide through more than 15,000 Financial Advisors. As the heir to some of America's most respected regional firms, which came together through mergers over many years, Wells Fargo Advisors has retained a strong and abiding commitment to exceptional service based on trust and knowledge, and a determination to put client needs above all else. Wells Fargo Advisors is a non-bank affiliate of Wells Fargo &amp; Company, one of the nation's largest, strongest, and most respected financial institutions. In business since 1852 and named on Fortune magazine's "World's Most Admired Companies" list for 2009, 2010, 2011, 2012, 2013 and 2014, Wells Fargo Advisors is known and respected for its responsible stewardship of its clients' assets.</p> <p>For additional information concerning Wells Fargo Advisors's qualifications, please refer to the <i>Resumes of Key Personnel</i> included in the resume document attached hereto and incorporated herein under Supporting Documentation Tab B of Kelmar's Bid.</p> |
| <p><b>Same Mandatories:</b></p> | <p>Kelmar confirms that The Berwyn Group meets the required mandatories to provide the services described above in connection with the performance of services contemplated in this RFQ. Proof of compliance shall be provided to the STO upon request.</p>   |

## Conflicts

**3.8. 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. Furthermore, the Vendor shall not participate in examinations in which such participation could be construed as a conflict of interest.**

Kelmar has no conflict of interest with regard to any work performed by the Company for the State of West Virginia, the STO or any other agency, board or commission thereof. Furthermore, Kelmar will not participate in examinations in which such participation could be construed as a conflict of interest.

By working exclusively on behalf of state governments, Kelmar has eliminated even the perception of a conflict of interest in its professional relationships with states, holders, and third party holder advocates alike. Consequently, the Company has chosen not to participate in the solicitation of voluntary compliance initiatives for holders or to take part in voluntary examinations



of holders. Kelmar understands that this decision places the Company in a unique position within the unclaimed property industry, and believes that independence and objectivity would be compromised if it were to participate in holder voluntary compliance initiatives. As a result, Kelmar does not receive any fees or revenues from any state (or holder) as a result of voluntary compliance services. Moreover, Kelmar does not engage in any business associated with voluntary compliance related activities (i.e., consulting of holders, assisting holders with due diligence requirements, or the preparation/processing of a holder's escheat filings, etc.). In so doing, Kelmar does not have any relationships or agreements with holders, holders' agents, firms, individuals or subsidiaries benefiting from providing the services requested in this RFQ nor relating to unclaimed property services.

Notwithstanding the foregoing, Kelmar understands the vital role that voluntary holder compliance plays within the unclaimed property industry. Kelmar has participated in numerous holder education conferences and compliance seminars with the stated objective of increasing holder voluntary compliance. Kelmar is mindful that state-authorized audits should be the exception and not the rule. The Company also recognizes that the primary overriding objective of state-authorized audits of holders is to increase voluntary compliance in the holder community.

## 4. Mandatory Requirements

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Kelmar acknowledges the mandatory requirements specified in RFQ Section 4 and certifies that can fulfill the Mandatory Contract Services Requirements and Deliverables. The information provided in response to RFQ Section 3.1 beginning on page 5 of Kelmar's Bid demonstrates Kelmar's resources, experience, ability, capability, and qualifications to provide contract services that meet or exceed mandatory requirements 4.1.1 through 4.1.22. Specific detail addressing the Kelmar's methodology to adhere to the guidelines outlined in RFQ Section 4.1 and RFQ Exhibit D begins on page 15 of Kelmar's Bid.

## 5. Additional Optional Services Which Vendor May Provide

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Kelmar acknowledges the additional services of RFQ Section 5 and does not wish to provide Vendor-Assisted Self-Audits as part of a contract for services awarded to the Company resulting from this RFQ.

## 6. Contract Award

---

Kelmar acknowledges the contract requirements of RFQ Section 6 and certifies compliance with the required specifications upon award of a contract resulting from this RFQ.



## 7. Performance

---

Kelmar acknowledges the performance requirements of RFQ Section 7 and certifies compliance with the required specifications upon award of a contract resulting from this RFQ.

## 8. Payment

---

Kelmar acknowledges the payment requirements of RFQ Section 8 and certifies compliance with the required specifications upon award of a contract resulting from this RFQ.

## 9. Travel

---

Kelmar acknowledges the travel requirements of RFQ Section 9 and certifies compliance with the required specifications upon award of a contract resulting from this RFQ.

## 10. Facilities Access

---

Kelmar acknowledges the access requirements of RFQ Section 10 and certifies compliance with the required specifications upon award of a contract resulting from this RFQ.

## 11. Vendor Default

---

Kelmar acknowledges the default requirements of RFQ Section 11 and certifies compliance with the required specifications upon award of a contract resulting from this RFQ.

## 12. Miscellaneous

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Kelmar acknowledges the contract manager requirements of RFQ Section 12. In accordance with the required specifications, enclosed below are the name, telephone number, fax number, and email address of the primary contract manager responsible for overseeing Kelmar's responsibilities under a contract resulting from this RFQ.

**Contract Manager:** Andrew Harmon, Senior Manager

**Telephone Number:** 781-928-9179

**Fax Number:** 781-224-5601

**Email Address:** andrew.harmon@kelmarassoc.com



**KELMAR**

## Required Forms

|       |   |
|-------|---|
| TAB 1 | Final CRFQ 1300 STO1700000006 FORM 1              |
| TAB 2 | Designated Contact / Certifications and Signature |
| TAB 3 | Purchasing Affidavit                              |
| TAB 4 | Confidentiality / Non-Disclosure Agreement        |
| TAB 5 | Final CRFQ 1300 STO1700000006 FORM 2              |
| TAB 6 | Addendum Acknowledgement Form                     |

# Required Forms

Final CRFQ 1300 STO1700000006 FORM 1



Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

State of West Virginia  
 Request for Quotation  
 34 – Service - Prof

Proc Folder: 330243

Doc Description: Professional Auditing Services for UP

Proc Type: Central Master Agreement

| Date Issued | Solicitation Closes    | Solicitation No         | Version |
|-------------|------------------------|-------------------------|---------|
| 2017-05-12  | 2017-06-01<br>13:30:00 | CRFQ 1300 STO1700000006 | 1       |

**BID RECEIVING LOCATION**

BID CLERK

DEPARTMENT OF ADMINISTRATION

PURCHASING DIVISION

2019 WASHINGTON ST E

CHARLESTON

WV 25305

US

**VENDOR**

Vendor Name, Address and Telephone Number:

Kelmar Associates, LLC

500 Edgewater Drive, Suite 525

Wakefield, Massachusetts 01880

781-213-6926

**FOR INFORMATION CONTACT THE BUYER**

Tara Lyle

(304) 558-2544

tara.l.lyle@wv.gov

Signature X

FEIN # 04-3577426

DATE June 6, 2017

All offers subject to all terms and conditions contained in this solicitation

**ADDITIONAL INFORMATION:**

The West Virginia Purchasing Division is soliciting bids on behalf of the West Virginia State Treasurer's Office, Unclaimed Property Division, to establish an open-end contract for Professional Auditing Services to provide examinations of unclaimed property holder's records, per the attached documentation.

| INVOICE TO  | SHIP TO  |
|---|--|
| WEST VIRGINIA STATE TREASURERS OFFICE<br>322 70TH ST SE<br><br>CHARLESTON WV25304<br><br>US | WEST VIRGINIA STATE TREASURERS OFFICE<br>322 70TH ST SE<br><br>CHARLESTON WV 25304<br><br>US |

| Line | Comm Ln Desc   | Qty     | Unit Issue | Unit Price | Total Price |
|------|----------------|---------|------------|------------|-------------|
| 1    | Audit services | 0.00000 | LS         |            |             |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 84111600  |              |               |         |

**Extended Description :**  
Audit services

**SCHEDULE OF EVENTS**

| <u>Line</u> | <u>Event</u>                       | <u>Event Date</u> |
|-------------|------------------------------------|-------------------|
| 1           | Technical questions due by 4:00 pm | 2017-05-22        |

|                      |                                |  |                              |
|----------------------|--------------------------------|--|------------------------------|
| <b>STO1700000006</b> | <b>Document Phase</b><br>Final | <b>Document Description</b><br>Professional Auditing Services for UP | <b>Page 3</b><br><b>of 3</b> |
|----------------------|--------------------------------|--|------------------------------|

**ADDITIONAL TERMS AND CONDITIONS**

See attached document(s) for additional Terms and Conditions

# Required Forms

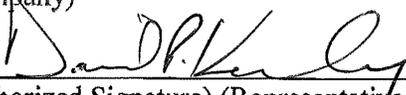
Designated Contact / Certifications and Signature

**DESIGNATED CONTACT:** Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

Catherine Graham Zejnullahu, Associate General Counsel  
(Name, Title)  
Catherine Graham Zejnullahu, Associate General Counsel  
(Printed Name and Title)  
500 Edgewater Drive, Suite 525, Wakefield, Massachusetts 01880  
(Address)  
Phone: 781-928-9231 / Fax: 781-928-9131  
(Phone Number) / (Fax Number)  
catherine.zejnullahu@kelmarassoc.com  
(email address)

**CERTIFICATION AND SIGNATURE:** By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

Kelmar Associates, LLC  
(Company)

  
(Authorized Signature) (Representative Name, Title)

David P. Kennedy, General Counsel & Member  
(Printed Name and Title of Authorized Representative)

June 6, 2017  
(Date)

Phone: 781-928-9205 / Fax: 781-224-5601  
(Phone Number) (Fax Number)

# Required Forms

Purchasing Affidavit

STATE OF WEST VIRGINIA  
Purchasing Division

# PURCHASING AFFIDAVIT

**MANDATE:** Under W. Va. Code §5A-3-10a, 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: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

**EXCEPTION:** The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. 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.

**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.

**"Employer default"** means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

**"Related party"** means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**AFFIRMATION:** By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: Kelmar Associates, LLC

Authorized Signature: *Danielle Kelly* Date: June 6, 2017

State of Massachusetts

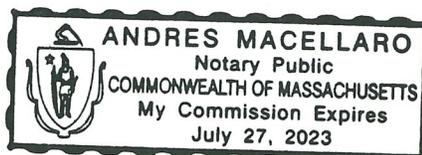
County of Middlesex, to-wit:

Taken, subscribed, and sworn to before me this 5th day of June, 20 17

My Commission expires JULY 27, 2023.

NOTARY PUBLIC

*Purchasing Affidavit (Revised 08/01/2015)*



# Required Forms

Confidentiality / Non-Disclosure Agreement

# ATTACHMENT 3

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

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

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

WITNESS THE FOLLOWING SIGNATURES:

(STO)

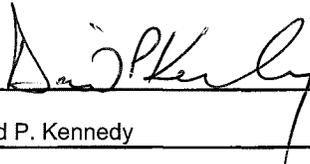
Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

(Recipient)

Signature:  \_\_\_\_\_

Name: David P. Kennedy

Title: General Counsel & Member

Date: June 6, 2017

# Required Forms

Final CRFQ 1300 STO1700000006 FORM 2



Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

State of West Virginia  
 Request for Quotation  
 34 – Service - Prof

Proc Folder: 330243

Doc Description: Addendum No. 1 - Professional Auditing Services for UP

Proc Type: Central Master Agreement

| Date Issued | Solicitation Closes    | Solicitation No         | Version |
|-------------|------------------------|-------------------------|---------|
| 2017-05-25  | 2017-06-08<br>13:30:00 | CRFQ 1300 STO1700000006 | 2       |

**BID RECEIVING LOCATION**

BID CLERK  
 DEPARTMENT OF ADMINISTRATION  
 PURCHASING DIVISION  
 2019 WASHINGTON ST E  
 CHARLESTON WV 25305  
 US

**VENDOR**

Vendor Name, Address and Telephone Number:

Kelmar Associates, LLC  
 500 Edgewater Drive, Suite 525  
 Wakefield, Massachusetts 01880  
 781-213-6926

**FOR INFORMATION CONTACT THE BUYER**

Tara Lyle  
 (304) 558-2544  
 tara.l.yle@wv.gov

Signature X  FEIN # 04-3577426 DATE June 6, 2017

All offers subject to all terms and conditions contained in this solicitation

**ADDITIONAL INFORMATION:**

Addendum No. 1 - to provide responses to vendor questions and to extend the bid opening from 06/01/2017 to 06/08/2017. The bid opening time remains at 1:30 pm. See attached pages.

| INVOICE TO  | SHIP TO  |
|---|--|
| WEST VIRGINIA STATE TREASURERS OFFICE<br>322 70TH ST SE<br><br>CHARLESTON WV25304<br><br>US | WEST VIRGINIA STATE TREASURERS OFFICE<br>322 70TH ST SE<br><br>CHARLESTON WV 25304<br><br>US |

| Line | Comm Ln Desc   | Qty     | Unit Issue | Unit Price | Total Price |
|------|----------------|---------|------------|------------|-------------|
| 1    | Audit services | 0.00000 | LS         |            |             |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 84111600  |              |               |         |

**Extended Description :**  
Audit services

**SCHEDULE OF EVENTS**

| <u>Line</u> | <u>Event</u>                       | <u>Event Date</u> |
|-------------|------------------------------------|-------------------|
| 1           | Technical questions due by 4:00 pm | 2017-05-22        |

|                     |                                       |  |                              |
|---------------------|---------------------------------------|--|------------------------------|
| <b>STO170000006</b> | <b>Document Phase</b><br><b>Final</b> | <b>Document Description</b><br>Addendum No. 1 - Professional Auditing<br>Services for UP | <b>Page 3</b><br><b>of 3</b> |
|---------------------|---------------------------------------|--|------------------------------|

**ADDITIONAL TERMS AND CONDITIONS**

See attached document(s) for additional Terms and Conditions

# Required Forms

Addendum Acknowledgement Form

**ADDENDUM ACKNOWLEDGEMENT FORM**  
**SOLICITATION NO.: CRFQ STO170000006**

**Instructions:** Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

**Acknowledgment:** I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

**Addendum Numbers Received:**

(Check the box next to each addendum received)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6  |
| <input type="checkbox"/> Addendum No. 2            | <input type="checkbox"/> Addendum No. 7  |
| <input type="checkbox"/> Addendum No. 3            | <input type="checkbox"/> Addendum No. 8  |
| <input type="checkbox"/> Addendum No. 4            | <input type="checkbox"/> Addendum No. 9  |
| <input type="checkbox"/> Addendum No. 5            | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Kelmar Associates, LLC

Company



Authorized Signature

June 6, 2017

Date

**NOTE:** This addendum acknowledgment should be submitted with the bid to expedite document processing.



**KELMAR**

# Supporting Documentation

TAB A                      Proof of License, Insurance and Registration

TAB B                      Resumes of Kelmar Key Personnel

# Supporting Documentation

## Proof of License, Insurance and Registration

- West Virginia Secretary of State Certificate of Authorization
- West Virginia Tax Department Request for Statement of Good Standing
- Certificate of Insurance
- Workers Compensation Certificate of Insurance
- Vendor Registration Transaction Confirmation

# State of West Virginia



## Certificate

*I, Mac Warner, Secretary of State of the State of West Virginia, hereby certify that*

**KELMAR ASSOCIATES, LLC**

was duly authorized under the laws of this state to transact business in West Virginia as a foreign limited liability company on November 06, 2007.

The company is filed as an at-will company, for an indefinite period.

I further certify that the company has not been revoked or administratively dissolved by the State of West Virginia nor has the West Virginia Secretary of State issued a Certificate of Cancellation or Termination to the company.

Accordingly, I hereby issue this Certificate of Authorization

## CERTIFICATE OF AUTHORIZATION

Validation ID:4WV25\_9JR7B



*Given under my hand and the  
Great Seal of the State of  
West Virginia on this day of*

*May 22, 2017*

*Mac Warner*

*Secretary of State*

**GSR-01**

Rev. 11/15

# West Virginia

## Request for Statement of Good Standing

West Virginia  
State Tax  
Department

Taxpayer Identification Number 04-3577426

Complete Business Name Kelmar Associates LLC

Business Location Massachusetts

Mailing Address 500 Edgewater Drive Suite 525 Wakefield MA  01880-3655  
Street City State Zip

### TYPE OF BUSINESS (CHECK ONE):

Partnership  Sole Ownership  Corporation/LLC  Other

I understand that in the event that this business is not in good standing with the Tax Department I will be notified in writing as to what tax returns or tax payments are considered not filed or paid and who to contact with any questions regarding that situation.

By signing this Request for Statement of Good Standing, I certify under penalty of perjury that I am the taxpayer or the taxpayer's authorized representative and am entitled to receive the result of this request.

If you are a CPA or Attorney completing this Request for Statement of Good Standing for a business of which you are not a principle, a principle of the business must ALSO sign this request as the taxpayer.

If you are authorizing release of information for someone who is not a CPA or Attorney, this form must be notarized.

Elizabeth S. Sullivan Controller 05/30/2017  
Taxpayer Signature Title Date

Elizabeth S. Sullivan (781) 213-6926 elizabeth.sullivan@kelmarassoc.com  
Print Name Phone E-mail

CPA/Attorney Signature Title Date

Print Name Phone E-mail

Signature of person other than taxpayer, CPA, or attorney (Form must be notarized). Title Date

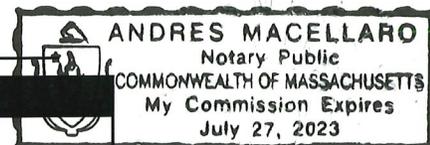
Print Name Phone E-mail

State of Massachusetts  
County of Middlesex, to-wit,  
This day appeared before me, the undersigned notary public ELIZABETH S. SULLIVAN, who  
acknowledge under oath the signature above.  
[Signature] Notary public  
5/26/17 Date  
My commission expires: JULY 27, 2023

If you would like the response faxed to you, enter the fax number including area code

Name of person fax is to be addressed to: \_\_\_\_\_

| Send this request to:   | Phone Numbers:   |
|---|--|
| West Virginia State Tax Department<br>ATTN: TPS – Administrative Support<br>PO Box 885<br>Charleston, WV 25323-0885<br>Fax # (304) 558-8643 | (304) 558-0678<br>(304) 558-8695<br>(304) 558-1114<br>(304) 558-0659 |





B. Federal Insurance Company  
Directors & Officers \$3,000,000 Occurrence/\$5,000,000 Aggregate  
Employment Practices Liability \$5,000,000 Occurrence/\$5,000,000 Aggregate  
Fiduciary Liability \$3,000,000 Occurrence/\$5,000,000 Aggregate  
Employed Lawyers \$1,000,000 Occurrence/\$5,000,000 Aggregate  
Crime \$5,000,000 Occurrence/\$5,000,000 Aggregate  
D. Endurance American Specialty Insurance Company  
Media Liability \$10,000,000 Occurrence/\$10,000,000 Aggregate  
Security & Privacy \$10,000,000 Occurrence/\$10,000,000 Aggregate  
Regulatory Proceeding Sublimit \$10,000,000 Occ/\$10,000,000 Aggregate  
Privacy Breach Costs \$5,000,000 Occurrence/\$10,000,000 Aggregate  
Business Income Loss \$10,000,000 Occurrence/\$10,000,000 Aggregate  
Digital Asset Loss \$10,000,000 Occurrence/\$10,000,000 Aggregate  
Cyber Extortion Threat \$10,000,000 Occurrence/\$10,000,000 Aggregate  
Notification Services \$5,000,000 Occurrence/\$10,000,000 Aggregate  
E. Ironshore Specialty Insurance Company  
Excess E&O \$5,000,000 Occurrence/\$5,000,000 Aggregate  
F. National Casualty Company  
Excess Privacy Breach Coverage Only \$5,000,000



## WV Oasis

Transaction Number: 20170518106932

Status: CompletedOk

Amount: \$125.00

Company Name: Kelmar Associates, LLC

Name: Elizabeth Marciano-Mills

Address: 500 Edgewater Drive

Suite 525

Wakefield MA 01880

Phone: 781-213-6926

e-Mail: proposals@kelmarassoc.com

Card Holder: E M Marciano-Mills

Card Type: American Express

Card: xxxxxxxxxxx1076

\*Your bank statement will show WV Treasury for this transaction

# Supporting Documentation

Resumes of Kelmar Key Personnel

# Resumes of Kelmar Key Personnel

Experienced Unclaimed  
Property Professionals

June 2017



**KELMAR**

**Kelmar Associates, LLC**  
500 Edgewater Drive, Suite 525  
Wakefield, MA 01880  
781-213-6926  
[www.kelmarassoc.com](http://www.kelmarassoc.com)



KELMAR

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Examination Support Management ..... 19-27

Third Party Vendors ..... 28-32



# Executive Management\*

## Chief Executives

Mark S. McQuillen, Esq.

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Mr. Mark McQuillen is Kelmar's Chief Executive Officer (CEO) and President. He holds a Juris Doctor from the New England School of Law (1988), a Bachelor of Business Administration from the University of Massachusetts at Amherst (1982), and is a member of the Massachusetts Bar (1988) and U.S. District Court – District of Massachusetts Bar (1991). Mr. McQuillen has more than twenty-one (21) years of experience in the field of unclaimed property.

### Relevant Qualifications and Experience

Since 2001, Mr. McQuillen has been responsible for overseeing Kelmar's business operations as well as developing strategic planning initiatives to ensure long term continued growth. Working out of the Massachusetts office, Mr. McQuillen leads Kelmar's Executive Management in developing and delivering comprehensive unclaimed property services to state governments. Responsible for the overall allocation of resources to ensure that Kelmar's professionals deliver superior client service, Mr. McQuillen has been instrumental in establishing Kelmar's audit standards for identifying, collecting and reporting all categories of unclaimed property.

Given his extensive unclaimed property experience, Mr. McQuillen serves as a liaison between Kelmar and its client states, working together with state treasurers, commissioners of revenue, state controllers, unclaimed property administrators and attorneys general to help them achieve their compliance goals. He routinely consults on all matters relating to unclaimed property including the drafting of related legislation, regulations and guidelines, the creation and enhancement of compliance processes, and the development of cutting edge solutions to address the operational and technical challenges facing state governments. While Mr. McQuillen does not generally address the day-to-day delivery of client services, he is dedicated to providing the leadership and direction necessary to ensure that Kelmar provides the highest level of professional unclaimed property consulting services on behalf of the Company's client states. His demonstrated qualifications and expertise directly contribute to Kelmar's successful delivery of unclaimed property services.

Prior to establishing Kelmar, Mr. McQuillen served as the National Practice Leader of PricewaterhouseCoopers' Abandoned Property Consulting Services Group from 1999-2001. Mr. McQuillen was responsible for all abandoned property operations, human resources, sales, marketing, and finance. He managed financial and performance analysis focusing on state and local compliance solutions, and provided abandoned and unclaimed property consulting services to the Fortune 1000.

---

\* Notably, Mr. Kenneth Wagers, Vice President of Client Information Services, also serves as part of Kelmar's Executive Management. Mr. Wagers' primary responsibility is the management, development, and delivery of KAPS®, the next generation unclaimed property management system for state governments. As Mr. Wagers will not be providing any services to the State of North Carolina under any contract resulting from this RFP, his resume has not been included herein.



In this role, Mr. McQuillen developed a thorough understanding of unclaimed property services, including the identification of individual clients' unclaimed property exposure, quantification of unclaimed property liabilities, audit defense engagements, and the collection and delivery of unclaimed property to the states. Mr. McQuillen identified types of businesses and industries that historically are at greater risk of exposure to significant unclaimed property liabilities, including manufacturing, insurance, healthcare, oil and gas, and retail companies. He was directly involved in the negotiation of comprehensive audit settlements and voluntary disclosure agreements between state unclaimed property administrators and holders of unclaimed property. His audit defense duties included the review of document requests, management of holder resources, and the negotiation of scoping and confidentiality agreements. Mr. McQuillen performed similar services for Deloitte & Touche, LLC's Abandoned and Unclaimed Property Consulting Services as Northeast Regional Practice Leader beginning in 1995. These services included involvement in the development of the audit process, from focusing solely on general ledger examinations to a comprehensive review of all aspects of financial activity. Mr. McQuillen modified examination processes in response to ever-changing holder demographics and business models, including the implementation of procedures for handling traditionally underreported property types, such as gift cards, loyalty and promotional funds, life insurance benefits, and equities. He also developed detailed procedures for analysis of pertinent exam documents, including tax returns, organizational charts, general ledgers, accounts receivable aging statements, bank statements, and other supporting documentation.

#### Other Audit Experience

Earlier in his career, Mr. McQuillen served the Commonwealth of Massachusetts, Department of Revenue for more than twelve (12) years in key positions of increasing responsibility, including Auditor, Senior Auditor, Supervisor and Problem Resolution Bureau Chief/Ombudsman. During the final four years of his tenure with the Commonwealth, he served as a Commissioner of Revenue with broad oversight of agency personnel, services and statutory responsibilities. In this capacity, Mr. McQuillen managed all customer facing service functions, including delivery of clear taxpayer guidance through form instructions and publications, community outreach and practitioner continuing education programs, statewide Taxpayer Service counters, and the agency's centralized call center, responsible for resolving over a million business and individual taxpayer inquiries and requests for filing assistance annually.

### David P. Kennedy, Esq.

---

Mr. David Kennedy is Kelmar's General Counsel. He holds a Juris Doctor from Suffolk University Law School (1999), and a Bachelor of Arts from Boston College (1990). Mr. Kennedy is a member of the Massachusetts Bar (1999) and U.S. District Court – District of Massachusetts Bar (2003), and has over seventeen (17) years of experience in the field of unclaimed property.

#### Relevant Qualifications and Experience

Since 2001, Mr. Kennedy has been actively involved in the growth, development, leadership and oversight of Kelmar inclusive of providing management and direction of audit services. Working out of Kelmar's Massachusetts office, Mr. Kennedy applies his unclaimed property expertise and management experience to support Kelmar's Compliance professionals. He is responsible for



ensuring the implementation of best practices for the identification and examination of holders across all industries, including manufacturing, health care, insurance, broker-dealer and securities; and to industry specific property types including rebates, stored value cards, and electronic currency. Additionally, he manages Kelmar's relationships with various client states to ensure the proper administration of Kelmar's audit service contracts.

As Kelmar's General Counsel, Mr. Kennedy also manages all corporate legal issues, including matters of confidentiality, litigation support services, and contract negotiations and compliance. He routinely consults with state attorneys general offices and unclaimed property administrators on legal matters related to the enforcement and development of their respective unclaimed property programs. Mr. Kennedy's demonstrated qualifications and experience directly contribute to Kelmar's successful delivery of unclaimed property services.

With a background in unclaimed property dating back to 1999, Mr. Kennedy presents on unclaimed property compliance topics to client states as well as organizations, including National Association of Unclaimed Property Administrators (NAUPA), the National Association of State Treasurers (NAST), and the Unclaimed Property Holders Liaison Council (UPHLC). This extensive knowledge of, and insight into, the world of unclaimed property allows Mr. Kennedy to serve as an invaluable resource to Kelmar's client states and audit professionals in all phases of the examination process thereby directly contributing to Kelmar's successful delivery of unclaimed property services.

Prior to Kelmar, Mr. Kennedy was a Practice Leader of PricewaterhouseCoopers' New York Abandoned Property Consulting Services Group from 1999-2001. In that capacity, he oversaw and delivered unclaimed property compliance services to multi-billion dollar national and international companies. These compliance services included the identification of clients' unclaimed property exposure, quantification of unclaimed property liabilities, audit defense engagements, voluntary disclosure filing and negotiation services, and reviews of clients' reporting and delivery of unclaimed property to the states.

#### Other Experience

Earlier in his career, Mr. Kennedy served the Commonwealth of Massachusetts from 1993-1999. As Chief Financial Officer of the Executive Office of Public Safety, Mr. Kennedy was responsible for fiscal policy development, overseeing capital and operational budgets in excess of one (1) billion dollars annually, for the twenty (20) state agencies as well as fourteen (14) independent county sheriffs' departments that comprise the public safety and criminal justice systems of the Commonwealth. He served on a statewide contracts development team involved in the drafting of bid requests, the evaluation of bid responses, and vendor selections. Prior to his role in the Executive Office of Public Safety, Mr. Kennedy served as Budget Analyst for the Executive Office for Administration and Finance where he was responsible for financial and performance analysis of various state agency programs, and analyzed savings and expansion initiatives in preparation for the Governor's annual budget recommendation.



## Michael J. LeBlanc, CPA

---

Mr. Michael LeBlanc is Kelmar's Chief Financial Officer (CFO). He holds a Bachelor of Science in Accountancy from Bentley College (now Bentley University) (1983) and is a Massachusetts Certified Public Accountant (2001). Mr. LeBlanc has nineteen (19) years of experience in the field of unclaimed property.

### Relevant Qualifications and Experience

Since 2001, Mr. LeBlanc has been actively involved in the growth, development, leadership and oversight of Kelmar inclusive of providing management and direction of audit services. Mr. LeBlanc applies his unclaimed property expertise and management experience to support Kelmar's Compliance professionals. Mr. LeBlanc serves as a central figure to ensure professionally responsible examinations on behalf of client states. Although Mr. LeBlanc does not interact directly with client states regarding the day-to-day delivery of the unclaimed property examination services of the contract, he is dedicated to providing the necessary leadership and direction in order for Kelmar to achieve the highest level of service on all unclaimed property examinations performed on behalf of the Company's client states. In this capacity, Mr. LeBlanc maintains contact with Kelmar's client states as needed. His demonstrated qualifications and experience directly contribute to Kelmar's successful delivery of unclaimed property services.

As Chief Financial Officer, Mr. LeBlanc oversees Kelmar's administrative and support functions including Finance, Human Resources, Information Technology, and Procurement. Working out of Kelmar's Massachusetts office, he is responsible for internal accounting, operational, and financial controls. In prior years, Mr. LeBlanc oversaw several general ledger teams and monitored key phases of Kelmar's examination process, including approval of final Reports of Examination. Presently, Mr. LeBlanc splits his time evenly between his internal responsibilities and performing custodial and financial reporting services on behalf of Kelmar's client states, including the collection and transfer of unclaimed property.

Prior to Kelmar, Mr. LeBlanc was a Manager of PricewaterhouseCoopers' Abandoned Property Consulting Services Group from 2000-2001 and, before that, a Manager of Deloitte & Touche's Northeast Abandoned Property Practice, beginning in 1997. In these capacities, he was responsible for the delivery of abandoned property consulting services to the Fortune 1000, including audit defense, voluntary compliance, and the development of policies and procedures for future reporting.

### Other Audit Experience

Earlier in his career, Mr. LeBlanc served the Commonwealth of Massachusetts, Department of Revenue. For more than ten (10) years, Mr. LeBlanc held a steady progression of positions and responsibilities in the Commonwealth's tax agency, primarily within the Audit Division, culminating in his last three (3) years within the Office of Appeals, where he helped taxpayers to resolve disputed tax assessments.



## Mark X. Russo, MBA

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Mr. Mark Russo is Kelmar's Chief Administrative Officer. He holds a Master of Business Administration from Salem State College (now Salem State University) (1992) and a Bachelor of Science from the University of Massachusetts at Boston (1983). Mr. Russo has more than thirty-three (33) years of experience in the field of unclaimed property and has extensive knowledge of all unclaimed property examination practices.

### Relevant Qualifications and Experience

Since 2001, Mr. Russo has been actively involved in the growth, development, leadership and oversight of Kelmar inclusive of providing management and direction of audit services. -Mr. Russo oversees the day-to-day business continuity of Kelmar's operations and the performance and delivery of support services of Kelmar's service lines and offices. Although Mr. Russo does not interact directly with client states regarding the day-to-day delivery of the unclaimed property examination services of the contract, he is dedicated to providing the necessary leadership and direction in order for Kelmar to achieve the highest level of service on all unclaimed property examinations performed on behalf of the Company's client states. In this capacity, Mr. Russo maintains contact with Kelmar's client states as needed. His demonstrated qualifications and experience directly contribute to Kelmar's successful delivery of unclaimed property services.

As Chief Administrative Officer, he is responsible for the multiple disciplines that ensure functional and efficient workspace, including the integration of the latest technology with Kelmar personnel, places, and processes. In this capacity, he is also responsible for operational planning, design, and construction, as well as safety of the Company's workforce, and the security of its workspace. In prior years, Mr. Russo also oversaw several general ledger audit teams and monitored key phases of Kelmar's examination process, including approval of final Reports of Examination.

Prior to Kelmar, Mr. Russo served as a Senior Manager of Abandoned Property Services of PricewaterhouseCoopers' East Coast Abandoned Property Practice from 1999-2001, and, before that, as a Manager and Abandoned Property Consultant at Deloitte & Touche, LLC from 1998-1999. In these positions Mr. Russo garnered significant experience performing audit defense services and overseeing client unclaimed property audits as well as drafting and negotiating voluntary disclosure agreements and providing unclaimed property exposure quantification.

Earlier in his career, Mr. Russo served the Commonwealth of Massachusetts, Office of the State Treasurer and Receiver General. For fifteen (15) years, Mr. Russo held a steady progression of positions and responsibilities, culminating in his last four (4) years as Director of the Unclaimed Property Audit and Compliance Program. As Director, he was responsible for the management and oversight of state-authorized examinations conducted by the Commonwealth's independently contracted CPA firms, contract audit firms, and industry vendors.



## John A. DeMarco

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Mr. John DeMarco is Chief Operating Officer in Kelmar's Massachusetts office. Mr. DeMarco holds a Bachelor of Arts in Marketing from the University of Massachusetts at Amherst (1998) and has nineteen (19) years of experience developing comprehensive protocols for auditing and reporting unclaimed property and locating shareholders.

### Relevant Qualifications and Experience

Mr. DeMarco is a subject matter expert in unclaimed property, with an extensive background in stock transfer, data analysis, reporting, and recordkeeping systems. He is well versed in the unclaimed property laws and federal regulations governing securities examinations, and is widely regarded as a key industry resource on such matters.

Mr. DeMarco joined Kelmar in 2010. Prior to becoming Chief Operating Officer in March, 2017, he served as Vice President of Fiduciary Management, and Managing Director of unclaimed securities examinations and data management services. As Chief Operating Officer, Mr. DeMarco spearheads business development and is responsible for overseeing Kelmar's compliance service lines, including all multi-state examinations performed on behalf of Kelmar's state clients. He works closely with Kelmar's Executive Management team to ensure best practices are employed in all audit operations.

Prior to joining Kelmar, Mr. DeMarco held a steady progression of positions for twelve (12) years at Xerox Unclaimed Property Clearinghouse (now Conduent). His roles included President of Operations, culminating in his last three (3) years as Chief Operating Officer. Mr. DeMarco was responsible for the oversight of strategic planning, operations and staff management, including the management of unclaimed securities custody, claims processing, owner reunification, audit, and the Wagers & Associates unclaimed property systems.

## Vice Presidents

### Brian J. Scanlon, Esq.

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Mr. Brian Scanlon is Vice President, Chief Legal Counsel in Kelmar's Massachusetts office. Mr. Scanlon holds a Master of Laws in Taxation from New York University School of Law (1987) as well as a Juris Doctor from New York Law School (1981), a Bachelor of Science in Business Administration, Accounting and Economics from Wagner College (1981), and is a member of both the New York Bar (1981) and New Jersey Bar (1982). He possesses twenty-five (25) years of experience in the field of unclaimed property.

### Relevant Qualifications and Experience

Mr. Scanlon applies his unclaimed property expertise and legal experience to support Kelmar's Legal and Compliance Divisions. He serves as a central figure in maintaining consistent practices and facilitating professionally responsible services on behalf of client states. In addition, Mr. Scanlon oversees the strategic direction of Kelmar's examinations of industry specific property types and advises on legal issues associated with compliance initiatives and regulatory matters for Kelmar and the Company's client states.



Mr. Scanlon joined Kelmar in 2011 as a Director, and has since held the position of Managing Director and Chief Legal Counsel prior to his role as Vice President. In this capacity, Mr. Scanlon works directly with the General Counsel to address all corporate legal issues, matters of confidentiality, litigation support, as well as contract negotiations with client states. He assists Kelmar's audit teams in the identification and examination of industries, including insurance, broker-dealer, securities, and industry-specific property types such as rebates, stored value cards and electronic currency. Mr. Scanlon often consults on these matters with Kelmar's client states as well as on specialty examination challenges and solutions.

In addition, Mr. Scanlon oversees the operation of Kelmar's Legal Services Team (LST). In this capacity, he is responsible for coordinating and supervising the various legal services provided by the LST to the Company's audit teams. These legal services include the interpretation of client states' laws and regulations, review of legal memorandum prepared for client states and the Company's Executive Management, and participation in consultations with client states.

#### Other Audit Experience

Prior to joining Kelmar, Mr. Scanlon was a Tax Partner at Ernst & Young. He served as a State and Local Tax Practice Leader and as the Northeast Regional Unclaimed Property Leader. For more than ten (10) years, Mr. Scanlon managed the delivery of all state and local tax and unclaimed property services provided to Northeast clients, including the identification of clients' unclaimed property exposure, quantification of unclaimed property liabilities, audit defense engagements, voluntary disclosure filing and negotiation services and reviews of clients' reporting and delivery of unclaimed property to the states.

Earlier in his career, Mr. Scanlon served as a Tax Director and National Unclaimed Property Leader at Deloitte & Touche, LLP from 1992-2000. He was responsible for the delivery of all unclaimed property services to clients on a national basis. In this role, he worked directly with four (4) regional unclaimed property leaders to identify clients with unclaimed property exposure. Mr. Scanlon had final approval on deliverables of all unclaimed property identification and exposure analyses, voluntary disclosure filings, and clients' reporting and delivery of unclaimed property to the states.

In previous years, Mr. Scanlon was employed by the City of New York as an Assistant Commissioner in the Taxation Audit and Enforcement Division. In addition, he served as Chief Hearings Officer of the Hearings Bureau, where he was responsible for conducting case research and reviews and holding hearings to resolve disputed tax assessments as well as negotiating comprehensive settlement agreements.

#### Mark E. Udinski

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Mr. Mark Udinski is Vice President of Compliance Services in Kelmar's Delaware office. Mr. Udinski holds a Bachelor of Education from Virginia Tech (1985). He has thirty (30) years of audit experience, with more than sixteen (16) years focusing specifically on unclaimed property.



#### Relevant Qualifications and Experience

Mr. Udinski joined Kelmar in 2013 as Managing Director of Kelmar's Practice Development and Marketing divisions prior to becoming Vice President of Compliance Services in 2016. Through his ongoing management of Practice Development, he is actively involved in client relations and monitors client satisfaction with Kelmar's services. He provides consultation services for state governments, such as audit training, implementation of best practices, and guidance on new property types. He also participates and contributes, where possible, to unclaimed property organizations that are important to Kelmar's client states, such as the National Association of Treasurers (NAST) and the National Association of Unclaimed Property Administrators (NAUPA). In this capacity, Mr. Udinski ensures delivery of the highest level of client service and support to Kelmar client states.

Additionally, in his current role, Mr. Udinski has oversight of the development and delivery of Kelmar's compliance services and works with the Chief Operating Officer and compliance managers to ensure the quality, timeliness, and professional conduct of all general ledger examinations. Mr. Udinski serves as a vital resource for maintaining consistent practices to identify, examine, collect and transfer unclaimed property and to facilitate professionally responsible examinations on behalf of client states. In this capacity, Mr. Udinski maintains contact with Kelmar's client states as needed.

#### Other Audit Experience

Prior to joining Kelmar, Mr. Udinski served the State of Delaware for more than thirteen (13) years, ultimately as Director of the Abandoned Property Program. In this role, he was responsible for the administration of all aspects of the state's unclaimed property program. Earlier in his career, Mr. Udinski served as an AUP Audit Manager, Corporate Audit Supervisor and Fraud Investigator.



# Examination Management

## Directors

### Robert H. Dean, Jr., CPA/MS

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Mr. Robert Dean is a Director of general ledger unclaimed property examinations in Kelmar's Massachusetts office. Mr. Dean holds a Master of Science in Taxation from Bentley College (now Bentley University), a Bachelor of Science in Business Administration from Suffolk University, and is a Massachusetts Certified Public Accountant. He possesses thirty-four (34) years of auditing experience, including more than ten (10) years in the field of unclaimed property. From his initial focus on state and local tax compliance, he has developed into a recognized expert in accounting matters relating to escheat and unclaimed property.

#### Relevant Qualifications and Experience

Kelmar's Directors supervise numerous ongoing multi-state, third-party unclaimed property exams. Mr. Dean applies his unclaimed property audit expertise and management experience to facilitate effective and efficient state-mandated audits of holders of unclaimed property. Mr. Dean serves as a central figure in Kelmar's general ledger related examinations and is a vital resource for maintaining consistent practices across all examinations. Although Mr. Dean does not interact directly with client states regarding the day-to-day delivery of unclaimed property audit services, he is dedicated to overseeing the strategic direction of examinations and addressing complex holder issues in order to facilitate a professionally responsible exam on behalf of client states. In this capacity, Mr. Dean maintains contact with Kelmar's client states as needed.

Mr. Dean joined Kelmar in 2007 as Director overseeing teams performing general ledger unclaimed property examinations. He works closely with Kelmar's Executive Management to develop improvements to Kelmar's overall audit process and oversees the professional development of general ledger examination staff through his focus on budgeting, planning, recruiting, and training. Mr. Dean is responsible for addressing complex holder issues, ensuring compliance with audit protocols, and overseeing all phases of the examination process.

#### Other Audit Experience

Prior to joining Kelmar, Mr. Dean was a Director of Multistate Tax Services at Deloitte & Touche, LLP. For a decade he developed and implemented state tax planning, and minimization strategies, was responsible for client and project development, and the sale and delivery of state and local tax services to Fortune 1000 clients. Mr. Dean represented clients before state taxing authorities, with respect to voluntary disclosure agreements, and obtained various rulings on complex matters from state taxing authorities, particularly in the New England region.

Earlier in his career, Mr. Dean served the Commonwealth of Massachusetts. For fifteen (15) years he held escalating positions of responsibility within the Department of Revenue in the Sales and Use Tax and Corporate Excise Tax Divisions, respectively, where he analyzed financial data to determine compliance with Massachusetts laws, oversaw an audit team, and assisted in training new auditors.



## Gary M. Duvall, JD/MBA

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Mr. Gary Duvall is a Director of general ledger unclaimed property examinations in Kelmar's Massachusetts office. Mr. Duvall holds a Juris Doctor from Suffolk University Law School (2001), a Master of Business Administration from Suffolk University Sawyer School of Management (2001), and a Bachelor of Arts in History from Providence College (1995). He is a member of the Massachusetts Bar (2001) as well as New Hampshire Bar (2001) and possesses twelve (12) years of experience in the field of unclaimed property.

### Relevant Qualifications and Experience

Kelmar's Directors supervise numerous ongoing multi-state, third-party unclaimed property exams. Mr. Duvall applies his unclaimed property audit expertise and management experience to facilitate effective and efficient state-mandated examinations of holders of unclaimed property. Mr. Duvall serves as a central figure in Kelmar's general ledger related examinations and is a vital resource for maintaining consistent practices across all examinations.

Mr. Duvall joined Kelmar in 2004 as a Senior Associate and has since held a steady progression of positions and responsibilities, including Manager and Senior Manager, prior to becoming Director. Mr. Duvall has garnered significant experience of every phase of the examination process, including the methodical review of specific accounts and property categories based on the industry type. Thus, he has been able to create efficiencies in the exam process while driving results. He is responsible for overseeing the management of multi-state, third-party contract abandoned and unclaimed property examinations on behalf of Kelmar's client states. Mr. Duvall works closely with the Company's Executive Management throughout the entire examination process to ensure best practices. His duties include ensuring planning efforts are consistent with established objectives; audits are conducted and documented in consideration of departmental and professional standards; and results are clearly communicated to clients and holders. He contributes to Kelmar's Compliance Division by providing consultation and advice regarding audit approaches, including the identification of unclaimed property held by large corporations and other business associations. He also works closely with Kelmar's research group to identify and present potential compliance candidates to Executive Management and client states. In addition, Mr. Duvall manages Kelmar's relationships with several client states. As a Client Relationship Manager, he serves as primary contact and resource for designated states, thereby ensuring that the highest level of client service and support is delivered to these clients.

### Other Experience

Prior to joining Kelmar, Mr. Duvall was an Associate at Monique D. Donovan Law Office, LLC from 2001-2004 where he specialized in the practice area of residential and commercial real estate in Massachusetts and New Hampshire. Before that time, Mr. Duvall was a Loan and Credit Intern at The Federal Reserve Bank of Boston. He researched legal issues and reviewed Reserve Bank lending policies, drafted legal memoranda securing the interest and collateral pledged by financial institutions, and filed Uniform Commercial Code statements on collateral pledged by financial institutions utilizing the lending services offered by the bank.



## Kate A. Stevens

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Ms. Kate Stevens is a Director of unclaimed securities examinations in Kelmar's Massachusetts office. Ms. Stevens holds a Bachelor of Arts in Government and History from Colby College (2000). With more than sixteen (16) years of experience in unclaimed property, she is a subject matter expert in unclaimed property statutes and their application across all property types, specializing in operational streamlining, audit compliance, and securities examinations.

### Relevant Qualifications and Experience

Ms. Stevens is responsible for ensuring the completion of all assigned securities audits, applying the unique requirements of each state's unclaimed property statute regarding securities related property. She is a primary point of contact with holders, performs detailed analysis of audit related data and information, and reviews and finalizes the analysis of the stock records of holders under examination as well as all audit reports to the Company's client states. Ms. Stevens is also accountable for the reconciliation of a holder's final remittance to the state in accordance with each state's guidelines for transferring securities. In performing these tasks, Ms. Stevens serves as a central figure in all Kelmar securities related examinations. In addition, Ms. Stevens manages several of Kelmar's client relationships and routinely consults on Kelmar's delivery of services under those client state contracts. In this capacity, she serves as the primary contact and ensures delivery of the highest level of client service and support.

Prior to joining Kelmar, Ms. Stevens held a steady progression of positions and responsibilities, including Operations Officer and First Line Manager of Audit Evaluations and Assistant Vice President of Operations before becoming Vice President of Audit Compliance at Xerox Unclaimed Property Clearinghouse (now Conduent). Of her more than ten (10) years with the organization, Ms. Stevens spent seven (7) years managing an operation responsible for processing the automated unclaimed property records for hundreds of clients in all US jurisdictions. Ms. Stevens improved the efficiency of unclaimed securities audits by restructuring assignments, establishing key controls, and creating procedural documentation that accurately reflected operational processes.

## Senior Managers

### Michael Gizzi

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Mr. Michael Gizzi is a Senior Manager in Kelmar's Massachusetts office who focuses on particular industries and industry-specific property types, including but not limited to: unpaid death benefits held by insurance companies; restaurants, retailers and other holders of stored value cards; and general ledger property relating to broker-dealers in securities. Mr. Gizzi holds a Bachelor of Science in Business Administration from Merrimack College (1998) and has more than sixteen (16) years of auditing experience, including twelve (12) years performing (and for part of that time defending) unclaimed property examinations.

### Relevant Qualifications and Experience

Mr. Gizzi joined Kelmar in 2011 as a Manager prior to becoming Senior Manager a year later. Mr. Gizzi oversees abandoned and unclaimed property examinations, provides guidance to staff, and supports Executive Management. He is responsible for ensuring the completion of all assigned



examinations. Mr. Gizzi works closely with Kelmar's Legal Support Team to troubleshoot legal questions, potential issues and issues that come up during the course of examinations. Given his thorough understanding of the laws governing the conduct of insurance examinations as well as the emerging legal authority related to insurance companies, he serves as a key resource for Kelmar's Compliance Division and Legal Support Team members. In addition, Mr. Gizzi is responsible for managing Kelmar's relationship with several client states. As a Client Relationship Manager, he serves as the primary point of contact and liaison for designated states, ensuring the delivery of the highest levels of client service and support. Additionally, he frequently communicates with Kelmar's client states on relevant examination topics and has become a sounding board for a number of state unclaimed property administrators and attorneys.

#### Other Audit Experience

Prior to joining Kelmar, Mr. Gizzi began his unclaimed property career as an auditor at ACS Unclaimed Property Clearinghouse from 2004-2006 and rejoined ACS (now Conduent) from 2008-2011 as an Audit Manager prior to becoming Vice President, Audit. He interfaced with state administrators and state auditors regularly on such topics as identification of audit candidates as well as the status of ongoing audits. Mr. Gizzi regularly presented audit findings, and prepared unclaimed property reports for clients. While serving as Vice President, Mr. Gizzi developed strong professional relationships with the practice leaders at the holder advocate firms and law firms serving unclaimed property clients. From 2006-2008, Mr. Gizzi served as a Senior Associate and Manager at Deloitte & Touche, LLP's Regulatory Consulting practice, assisting some of the largest clients of the firm with unclaimed property compliance and reporting services. Mr. Gizzi consulted with other Deloitte service lines to provide guidance on unclaimed property matters related to Merger & Acquisition transactions.

Earlier in his career, Mr. Gizzi served the Commonwealth of Massachusetts - Office of State Auditor from 2000-2004 in steady progression of roles and responsibilities. As Audit Supervisor, he led audit teams responsible for conducting high profile performance audits as well as agency compliance with the Office of the State Comptroller year-end closing instructions for cash (and revenue) management. As a state auditor, Mr. Gizzi assessed risk and evaluated the adequacy and effectiveness of internal controls of large state agencies, departments and programs. In addition, he reviewed procurement contracts to determine their compliance with applicable laws, rules and regulations.

#### Shawn P. Hibbard, MBA

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Mr. Shawn Hibbard is a Senior Manager of a general ledger audit team in Kelmar's Massachusetts office. Mr. Hibbard holds a Master of Business Administration from Northeastern University (2008) and a Bachelor of Science in Business Administration from Nichols College (2004). He attended the United States Coast Guard Academy prior to Nichols College. Mr. Hibbard is presently pursuing a Master of Accountancy from Bentley University (2017). He has twelve (12) years of experience performing unclaimed property examinations.

#### Relevant Qualifications and Experience

Mr. Hibbard joined Kelmar in 2004 as an Associate and has since held a steady progression of positions and responsibilities, including Senior Associate and Manager, prior to becoming Senior



Manager. As a Senior Manager, Mr. Hibbard is responsible for overseeing numerous abandoned and unclaimed property examinations, supervising staff, and supporting Executive Management. He is well versed in every phase of the examination process and has a sound understanding of entity structures and business operations, with extensive experience examining holders within the oil and gas industries, in addition to many others. By staying apprised of new accounting and audit developments, Mr. Hibbard serves as a valuable resource and mentor to Kelmar's junior professionals. In addition, Mr. Hibbard manages Kelmar's relationships with its client states in regards to audit service contracts. As a Client Relationship Manager, he serves as the primary contact and resource for designated client states and ensures the delivery of services of the highest quality.

#### Other Audit Experience

Previously, Mr. Hibbard was an Internal Auditor at the Boston Stock Exchange. In this role, he performed internal audits as required by the audit director, presented to the audit committee, and prepared audit findings related to human resources, general security, and market operations.

### Eric N. LaCroix

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Mr. Eric LaCroix is a Senior Manager of securities exams in Kelmar's Massachusetts office. Mr. LaCroix holds a Master of Science in Business Administration from Northeastern University (2012) and a Bachelor of Science in Business Administration from Nichols College (2005). He has nine (9) years of experience performing unclaimed property examinations.

#### Relevant Qualifications and Experience

Kelmar's Senior Managers manage numerous ongoing multi-state, third-party unclaimed property exams. Mr. LaCroix applies his unclaimed property audit expertise and management experience to facilitate effective and efficient state-mandated audits of holders of unclaimed property. As a Senior Manager of securities examinations, with prior experience performing general ledger examinations, Mr. LaCroix ensures that consistent, best practices are maintained across all Kelmar unclaimed property examinations. He is responsible for all stages of a securities exam under his management, including reviewing documentation produced by the holder, working with his team to perform escheatment analysis, and developing any necessary follow-up requests and status updates. He is also responsible for staying apprised of current state and federal unclaimed property laws and communicating updates accordingly. In addition, Mr. LaCroix manages Kelmar's relationships with its client states in regards to audit service contracts. As a Client Relationship Manager for designated client states, he ensures delivery of the highest level of client service and support.

Mr. LaCroix joined Kelmar in 2007 as an Associate and has since held a steady progression of positions, including Senior Associate and Manager, prior to becoming Senior Manager. Before transitioning to his role as Senior Manager within the Fiduciary Management Division in 2017, Mr. LaCroix was responsible for ensuring the completion of all assigned general ledger exams, including supervising audit staff, and working collaboratively with Directors to refine the examination process, focusing specifically on the rebates property type. Well-versed in every phase of examinations, he served as a central figure in Kelmar's general ledger related exams.



### Other Experience

Prior to joining Kelmar, Mr. LaCroix was a Cost Estimator for Raytheon Company from 2005-2007. In this role, he estimated and priced proposals from ten thousand (10,000) to two hundred and twenty (220) million dollars, supported the proposal process through negotiations with the customer, and provided analysis on cost for the USS Zumwalt program.

## Monique E. Magno

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Ms. Monique Magno is a Senior Manager of securities exams in Kelmar's Massachusetts office. Ms. Magno holds a Bachelor of Arts in Education and Psychology from Saint Michael's College (2007) and possesses nine (9) years of unclaimed property experience.

### Relevant Qualifications and Experience

Ms. Magno applies her unclaimed property audit knowledge and management experience to ensure effective and efficient examinations under her charge. Ms. Magno facilitates professionally responsible examinations on behalf of Kelmar's client states by providing guidance to associates and senior associates, working cooperatively with other managers, and communicating effectively with holders.

Ms. Magno joined Kelmar in 2014 as a Securities Audit Manager before becoming a Senior Manager within the Fiduciary Management Division in 2017. She is responsible for all examination stages throughout the life of a securities exam under her management and stays apprised of current state and federal unclaimed property laws, and communicates updates accordingly. As primary contact for holders under audit, Ms. Magno maintains regular correspondence with those companies through exam requests, phone conferences, and in-person meetings as required. She reviews documentation produced by the holder, works with her team to perform escheatment analysis, and develops any necessary follow-up requests and status updates.

Prior to joining Kelmar, Ms. Magno was a Senior Consultant at Ryan, LLC. In this role, she managed securities related audit and voluntary disclosure agreement projects. Ms. Magno also assisted on general ledger audits and voluntary disclosure agreements, and collaborated on ongoing compliance efforts and quantitative risk assessments for clients. As a Consultant at Thomson Reuters from 2011-2013, Ms. Magno managed securities audits for clients from a variety of different industries. She served as a resource on voluntary disclosure initiatives, state mandated audits, ongoing compliance efforts and quantitative risk assessments.

Earlier in her career, Ms. Magno was a Client Service Manager / Corporate Client Liaison for Xerox Unclaimed Property Clearinghouse (now Conduent). From 2008-2011, Ms. Magno held a steady progression of positions and responsibilities, including report processing for corporate clients to states and jurisdictions, training administration, and due diligence monitoring, prior to serving as lead Client Service Liaison for four major transfer agents and a Fortune 500 company.



## Jennifer L. Martin

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Ms. Jennifer Martin is a Senior Manager of general ledger audit teams in Kelmar's Massachusetts office. Ms. Martin holds a Bachelor of Science in Business Administration from Salem State College (now Salem State University) (1998) and possesses nineteen (19) years of experience auditing Fortune 500 and 1000 companies, including more than eight (8) years performing unclaimed property examinations.

### Relevant Qualifications and Experience

Ms. Martin joined Kelmar in 2009 as a Manager prior to becoming a Senior Manager. As Senior Manager, Ms. Martin is responsible for ensuring the completion of all assigned general ledger audits, supervising audit staff, and supporting Executive Management. Ms. Martin is a recognized authority on examination practices, and develops process improvements and quality controls for the examination process. She has extensive experience auditing holders in the manufacturing and retail industries, having previously worked with the same in other compliance areas. She routinely consults on best practices in these areas, both internally and externally, to facilitate effective and efficient state-mandated audits of holders of unclaimed property. In addition, Ms. Martin manages several of Kelmar's relationships with its client states in regards to audit service contracts. As a Client Relationship Manager, she is the primary contact and resource for designated client states and ensures delivery of the highest level of client service and support.

### Other Audit Experience

Prior to joining Kelmar, Ms. Martin was a Manager at The Siegfried Group from 2006-2008. Her responsibilities included performing month end close procedures, including reporting, analysis and reviewing account reconciliations; preparing quarterly and annual financial statements in accordance with generally accepted accounting principles; preparing quarterly and annual audit packages related to filing an IPO. She also acted as liaison for all inquiries related to analytics and financial statements. Ms. Martin assisted in implementing group-wide reconciliation procedures, and made recommendations for enhancements to existing controls and workflows. As manager, she was responsible for the accounting accuracy of international and domestic funds for a leading securities service provider, and assisted in the training and mentoring of junior staff members. As Assurance Senior of the Commercial Group at Ernst & Young, LLP, Ms. Martin assisted in planning and auditing quarterly reviews of publicly traded companies, including reviewing 10-Q reports of industries such as manufacturing and wholesale distribution. She also reviewed, documented and tested internal control structures for compliance with Section 404 of the Sarbanes Oxley Act.

Earlier in her career, Ms. Martin was a Manager of Business Consulting at Tofias P.C. from 2000-2006. She performed and managed field examinations and due diligence services for clients, investigated, identified and documented areas of concern in internal control procedures, and provided recommendations to promote the safeguarding of assets and reliability of financial information. She also examined historical financial statements, budgets, and forecasts; and planned, supervised and completed audit and review engagements for Manufacturing, Real Estate, Wholesale Distribution and Professional Service Industries.



## Brian M. Sharpe

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Mr. Brian Sharpe is a Senior Manager of a general ledger audit team in Kelmar's Delaware office. Mr. Sharpe holds a Master of Science in Business Intelligence (2010), Certification in Business Intelligence (2008), and Bachelor of Science in Business Administration and Accounting (2006) from Saint Joseph's University. He also holds certifications in SAP 4.6 and 4.7 Enterprise versions (2005) and ACL (Audit Command Language) software packages (2010). Mr. Sharpe has more than eleven (11) years of experience performing unclaimed property examinations.

### Relevant Qualifications and Experience

Kelmar's Senior Managers oversee numerous ongoing multi-state, third-party unclaimed property exams. Mr. Sharpe applies his unclaimed property audit expertise and management experience to facilitate effective and efficient state-mandated audits of holders of unclaimed property. He serves as a central figure in Kelmar's general ledger related examinations and is a vital resource for maintaining consistent practices across all examinations. Mr. Sharpe is dedicated to providing guidance to audit staff, working cooperatively with other managers, supporting executives, and communicating effectively with holders in order to facilitate a professionally responsible examination on behalf of client states. In this capacity, Mr. Sharpe maintains contact with Kelmar's client states as needed.

Mr. Sharpe joined Kelmar in 2006 as an Associate and has since held a steady progression of positions and responsibilities, including Senior Associate and Manager, prior to becoming Senior Manager. Mr. Sharpe is responsible for ensuring the completion of all assigned general ledger audits and supervising audit staff. Mr. Sharpe has gained critical insight and exposure to every facet of the examination process. Utilizing his certifications, he leads his team in the development of custom queries and other nested analytical procedures, thereby enhancing the audit process. Mr. Sharpe is a valuable resource, ensuring proper exports are accessible and delivered in electronic format during the examination process.



# Examination Support Management

## Identification of Holders / Monthly Reporting

Stephanie L. Borusiewicz, MBA

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Ms. Stephanie Borusiewicz is Senior Manager of Practice Development in Kelmar's Delaware office. Ms. Borusiewicz holds a Master of Business Administration from Saint Joseph's University (2014) and Bachelor of Science in Finance from Pennsylvania State University (2006). She possesses more than seven (7) years of experience in the field of unclaimed property.

### Relevant Qualifications and Experience

Ms. Borusiewicz applies her unclaimed property expertise and management experience to support Kelmar's Compliance Division and to facilitate effective and efficient state-mandated audits of holders of unclaimed property. Ms. Borusiewicz acts as a key liaison between Kelmar and client states and works to ensure consistent practices across all examinations. Managing communication with all participating states throughout the examination process, she serves as a central figure in virtually all of Kelmar's unclaimed property exams.

Ms. Borusiewicz joined Kelmar in 2010 as a Research Analyst and has since held the position of Research Manager prior to becoming Senior Manager. In her current role, Ms. Borusiewicz is responsible for the oversight of the Practice Development Group. She manages Kelmar's exam participation process from initiation through completion of the examination period, and oversees the preparation of monthly Work-in-Progress Reports for client states. She oversees research support services to Kelmar's audit teams throughout the examination and scoping processes, including researching incorporation histories of potential in-scope entities, providing information to validate holder representations, and proactively monitoring and communicating current holder related news. Ms. Borusiewicz also oversees research assistance for Kelmar's client states to identify holders for examination. This research often includes the review and analysis of filing histories, SEC filings available through EDGAR® Online and Thomson Reuters Research Services, statutory filings using "Yellow Books" and "Blue Books" as well as Investor Relations sites and various research databases, including Hoovers®, Wolters Kluwer Corporate Histories®, Secretary of State/Division of Corporations sites, and archival internet and newspaper sites. In addition, Ms. Borusiewicz manages several of Kelmar's relationships with its client states in regards to audit service contracts. As a Client Relationship Manager, she serves as the primary contact and resource for designated client states. In this capacity, she ensures that the highest level of client service and support is delivered and all client needs are met.

### Other Experience

Prior to joining Kelmar, Ms. Borusiewicz was an Associate District Manager at Automatic Data Processing, Inc. from 2009-2010 and a Financial Analyst at Qualcomm (QCOM) from 2008-2009. As Associate District Manager, she generated sales for payroll and HR services in an assigned territory by prospecting, partnering with banks and CPAs, and cross-selling products to existing client bases. As Financial Analyst, she provided divisional engineering vice presidents with actual



budget performance results and metrics, managed several divisional lines and presented results to the QCOM Executive Vice President, and supervised the divisional accrual process for outstanding invoicing.

Earlier in her career, Ms. Borusiewicz was a Senior Associate in Communications, Media and Contract Compliance at KPMG, LLP from 2006-2008. Her responsibilities included assisting government agencies with compliance attestation to determine waste, fraud and abuse related to the Universal Service Fund disbursements, and planning, scoping and evaluating the effectiveness of internal controls over financial reporting services. Ms. Borusiewicz performed contract compliance reviews of clients' intellectual property and analysis to identify additional monies due to licensor. She also developed and performed audit procedures to test business process and general IT controls.

## Remediation and Due Diligence

### Anthony D. D'Alleva, Jr.

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Mr. Anthony D'Alleva is a Senior Manager overseeing Kelmar's remediation, due diligence and reporting processes in Kelmar's Massachusetts office. Mr. D'Alleva holds a Bachelor of Science in Finance (2004) and a Certificate in Financial Planning, including ACL analytics software certification (2005) from Bentley College (now Bentley University). He possesses twelve (12) years of unclaimed property examination experience.

#### Relevant Qualifications and Experience

Mr. D'Alleva applies his unclaimed property expertise and management experience to support Kelmar's Compliance Division and to facilitate efficient state-mandated audits of holders of unclaimed property. Although Mr. D'Alleva does not interact directly with client states, he serves as a key role in Kelmar's unclaimed property exams. He has in-depth experience in each phase of the examination process and is highly proficient at analyzing large volumes of complex data to assimilate compliance reports for preliminary unclaimed property findings.

Mr. D'Alleva joined Kelmar in 2005 and has since held a steady progression of positions and responsibilities, including Senior Associate and Manager prior to becoming an Abandoned Property Reporting Senior Manager. For the past several years, Mr. D'Alleva's primary responsibilities involve identifying name and address property across all general ledger, securities, and insurance examinations, utilizing his knowledge of various state specific reporting guidelines. His duties include tracking examinations, collaborating with audit teams to review records and remediation materials, interacting with holders to identify outstanding items and required remittance of address property, and preparing and reviewing preliminary reports of unclaimed property with audit teams, holders and client states.

## Statistical Sampling

### Rodney Dominique

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Mr. Rodney Dominique is a Statistical Analyst in Kelmar's Massachusetts office. Mr. Dominique holds a Master of International Business Administration (2011) from Brandeis International Business School and a Bachelor of Science in Mathematics (2009) from Northeastern



University. He has more than six (6) years of statistical modeling experience and over four (4) years of financial analysis experience.

#### Relevant Qualifications and Experience

Mr. Dominique supports Kelmar's Compliance Division to facilitate effective and efficient state-mandated examinations of holders of unclaimed property. Although Mr. Dominique does not interact directly with client states, he serves a key role in Kelmar's unclaimed property examinations and helps ensure consistent practices across all general ledger related exams.

Mr. Dominique joined Kelmar in 2015 as a Statistical Analyst. He utilizes statistical sampling methodologies to provide an efficient means of accurately identifying potential unclaimed property exposure while minimizing any burden to holders. Mr. Dominique utilizes SAS Enterprise Guide 4.2, widely recognized statistical software designed to analyze large datasets and ensure random, replicable and verifiable samples. In addition to his statistical sampling responsibilities, Mr. Dominique provides divisional management with progress reports and objective analysis of examination timing, suggests process improvements, and identifies potential resource needs.

#### Other Experience

Prior to joining Kelmar, Mr. Dominique worked for Mercer from 2012-2015 as a Client Service Analyst where he ensured the data integrity of demographic and benefits information for an international engineering company of 9,000 employees. In this role, he utilized Excel and SQL functionality to query and create statistical models, analyzed the accuracy of system configuration, and crafted test plans to ensure proper communication between Mercer HR systems and Web platforms. Mr. Dominique also gained valuable professional experience as a Climate Corps Fellow with the New York City Housing Authority, creating benchmarking and cost analysis models to assess energy performance. He also has experience analyzing market data and researching the broker dealer and financial advisory industries.

## Human Resources / Recruiting

### Cheryl R. Giannasca, SPHR/SHRM-SCP

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Ms. Cheryl Giannasca is the Senior Manager of Human Resources in Kelmar's Massachusetts office. Ms. Giannasca holds a Bachelor of Science in Business Administration/Human Resources Management from Northeastern University and the certifications of Senior Professional in Human Resources (SPHR) (2011) and Senior Certified Professional from the Society for Human Resource Management (SHRM-SCP). Throughout her twenty-five (25) year career in Human Resources, Ms. Giannasca has held a steady progression of positions and responsibilities for both large companies and start-ups in the industries of technology, R&D, semiconductor, manufacturing, consumer products and consulting.

#### Relevant Qualifications and Experience

Ms. Giannasca applies her Human Resources expertise and management experience to support Kelmar's Compliance Division. She facilitates recruiting the best talent in the unclaimed property industry and ensures Kelmar's compliance with human resource related policies and procedures. Although Ms. Giannasca does not interact directly with client states, she plays a key role in the professional development of all Kelmar staff members and is a vital resource for maintaining an



efficient and effective workforce. Ms. Giannasca joined Kelmar in 2012 as Senior Manager of Human Resources is responsible for overseeing all aspects of Human Resources for all Kelmar locations. Ms. Giannasca drives process improvements as well as oversees talent acquisition and development, compensation and benefits, HRIS, and employee engagement programs.

#### Other Experience

Prior to joining Kelmar, Ms. Giannasca held Human Resources management positions at L-3 Communications and Harman International. In her role as Human Resources Manager for L-3 Security & Detection Systems from 2008-2012, she oversaw the division's compensation, benefits and HRIS administration. Ms. Giannasca provided management and counsel in her role as Human Resources Manager for Harman Specialty Group from 2007-2008. Earlier in her career, she was an HR consultant and held the role of Human Resources Generalist for GTE Government Systems from 1988-1993.

## Reporting and Remittance

### Andrew D. Harmon

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Mr. Andrew Harmon is Senior Manager of reporting and remittance in Kelmar's Massachusetts office. Mr. Harmon holds a Bachelor of Arts in History from Boston University (2006) and possesses sixteen (16) years of experience generating and submitting unclaimed property audit findings to each state with an unclaimed property statute.

#### Relevant Qualifications and Experience

Mr. Harmon applies his unclaimed property expertise and management experience to support Kelmar's Compliance Division and to facilitate effective and efficient state-mandated audits of holders of unclaimed property. He serves a central role in Kelmar's unclaimed property examinations and acts as a key liaison between Kelmar and client states. Mr. Harmon is a vital resource for maintaining consistent reporting and remittance practices across all examinations.

Mr. Harmon joined Kelmar in 2011 and has since held the position of Senior Associate and Manager prior to becoming Senior Manager of reporting and remittance. He ensures the completion of all assigned examinations, serves as the primary point of contact with holders, performs detailed analysis of audit related information, and conducts audit related meetings and conference calls. Mr. Harmon is responsible for overseeing the processing, reporting, and filing of all reports associated with Kelmar's securities and life insurance exams. He has overseen the creation of thousands of electronic files remitted to state abandoned property units in NAUPA format. In addition, Mr. Harmon manages Kelmar's relationships with its client states in regards to audit service contracts. As a Client Relationship Manager, he serves as the primary contact and resource for designated client states and ensures that the highest level of client service and support is delivered.

Prior to joining Kelmar, Mr. Harmon held a steady progression of positions and responsibilities, including First Line Manager, Senior Operations Officer and Assistant Vice President at Xerox Unclaimed Property Clearinghouse (now Conduent) from 2000-2011. He oversaw initiation of new securities audits, coordinated and relayed critical information about all open audits to state clients, provided periodic updates on open and unresolved securities audit issues, and created



and executed action plans, often in conjunction with state clients, to resolve problems and close audits. Mr. Harmon worked directly with several major stock transfer agents to resolve escheatment questions for all states and served as a key liaison between holders and states regarding questions of escheatment policy and imposition of interest for late filings.

## Information Systems Support

### Sean O'Connell, CISSP, CEH

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Mr. Sean O'Connell is the Director of Information Systems in Kelmar's Massachusetts Office. Mr. O'Connell holds a number of professional certifications within Information Technology, IT Security, Business Management & Leadership, including an Executive Certificate in Management and Leadership from MIT Sloan School of Management (2015), Certified Ethical Hacker (CEH) (2014), Certified Information Systems Security Professional (CISSP) (2014), Cisco CCENT, CCDA, CCNA (2010), Microsoft Certified Professional (MCP) and Microsoft Certified Systems Engineer (MCSE) (1996), and Certified Novell Engineer (CNE) (1995). Mr. O'Connell is presently pursuing a Bachelor of Science in Information Technology – Security from Western Governors University (2017). He has over twenty-five (25+) years of experience in Information Technology and pursues ongoing professional development by regularly attending IT seminars and trainings regarding emerging technologies.

Mr. O'Connell applies his Information Technology knowledge and management experience to support Kelmar's various business lines and to facilitate effective and efficient service and support for Kelmar's client states. Mr. O'Connell joined Kelmar in 2007 with responsibilities ranging from managing all IT operations systems, and designing Kelmar's Nationwide MPLS WAN/LAN Data/Voice Network to instituting Kelmar's IT security framework and policies. He designed and installed Kelmar's secure wireless network, and redesigned and migrated Kelmar's data center for backup data center functionality. More recently, he managed the development of Kelmar's Unclaimed Property Call Center. Mr. O'Connell oversees IT's staff, security, operations and annual budget, as well as Kelmar's Business Continuity and Disaster Recovery Plan, legal and regulatory compliance, change control, and third-party vendor relationships. Mr. O'Connell also administers IT security policies and performs and oversees internal/external penetration (PEN) testing, Certified Ethical Hacking exercises and IT Risk Assessments.

Prior to joining Kelmar, Mr. O'Connell was the CEO and owner of Bay State Information Services for eleven (11) years. Bay State IS was a full service IT consulting firm which serviced small to mid-size organizations throughout the Northeast.

## Custodial Reporting

### Marsela Strakosha

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Ms. Marsela Strakosha is the Property Reporting Manager in Kelmar's Massachusetts Office. Ms. Strakosha holds an Associate degree in Computer Information Systems from North Shore Community College (2015) and possesses thirteen (13) years of unclaimed property experience, with an expertise in mutual funds management.



### Relevant Qualifications and Experience

Ms. Strakosha applies her unclaimed property expertise and mutual funds experience to support Kelmar's Compliance Division and to facilitate effective and efficient state-mandated audits of holders of unclaimed property. Ms. Strakosha serves as a key figure in Kelmar unclaimed property examinations and ensures consistent practices in the management of property and remittance of securities to client states.

Ms. Strakosha joined Kelmar in 2014 as Property Reporting Specialist responsible for the management of Kelmar's short-term custody portfolio, including reconciling the remittance of shares and cash received by holders and coordinating the remittance of securities related property to Kelmar's state clients.

Prior to joining Kelmar, Ms. Strakosha worked at Xerox Unclaimed Property Clearinghouse (now Conduent) for eleven (11) years. Ms. Strakosha held the positions of Holder Reporting Specialist for three (3) years and Account Manager for eight (8) years. In her role as Account Manager, she served as the primary custody services resource, managing mutual funds for eight (8) states and DTC securities for three (3) states. Ms. Strakosha coordinated the settlement, safekeeping, sales, corporate actions and detailed reconciliation for all client accounts under her management. She was responsible for managing the reporting of securities from holders to states/jurisdictions, coordinating with third-party custodians and brokers for all sales, receipts and deliveries of securities, and implementing program support, and process improvements and efficiencies. In addition, Ms. Strakosha provided clients with unclaimed property research and location services in order to balance and process claim requests.

## **Payment and Invoicing / Financial Reporting**

### **Elizabeth S. Sullivan, CPA/MS**

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Ms. Elizabeth Sullivan is the Controller in Kelmar's Massachusetts office. Ms. Sullivan holds a Master of Science in Accounting from Northeastern University (2006) and Bachelor of Science in Business Administration from Merrimack College (2005). She is a Certified Public Accountant in Massachusetts and possesses twelve (12) years of accounting experience, including five (5) years in the field of unclaimed property.

### Relevant Qualifications and Experience

Ms. Sullivan applies her accounting expertise and management experience to support Kelmar's various business lines and to facilitate effective and efficient service and support for Kelmar's client states. She is a vital source for maintaining consistent payment, invoicing and financial reporting practices across all of Kelmar's unclaimed property support services.

Ms. Sullivan joined Kelmar in 2011 as Controller, performing custodial services and assisting with the remittance of unclaimed property to Kelmar's client states. Ms. Sullivan assists Kelmar's CFO with the preparation of the Company's internal financial statements, providing financial data and working with Kelmar's outside accountant. She ensures appropriate accounting controls and segregation of duties over billing and collections related to unclaimed property. She also oversees and processes all Kelmar invoices to client states, and administers unclaimed property



collected from holders and processing the same to Kelmar's client states. In this capacity, Ms. Sullivan maintains contact with Kelmar's client states, as needed, to assist in the confirmation of holder receipts.

#### Other Experience

Prior to joining Kelmar, Ms. Sullivan was a Manager at LitmanGerson Associates, LLP from 2009-2011. In this role, she provided public accounting services for small to mid-sized companies in a variety of industries, including manufacturing, distribution, professional services, ERISA compliance and non-profit. Her attestation service responsibilities included planning engagements utilizing a risk-based approach, and completing risk assessments for each engagement. She reviewed reconciliations of all general ledger accounts, and engagement workpapers prepared by associates. In addition, she prepared and analyzed financial statements, including consolidations for audits, reviews and compilation engagements, in addition to foreign currency translations. Ms. Sullivan also reviewed and documented internal control policies/procedures, incorporated internal control documentation and testing into risk based audits, researched complex accounting issues, supervised and trained associates, and developed and maintained client relationships. She used ProSystem fx Engagement software and prepared tax returns using ProSystem fx Tax and PPC software. Ms. Sullivan performed similar services earlier in her career as a senior accountant at Caturano and Company, P.C from 2005-2009.

### Legal Support

#### Timothy J. Cullen, Esq.

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Mr. Timothy Cullen is Associate General Counsel in Kelmar's Massachusetts office. Mr. Cullen holds a Juris Doctor from New England School of Law (2010) and a Bachelor of Science in Economics-Finance from Bentley College (now Bentley University) (2003). He is a member of the Massachusetts Bar (2010) and possesses thirteen (13) years of unclaimed property experience.

#### Relevant Qualifications and Experience

Mr. Cullen applies his unclaimed property expertise and management experience to support Kelmar's Compliance Division. He serves as a central figure to maintain consistent practices and facilitate a professionally responsible examination on behalf of client states. Although Mr. Cullen does not interact directly with client states regarding the day-to-day delivery of unclaimed property audit services, he ensures consistent practices across all examinations and regularly advises on legal issues associated with compliance and regulatory matters.

Mr. Cullen joined Kelmar in 2003 as an Associate and has since held a steady progression of positions and responsibilities, including Senior Associate, Manager, and Senior Manager, prior to becoming Associate General Counsel. He participates in Company compliance initiatives and risk management planning, and assists the audit teams with legal issues presented by the holders throughout the examination process, including the review of contracts to determine the legal obligor, and analysis of statutory construction and the application of case law relating to reach back, exemptions, due diligence and various other unclaimed property issues. Mr. Cullen researches and drafts legal memoranda regarding unclaimed property laws and regulations for



both client states and Kelmar's Executive Management. He provides litigation support services to client states, including research, drafting, and document review. Furthermore, Mr. Cullen consults with audit teams on unclaimed property legal issues, including the review of merger and acquisition, stock purchase, asset and assumption agreements produced by holders during unclaimed property exams. He participates in conference calls with unclaimed property administrators and state attorneys general offices concerning audit legal matters, in addition to calls with holder counsel to address audit legal concerns.

## Contracts Management / Regulatory Compliance

### Catherine G. Zejnullahu, Esq.

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Ms. Catherine Zejnullahu is Associate General Counsel at Kelmar's Massachusetts office. Ms. Zejnullahu holds a Juris Doctor from Suffolk University Law School (2004), a Graduate Certificate in the Program for Women in Politics and Government from the University of Massachusetts at Boston (1998), and a Bachelor of Arts in History from the University of Massachusetts at North Dartmouth (1997). Ms. Zejnullahu was admitted to the Massachusetts Bar in November, 2004. She possesses nine (9) years of unclaimed property experience.

#### Relevant Qualifications and Experience

Ms. Zejnullahu applies her unclaimed property expertise and management experience to support Kelmar's Compliance Division. Ms. Zejnullahu serves as a central figure to maintain consistent practices and facilitate a professionally responsible examination on behalf of client states. She routinely consults with Kelmar's client states on examination concerns involving confidentiality, privacy and data security, and addresses client facing contractual, compliance, and regulatory matters.

Ms. Zejnullahu joined Kelmar in 2007 and is responsible for all corporate legal matters, including risk management, organizational compliance, and advisory services. She reports to Kelmar's Vice President of Legal & Emerging Services and serves as Kelmar's Privacy Officer, Equal Employment Opportunity Officer, and is a member of Kelmar's Incident Response Team. Ms. Zejnullahu provides legal guidance to Kelmar's Executive Management and senior personnel, and supervises several members of Kelmar's legal department, and consultants on organizational best practices and compliance initiatives inclusive of Kelmar's SOC, SSAE-16, DMF and ISO-27002 third party audits.

Ms. Zejnullahu assists in the drafting of Kelmar's responses to state solicitations and requests for proposals. She negotiates Kelmar's state contracts and renewals, and oversees contract compliance by assisting in the development and implementation of corporate controls across departments. She consults with Kelmar's client states on audit related matters, and performs legal research and drafts responsive legal analysis for client consideration. Ms. Zejnullahu also performs tasks associated with legislative and regulatory tracking and drafting, and drafts legal memoranda for use by client states and Kelmar's Executive Management concerning unclaimed property laws and legislative initiatives. Ms. Zejnullahu provides litigation support services to client states, including research, drafting, and document review. In addition to these client-centered tasks, Ms. Zejnullahu develops and implements Kelmar's affirmative action plan, written



information security plan, and other company policies including human resource and employment policies. She advises on legal personnel issues; reviews and advises on internal corporate compliance matters involving state reporting, data security, privacy, ERISA, HIPAA, and other state and federal laws; and drafts, negotiates and enforces lease and vendor contracts.

Ms. Zejnullahu works with holders and advocates at the commencement of the examination process to address concerns regarding Kelmar's treatment of confidential information and data security. She drafts and negotiates confidentiality agreements with holders, and oversees information security disclosures and reviews. Throughout the examination process, she assists audit teams with legal issues presented by holders to address M&A contracts, matters of statutory construction and the application of case law relating to various unclaimed property issues. She also advises audit teams concerning the application of state and federal unclaimed property laws, rules, and regulations; and develops advisory materials for use throughout the examination process. Ms. Zejnullahu assists with the oversight of Kelmar's document management program and, at the conclusion of examination assignments, advises on the retention, return and/or destruction of holder records.

#### Other Experience

Prior to joining Kelmar, Ms. Zejnullahu was an Associate at Shilepsky O'Connell Casey Hartley Michon Yelen LLP. She represented and advised employers in administrative and court proceedings concerning complex employment and business litigation matters. She also drafted and reviewed employee handbooks and counseled clients on how to best comply with federal and state laws. Likewise, Ms. Zejnullahu negotiated business and employment related contracts for clients, including non-disclosure and non-competition agreements, employment contracts, and severance and release agreements. Ms. Zejnullahu also assisted in drafting legislation concerning employment discrimination matters.

Earlier in her career, Ms. Zejnullahu worked as an Associate at Berluti & McLaughlin, LLC from 2004-2007. She represented and advised employers and employees before the MCAD, EEOC, Division of Unemployment Assistance, and Massachusetts Superior and District Courts in matters involving Chapter 151B, Title VII, ADA, FMLA, HIPPA, Wage and Hour, pre-employment screening and testing, termination and discipline, severance and release agreements, and confidentiality and non-competition agreements. She participated in all phases of litigation, including conducting internal investigations, drafting and responding to pleadings and discovery requests, taking and defending depositions, researching, drafting and arguing motions and supporting legal memoranda, preparing witnesses for trial, and attending mediation and arbitration proceedings. Ms. Zejnullahu also negotiated business and employment related contracts for clients, including corporate charters, by-laws, and buy-sell agreements, employment contracts, confidentiality agreements, severance and release agreements; and she performed legal research, assisted in drafting legislation concerning workplace bullying and discrimination matters, drafted client legal alerts and provided advisory services to corporate clients.



# Third Party Vendors

## LexisNexis® Risk Solutions FL, Inc.

Larry Benson, Brian Schmidt and Mario Taccariello comprise the relationship management team of LexisNexis® responsible for a technology designed to perform batch processing services used in support of the state unclaimed property departments as part of Death Master File (“DMF”) matching techniques. As described in the proposal, while Kelmar utilizes the LexisNexis® technology solution, all decisions regarding Death Master File matches are made by Kelmar’s auditors. As such, the LexisNexis® relationship management team will not be providing audit services. The collective experience described below allows the management team of LexisNexis® to contribute to Kelmar successfully providing the services required by this RFQ.

### Larry Benson

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Mr. Larry Benson is currently the Director of Strategic Alliances for Revenue Discovery and Recovery at LexisNexis Risk Solutions. In this role, Mr. Benson is responsible for developing partnerships for the tax and revenue and child support enforcement verticals. He focuses on embedded companies that have a need for third-party analytics to enhance their current offerings.

In addition, he has created and is the chief contributor to a government fraud research site called *Fraud of the Day*: [www.fraudoftheday.com](http://www.fraudoftheday.com). This LexisNexis sponsored site is designed to educate government workers and executives as to how their programs are being defrauded. Currently, with over 16,000 government subscribers, *Fraud of the Day* continues to expand and cover additional topics. There are over forty government fraud topics covered with over 800 articles written to date.

Mr. Benson has over twenty-five (25) years of experience in sales and business development. Before joining LexisNexis, he spent twelve (12) years founding and managing two software technology startups. One focused in the network management vertical, and the second in the data collection and analytics vertical. During this time, he held various positions such as CEO, VP of Sales, VP of Business Development, and VP of Marketing. During the 1990’s he spent ten (10) years as a Regional Director helping to grow a New England based Technology Company from 300 employees to 7,000. He started his career working for Martin Marietta working on laser guided weapons and day/night vision systems.

Mr. Benson holds a Bachelor of Science in Physics from Albright College, and has received two (2) graduate degrees – a Master of Business Administration from Florida Institute of Technology, and a Master of Science in Engineering from Lehigh University.



## Brian Schmidt

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Mr. Brian Schmidt is currently the Director of Strategic Consulting at LexisNexis. He is responsible for the management of consultants and direct involvement helping organizations solve issues, create value, maximize growth and improve the business performance of clients by using business skills to provide objective advice, expertise and specialized skills which the organization may be lacking. His primary focus is on the strategy, structure, management and operations of an organization, supporting a wide variety of services such as business strategy, management controls, information technology, e-business and operations within the Healthcare, Government, Insurance, Banking & Finance, and Strategic Corporate industries.

Prior to his role as Director of Strategic Consulting, Mr. Schmidt service as Manager of Consultant Services for seven (7) years and before that, Senior Technical Sales Consultant for six (6) years at LexisNexis. As Manager of Consultative Services, his responsibilities included leading top consulting teams in Healthcare, Government, Insurance, Banking & Finance, and Strategic Corporate Sales. With sales and technical implementation of the LexisNexis Risk Management product line, he identified high annual growth year over year, exceeding market expectations. As Senior Technical Sales Consultant at LexisNexis, Mr. Schmidt supported the LexisNexis sales force in all specialty sales by conducting in-depth customer review, work flow analysis, process design and presentations. While addressing unique customer requirements and driving revenue in excess of \$6 million in billable sales within Strategic Banking and Finance, he planned, coordinated and oversaw activities related to integration and maintenance of distributed internet integration to support e-solutions and e-data. He was also responsible for ensuring that the technical architecture was followed and the services necessary to meet the changing needs of our clients were implemented and maintained.

Earlier in his career, Mr. Schmidt held management positions at various companies. As President at VASDEEM, INC from June 1996 - August 2000, he managed and ran a consulting business, designing and implementing company networks, Point of Sales software, CRM software solutions, and Sales Force Automation and internet site development and technology. As Product Services Supervisor at Primevest Financial Services, Inc. from April 1996 - November 1999, Mr. Schmidt managed a team on critical Internet business opportunities, Equities Trading platform, Portfolio Management software and Contact Management software development with supporting training materials and application development for three hundred financial advisers. From February 1995 - March 1996 Mr. Schmidt was Director of Recruiting at Distribution Services Inc., where he managed the Recruiting Department and advertising campaign for DSI, restructured the recruiting department to increase efficiency and effectiveness within the organization and lowered cost per recruit by 15% while increasing recruiting hires by 22%.

Mr. Schmidt holder a degree in Business Computer Information Systems, Business and Management from St. Cloud State University.



## Mario Taccariello

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Mr. Mario Taccariello is currently the lead solutions consultant for the government, healthcare, and business verticals for LexisNexis Risk Solutions. In this position, he is responsible for understanding the business flow of companies, designing intricate batch solutions for those flows, and optimizing existing solutions periodically to increase productivity. As for breadth of knowledge for different states requirements and compliances, Mr. Taccariello has worked with all fifty (50) state governments in the time he has worked at LexisNexis.

Mr. Taccariello has over seven (7) years of experience in risk solutions and has comprehensive knowledge of government current and future needs. Before joining LexisNexis, he spent eight (8) years teaching high school and private tutoring. He is widely known as the best calculus, physics, and chemistry tutor of South Florida. During his spare time, he does pro bono tutoring at Florida Atlantic University for engineering students. Finally, in 1997, his award winning teaching style helped him achieve the Florida Rookie Teacher of the Year Award.

Mr. Taccariello holds three college degrees currently. The first two are degrees from University of Florida where he achieved a Bachelor of Science in Mathematics and a Master of Science in Mathematics. He also just recently finished a Bachelor of Computer Engineering degree from Florida Atlantic University where he graduated Magna Cum Laude.

### **The Berwyn Group, Inc.**

Scott Niese is the key personnel from The Berwyn Group responsible for identification matching services used in support of the state unclaimed property departments as part of Death Master File (“DMF”) matching techniques. As described in the proposal, while Kelmar utilizes The Berwyn Group all decisions regarding Death Master File matches are made by Kelmar’s auditors. As such, The Berwyn Group relationship management team will not be providing audit services. The experience described below allows the management team of The Berwyn Group to contribute to Kelmar successfully providing the services required by this RFQ.

## Scott Niese

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Mr. Scott Niese is Chief Operating Officer (COO) for The Berwyn Group. Mr. Niese joined The Berwyn Group in January of 2015. As COO, he has management oversight for all business operations, including Sales, Customer Service, Information Technology and Security.

Prior to The Berwyn Group, Mr. Niese served for twenty-five (25) years in various leadership roles in the insurance industry and information technology space. Mr. Niese has an engineering degree from the Ohio State University.



## **Wells Fargo Advisors, LLC / First Clearing, LLC**

Timothy Johnson, Scott James, Amy Peeples, Theresa Roberts, and Lieutenant Colonel Elton Johnson of Wells Fargo Advisors, LLC/First Clearing, LLC (collectively, "Wells Fargo Advisors") are responsible for providing custody and brokerage services to state unclaimed property departments. The collective experience described below allows the management team of Wells Fargo Advisors to contribute to successfully providing the services required by this RFP.

### **Timothy Johnson**

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Mr. Timothy Johnson, Managing Director and Investment Officer, is responsible for providing custody and brokerage services to state unclaimed property departments. Toward that goal, he works closely with state clients developing customized solutions to meet specific needs including periodic and on-demand reporting, sales, recordkeeping, claims processing, and reconciliation of unclaimed property. He also ensures that staff excels at providing high quality service in an intensive volume-driven, transaction-processing business.

A member of the Sacramento branch of Wells Fargo Advisors since 1998, Mr. Johnson specializes in portfolio management, performance monitoring and investment planning for companies, government agencies, pension plans, non-profit organizations, and select individuals. As an advocate of Veterans Affairs, Mr. Johnson has recently been recognized by the National Committee for Employer Support of the Guard and Reserve as a "Patriotic Employer" for his support and employment of disabled veterans.

Mr. Johnson graduated from California State University, San Luis Obispo in 1994. He was named among the "Best of Best" financial advisors at the inaugural Barron's top 100 Winner's Circle Conference in 2005.

### **Scott James**

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Mr. Scott James, Senior Vice President - Branch Manager, has been employed in the financial services industry for over twenty (20) years, as both a manager and a Financial Advisor. Mr. James oversees the Sacramento office and manages the supporting staff. He began his career in the financial services industry as Vice President/Sales Manager for Merrill Lynch in Beverly Hills. He also served as Vice President and Director of Sales in Los Angeles for Mellon Private Wealth Management before joining Wells Fargo in 2003. Mr. James graduated from the University of California in Los Angeles and serves as a Board member of several foundations and local charities.

### **Amy Peeples**

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Ms. Amy Peeples, First Vice President - Market Operations Manager, is responsible for the oversight of the local operations team, involved in receipt and processing of deposits and disbursements of funds and securities. Soon after joining Wells Fargo in 2008, Ms. Peeples was



named Team Member of the Year in 2010, recognized for her service and commitment to the firm's values. Ms. Peeples' eighteen (18) year history in the financial services industry began at Sutro & Company / RBC Wealth Management. Ms. Peeples graduated from Sacramento State University with two (2) Bachelor of Science Degrees: Finance and Risk Management.

## Theresa Roberts

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Ms. Theresa Roberts, Sr. Registered Client Associate, is responsible for processing new claims, issuing checks and electronic deposits, assisting with preparation of weekly and monthly reports, executing trades, asset transfers, researching historical prices, determining transferability of shares, and maintaining the database. Ms. Roberts' career in the financial services industry began in 2004. She was employed by WM Funds Distributor, Brecek & Young Advisors, Securities America, and BancWest Investment Services before joining Wells Fargo Advisors in 2013. Ms. Roberts attended the University of N.C. in Greensboro.

## Lieutenant Colonel Elton Johnson

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Lieutenant Colonel Elton Johnson is the Owner/President of Amerivet Securities. Amerivet specializes in securities and market research. As a Disabled Veteran Business Enterprise (DVBE), Amerivet has been an instrumental business partner and valuable resource since 2002.