



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
- Clarification Request

Procurement Folder: 1077957

Procurement Type: Central Master Agreement

Vendor ID:

Legal Name: KELMAR ASSOCIATES LLC

Alias/DBA:

Total Bid: \$19.50

Response Date:

Response Time:

Responded By User ID:

First Name:

Last Name:

Email:

Phone:

SO Doc Code: CRFQ

SO Dept: 1300

SO Doc ID: STO2300000001

Published Date: 8/30/22

Close Date: 9/7/22

Close Time: 13:30

Status: Closed

Solicitation Description:

Total of Header Attachments: 1

Total of All Attachments: 1

| Line | Comm Ln Desc | Qty | Unit Issue | Unit Price | Ln Total Or Contract Amount |
|------|----------------|-----|------------|------------|-----------------------------|
| 1 | Audit services | | | | 10.50 |

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

Commodity Line Comments: It is understood and agreed that the Contract shall cover the quantities actually ordered for delivery during the term of the Contract at a rate that shall not exceed 10.5%.

Extended Description:

Audit/Collection of Property per section 4.1.21 of Specifications. Rate shall not exceed 10.5% Vendor must enter their percentage and affirmation on Exhibit A Pricing Page and return with their bids.

| Line | Comm Ln Desc | Qty | Unit Issue | Unit Price | Ln Total Or Contract Amount |
|------|----------------|-----|------------|------------|-----------------------------|
| 2 | Audit services | | | | 9.00 |

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

Commodity Line Comments: It is understood and agreed that the Contract shall cover the quantities actually ordered for delivery during the term of the Contract at a flat rate that shall not exceed 9%.

Extended Description:

Audit / Voluntary Compliance Program per section 4.2.10 of Specifications. Rate shall be flat rate of 9% Vendor must enter their percentage and affirmation on Exhibit A Pricing Page and return with their bids.

| Line | Comm Ln Desc | Qty | Unit Issue | Unit Price | Ln Total Or Contract Amount |
|------|----------------|---------|------------|------------|-----------------------------|
| 3 | Audit services | 0.00000 | HOUR | 100.000000 | 0.00 |

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

Commodity Line Comments: It is understood and agreed that the Contract shall cover the quantities actually ordered for delivery during the term of the Contract (initial contract term for a period of one year) at a rate that shall not exceed \$100.00 per hour.

Extended Description:

Audit /Other Services per section 4.3.1 of Specifications. Rate shall not exceed \$100 per hour. Vendor must enter their hourly rate and affirmation on Exhibit A Pricing Page and return with their bids.



KELMAR

West Virginia State Treasurer's Office Unclaimed Property Division Centralized Request for Quote CRFQ 1300 STO2300000001

Unclaimed Property Audit Services Proposal
Kelmar Associates, LLC
September 7, 2022



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CRFQ 1300 STO2300000001 Form

The CRFQ 1300 STO2300000001 Form submitted by Kelmar Associates, LLC (hereinafter “Kelmar” or the “Company”) is attached hereto and incorporated herein by reference, immediately following this page of Kelmar’s Proposal. The completed Form includes all required Vendor information and has been signed by an authorized representative of the Company.



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

State of West Virginia
 Centralized Request for Quote
 Consulting

| | | | |
|---|----------------------------|-------------------------|--|
| Proc Folder: 1077957 | | | Reason for Modification: Addendum No 4 is issued to correct an error |
| Doc Description: Addendum No.4 Audit Services for Unclaimed Property | | | |
| Proc Type: Central Master Agreement | | | |
| Date Issued | Solicitation Closes | Solicitation No | Version |
| 2022-08-30 | 2022-09-07 13:30 | CRFQ 1300 STO2300000001 | 5 |


BID RECEIVING LOCATION

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

VENDOR

Vendor Customer Code: 000000100899
Vendor Name : Kelmar Associates, LLC
Address : Company Headquarters
Street : 500 Edgewater Drive, Suite 525
City : Wakefield
State : Massachusetts **Country :** US **Zip :** 01880
Principal Contact : Mark S. McQuillen, Chief Executive Officer, President, and Member
Vendor Contact Phone: 781-928-9203 **Extension:** 203

FOR INFORMATION CONTACT THE BUYER
 Toby L Welch
 (304) 558-8802
 toby.l.welch@wv.gov

Vendor Signature X  **FEIN#** 04-3577426 **DATE** August 31, 2022

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

ADDITIONAL INFORMATION

Addendum No. 4 is issued for the following reasons:

- 1) To correct an error from Addendum No. 3
- 2) To publish a revised Exhibit A Pricing page
- 3) To publish a modifications to the specifications - Section 4.1.21 (Fees)

As per attached documentation.

---no other changes---

| INVOICE TO | | SHIP TO | |
|--|----|--|----|
| WEST VIRGINIA STATE TREASURERS OFFICE 322 70TH ST SE | | WEST VIRGINIA STATE TREASURERS OFFICE 322 70TH ST SE | |
| CHARLESTON US | WV | CHARLESTON US | WV |

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

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

Extended Description:

Audit/Collection of Property per section 4.1.21 of Specifications. Rate shall not exceed 10.5% Vendor must enter their percentage and affirmation on Exhibit A Pricing Page and return with their bids.

| INVOICE TO | | SHIP TO | |
|--|----|--|----|
| WEST VIRGINIA STATE TREASURERS OFFICE 322 70TH ST SE | | WEST VIRGINIA STATE TREASURERS OFFICE 322 70TH ST SE | |
| CHARLESTON US | WV | CHARLESTON US | WV |

| Line | Comm Ln Desc | Qty | Unit Issue | Unit Price | Total Price |
|------|----------------|-----|------------|------------|-------------|
| 2 | Audit services | | | | |

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

Extended Description:

Audit / Voluntary Compliance Program per section 4.2.10 of Specifications. Rate shall be flat rate of 9% Vendor must enter their percentage and affirmation on Exhibit A Pricing Page and return with their bids.

| INVOICE TO | | SHIP TO | |
|--|----|--|----|
| WEST VIRGINIA STATE TREASURERS OFFICE 322 70TH ST SE | | WEST VIRGINIA STATE TREASURERS OFFICE 322 70TH ST SE | |
| CHARLESTON | WV | CHARLESTON | WV |
| US | | US | |

| Line | Comm Ln Desc | Qty | Unit Issue | Unit Price | Total Price |
|------|----------------|---------|------------|------------|-------------|
| 3 | Audit services | 0.00000 | HOUR | | |

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

Extended Description:

Audit /Other Services per section 4.3.1 of Specifications. Rate shall not exceed \$100 per hour. Vendor must enter their hourly rate and affirmation on Exhibit A Pricing Page and return with their bids.

SCHEDULE OF EVENTS

| <u>Line</u> | <u>Event</u> | <u>Event Date</u> |
|-------------|--------------------------------|-------------------|
| 1 | Questions are due by 4:00 p.m. | 2022-08-10 |

| | Document Phase | Document Description | Page |
|---------------|----------------|---|------|
| STO2300000001 | Final | Addendum No.4 Audit Services for Unclaimed Property | 4 |

ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions



Addendum Acknowledgement Form

8. Addendum Acknowledgement: Changes or revisions to this Solicitation will be made by an official written addendum issued by the Purchasing Division. Vendor should acknowledge receipt of all addenda issued with this Solicitation by completing an Addendum Acknowledgment Form, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

The completed Addendum Acknowledgement Form is attached hereto and incorporated herein by reference, immediately following this page of Kelmar's Proposal. The completed Form has been signed by an authorized representative of the Company, acknowledging receipt of all addenda issued with CRFQ 1300 STO2300000001 for Audit Services for Unclaimed Property (hereinafter the "CRFQ").

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: CRFQ STO230000001

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 checked="" type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input checked="" type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input checked="" 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

August 31, 2022

Date

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



Exceptions and Clarifications

11. Exceptions and Clarifications: The Solicitation contains the specifications that shall form the basis of a contractual agreement. Vendor shall clearly mark any exceptions, clarifications, or other proposed modifications in its bid. Exceptions to, clarifications of, or modifications of a requirement or term and condition of the Solicitation may result in bid disqualification.

Kelmar has reviewed the Solicitation and the specifications contained therein that shall form the basis of a contractual agreement with the West Virginia State Treasurer's Office, Unclaimed Property Division (hereinafter the "STO"). In so doing, Kelmar respectfully seeks modification of Section 15 of the General Terms and Conditions included within the Solicitation beginning on page 11. While Kelmar **does** accept payment via electronic funds transfer as required by Section 15 of the General Terms and Conditions, the Company does **not** currently accept purchase cards (P-cards) for payment for its professional services by any other client state and is not currently set up to accept P-Cards from the State of West Virginia's Purchasing Card program in connection with other on-going contracts with the STO. Accordingly, Kelmar respectfully requests that Section 15 be amended in part to eliminate the P-Card requirement.



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General Terms and Conditions

Designated Contact

Kelmar appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to a Contract resulting from this CRFQ.

(Name, Title) Mr. Michael Gizzi, Managing Director

(Printed Name and Title) Mr. Michael Gizzi, Managing Director

(Address) 500 Edgewater Drive, Suite 525, Wakefield, MA 01880

(Phone Number) / (Fax Number) (781) 928-9223 / (781) 512-7998

(email address) Michael.Gizzi@kelmarassoc.com

Certification and Signature

By signing below and submitting documentation through wvOASIS in response to the CRFQ, I, Mark S. McQuillen, President, Chief Executive Officer, and Member of Kelmar Associates, LLC (“Kelmar” or the “Company”) certify: that I have reviewed this Solicitation/Contract in its entirety; I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer, or proposal constitutes an offer to the State of West Virginia (the “State”) that cannot be unilaterally withdrawn; that the service proposed meets the mandatory requirements contained in the Solicitation/Contract for that service, unless otherwise stated herein; that Kelmar accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein (and as specifically noted on page 8 of its Proposal); that I am submitting this bid, offer, or proposal for review and consideration on behalf of Kelmar; that I am duly authorized by Kelmar to execute and submit this bid, offer, or proposal, or any



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documents related thereto on behalf of the Company; that I am authorized to bind Kelmar in a contractual relationship; and that to the best of my knowledge, Kelmar has properly registered with any State agency that may require registration.

By signing below, and by submitting documentation through wvOASIS in response to the CRFQ, I understand that the Contract resulting from this CRFQ is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law; and that pursuant to W. Va. Code 5A-3-63, the entity entering into this contract is prohibited from engaging in a boycott against Israel.

Kelmar Associates, LLC
(Company)

(Authorized Representative) (Representative Name, Title)

Mark S. McQuillen, President, Chief Executive Officer, & Member
(Printed Name and Title of Authorized Representative)

August 31, 2022
(Date)

781-928-9203
(Phone Number)

781-512-7998
/ (Fax Number)

Mark.Mcquillen@kelmarassoc.com
(Email Address)



Qualifications

Vendor, or Vendor's staff if requirements are inherently limited to individuals rather than corporate entities, shall have the following minimum qualifications. Vendor shall have the following minimum qualifications. Information is requested with the bid response to expedite evaluation; however, vendor must provide requested information within two (2) business days of request.

3.1 Knowledge

Vendor shall have sufficient knowledge of the West Virginia Unclaimed Property Act (the "Act"), set forth in W. Va. Code §36-8-1, et seq., court rulings regarding the Act, and its regulations. Vendor must comply with the Act and correctly apply the law to the Holder examination.

Kelmar confirms that it possesses the requisite knowledge, and agrees to comply with, and correctly apply the West Virginia Unclaimed Property Act (the "Act"), set forth in W. Va. Code §36-8-1, et seq., court rulings regarding the Act, and its regulations to all holder examinations performed on behalf of the STO. Kelmar's established knowledge of state unclaimed property laws, federal legislation, court rulings, and generally accepted auditing standards ensures compliance with all laws and regulations associated with the provision of industry-leading unclaimed property audit services for state unclaimed property programs.

Kelmar's legal professionals monitor state and federal legislation, and administrative agency publications to promptly review changes in law, policies, and regulations, and to implement required changes. Kelmar also employs the services of legislative analysts to monitor and track legal updates impacting its business and the provision of its services. Kelmar's Legal Team advises Kelmar's Executive Management of compliance updates and ensures all personnel are properly educated on the same. Kelmar anticipates providing legislative driven changes affecting the services provided to clients as they are



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implemented into law. To demonstrate Kelmar's expertise interpreting various state laws, federal legislation, and court rulings relating to unclaimed property and how Kelmar serves as an unclaimed property legislative resource for multiple states, a description of Kelmar's comprehensive knowledge of unclaimed property law and its practical application for state governments is provided below.

- **Established Legal Team:** Kelmar maintains a team of full-time, licensed attorneys to ensure compliance and assist with the provision of services, including those sought in this CRFQ. Along with its Legal Team, Kelmar has retained the services of an Executive Consultant who is not only a licensed attorney but who is recognized nationally as an expert in unclaimed property law. Kelmar's legal experts have extensive experience in unclaimed property and serve as a valuable resource for the Company's examination professionals, clients, and the unclaimed property industry at large.
- **Unclaimed Property Law and Auditing Services:** Kelmar's examination services are reinforced by the Company's substantial legal resources which, in Kelmar's experience, are necessary when performing unclaimed property examinations of diverse industries. Kelmar's legal experts collectively possess hundreds of years of experience working specifically in the field of unclaimed property. These experts have a thorough understanding of fundamental unclaimed property legal decisions and the foundation they establish for applying the unclaimed property law of each state. They are also well-versed in relevant U.S. Supreme court rulings, and Generally Accepted Auditing Standards pertaining to the identification and collection of unclaimed property. Equipped with comprehensive knowledge of unclaimed property law, Kelmar's legal experts serve as valuable resources for the Company's examination professionals throughout Kelmar's identification, examination, and collection processes. Kelmar's legal experts work closely with Kelmar's executive and examination management to review examination processes and procedures, ensure compliance with unclaimed property laws and client contractual obligations, and advise Kelmar's personnel on the application and interpretation of unclaimed property court rulings, laws, rules, and regulations.



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- **Unclaimed Property Law and Program Support:** While Kelmar is not a law firm engaged in rendering legal services, Kelmar's unclaimed property experts routinely offer their extensive expertise when consulting with the Company's clients concerning unclaimed property legal issues that may arise during an examination and/or generally within the industry during the contract period. In such instances, Kelmar assists its clients with conducting research, reviewing legal opinions received from holders under audit and assisting with drafting responsive documents, developing education and training, consulting on legislative initiatives to update unclaimed property laws and enhance state unclaimed property compliance programs, and drafting advisories that are used by each client's respective attorney general's office for reference when researching and determining the states' positions on certain unclaimed property matters. One of Kelmar's key initiatives includes distributing a weekly Legislative Alert email to state unclaimed property administrators that contains publicly available information on the latest unclaimed property legislative proposals, regulatory changes, and statutory enactments across the country. This tool aids Kelmar's clients in staying on top of industry trends and legal changes, which may impact their respective programs.
- **Unclaimed Property Law and Industry Support:** As a recognized organization of experts in the field of unclaimed property, Kelmar holds membership in industry organizations, participates in industry conferences, provides training to state officials, and attends meetings of various industry organizations as well as the Uniform Law Commission ("ULC"). As a Corporate Affiliate Member of the National Association of State Treasurers ("NAST"), Kelmar often donates its time and efforts in support of industry conferences. Kelmar staff members participate as attendees and serve as presenters at conferences hosted by organizations such as NAST, the National Association of Unclaimed Property Administrators ("NAUPA"), and the National Institute of Public Finance ("NIPF"). Kelmar also provides consultation and training to numerous state officials on various unclaimed property topics, including relevant statutory authority and case law inclusive of U.S. Supreme Court decisions. Kelmar attended each semi-annual meeting of the ULC from 2014 through 2016 for the ULC's drafting of the 2016 Revised Uniform Unclaimed Property Act. Kelmar provided significant support to the



KELMAR

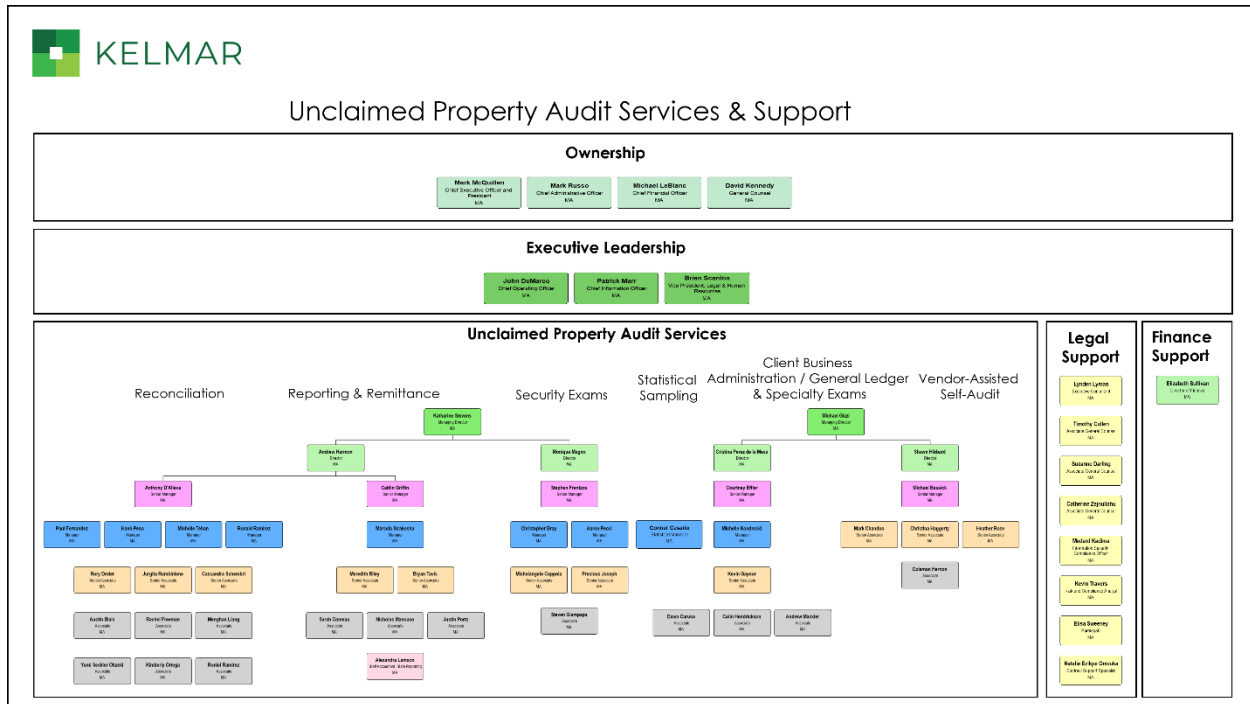
drafting committee's NAUPA advisors, both drafting and providing commentary on legislation. As states have considered enactment/revision of their unclaimed property legislation, Kelmar has acted as a sounding board, provided preparation for hearings, and analyzed fiscal notes and other impacts.

3.2 Organization

Vendor must be of sufficient size and organization to provide the Services required by the STO. Provide an organizational chart identifying key staff members who will be providing the audit services required by this RFQ. Describe Vendor, discussing organizational structure size, ownership, number of employees, location of offices, experience and Vendor's ability, capacity, data processing capabilities, and qualifications for performing the services contemplated by this RFQ.

Formed on October 2, 2001, with the mission of providing quality unclaimed property compliance services to government agencies, Kelmar has established its reputation of excellence as a leader in the unclaimed property industry. With substantial knowledge of unclaimed property laws and state government systems tools and workflow processes, Kelmar assists government agencies with the administration and enforcement of their respective unclaimed property programs. Kelmar is committed to serving its government clients as a partner in unclaimed property resources and invests regularly in its corporate infrastructure to ensure Kelmar has the requisite talent and professional and technological resources to deliver superior service. For additional information illustrating Kelmar's qualifications to perform unclaimed property audit services of the highest standard, please refer to the organizational chart below, identifying key staff members who will be providing the audit services required by this CRFQ; descriptions of the Company's organizational structure size, ownership, number of employees, and location of offices; as well as an overview of experience, including ability, capacity, and data processing capabilities.

Audit Services Organizational Chart



Organizational Structure (Ownership, Number of Employees, Location of Offices)

Kelmar Associates, LLC is a Delaware limited liability company in good standing, dedicated to assisting governments in achieving their unclaimed property compliance goals. Starting with one office, a few employees, and a couple of state contracts, today, Kelmar employs 217 full-time employees (with 62 staff members dedicated specifically to the performance and support of unclaimed property examinations and vendor-assisted self-audits) and maintains three (3) fully functional offices located in Wakefield, Massachusetts; Rockland, Massachusetts; and Wilmington, Delaware that are equipped with state-of-the-art equipment and data security tools necessary to deliver reliable unclaimed property services for government agencies.



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As a privately owned, closely held, limited liability company dedicated solely to assisting governments with the development and enforcement of their respective unclaimed property programs, Kelmar’s four (4) Managing Members, listed below, serve as the sole representatives on the Company’s Management Committee. Kelmar’s Managing Members also serve as part of the Company’s Executive Team to consult on organizational matters and strategic initiatives for the Company, and work together to ensure that Kelmar is not only financially and operationally sound, but that its professionals perform all services in the highest ethical manner, including the audit services described herein.

| | |
|--|---|
| Mr. Mark S. McQuillen Chief Executive Officer, President, & Member Kelmar Associates, LLC 500 Edgewater Drive, Suite 525 Wakefield, Massachusetts 01880 | Mr. Michael J. LeBlanc Chief Financial Officer & Member Kelmar Associates, LLC 500 Edgewater Drive, Suite 525 Wakefield, Massachusetts 01880 |
| Mr. Mark X. Russo Chief Administrative Officer & Member Kelmar Associates, LLC 500 Edgewater Drive, Suite 525 Wakefield, Massachusetts 01880 | Mr. David P. Kennedy General Counsel & Member Kelmar Associates, LLC 500 Edgewater Drive, Suite 525 Wakefield, Massachusetts 01880 |

Through solely organic, long-term strategic planning and investment, Kelmar has built an organizational structure designed to undertake and accomplish the unclaimed property services sought by its clients. Utilizing its extensive experience successfully providing unclaimed property auditing services to state governments across the United States, Kelmar has implemented a strategic organizational alignment of its unclaimed property experts to deliver the highest quality audit services in the industry. The Company’s strategic alignment ensures that all unclaimed property examination professionals receive the appropriate management and direction, professional training and education, and administrative and technical support essential to the delivery of superior unclaimed property services.



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By assigning professionals from each tier of Kelmar's organizational structure to an examination, leveraging expertise from its specialty compliance support groups and Executive Consultant, and utilizing the latest in technology resources as needed, Kelmar ensures that its examination methodology and assignments are managed appropriately, performed with independence, and completed timely in conformity with all client requirements, including the services required by STO in this CRFQ. Kelmar's audit team structure is described below, outlining the Company's established hierarchy, accountability, and roles and responsibilities.

- Chief Officers: Kelmar's Chief Officers are responsible for fostering a culture of integrity and good governance; strategic planning; identifying risks and overseeing risk management; overseeing financial reporting, internal controls, communications and public disclosure; succession planning and evaluating performance and approving compensation of Kelmar's personnel; and establishing corporate governance structures, principles and practices that contribute to the effective oversight of Kelmar's operations. Kelmar's Chief Officers ultimately oversee all corporate matters, provide the necessary leadership and direction to achieve the highest level of unclaimed property services to clients, and are responsible for ensuring that Kelmar's information technology systems are properly designed, operated, and maintained to safeguard, process, transmit, and store all client information. Each of these individuals is regarded nationally as an expert in the field of unclaimed property, accepting personal responsibility for setting, monitoring, and maintaining Kelmar's professional standards.
- Two of Kelmar's four Managing Members served as the Big Four's former National Practice Leaders for Unclaimed Property and another Managing Member served as a former Director of Audit and Compliance for the Commonwealth of Massachusetts' Unclaimed Property program. Each Managing Member has diverse experience with all facets of unclaimed property compliance, having worked as unclaimed property compliance advisors for holders, assisting in drafting and submitting VDAs, and performed audit defense; while others are former state employees whose job responsibilities included overseeing unclaimed property examinations, reviewing



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- VDAs, and negotiating settlements, and even administrating a state's entire unclaimed property program.
- A subject matter expert in unclaimed property, with an extensive background in stock transfer, data analysis, reporting, and recordkeeping systems for more than two decades, Kelmar Chief Operating Officer ("COO") is well versed in the unclaimed property laws and federal regulations governing unclaimed securities and is widely regarded as a key industry resource on such matters.
 - Kelmar's Chief Information Officer ("CIO") is responsible for the overall management, implementation, and security of information and computer technologies throughout the Company. With more than nine years of unclaimed property and information technology experience, Kelmar's CIO supports the organization by ensuring Kelmar's information technology systems are properly designed, operated, and maintained to safeguard, process, transmit, and store all client information associated with the unclaimed property services provided by the Company. He also provides technical guidance on all information technology matters and orients Kelmar toward emerging information technology trends.
 - Managing Directors and Directors: Kelmar's Managing Directors and Directors serve as key players in the administration and delivery of Kelmar's services. These individuals routinely meet and discuss corporate policy matters, provide detailed assessments and reports on each service line and related client relationships, as well as staffing, recruiting, and departmental budgeting. Managing Directors and Directors are also responsible for understanding current and emerging short and long-term risks that the Company faces and the performance implications. Kelmar's Managing Directors and Directors are dedicated entirely to the oversight and strategic direction of services from a technical, time-management, client communications, and professional ethics perspective. Managing Directors and Directors maintain communication with clients and provide input and direction to Kelmar's service delivery teams resulting from those discussions.

Managing Directors and Directors possess significant unclaimed property experience and expertise, each offering a unique skill set that



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enhances the performance of Kelmar's services, including fiduciary management, general ledger and specialty exams, vendor-assisted self-audits, client business administration, remediation and due diligence, reporting and remittance, and short-term custody management associated with unclaimed property audit services.

- Exam Teams: Kelmar's Exam Teams are responsible for the day-to-day provision of unclaimed property audit services on behalf of the Company's clients. Kelmar's Exam Team members have years of unclaimed property audit knowledge, working with Kelmar's clients and holders under audit to perform audits of holders in possession of unclaimed property and assist in the reporting and remittance of past due property on behalf of each Kelmar client. Kelmar's exam teams comprise senior managers, managers, senior associates, associates, and data specialists.
 - Senior Managers provide direct oversight and guidance to Kelmar's examination staff, resulting in completion of all examinations assigned in an accurate and timely manner while maintaining the Company's high standards and professional ethics.
 - Managers participate in all phases of unclaimed property examinations and oversee exam teams. These individuals generally serve as the primary contact for holders under examination and report directly to Senior Managers.
 - Senior Associates participate in all phases of the examination, including the review and analysis of examination-related information, discussions with holders and advocates, and the preparation of document requests, memoranda, and reports.
 - Associates and Junior Associates participate in all phases of the examination, including review and analysis of examination-related information, preparation of memos and status reports, and review of data entry work product.
 - Data Specialists are responsible for data input from a holder's production of documents throughout the examination process. Data



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Specialists are not responsible for holder correspondence and are closely monitored and supervised by management.

- Vendor-Assisted Self-Audit Team: Kelmar's STACS team is comprised of an experienced director, dedicated senior manager, and designated associates. Under the leadership and direction of the Director, Kelmar's STACS Associates apply long-established Kelmar compliance processes and procedures to research and identify noncompliant holders, facilitate holder outreach, guide holder compliance assessments and self-examinations, and to educate and identify common areas of holder oversight when self-reporting. The details below outline the responsibilities of these individuals.
 - Senior Managers provide direct oversight and guidance to Kelmar's STACS staff, resulting in completion of all reviews in an accurate and timely manner while maintaining the Company's high standards of professional ethics. Managers are responsible for day-to-day activities for each voluntary compliance assessment and take the lead role with holder communications.
 - Managers provide guidance for the holder identification process using the STACS application and are responsible for generating holder lists in accordance with client state guidance.
 - Associates participate in all phases of compliance assessments, including the review and analysis of holder information, the preparation of memos and status reports, and the review of data entry work product. Associates are responsible for documenting and organizing all records and responses received. Using the STACS application, Associates will generate preliminary holder lists and ensure that holder status and activity updates are input timely.
- Audit Key Specialty Support Infrastructure: In addition to its experienced exam and vendor-assisted self-audit teams, the Company has established key specialty groups to aid in ensuring that the statistical sampling, remediation and due diligence, and short-term custody offered by Kelmar are completed accurately, timely, and in accordance with applicable state and federal laws as well as the Company's state contract requirements. Specialty groups include the following:



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- Statistical Sampling: A fully dedicated internal statistical sampling expert supports Kelmar's exam teams by applying widely accepted and state-approved statistical sampling techniques to help make accurate conclusions of potential unclaimed property liabilities in a manner that does not put undue burden on the holder. This same expert also performs regression analysis and other forms of data analysis upon request.
- Remediation and Due Diligence: Kelmar's remediation and due diligence team collaborates with exam teams to review records and remediation materials, interacts with holders to identify outstanding items and required remittance of address property, and prepares preliminary unclaimed property reports. Remediation and due diligence team members, including the team's senior manager with over 13 years of experience, are subject matter experts that 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 has been charged with the creation and development of a proprietary escheatment platform that facilitates the examination process.
- Short-term Custody: 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 clients. To ensure proper separation of duties, custodial account reconciliations are performed monthly by members of Kelmar's State Reporting & Remittance group who are not associated with the transfer process. If there are discrepancies, notice is given to Executive Management.
- Finance: A dedicated finance department 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)



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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 clients; and (5) implementing appropriate accounting controls and segregation of duties over billing and collections related to unclaimed property.

- **Information Systems Management:** Kelmar maintains a full-service Information Technology ("IT") team headed by the Company's Chief Information Officer. The 16 member IT team is responsible for the management and maintenance of Kelmar's information technology resources and ensures the security and confidentiality of all information and/or records stored, created, collected, maintained, and/or transmitted by Kelmar in connection with the examination process and other compliance services. The latest available technology is applied to assist exam teams in becoming more efficient by eliminating manual tasks wherever possible. The IT team is organized into three groups accountable for IT Operations, IT Security, and Development Operations ("DevOps"), with group members that provide a diverse array of engineering, security, and IT service delivery capabilities for Kelmar and its clients. The IT team members maintain a variety of professional certifications and are routinely afforded paid educational and skill-development opportunities to ensure they are knowledgeable of industry best practices and delivering the best possible service to Kelmar's clients.
- **Legal Team:** Kelmar maintains a team of full-time, licensed attorneys to ensure compliance and assist with the provision of services, including those sought in this RFP. Kelmar's legal experts have extensive experience in unclaimed property and serve as a valuable resource for the Company's unclaimed property service professionals, clients, and the unclaimed property industry at large. Kelmar's Legal Team advises on compliance updates and ensures all personnel are properly educated on the same. Kelmar's fully staffed Legal Team includes Kelmar's General Counsel, Vice President of Legal, and three Associate General Counsel. Members of Kelmar's Legal Team are all Kelmar full-time employees.



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- As part of its Legal Team, Kelmar employs the services of legislative analysts to monitor and track legal updates impacting its business and the provision of its services. These legal professionals monitor state and federal legislation, and administrative agency publications to promptly review changes in law, policies, and regulations. Kelmar anticipates providing legislative driven changes affecting the services provided to clients as they are implemented into law.
- Kelmar's Executive Consultant works closely with the Company's Legal Team as well as Chief Officers, Managing Directors, and Directors to ensure appropriate protocols are employed in all examination operations in order to facilitate efficient and professionally responsible examinations on behalf of the Company's clients. In the capacity as special advisor, Kelmar's Executive Consultant also works to address issues of unclaimed property law and administration presented by Kelmar's clients as well as holders under examination. Kelmar's Executive Consultant dedicates in excess of 30 service hours to Kelmar each week and remains involved in examinations of particular industries and industry-specific property types, including consumer rebates and preneed trust liabilities.

Experience, Ability, Capacity, Data Processing Capabilities

Kelmar is dedicated to developing and investing in innovative tools and technologies designed to improve the efficiency of government unclaimed property programs and integrates technological advancements with best practices to offer the solutions unclaimed property programs need to achieve their goals. The Company's comprehensive examination methodology has been developed over the course of 20+ years performing state-mandated audits of holders of unclaimed property and facilitates the Company's ability to identify potential holders of unclaimed property, examine holder records, prepare accurate reports of reportable unclaimed property, and collect and remit reportable unclaimed property (including, but not limited to, general ledger and securities-related property types) on behalf of state unclaimed property programs. Kelmar updates its examination procedures to meet the changing needs of its clients and to accurately reflect modifications in law,



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state policy, and/or industry standards. The Company's auditors undertake a thorough examination of the books and records of a holder to create an impeccable work product that includes comprehensive documentation to support each client's examination findings. The depth of Kelmar's organizational resources, its extensive experience, and thoroughly developed examination practices demonstrate Kelmar's keen ability to provide the unclaimed property compliance services sought by the STO in this CRFQ.

Kelmar's commitment to open communication and transparency throughout the examination process, its tools and management systems designed specifically to support unclaimed property compliance, its holder cooperation strategies, and data processing capabilities described below, allow Kelmar to streamline compliance reviews and further demonstrate Kelmar's ability to provide the highest quality unclaimed property audit services for its clients.

- **Commitment to Customer Service:** Kelmar's success as a third-party unclaimed property audit services provider is a direct reflection of its dedication to providing exceptional customer service. Essential to all Kelmar client engagements is the development of a communications plan and methodology to manage, control, and supervise the project, thereby ensuring client expectations are met. Kelmar works diligently with its clients to ensure open communication between the two groups and routinely seeks feedback from its clients to ensure unclaimed property programs are getting the most out of Kelmar's unclaimed property audit services. Kelmar's Client Business Administration group is responsible for maintaining transparency throughout the compliance process, including coordinating client communication, providing status updates and reporting, and monitoring client satisfaction with Kelmar's examination services. Regularly scheduled meetings are held to review the project and discuss the overall status and functioning of service delivery. These meetings are attended by key audit team personnel, including a designated Client Relationship Manager, typically someone from the executive management team, and at least one member of the Senior Management team. Kelmar's management staff are available if clients require assistance or have questions. Kelmar's management staff will routinely make themselves available to clients via email and phone calls when questions or issues arise to address any service issues, ensure



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that matters are swiftly resolved, and that client staff members are routinely updated and apprised of all developments.

- Unclaimed Property Compliance Tools & Management Systems: Kelmar has invested in the innovative information technology tools and technical resources designed to improve the efficiency of state unclaimed property programs and, ultimately, return more unclaimed property to rightful owners. While holder records are never merely processed through a mechanized routine and each finding is based upon a thorough examination of the books and records of the holder performed by Kelmar's experienced compliance personnel, the Company is committed to maximizing the use of technology to assist in the identification of unclaimed property liabilities and rightful owners. By leveraging technology throughout the examination process, Kelmar maximizes efficiencies and eliminates manual tasks wherever possible. Below are details of Kelmar's practical experience leveraging technology resources to successfully deliver its superior unclaimed property identification and collection services.
 - Utilizing various programming capabilities and data conversion tools, Kelmar's Information Technology experts support Kelmar's exam teams. In so doing, exam teams are able to accept holder records in any electronic format supplied by the holder, without causing any disruptions to the holder's regular business activities.
 - To facilitate the secure transfer of confidential electronic records over a variety of internet standard protocols such as SFTP, and HTTPS, Kelmar utilizes an internally managed SFT server. SFT is running a widely used commercial Managed File Transfer Server solution that ensures the highest levels of compliance with state and federal data security and privacy laws, rules, and regulations including, but not limited to, FIPS 140-2 (i.e., the Federal Information Processing Standard employed by the United States Department of Defense), HIPAA, HITECH, and Sarbanes-Oxley as well as applicable corporate security policies and mandates. The configuration of Kelmar's SFT adheres to strict security standards and policies adopted from PCI DSS 3.0 (Payment Card Data Security Standards) and ISO 27002 protocols and is intricately a part of the Company's comprehensive



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- written information security program which addresses the handling of personally identifiable information and the security and maintenance of Kelmar's electronic and physical information systems. Encryption protocols available on the system are limited to FIPS 140-2 validated ciphers.
- Kelmar utilizes customized procedures to verify the accuracy and completeness of a holder's records largely by using existing and readily accessible records. Kelmar has developed numerous programs to address the varying data processing needs across examinations. These programs enable Kelmar's exam teams to expedite analysis processes through increased automation, improved data transparency, and overall efficiency. Kelmar licenses data mining software that has resulted in saving hundreds of hours in processing time on examinations. Kelmar has also created templates, reporting standards, and project management tools utilized throughout the examination process to increase efficiency and ensure consistency.
 - Kelmar employs a dedicated team of subject matter experts whose sole function is to facilitate extraction, normalization, and retention of name and address registration data, which is critical in identifying unclaimed property liabilities of a holder. With an emphasis on data security and protection of personal information, this group is charged with the creation and development of a proprietary escheatment platform that facilitates the examination process.
 - As part of its examination process, Kelmar utilizes a proprietary java-based software application, KBase, developed exclusively by and for Kelmar as an internal repository for recordkeeping, validation, and reporting. The application utilizes a relational database management system to securely store and maintain all critical data elements received from holders and is used to provide validations, calculations, and diagnostics against the unclaimed property data. KBase has specialized features to assist with the analysis of specific unclaimed property areas, with key distinctions of features between the general ledger and securities properties. KBase has strict access controls and is managed within Kelmar's business continuity process, which includes regularly scheduled backups. Where applicable, properties



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- that are determined dormant under state law are exported directly from this proprietary system into standard NAUPA II format.
- Kelmar has developed a variety of project management tools and reports that are now integrated in Kelmar's Professional Services Administration ("PSA") project management system. The tools and reports integrated in PSA enable Kelmar to track projects at both macro and micro levels. Because all tasks and activities in PSA are name, date, and time stamped, Kelmar can create contemporaneous reports that show the current status of a project and the more granular tasks and action items within a particular project. PSA also allows Kelmar to closely monitor established internal time and project management goals as well as to control costs associated with its examinations. Internally, PSA is designed to send alerts and other system-generated messages in instances when tasks and action items have been completed as well as alerts on items that require attention by Kelmar and/or the holder. This allows Kelmar's leadership personnel to identify process logjams and create improvement to achieve greater efficiencies while monitoring team performance and overall outcomes. In addition, Kelmar utilizes PSA to generate real time status reports, Work in Progress reports, and other supplemental reports as requested by clients. Similarly, Kelmar can generate real time open items reports and typically provides Task Management Reports to holders at least monthly.
 - Experience Encouraging Holder Cooperation: Experience has taught Kelmar that the best means for ensuring timely completion of thorough audits is applying holder cooperation strategies, including educating holders under examination about their reporting responsibilities and providing guidance on common compliance pitfalls. Encouraging holder cooperation comes from a combination of (a) thoroughly explaining the examination process to ensure holder understanding; (b) reviewing the purpose of document requests and how the information will be analyzed; (c) narrowly tailoring document requests to only those records reasonably related to the examination; (d) offering the holder options for providing the information requested, inclusive of secure electronic records transfer; (e) assisting with data extraction, inclusive of identifying relevant fields, reports, and queries; and (f) reasonably



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accommodating quarter and year-end close accounting obligations and regulatory reporting requirements of the holder. Kelmar's unclaimed property examinations are thoughtfully aligned to avoid disruption to a holder's business, as described below.

- Upon a client's request, Kelmar provides educational and informational training to holders that offers the technical assistance and subject matter expertise to encourage compliance. Kelmar has performed annual educational training to support numerous clients and recognizes the importance of encouraging business entities to comply with unclaimed property obligations. With this in mind, Kelmar works collaboratively with clients to develop and customize existing holder training modules targeted to meet the challenges facing their respective holder community.
- Kelmar suggests that holders provide readily available information in a format that ensures maximum efficiency for reviewing and processing the information. The Company does not request that a holder create or recreate records. For 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 as well as those disregarded for federal tax purposes. This information allows Kelmar to eliminate entities quickly and efficiently from review that do not have the potential for unclaimed property in the states participating in the examination.
- To permit an efficient transfer of data and expedited review, Kelmar accepts records in any electronic format the holder supplies. For example, working with electronic files for cash disbursement records, as opposed to exclusively working with paper copies of bank reconciliations, outstanding check lists, etc. has the following advantages: (a) avoids manual keying of outstanding checks (if manual keying is required, Kelmar's data validation process to data enter the records twice will identify any key stroke errors); (b) expedites timeline for selecting transactions for holder remediation (as used in this Quote, remediation means the holder's research to rebut a potential presumption of abandonment); (c) reduces the



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- 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 the holder’s policies surrounding voids and potential write-offs of outstanding checks.
- Obtaining electronic files enables Kelmar to employ licensed data mining software. This software has saved hundreds of hours in processing time on some Kelmar examinations. For example, by using this software, Kelmar was able to analyze a series of complex data sets, with nearly 100 million transactions, in just a few days.
 - Another Kelmar method for ensuring timely completion of examinations is to provide the holder with options and avenues for providing requested information, including easy transfer of information to Kelmar’s secure e-room SFT, to the holder’s own FTP site, or to advocate sites that meet industry security standards.
 - Data Processing Capabilities: Kelmar has established its professional reputation as a leader in unclaimed property compliance services by analyzing and reviewing records of large corporations to identify and collect unclaimed general ledger property for the past twenty years. Having examined hundreds of holders of various sizes and industries, reviewing a variety of accounting and recordkeeping systems; prepared and filed several thousands of automated unclaimed property reports to its clients; collectively worked hundreds of thousands of hours on unclaimed property examinations, involving general ledger and securities property types; overseen the reconciliation of millions of dollars in securities properties, including properties originating from broker-dealers, mutual fund companies, and stock transfer agents; and collected billions of dollars in unclaimed property liabilities on behalf of governmental entities and their citizens; Kelmar possesses the extensive experience required to identify, examine, and collect general ledger and securities unclaimed property liabilities attributed to a holder on behalf of its clients.
 - With 20+ years of experience and expertise reviewing data of large corporations on behalf of its clients, as well as 10 years of experience reviewing the automated data of transfer agents and brokerage houses, Kelmar possesses extensive data processing capabilities,



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including 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.)

- Kelmar has extensive experience reviewing data extracted from the various Transfer Agents' data and recordkeeping systems. Each Transfer Agent produces its 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 pulled and documentation presented for review.
- Kelmar has extensive experience reviewing the varied data provided by brokerage houses. Kelmar's relational database management system ("RDBMS") software application, with regularly scheduled backups, securely stores and maintains all critical data elements received from holders, such as address registrations, TIN's, dates of death, dates of birth, beneficiary information, and property details. These collection processes ensure that every component of a final assessment of the amount of property due a client is fully supported and traceable back to the holder's books and records. This also aids in ensuring that the final demand for payment consists solely of past due property.

For more information about the Kelmar's qualifications and experience, please refer to Section 3.7 Experience beginning on page 40 and Section 3.9 Staff Qualifications beginning on page 48 of Kelmar's Proposal.



3.3 Location

Vendor must be authorized to conduct business in the state of West Virginia. Vendor must store, process, and maintain data for the State, or a third-party under audit, within the continental United States always.

Kelmar is a properly registered professional services company in good standing in its state of incorporation as well as in the State of West Virginia. The Company maintains all required state and local registrations, licenses, and insurance coverage to lawfully operate its business. All examination records and professionals responsible for providing services under a contract resulting from this CRFQ shall be located within the United States. All data will be stored, processed, and maintained in servers that are monitored by Kelmar's IT group, which manages an advanced and scalable IT System for Kelmar's business lines. The Company's unclaimed property solutions are hosted in a SunGard AS datacenter located in Marlborough, Massachusetts and backed by a remote DRaaS center located in Elk Grove Village, Illinois (roughly 1000 miles away from Kelmar's primary site in Massachusetts). Each of these facilities are monitored 24x7, and offer technologies that allow for automatic scaling of resources and bandwidth as needed.

3.4 Quality Control Review

The Vendor must have favorable quality control reviews for its work if requested by the STO. The Vendor's external quality control review contents should provide either a positive or a non-negative review of the Vendor.

Kelmar confirms that it has favorable quality control reviews for its work and the Company shall provide access to the contents of its external quality control reviews upon request. Kelmar has adopted standardized audit processes with comprehensive quality control procedures that are tested each year during its SOC 1 Type 2 review performed by an independent audit firm. The Company also utilizes information security industry best practices and ISO/IEC 27001:2013 security controls in the development and implementation of its information



security program, which is based upon the National Institute of Standards and Technology (NIST) standards. These quality and security controls are routinely tested and monitored by Kelmar's dedicated Information Security Compliance personnel. In addition, Kelmar annually hires an independent auditing firm to perform compliance audits to test its controls in connection with its annual SOC 2 Type 2 audit and ISO/IEC audits.

- SOC 1 Type 2: Kelmar's compliance services and related financial controls applicable to its unclaimed property examinations and short-term custodial services are reviewed annually to ensure they are SSAE 18 / SOC 1 Type 2 compliant. The most recent SOC 1 Type 2 report concerning the suitability of the design and operating effectiveness of Kelmar's controls applicable to its compliance services covers the period of June 1, 2021 to May 31, 2022.
- SOC 2 Type 2: Kelmar undertakes a SOC 2 Type 2 audit each year for its Software as a Service platforms, which includes the Trust services principals of Security, Availability, Processing Integrity, Reliability, and Privacy. The most recent report concerning the suitability of the design and operating effectiveness of Kelmar's controls relevant to its Software as a Service platforms and specifically, its KAPS® System covers the period of June 1, 2021 to May 31, 2022.
- ISO/IEC 27001 Certified: Kelmar is ISO/IEC 27001:2013 certified. The Company undergoes an annual ISO/IEC 27001:2013 compliance assessment of its Information Security Management System and related security controls. The assessment is conducted by an ANAB/ANSI accredited, independent certification body to evaluate conformity with ISO 27001:2013 standards. Kelmar's most recent ISO/IEC 27001:2013 Certification is valid from July 13, 2021 through July 12, 2024. Its annual ISO / IEC 27001:2013 surveillance audit was completed June 30, 2022.



3.5 Internal Controls, Security, and Technology

3.5.1 A. Vendor must use a secure transfer method to collect audit data.

- o **SFTP/FTPS (secure file transfer over TLS 1.2 or higher or secure file transfer over SSH).**

To facilitate the secure transfer of confidential electronic records over internet standard protocols such as FTPS and SFTP, Kelmar utilizes an internally managed Secure File Transfer (SFT) system. This system is based on Commercial Off-the-shelf (COTS) solution from HelpSystems, Inc., a leading provider of Managed File Transfer systems. This solution is deployed in Kelmar's primary datacenter and is managed by Kelmar's IT Operations team. TLS 1.2 is the minimum allowed configuration, and additionally the system is configured to use FIPS 140-2 compliance mode, ensuring that all SFTP/FTPS transfers only use FIPS 140-2 validated ciphers.

- o **Secure Web Transfer using HTTPS with TLS 1.2 or higher.**

The SFT system also supports Secure Web Transfer, with a minimum level of TLS 1.2. Similar to SFTP/FTPS, the HTTPS mode is also configured to only support FIPS 140-2 validated ciphers.

B. Vendor must have data-at-rest encryption for transferred data.

- o **For cloud storage vendors, link their compliance information for data -at-rest encryption of blob/object storage.**

Kelmar does not store audit data in public cloud storage.

- o **For on-premises storage, provide information on the data-at-rest encryption technology implemented.**



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Kelmar implements a multi-layered approach to encrypting data at rest, and employs a variety of encryption methodologies for data storage. Kelmar's production network utilizes a virtual Storage Area Network, which is encrypted with AES-256 encryption. Encryption keys are managed by a Key Management System from HyTrust which supports KMIP. Kelmar also maintains enterprise-grade, hardware-based storage-appliances from Dell/EMC which support hardware encryption of AES-256. At the network share level, data is additionally encrypted utilizing a commercial encryption server solution, which implements and manages separate encryption keys for each network file share. This solution, provided by Symantec/Broadcomm, also leverages AES-256 encryption and is backed by a dedicated KMS.

C. Vendor must use a "least privileged" access model.

o Only auditors working on the audit have access to the data.

Essential to its compliance program are Kelmar's access controls. Utilizing a variety of security tools and methods, Kelmar restricts 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 password. Kelmar routinely conducts Access Reviews to ensure that all privileges are appropriate.

o Administrative access or permission changes are logged.

All administrative access and permission changes on Kelmar's network are logged and subject to review and/or investigation. All changes to user access/permissions require a ticket or change-control within Kelmar's IT Service Management system. All permission changes must be approved by the employee's direct manager. Each week, Kelmar's dedicated compliance team reviews a report of all permissions changes on the network, cross-references all changes with tickets in the ITSM, and validates that the change was duly authorized.



Changes involving highly sensitive groups or permissions are surfaced to Kelmar's Cybersecurity team in realtime.

3.5.2 Vendor must ensure that any data communications whether remote or internal, with the state or with an entity under audit, must be secured using a minimum of TLS v1.2. Any required cipher suites, protocols or encryption technology that has been publicly exploited (published CVE) must be immediately remediated upon discovery, including any aforementioned minimum-security requirements.

As stated in Kelmar's response to requirement 3.5.1, TLS 1.2 is the *minimum* allowed configuration for the Company's file-transfer platform. Additionally the system is configured to use FIPS 140-2 compliance mode, ensuring that all transfers use exclusively use FIPS 140-2 cyphers. Kelmar maintains a robust vulnerability management program and would immediately discontinue the use of any protocol with a published CVE.

3.5.3 Vendor must not require the usage of Java, Silverlight, Adobe Flash, Active X Controls or any additional third-party plugins from the state or any third-party entity under audit.

Kelmar does not employ Java, Silverlight, Flash, Active X, or other third-party plugins in its solution for communicating with the STO or with any third-party entity under audit.

3.5.4 Vendor must export and return data to the state in a commonly used format at no additional cost to the state, upon request.

Kelmar is capable of exporting data in a variety of common formats including, but not limited to such formats as: Text files / CSV (delimited), Text files (fixed-width), Excel (.XLSX, XLS), Portable Document Format (.PDF), Xtensible Markup Language (XML), and a variety of other common formats.

3.5.6 Within one month of a contract award pursuant to this solicitation, and annually thereafter, Vendor must provide American Institute of Certified Public Accountants (AICPA) SOC-1, Type 2; or SOC 2, Type 2; or ISO 27001:2013 Certification from an ANSI accredited certification body; or



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CSTAR Level 2 State RAMP Moderate Certification to the state with bridge letters to provide assurance that controls are operating during any intervening periods. The SOC-1, Type 2 report should cover all the requirements listed in AICPA's Statement on Standards for Attestation Engagements No. 18 (SSAE No. 18). If the requirements are not met annually, the STO will not authorize audits and may cancel participation in existing multi-state audits.

In accordance with the requirements of this CRFQ, within one month of a contract award resulting from this solicitation, and annually thereafter, Kelmar shall provide the STO with reports of its quality control reviews, including 1) the Company's SOC-1, Type 2 report of its compliance services and related financial controls applicable to its unclaimed property examinations and short-term custodial services, showing compliance with AICPA's Statement on Standards for Attestation Engagements No. 18 (SSAE No. 18); 2) an annual ISO/IEC 27001:2013 compliance assessment of its Information Security Management System conducted by an ANAB/ANSI accredited, independent certification body to evaluate conformity with ISO 27001:2013 standards; and 3) bridge letters as necessary to provide assurance that quality controls are operating during any intervening periods. Kelmar acknowledges that if SSAE No. 18 requirements are not met annually, the STO will not authorize Kelmar to perform audits and may cancel participation in existing multi-state audits.

3.6 References

The Vendor must have satisfactory references. Please provide the names of at least three (3) references from governmental agencies which administer unclaimed property programs for which the Vendor performed unclaimed property audits in the past five (5) years. 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. The STO reserves the right to contact any person or entity it believes prudent and to inquire about Vendor.



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The name, address, email, and telephone number of the primary contact in each client state familiar with Kelmar's performance under a contract for unclaimed property audit services in the past five years are provided in the list below. Kelmar acknowledges that the STO may contact these references to inquire about Kelmar and its ability to perform competent and professional unclaimed property audits.

| | Client Entity Name & Contract Date Range | Client Reference Contact Information |
|----------|---|--|
| 1 | Michigan Department of Treasury, Unclaimed Property Unclaimed Property Audit Services Contract from December 2004 – Present | Mr. Terry Stanton, Manager P.O. Box 30756, Lansing, Michigan 48909 stantont@michigan.gov (517) 636-5307 |
| 2 | Pennsylvania Treasury Department, Bureau of Unclaimed Property Unclaimed Property Audit Services Contract from September 2011 – Present | Ms. Barbara Benkovic, Assistant Division Manager Holder Compliance P.O. Box 1837, Harrisburg, Pennsylvania 17105-1837 bbenkovic@patreasury.gov (717) 705-2958 |
| 3 | Tennessee Department of Treasury, Unclaimed Property Division Unclaimed Property Audit Services Contract from September 2004 – Present | Mr. John Gabriel, Director Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, Tennessee 37243-0203 john.gabriel@tn.gov (615) 253-5354 |

3.7 Experience

Vendor must have at least five (5) years experience in providing unclaimed property multi-state audit services for state governments. Please describe Vendor's experience, including years of providing audit services, average



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number of engagements per year, the nature of Vendor's current customers, and the types of industries in which it has auditing experience.

Widely recognized as one of the leading contract unclaimed property compliance service providers in the United States, Kelmar is well-equipped to help state unclaimed property programs across the country to increase the level of unclaimed property compliance through its delivery of the unclaimed property audit services. Beginning in October of 2001, Kelmar established its professional reputation as a leader in unclaimed property compliance services by analyzing and reviewing records of large corporations to identify and collect unclaimed general ledger property. The Company expanded its service offerings in 2010 to include securities examinations, involving the review of voluminous automated securities data of transfer agents and brokerage houses. Shortly thereafter, Kelmar further expanded its operations to include examinations of insurance companies for unpaid death benefits, annuities, retained asset accounts, and other property types. Kelmar has successfully identified, collected, processed and remitted unclaimed property to its client states from holders across various industries, including without limitation:

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

With more than two decades of experience providing the unclaimed property audit services described herein and 45 state unclaimed property program clients currently contracted with Kelmar to perform unclaimed property audit services similar to those described in this CRFQ, Kelmar is engaged to perform,



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and has closed, more state-mandated unclaimed property examinations annually than any other third-party contractor, collecting billions of dollars in unclaimed property liabilities on behalf of its client states and their citizens. In so doing, Kelmar's compliance services staff members possess the highest level of technical experience to provide the unclaimed property services in the CRFQ as well as any additional unclaimed property services sought. With this extensive experience providing unclaimed property services to state unclaimed property programs across the country, Kelmar welcomes the opportunity to examine, identify, recover, and report unclaimed property on behalf of the STO and is confident that the State of West Virginia will continue to experience favorable results from contracting with Kelmar.

Kelmar has spent 20+ years exclusively assisting state governments with the administration and enforcement of their respective unclaimed property programs. Kelmar is uniquely positioned as a qualified and independent unclaimed property services provider, with an unwavering commitment to perform services of the highest quality, while avoiding all business activities that could be construed as a conflict of interest. Kelmar works exclusively on behalf of government entities to develop and enforce their respective unclaimed property compliance programs, and to assist in returning unclaimed property to its rightful owners. By working exclusively on behalf of government unclaimed property programs, Kelmar maintains independence in mental attitude in accordance with AICPA Professional Standards AU Section 220.

Kelmar is not only independent in fact but also avoids situations that may lead others to doubt its independence. Kelmar has eliminated even the perception of a conflict of interest in its professional relationships with states, holders, and third-party holder advocates alike by maintaining its exclusive representation of government clients. Consequently, the Company has chosen not to take part in voluntary examinations on behalf of holders. Kelmar understands that this decision places the Company in a unique position within the unclaimed property industry and believes that its independence and objectivity would be compromised if it were to act as a service provider on behalf of government clients and holders in any capacity, including providing voluntary compliance services. As a result, Kelmar does not receive any fees or revenues from any holder associated with voluntary compliance services (i.e., consulting of holders, assisting holders with due diligence requirements, or the



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preparation/processing of a holder's escheat filings, etc.) This unwavering commitment to independence allows Kelmar to produce an accurate and objective work product, upon which its clients can rely.

With its established methodology for identifying, examining, collecting, reporting, and educating, Kelmar offers the most comprehensive unclaimed property auditing services in the industry. Kelmar's comprehensive auditing services include a review of securities and general ledger property types (and other emerging property types) as well as assisting holders with self-audits. Working cooperatively with holders, on behalf of clients, Kelmar follows defined processes and procedures to complete assigned compliance reviews. Equipped with standardized templates and a series of well-developed document requests that are reasonably tailored to specific industries, specific reach back periods, and property types, Kelmar ensures all information necessary to confirm compliance or identify unclaimed property due and owing is requested. Quality controls are embedded at each stage, with appropriate senior management oversight to ensure consistency and accuracy. All work is managed and documented utilizing Kelmar's project management system to ensure timely completion and oversight of tasks. Utilizing examination tools created by Kelmar's internal Legal Team, the Company's auditors are adept at applying state specific statutory and contractual requirements during the course of multi-state audits, including complying with the Act; and applicable case law (e.g., *Texas v New Jersey*, 380 U.S. 518 (1965); *Delaware v New York*, 507 U.S. 490 (1993); Uniform Unclaimed Property Act of 1995). This extensive experience providing unclaimed property audit services to state unclaimed property programs across the country makes Kelmar best suited to identify, collect, and process past due unclaimed property, performing an average of 64 engagements per year since 2001 on behalf of its clients.

Kelmar's examination methodology, developed over the course of 20+ years performing state-mandated unclaimed property examinations, provides a full scope examination process for reviewing holder records to determine holder compliance with each respective state's unclaimed property laws, rules, and regulations. The Company's methodologies and time-tested ability to uncover unremediated property based upon a thorough examination of the books and records of a property holder equips Kelmar's clients with a finished work product that conclusively supports all unremediated property identified. With



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Kelmar's many years of experience and proven results, refined approach and methodology, established security plan, qualified staff and strategic organizational alignment, and performance management processes and procedures, the Company's unclaimed property auditing services further described below are performed in an effective and professionally responsible manner, following all applicable state, federal, and local laws, rules and regulations, and accounting principles, upon which state unclaimed property programs can rely.

- Unclaimed Property Audit/Examination Services: Having collectively worked hundreds of thousands of hours on unclaimed property examinations involving general ledger and securities property types, Kelmar's professionals are proficient at dealing with holder recordkeeping systems and protocols, compiling and collecting findings with minimal state intervention, identifying and resolving compliance issues in a collaborative manner with holders, and securing the confidence and satisfaction of its client states. Approximately 50% of Kelmar's professional staff is involved with this business division. Kelmar's compliance professionals are equipped with the technical expertise described below to identify, examine, and collect general ledger and securities unclaimed property liabilities attributed to a holder on behalf of state unclaimed property programs.
- General Ledger Examination Experience: Kelmar's compliance experts collectively possess hundreds of years of general ledger unclaimed property examination experience. The Company's general ledger exam teams are uniquely skilled and consist of individuals with experience in public accounting, auditing, project management, consulting, legal, and financial services. The combined knowledge and experience of Kelmar's general ledger professionals have enabled the Company to offer the most comprehensive general ledger compliance services for identifying, collecting, remitting, and reporting general ledger unclaimed property due to its clients since 2001. These examinations include a review of all categories of general ledger unclaimed property including, without limitation, payroll, accounts receivable, accounts payable, gift cards, and rebates.



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- Securities Examination Experience: Kelmar began conducting securities examinations of holders, transfer agents, and brokerage firms 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 spent more than 10 years reviewing the records of holders, transfer agents, mutual fund custodians, and brokerage firms. Utilizing firsthand knowledge of the recordkeeping 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, bond issuances, individual retirement accounts ("IRAs"), and self-directed IRAs.
- Contractor-Assisted Self-Audit Services: To further assist its clients in increasing rates of holder unclaimed property compliance, Kelmar combines its two decades of experience providing unclaimed property examination and consulting services with its extensive unclaimed property system and operational expertise, to deliver comprehensive holder identification services. These services are delivered as a holistic solution to encouraging voluntary compliance using Kelmar's latest proprietary software application, State Targeted Assisted Compliance System (STACS). STACS not only serves to assist in identifying non-compliant holders, but also assists with holder outreach, education, and self-examinations. These services offer government unclaimed property programs the technological and operational tools and service support to improve compliance through a logical, transparent, and non-invasive approach with the holder community.
- Compliance Training and Consultation Services: Kelmar routinely provides advisory services to assist clients 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.



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Provided below is an overview of training and consultation services for clients seeking to expand the identification and collection of unclaimed property. Upon request, Kelmar provides a quote for such services and shapes an educational program to address the specific needs of a client.

- State Audit Training: Kelmar views quality training as an essential part of providing superior compliance service to state unclaimed property programs. Kelmar's training programs and seminars provide an excellent way for the Company's professional staff to share their knowledge with clients across the country and their respective unclaimed property staff. Kelmar often provides training services to state auditors related to Kelmar's comprehensive unclaimed property examination processes and procedures. Kelmar's unclaimed property auditor training for client states has included audiences consisting of staff auditors, state treasurers, and attorneys general. Kelmar's training programs are available in a variety of formats, including on-site training sessions, interactive webinar presentations, and published informational materials, customized to address the specific needs of a client.
- Holder Compliance Training: Kelmar recognizes the importance of encouraging business entities to strive for unclaimed property compliance. With this in mind, Kelmar works collaboratively with clients to develop customized holder training modules targeted to meet the challenges facing state-specific holder communities. Such training programs are generally held as needed and requested by a client and depending on the type and extent of the training program, for a mutually acceptable fee. A holder education training program includes customized training modules to address the specific needs of a client.
- Consultation Services and Advisory Support: Kelmar routinely provides unclaimed property consultation services and advisory support when assisting clients in the administration of their respective government unclaimed property programs. Such assistance generally includes consultation on operational strategies and best practices. In offering these services to clients, Kelmar provides information concerning current compliance challenges,



industry trends, audit selection best practices, the enforcement and application of relevant state and federal laws governing the escheatment of unclaimed property, and emerging unclaimed property legal issues.

3.8 Standards

Vendor must comply with the professional standards required by the American Institute of Certified Public Accountants (AICPA). The audit and identification of unclaimed property from the records of Holders, the processing of records and the demands for payment of the property to the STO shall be made in accordance with the Act, Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS) to the extent applicable to unclaimed property audits. Vendor shall adhere to neutral, unbiased accounting and financial reporting standards based on the core value of independence as outlined by the Governmental Accounting Standards Board (GASB).

Kelmar consistently strives to maintain the highest level of professional integrity in all services provided to its clients, including the audit and identification of unclaimed property from the records of holders, the processing of records and the demands for payment of the property on behalf of its clients, and accounting and financial reporting. All unclaimed property examinations are performed by Kelmar in accordance with the respective unclaimed property statutes, regulations, and administrative protocols of the states authorizing the review as well as the professional standards required by the AICPA Professional Standards AU Section 220, GAAP, and GAAS, to the extent applicable to unclaimed property audits. Kelmar maintains independence in mental attitude in accordance with GASB, including not only being independent in fact, but also avoiding situations that may lead others to doubt its independence.



3.9 Staff Qualifications

3.9.1 Experienced Staff

Vendor must provide experienced staff. All personnel assigned to examinations for the STO must have at least five (5) years of auditing experience in unclaimed property auditing. Vendor must maintain a full-time, licensed attorney on staff or on retainer. Include the names and contact information of the specific staff to be assigned to the STO contract and a resume for each staff member listed.

Kelmar's workforce includes acknowledged unclaimed property experts and innovators with work experience in every major unclaimed property stakeholder class in the industry. Each Kelmar professional offers a unique skill set that enhances the Company's services and support to state unclaimed property programs. 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. These diverse backgrounds uniquely qualify Kelmar's professionals and afford them insight and sensitivity to holder unclaimed property concerns, while balancing the Company's primary responsibilities to its clients. Kelmar's knowledge and experience working with holders, advocates, and states throughout all phases of a state-mandated unclaimed property examination prove invaluable when reviewing, collecting, and delivering unclaimed property from holders of various industries on behalf of state unclaimed property programs.

A list of Kelmar's key management and legal personnel is enclosed below. The list includes the name, years of experience, service role, and contact information of Kelmar's staff members responsible for managing the supervision, labor, materials, and resources necessary to provide the unclaimed property audit services required in this CRFQ. Resumes of Kelmar's key management and legal personnel who will be involved in service and support of the contract resulting from this CRFQ are enclosed immediately following the key personnel list below. Each resume comprises a summary of



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qualifications, work experience, years of experience and skills, and education and certifications for the Kelmar key personnel identified.

Key Personnel List

| Key Personnel | Experience | Service Role | Phone |
|---|----------------------------------|---|----------------|
| Mr. John A. DeMarco Chief Operating Officer | 23 years | Strategic Direction, Accountability, Development | (781) 928-9214 |
| Mr. Patrick M. Marr Chief Information Officer | 9 years | Information Technology & Information Systems Security | (781) 928-9603 |
| Mr. Michael Gizzi Managing Director | 19 years | General Ledger and Specialty Examinations, Client Business Administration | (781) 928-9223 |
| Ms. Kate A. Stevens Managing Director | 20 years | Securities Examinations | (781) 928-9227 |
| Mr. Andrew D. Harmon Director | 21 years | Reporting & Remittance | (781) 928-9179 |
| Mr. Shawn P. Hibbard Director | 17 years | Vendor-Assisted Self-Audits (STACS) | (781) 928-9257 |
| Ms. Monique E. Magno Director | 11 years | Securities Examinations | (781) 928-9243 |
| Ms. Cristina V. Perez de la Mesa Director | 10 years | Client Business Administration | (781) 928-9413 |
| Ms. Elizabeth S. Sullivan Director of Finance | 15+ years (Public Accounting) | Payment, Invoicing, Financial Reporting | (781) 928-9207 |
| Mr. Lynden D. Lyman, Esq. Executive Consultant | 35 years | Compliance Services & Legal Consulting | (781) 928-9224 |
| Ms. E. Suzanne Darling, Esq. Associate General Counsel | 34 years | Legal Consulting & Compliance Services | (781) 928-9456 |
| Ms. Catherine G. Zejnullahu, Esq. Associate General Counsel | 14 years | Legal Consulting, Compliance Support, Contracts Management | (781) 928-9231 |



Key Personnel Resumes

John A. DeMarco, Chief Operating Officer

Mr. John DeMarco is Kelmar's Chief Operating Officer. Mr. DeMarco holds a Bachelor of Arts in Marketing (1998) from the University of Massachusetts at Amherst. Since 1998, Mr. DeMarco has experience in the field of unclaimed property, including developing comprehensive protocols for auditing and reporting unclaimed property and locating shareholders. Mr. DeMarco is a subject matter expert in unclaimed property and widely regarded as a key unclaimed property industry resource. 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 unclaimed securities. Recognized for his excellence in unclaimed property administration, Mr. DeMarco received the NAUPA Lifetime Achievement Award in 2022, NAUPA's highest honor presented to individuals who have worked diligently in the unclaimed property arena for many years.

Mr. DeMarco joined Kelmar in 2010 and has since held the roles of Managing Director of unclaimed securities examinations and data management services, and Vice President of Fiduciary Management, prior to becoming Chief Operating Officer in March of 2017. As Chief Operating Officer, Mr. DeMarco spearheads business development. In this capacity, he is responsible for overseeing all Kelmar service lines, including compliance services performed on behalf of Kelmar's clients. Mr. DeMarco works closely with Kelmar's Executive Management team to ensure best practices are employed in all Company operations.

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



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Patrick M. Marr, Chief Information Officer

Mr. Patrick Marr is Kelmar's Chief Information Officer. Mr. Marr holds a Bachelor of Arts in Political Science (2001) from Providence College in Providence, Rhode Island. He is an executive with extensive experience in finance, project management, and Information Technology in both the private and public sectors, including experience in unclaimed property since 2011.

Mr. Marr joined Kelmar in 2019. He applies his unclaimed property, governmental, and Information Technology (IT) knowledge and management experience to support Kelmar's various business lines and facilitate secure, effective, and efficient service and support for Kelmar's clients. As Chief Information Officer, Mr. Marr's responsibilities include managing all IT operations systems, ensuring continuous operation of Kelmar's voice and data networks, orchestrating IT services between Kelmar's public and private cloud infrastructure, and managing Kelmar's cybersecurity framework and policies. Mr. Marr manages Kelmar's dedicated IT support, security, network engineering, and DevOps teams. He is responsible for the annual capital and operating technology budgets, business continuity and disaster recovery planning/testing, legal and regulatory compliance, and managing third-party vendor relationships. He also oversees internal/external penetration testing and internal ethical hacking exercises.

Prior to joining Kelmar, Mr. Marr held senior positions within the State of Rhode Island for 11 years, including the Office of the General Treasurer and Office of Digital Excellence. He began his career with the state as a Fiscal Manager / Investment Analyst in 2007, focused on cash and treasury management. He assumed management responsibility for the Rhode Island Unclaimed Property Program in 2011 as Director of Finance and Information Systems. Mr. Marr's progression of roles and responsibilities within the state resulted in his appointment as Deputy Treasurer, and ultimately Chief of Staff—responsible for developing and managing strategic priorities and policy for all Treasury divisions as well as overseeing public finance, legal and cash management activities from 2016-2019.



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Michael Gizzi, Managing Director

Mr. Michael Gizzi is Kelmar's Managing Director of Business Development. Mr. Gizzi holds a Bachelor of Science in Business Administration (1998) from Merrimack College in North Andover, Massachusetts. Mr. Gizzi has more than 17 years of auditing experience, including performing (and for part of that time, defending) unclaimed property examinations since 2004. Given his thorough understanding of the laws governing the conduct of examinations, he serves as a key leader for Kelmar's Compliance division in the performance of general ledger audits of holders of various industries, sizes, and locations on behalf of Kelmar's audit services clients, maintaining contact with each participating state throughout the course of an examination.

Mr. Gizzi joined Kelmar in 2011 as a Manager prior to becoming Senior Manager a year later and then Director in 2017. Beginning in 2020, Mr. Gizzi took on the role of Managing Director, overseeing abandoned and unclaimed property examinations involving specialty property types, including, but not limited to, holders of stored value cards and consumer rebates; virtual currencies; and preneed funeral and cemetery trust liabilities. He is responsible for ensuring the completion of all assigned examinations, providing guidance to staff, and supporting Executive Management. Mr. Gizzi works closely with members of Kelmar's Legal team and Executive Consultant to troubleshoot legal questions, obtain guidance on unclaimed property legal and other regulatory examination matters, and related issues that come up during the course of examinations.

Mr. Gizzi is also responsible for overseeing Kelmar's Client Business Administration group and is actively involved in developing and monitoring client relationships and client satisfaction with Kelmar's examination services. In this capacity, Mr. Gizzi coordinates with Kelmar's designated primary client contacts, and frequently communicates directly with Kelmar's clients on relevant examination topics, serving as a sounding board for a number of state unclaimed property administrators and attorneys. Essential to his role is ensuring Kelmar's delivery of the highest levels of client service and support. Prior to joining Kelmar, Mr. Gizzi began his unclaimed property career as an unclaimed property auditor at ACS Unclaimed Property Clearinghouse from 2004-2006, and rejoined ACS (formerly Xerox; now Avenu) from 2008-2011 as an Audit Manager prior to becoming Vice President of Audit. He worked with



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state administrators and state auditors on a variety of unclaimed property compliance and enforcement matters. While serving as Vice President, Mr. Gizzi developed strong professional relationships with practice leaders at 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 engagements. 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 a 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.

Kate A. Stevens, Managing Director

Ms. Kate Stevens is Kelmar's Managing Director of Fiduciary Management Services. Ms. Stevens holds a Bachelor of Arts in Government and History (2000) from Colby College in Waterville, Maine. With experience in the field of unclaimed property since 2000, Ms. Stevens 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. In this capacity, Ms. Stevens serves as a central figure in all securities-related examinations of holders of various industries, sizes, and locations performed on behalf of Kelmar's audit services clients. She maintains communication with state clients throughout examinations and ensures that they are informed about any issues that may arise.

Ms. Stevens joined Kelmar in 2011 and held the positions of Senior Manager and Director prior to her role as Managing Director, beginning in 2020. As



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Managing Director of unclaimed securities examinations, Ms. Stevens is responsible for ensuring the completion of all assigned securities audits, including applying the unique requirements of each state's unclaimed property statute regarding securities related property. Ms. Stevens is a primary point of contact with holders and performs detailed data analysis of stock records under examination as well as of final reports submitted to clients. In performing these tasks, she is also accountable for the reconciliation of a holder's final remittance in accordance with each state's guidelines for transferring securities. In addition, Ms. Stevens manages several of Kelmar's client relationships and routinely consults on the delivery of services under those contracts to ensure 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 ACS Unclaimed Property Clearinghouse (formerly Xerox; now Avenu). Of her more than 10 years with the organization, Ms. Stevens spent seven years managing an operation responsible for processing automated unclaimed property records for hundreds of clients in all U.S. jurisdictions. Ms. Stevens improved the efficiency of unclaimed securities audits by restructuring assignments, establishing key controls, and creating procedural documentation that reflected operational processes.

Andrew D. Harmon, Director

Mr. Andrew Harmon is Kelmar's Director of Reporting & Remittance. Mr. Harmon holds a Bachelor of Arts in History (2006) from Boston University in Boston, Massachusetts. Mr. Harmon has experience in the field of unclaimed property since 2000, including generating and submitting unclaimed property audit findings to each state. Mr. Harmon applies his unclaimed property expertise and management experience to facilitate effective and efficient unclaimed property services for Kelmar's clients. In this capacity, he serves a central role in Kelmar's communications with its clients and is a vital resource for maintaining consistent reporting and remittance practices across all Kelmar operational functions.



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Mr. Harmon joined Kelmar in 2011 and has since held the positions of Senior Associate, Manager, and Senior Manager prior to becoming Director of reporting and remittance in 2020. In this role, Mr. Harmon ensures compliance with all contractual reporting obligations, serves as the primary point of contact with holders, performs detailed analysis of incoming holder information, and conducts compliance related meetings and conference calls. Mr. Harmon is responsible for overseeing the reconciliation, reporting, and filing of all reports associated with Kelmar's general ledger and securities compliance examinations. He has overseen the reconciliation of millions of dollars in securities properties, including properties originating from broker-dealers, mutual fund companies, and stock transfer agents. In addition, Mr. Harmon manages Kelmar's relationships with both its clients regarding audit service contracts and key personnel associated with broker-dealers, mutual fund companies, and stock transfer agents.

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 ACS Unclaimed Property Clearinghouse (formerly Xerox; now Avenu) 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.

Shawn P. Hibbard, MBA, Director

Mr. Shawn Hibbard is a Director of Compliance Services in Kelmar's Rockland, Massachusetts office. Mr. Hibbard holds a Master of Science in Accountancy from Bentley University, a Master of Business Administration from Northeastern University, and a Bachelor of Science in Business Administration from Nichols College. He has experience performing unclaimed property reviews since 2004. Mr. Hibbard possesses extensive knowledge of examination processes, entity structures, and business operations. His experience conducting examinations spans all industries including oil and gas,



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retail, services, pharmaceuticals, telecommunications, and manufacturing. His broad knowledge of unclaimed property allows him to effectively consult with colleagues and clients to identify sources of unclaimed property.

Mr. Hibbard joined Kelmar in 2004 as an Associate and has since held a steady progression of positions and responsibilities prior to becoming Director. As a Director, Mr. Hibbard is responsible for overseeing unclaimed property examinations, supervising staff, supporting Executive Management, and developing business lines to assist clients with compliance initiatives. As a key resource for Kelmar's compliance services, Mr. Hibbard manages relationships with client states. In his role as a Client Relationship Manager, Mr. Hibbard serves as the primary contact for designated clients and ensures the delivery of compliance services of the highest quality.

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.

Monique E. Magno, Director

Ms. Monique Magno is Kelmar's Director of unclaimed securities examinations. Ms. Magno holds a Bachelor of Arts in Education and Psychology (2007) from Saint Michael's College in Colchester, Vermont. With experience in the field of unclaimed property since 2008, 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 securities examinations on behalf of Kelmar's audit services client states by providing guidance to associates and senior associates, working cooperatively with managers, and communicating effectively with holders. In so doing, Ms. Magno ensures delivery of the highest levels of audit services and support to Kelmar's clients.

Ms. Magno joined Kelmar in 2014 as a Manager of securities examinations, before becoming a Senior Manager in 2017, prior to taking on the role of Director in 2020. As Director of unclaimed securities examinations, Ms. Magno is responsible for all examination stages throughout the life of securities exams



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under her management and stays apprised of current unclaimed property laws and communicates updates accordingly. As primary contact for holders under audit, Ms. Magno maintains regular correspondence with those companies through examination 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 from 2013-2014. 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 Avenu). From 2008-2011, Ms. Magno held a steady progression of positions and responsibilities, including report processing for corporate clients to states and jurisdictions, training, and due diligence monitoring, prior to serving as lead Client Service Liaison for four major transfer agents and a Fortune 500 company.

Cristina V. Perez de la Mesa, Director

Ms. Cristina Perez de la Mesa is Kelmar's Director of Client Business Administration. Ms. Perez de la Mesa holds a Bachelor of Arts in Economics and Corporate Reporting & Analysis (2012) from Boston College in Boston, Massachusetts. Ms. Perez de la Mesa possesses experience in the field of unclaimed property, including identifying prospective auditees, since 2012. She applies her unclaimed property expertise and management experience to support Kelmar's Compliance division and to facilitate effective and efficient state-mandated examinations of holders of unclaimed property. Ms. Perez de la Mesa acts as a key liaison between Kelmar and its clients and works to ensure consistent practices across all examinations. Managing communication with



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all participating states throughout the examination process, she serves as a central figure in virtually all Kelmar unclaimed property examinations performed on behalf of its clients.

Ms. Perez de la Mesa joined Kelmar in 2012 as an Associate and has held a steady progression of positions and responsibilities prior to taking on the role of Director in 2021. As Director of Client Business Administration and specialty examinations, Ms. Perez de la Mesa manages Kelmar's examination participation process from initiation through completion of the examination period, and she oversees the preparation of monthly Work-in-Progress Reports for the Company's clients. Ms. Perez de la Mesa oversees research support services to Kelmar's exam 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. Perez de la Mesa also oversees research assistance for Kelmar's clients 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®, Secretary of State/Division of Corporations sites, and archival internet and newspaper sites. In addition, Ms. Perez de la Mesa manages several of Kelmar's relationships with its clients regarding audit service contracts. As a primary contact and resource for designated clients, she ensures the highest level of service and support is delivered, and all client needs are met.

Elizabeth S. Sullivan, CPA / MS, Director of Finance

Ms. Elizabeth Sullivan is Kelmar's Director of Finance. 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 more than 15 years of accounting experience, including experience in the field of unclaimed property since 2011. Ms. Sullivan applies her accounting expertise and management experience to support Kelmar's various business lines and



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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 the Company's Controller before taking on the role of Director of Finance in 2022. In her role as Director, Ms. Sullivan performs custodial services and facilitates the remittance of unclaimed property to Kelmar's clients. Ms. Sullivan assists Kelmar's Chief Financial Officer ("CFO") with the preparation of the Company's internal financial statements, including 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 clients, and administers unclaimed property collected from holders and processes the same to Kelmar's clients. In this capacity, Ms. Sullivan maintains contact with Kelmar's client contacts, as needed, to assist in the confirmation of holder receipts.

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 general ledger accounts, and engagement workpapers prepared by associates. In addition, she prepared and analyzed financial statements, including consolidations for audits, reviews, compilation engagements, and 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.



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Lynden D. Lyman, Esq., Executive Consultant

Mr. Lynden Lyman holds a Bachelor of Arts (1981) from Drake University in Des Moines, Iowa as well as a Juris Doctor (1983) from the University of Iowa in Iowa City, Iowa. A licensed attorney for more than 35 years, Mr. Lyman is a member in good standing of the Iowa Bar Association (1984). Mr. Lyman is a recognized authority in the field of unclaimed property with experience in unclaimed property law, compliance, and program administration since 1984. He has worked with every unclaimed property program in the United States, including the District of Columbia and Puerto Rico as well as several Canadian provinces. For 30 years, he served as a contributing editor to Unclaimed Property Law and Reporting Forms, the leading legal treatise in the field of unclaimed property published by Matthew Bender Publishing. Mr. Lyman has served on the Membership Committee of the National Association of State Treasurers (“NAST”) (2009), Corporate Affiliate Board of the National Association of Unclaimed Property Administrators (“NAUPA”) (2006-2009), and served as special consultant to NAUPA from 2013-2017. He is a recipient of the NAUPA Lifetime Achievement Award (2008), NAUPA’s highest honor presented to individuals in the unclaimed property arena, and the NAST Corporate Affiliate Award (2007).

Mr. Lyman joined Kelmar in 2017. As an Executive Consultant, Mr. Lyman works closely with Kelmar’s Executive Management team to ensure appropriate protocols are employed in all audit operations to facilitate efficient and professionally responsible examinations on behalf of the Company’s clients. Mr. Lyman additionally addresses issues of unclaimed property law and administration presented by states as well as holders under examination. He is also directly involved in audits of particular industries and industry-specific property types.

Prior to joining Kelmar, Mr. Lyman established The Unclaimed Advisor, a consulting firm to support states, territories, and Canadian provinces in their administration of unclaimed property programs. Beginning in 2008, Mr. Lyman has provided compliance, legal/legislative, communication, operations, and research services for government clients. He has and continues to serve as an expert witness in various unclaimed property cases, supporting the advocacy of state positions. In addition to authoring several amicus briefs on behalf of NAUPA, and serving as special consultant to NAUPA, including in



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conjunction with the drafting of the 2016 Revised Uniform Unclaimed Property Act (“RUUPA”), Mr. Lyman has also served on multiple NAUPA committees.

Earlier in his career, Mr. Lyman was an executive for more than 20 years at ACS Unclaimed Property Clearinghouse (formerly Xerox; now Avenu). As CEO/Managing Director of its predecessor entity, Mr. Lyman was responsible for the management of company personnel and oversight of services provided, including a national audit program, unclaimed securities custody, claims processing, MissingMoney.com, and database design and management products.

Before that time, Mr. Lyman served as an Iowa Assistant Attorney General and counsel to Iowa State Treasurer Michael L. Fitzgerald and the state's unclaimed property program, The Great Iowa Treasure Hunt. In addition to providing general legal support for two years, he assisted in the design and implementation of the state's audit-compliance program and was responsible for drafting of legislation, including revisions to Iowa's unclaimed property act.

E. Suzanne Darling, Esq., Associate General Counsel

Ms. Suzanne Darling holds a Bachelor of Arts (1977) from the University of Richmond as well as a Juris Doctor (1980) from the University of Richmond Law School in Richmond, Virginia. Ms. Darling is an active member of the Virginia Bar and a subject matter expert in unclaimed property, with extensive knowledge of unclaimed property law. Since 1986, she has worked in various unclaimed property capacities, including litigating unclaimed property cases, drafting and advocating legislation, and consulting on unclaimed property process management. She is a contributing editor to Unclaimed Property Law and Reporting Forms, the leading legal treatise in the field of unclaimed property published by Matthew Bender Publishing. As the NAUPA representative to the Uniform Law Commission, Ms. Darling was instrumental in the formulation of the 1995 Uniform Unclaimed Property Act and the adoption of the revised legislation by state programs. In recognition of her superior service in support of the mission and goals associated with unclaimed property administration, Ms. Darling is a recipient of the 2022 NAUPA Corporate Affiliate Award.



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Ms. Darling joined Kelmar in 2017, providing critical insight into managing the concerns of holders, addressing issues not covered by existing unclaimed property law, and otherwise directing audits of particular industries and industry-specific property types. Given her thorough understanding of the laws governing unclaimed property, Ms. Darling serves as a key resource for Kelmar's Compliance division and brings specific expertise to the Company's preneed funeral and IRA initiatives. Ms. Darling works closely with Kelmar's Executive Management team to ensure appropriate protocols are employed in all audit operations to facilitate efficient and professionally responsible examinations on behalf of the Company's clients.

Prior to joining Kelmar, Ms. Darling was a senior executive for more than 14 years at ACS Unclaimed Property Clearinghouse (formerly Xerox; now Avenu). In her role as Vice President of Client Service and Legal Compliance, Ms. Darling was responsible for consulting with clients concerning matters of unclaimed property policy, administration, and best practices. Earlier in her career, Ms. Darling served the Commonwealth of Virginia as an assistant attorney general for more than 20 years. During that time, she was counsel to the Virginia Department of the Treasury and provided representation concerning matters affecting the Commonwealth's Unclaimed Property Program.

Catherine G. Zejnnullahu, Esq., Associate General Counsel

Ms. Catherine Zejnnullahu is an Associate General Counsel at Kelmar. Ms. Zejnnullahu holds a Juris Doctor (2004) from Suffolk University Law School in Boston, Massachusetts, a Graduate Certificate in the Program for Women in Politics and Government (1998) from the University of Massachusetts at Boston, and a Bachelor of Arts in History (1997) from the University of Massachusetts at North Dartmouth. Ms. Zejnnullahu was admitted to the Massachusetts Bar in November 2004 and remains an active member. Ms. Zejnnullahu is an experienced legal resource, working in the field of unclaimed property for more than 14 years.

Ms. Zejnnullahu joined Kelmar in 2007 and is responsible for all corporate legal matters, including contract negotiation and oversight, risk management, organizational compliance, and advisory services. She reports to Kelmar's Vice



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President of Legal and serves as Privacy Officer, Equal Employment Opportunity Officer, and is a member of the Incident Response Team. Ms. Zejnnullahu provides legal guidance to executive management and senior personnel, and consultants on organizational best practices, and compliance initiatives inclusive of the Company's SOC, SSAE-18, and ISO-27002 third party audits.

Ms. Zejnnullahu assists in the drafting of Kelmar's responses to public procurement solicitations and requests for proposals. She negotiates Kelmar's contracts and renewals, and she oversees contract compliance by assisting in the development and implementation of corporate controls across departments. She consults with Kelmar's clients across all service lines, involving matters of confidentiality, privacy and data security, and addresses client facing contractual, compliance, and regulatory matters. Ms. Zejnnullahu also performs tasks associated with legislative and regulatory tracking and drafting, and drafts legal memoranda for use by the Company's clients and its Executive Management concerning unclaimed property laws and legislative initiatives. Ms. Zejnnullahu provides litigation support services to Kelmar's clients, including research, drafting, and document review as well.

In connection with Kelmar's compliance services, Ms. Zejnnullahu 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 she oversees information security disclosures and reviews. She also advises Kelmar's 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. Zejnnullahu 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.

Prior to joining Kelmar, Ms. Zejnnullahu was an Associate at Shilepsky O'Connell Casey Hartley Michon Yelen LLP and at Berluti & McLaughlin, LLC. In these roles, Ms. Zejnnullahu 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. Zejnnullahu also negotiated business and employment related contracts for clients.

3.9.2 Partner & Supervisory Qualifications

Vendor must identify all principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the audit engagements. They must have a minimum of five (5) years experience in conducting multi-state unclaimed property compliance audits.

| Name | Title | Years of Experience | Role |
|---------------------------|--|---------------------|---|
| McQuillen, Mark | Chief Executive Officer, President, and Member | 26 years | Executive |
| Kennedy, David | General Counsel and Member | 22 years | Executive |
| LeBlanc, Michael | Chief Financial Officer and Member | 24 years | Executive |
| Russo, Mark | Chief Administrative Officer and Member | 38 years | Executive |
| DeMarco, John | Chief Operating Officer | 23 years | Executive |
| Marr, Patrick | Chief Information Officer | 9 years | Executive |
| Scanlon, Brian | Vice President, Legal & Human Resources | 27 years | Executive |
| Gizzi, Michael | Managing Director | 19 years | Client Business Administration, General Ledger, Emerging Services |
| Stevens, Katharine | Managing Director | 20 years | Securities |
| Harmon, Andrew | Director | 21 years | State Reporting |



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| | | | |
|--------------------------------------|---------------------------|-----------|---|
| Hibbard, Shawn | Director | 17 years | Vendor-Assisted Self-Audits (STACS) |
| Magno, Monique | Director | 11 years | Securities |
| Perez de la Mesa, Cristina | Director | 10 years | Client Business Administration |
| Sullivan, Elizabeth | Director | 15+ years | Finance |
| Bassick, Michael | Senior Manager | 11 years | Vendor-Assisted Self-Audits (STACS) |
| D'Alleva, Anthony | Senior Manager | 17 years | Reconciliation, Address Auditing |
| Effler, Courtney | Senior Manager | 9 years | Client Business Administration, Emerging Services |
| Frentzos, Stephen | Senior Manager | 8 years | Securities |
| Griffin, Caitlin | Senior Manager | 9 years | State Reporting |
| Cesario, Conner | Statistical Manager | 5 years | Statistical Sampling |
| Pena, Hanh | Manager | 8 years | Reconciliation, Address Auditing |
| Ramirez, Ronald | Manager | 6 years | Reconciliation, Address Auditing |
| Tehan, Michelle | Manager | 9 years | Reconciliation, Address Auditing |
| Kondroski, Michelle | Manager | 7 years | Client Business administration, Emerging Services |
| Bray, Christopher | Manager | 5 years | Securities |
| Pecci, Aaron | Manager | 5 years | Securities |
| Fernandez, Paul | Manager | 14 years | State Reporting |
| Strakosha, Marsela | Manager | 17 years | State Reporting |
| Lyman, Lynden | Executive Consultant | 35 years | Legal Support |
| Darling, E. Suzanne | Associate General Counsel | 34 years | Legal Support |
| Zejnnullahu, Catherine Graham | Associate General Counsel | 14 years | Legal Support |



3.9.3 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 provided in its bid to this RFQ. Vendor shall inform the STO in writing of any personnel or staff changes that would affect the Services provided to the STO.

Kelmar confirms that it shall provide quality of staff over the term of a contract resulting from this CRFQ and shall ensure that any new or additional staff members have the same qualifications, training and experience as the staff members named by Kelmar in its Proposal herein. As a national leader in the field of unclaimed property, Kelmar has invested in a dynamic team of unclaimed property experts, employing highly trained professionals with degrees in business, accounting, finance, information systems, and law. Kelmar exclusively utilizes internal staff to perform all unclaimed property examination/audit functions and does not subcontract any of its examination/audit work to external sources. Likewise, since Kelmar's examinations are performed by teams of solely internal personnel with overlap at each level, quality replacement staff are readily available should supervisory personnel or exam team leads become unavailable due to unforeseen circumstances. The Company's team staffing approach ensures that Kelmar provides the appropriate oversight and personnel to complete assigned unclaimed property examinations on behalf of clients. Kelmar shall inform the STO in writing of any personnel or staff changes that would affect the proposed audit services provided to the STO.

3.9.4 Subcontractors

Vendor must disclose any potential subcontractor in its bid to this RFQ. In the event Vendor proposes providing the required Services through a subcontractor, the bid must include the name, address, contact information, experience and staff qualifications of the potential subcontractor. Any proposed subcontractor must meet the same mandatory requirements to provide the Services in this RFQ prior to



entering into any agreement with Vendor. A bid that includes Services provided by a Subcontractor is not considered a joint bid. The STO will consider Vendor to be the sole point of regarding all contractual matters. Vendor is solely responsible and liable for payment of all financial matters in connection with its employees, contractors and subcontractors. The State reserves the right to review and approve all subcontractors, review services conducted by subcontractors, and refuse payment on projects where subcontractors are used without foreknowledge or approval by the STO.

In instances where a client state has directed Kelmar to collect unclaimed property in trust for the state and perform custodial services in whole or part, unclaimed property securities assets are deposited in an interest-bearing account or fund with Wells Fargo Clearing Services, LLC, First Clearing (“Wells Fargo”) as approved in advance by the client. Wells Fargo is both a clearing firm and a brokerage firm providing 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 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 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. Enclosed below is information concerning the name, address, contact, experience, and qualifications of Wells Fargo as a subcontractor serving as sub-custodian under a contract resulting from this CRFQ, for STO’s consideration.

- Contact Information: The name, address, and contact information of the proposed subcontractor is enclosed below.

| | |
|----------------|--|
| Name | Wells Fargo Advisors, Wells Fargo Clearing Services, LLC, First Clearing |
| Address | 400 Capitol Mall, Suite 1700 Sacramento, California 95814 |



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Primary Contact

Mr. Tim Johnson, Managing Director – Investment Officer
tim.johnson@wellsfargoadvisors.com
v: (916) 491-6361
f: (916) 443-4789

- **Business Organization:** Wells Fargo Advisors, LLC is a non-bank affiliate of Wells Fargo & Company, one of the nation's largest, strongest, and most respected financial institutions. Wells Fargo Advisors, LLC was formerly known as Wachovia Securities, LLC. As a result of the acquisition of Wachovia Corporation by Wells Fargo & 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 & Singer. In 1988, Wheat First, a company originally founded in 1934, acquired Butcher & 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 & Company beginning in 2009, First Clearing is connected with a more than 160-year legacy built on perseverance and innovation.
- **Experience:** Wells Fargo specializes in providing custody and brokerage services to state unclaimed property departments and works closely with client states developing customized solutions to meet specific custodial service needs. 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 is trusted in the industry and serves as the custodial and liquidation agent for eight state unclaimed property departments.

Kelmar has worked with Wells Fargo for seven years for the delivery of short-term custody services in connection with Kelmar's unclaimed property examinations, and when performing security reconciliation projects. Wells Fargo Advisors also has 20 years of experience providing



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unclaimed property custodial services to state unclaimed property departments. Together, Kelmar and Wells Fargo have been providing unclaimed property custody related services to clients for over 40 years. Kelmar and Wells Fargo believe that this alliance uses the strengths and expertise of both groups, which allows clients to receive the highest level of short-term custody service in the industry.

- Qualifications: As an active sub-custodian for state unclaimed property programs, Wells Fargo is properly licensed, in good standing, and up-to-date on all state and local obligations. As a sub-custodian under a contract resulting from this CRFQ, Wells Fargo shall adhere to and maintain all subcontractor compliance requirements related to providing short-term custody services for the remittance of unclaimed property deemed due and owing to the STO.

To demonstrate Wells Fargo staff qualifications, resume overviews of Wells Fargo key personnel associated with the provision of sub-custodian support under a contract resulting from this CRFQ are enclosed below.

Tim Johnson, Managing Director – Investment Officer

Mr. Tim Johnson is Managing Director – Investment Officer of Wells Fargo Advisors. Mr. Johnson has a Bachelor of Science (1994) from California State University in San Luis Obispo, California, and holds several professional certifications, including Series 65 - Uniform Investment Adviser Law Examination (April 14, 1998), Series 63 - Uniform Securities Agent State Law Examination (March 12, 1998), and Series 7 - General Securities Representative Examination (March 6, 1998).

A member of the Sacramento branch of Wells Fargo Advisors since 1998, Mr. Johnson specializes in custody and brokerage services for unclaimed property. As an advocate of Veterans Affairs, Mr. Johnson has 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.



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For the last 20 years Mr. Johnson has been responsible for providing custody and brokerage services to state unclaimed property departments and unclaimed property service companies. Toward that goal, he works closely with clients developing customized solutions to meet specific needs and ensures that staff excel at providing high quality service.

Jackelyn Khalid, Client Associate

Ms. Jackelyn Khalid is a Client Associate of Wells Fargo Advisors. Ms. Khalid holds a Bachelor of Arts (2019) from California State University in Sacramento, California. As Client Associate, Ms. Khalid oversees daily operations for all unclaimed property accounts. She handles routine inquiries and assists with claims payments, account reconciliation and receiving securities. Ms. Khalid has been in this role with Wells Fargo Advisors for four (4) years and is responsible for eight (8) state clients.



Mandatory Requirements

4.1 Audit / Collection of Property

Mandatory Contract Services Requirements and Deliverables: Contract Services must meet or exceed the mandatory requirements listed below.

4.1.1 Specific Work Plan - Audits: For each planned audit, Vendor must set forth a work plan for the audit, including an explanation for the methodology to be followed and any specialized methodologies to be used by Vendor. The scope of the audit is to ensure that the Holders are in compliance with the Act. This work plan must be communicated with the Holder prior to the beginning of the audit. The STO reserves the right to provide Vendor with Audit Guidelines governing activities for conducting these audits under the Act.

Equipped with a comprehensive and efficient means of examining the compliance of holders with state unclaimed property laws that is exclusive to Kelmar, the Company has the technical capability and resource capacity to identify and collect unclaimed property on behalf of the STO, pursuant to the West Virginia Uniform Unclaimed Property Act (the "Act"). Kelmar's examinations are conducted in accordance with its examination manual, which is a compilation of the Company's trade secret and confidential methods, techniques, procedures, and tools utilized throughout the examination process. The examination manual incorporates required client protocols and procedures, and covers all aspects of an unclaimed property examination, including customized methodologies for determining compliance, analyzing records, collecting, reporting, and delivering property as well as Kelmar's established internal process controls and security measures for funds and records in Kelmar's possession when delivering such services on behalf of a client. Kelmar's dedicated examination and compliance support staff possess the necessary experience and expertise to effectively apply Kelmar's examination methodology to identify and collect unclaimed property on behalf of its clients.



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Kelmar's examination manual is exclusive to Kelmar and contains proprietary work plans for general ledger and securities related examinations (hereinafter collectively referred to as the "Work Plan") - all of which constitute trade secrets. The Company diligently maintains the confidentiality of its Work Plan, which details procedures throughout the examination processes to identify and collect unclaimed property from holders that are subject to report and delivery, including procedures relating to the accuracy (or non-existence) of owners' addresses, out-of-proof records, underlying shares and the determination of abandonment, bankruptcies, and, when appropriate, release of liability and indemnification, interstate cooperation, reciprocal agreements, cooperation with on-going state and multi-state examinations, case law, examination procedures, dormancy periods, reporting periods, the methodology of estimation techniques, and other compliance techniques. Kelmar's examination tools, processes, and practices are consistently reviewed and updated to reflect changes to contractual requirements and/or applicable state and federal unclaimed property laws, case decisions, administrative rules, and regulations.

Using its established methodology, Kelmar undertakes general ledger and securities auditing to identify, collect, and deliver all property types from holders in possession of unclaimed property subject to respective state unclaimed property laws, and pertinent U.S. Supreme Court and State Supreme Court rulings. With its comprehensive Work Plan, including examination quality controls, supplemental examination processes and procedures, and an established methodology to execute all scope of work requirements associated with unclaimed property recovery, Kelmar offers the highest quality unclaimed property examination services in the industry, and is well equipped to conduct unclaimed property recovery services on behalf of the State to help increase compliance by enforcing the reporting and remittance of all types of unreported unclaimed property. Kelmar's Work Plan overview provided herein details the procedures utilized throughout the examination to identify and collect unclaimed property from holders that are subject to report and delivery. Kelmar's complete confidential examination manual is available upon request.

Set forth below is an overview of Kelmar's audit work plan, including an explanation of the specialized methodology followed by the Company's experienced unclaimed property audit and support staff to deliver the



mandatory contract services requirements and deliverables associated with the audit and collection of unclaimed property, including the *Mandatory Contract Services Requirements and Deliverables* of the CRFQ. A complete copy of Kelmar's audit work plan can be provided to the STO upon request. As an authorized Vendor performing audits on behalf of the STO under a contract resulting from this CRFQ, Kelmar confirms that its work plan shall be communicated with a holder approved for examination by the STO, prior to the beginning of the audit. Kelmar understands that the STO reserves the right to provide the Company with Audit Guidelines governing activities for conducting these audits under the Act.

Research and Identification

If awarded a contract resulting from this CRFQ, Kelmar shall assist the STO in its unclaimed property compliance efforts, including research and identification of audit candidates. Below is an overview of Kelmar's established examination processes and procedures, which shall be applied to successfully accomplish the research and identification of examinations of entities potentially holding unclaimed property, who have never reported such unclaimed property or who have not adequately reported such unclaimed property that is past due and owing to the STO. These processes and procedures ensure audit success, with minimal disruption to a holder's business and illustrate Kelmar's approach and plans for locating persons and/or entities that are holding or in possession of past due unclaimed property subject to reporting and delivery.

- **Research:** Kelmar researches the examination potential of holders that may have unclaimed property but have either never reported or improperly reported unclaimed property to a client. Numerous publicly available resources are utilized, including various subscription services, and multiple factors relevant to each type of examination being reviewed are considered (general ledger, securities, other). These factors include the location of an organization's operational activities, its customer base, and its overall business presence within a state.

Corporate histories and relevant public filings are also reviewed and the general compliance rates of similar holders within a particular industry are likewise considered. Where available, specific state reporting and



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other information about potential holders is also utilized during the research process. At a client's request, Kelmar will also compare publicly available data with a company's unclaimed property filing history with the client so that the client can evaluate the appropriateness of an audit. The findings are forwarded to Kelmar's management team for review and final approval before a holder is proposed for examination to a client.

In addition, Kelmar utilizes the following procedures and methods specific to general ledger and securities examinations to provide holder analysis, detailing potential unclaimed property issues:

- For general ledger examinations: Kelmar uses publicly available resources, including filings with the Securities and Exchange Commission ("SEC"), to identify companies that have a business presence within a client state. Factors indicating a business presence include, but are not limited to, number of employees working in a state, amount of sales in a state, number of customers in a state, and number of offices/locations in a state. This data can be used, in conjunction with the company's unclaimed property filing history, for a client to evaluate the appropriateness of an examination.
- For securities examinations: Kelmar uses publicly available resources as well as subscription-based databases to research a company's stock issuance history. Specifically, Kelmar reviews the following: current and historic SEC filings, including 10-Ks and Shelf Registration forms, to determine the company's state of incorporation, the number of shareholders of record and types of restricted stock and employee stock purchase plan structures; Wolters Kluwer's Corporate Capital Histories to identify mergers, acquisitions, reorganizations, and the maturity and redemption of bond issuances; Interactive Data to determine a company's dividend payment history and bond interest payments as well as any acquired company's payment histories; and Bloomberg to determine a company's bond issuance history. The data compiled from the sources above may then be used in conjunction with the company's unclaimed property filing history (if applicable) for a client to evaluate the appropriateness of an examination.



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- Identification: Kelmar helps its clients identify entities believed to be in possession of past-due unclaimed property subject to report and delivery under state unclaimed property law. Kelmar is well qualified to assist with identifying such businesses that have failed to report or possibly underreported unclaimed property in accordance with state unclaimed property laws. Kelmar has extensive experience and expertise in identifying unclaimed property liabilities of holders across many industries, including the following:

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

Upon completion of review and research of possible holders that may be in possession of past due unclaimed property subject to reporting and remittance, Kelmar shall provide a recommendation to the STO to either audit or not audit the candidate by applying the examination authorization tasks described below. Kelmar understands that the STO may request that Kelmar conduct a West Virginia state-specific audit of a holder or evaluate if a multi-state audit is beneficial for the STO to join. Kelmar acknowledges that the STO reserves the right to participate in a joint examination of any holder, at any time, with the Company.



Authorization and Commencement

Prior to the commencement of any audit, Kelmar shall draft and submit electronically, to the STO's Unclaimed Property Compliance Director, a request for audit. The request for audit shall include the required information identified in the CRFQ, if available and legally permissible. Kelmar understands that additional information may be requested by the STO and that failure to provide sufficient information may result in the rejection of the audit. Kelmar shall obtain written approval in the form of a standardized Authorization Letter approved by the STO, on STO letterhead, and shall include a copy of Kelmar's Examination Work Plan (Audit Guidelines) as an attachment to the Authorization Letter, if requested by the STO. Kelmar acknowledges that the STO has the final and sole authority to determine who, if anyone, will conduct an examination of holders, and that the STO will advise Kelmar of a rejected audit examination request within 60 days of the initial request. Kelmar understands that any unclaimed property remitted pursuant to an examination conducted without an Authorization Letter from the STO shall be received by the STO without compensation to Kelmar. Below is an overview of Kelmar's established examination processes and procedures, which shall be applied to successfully accomplish the authorization and commencement of examinations of entities potentially holding unclaimed property, who have never reported such unclaimed property or who have not adequately reported such unclaimed property that is past due and owing to the STO.

- Authorization: After completing the research and identification processes described above, Kelmar submits a customized examination authorization request to conduct an examination of a holder to audit property considered past due as required by the client's unclaimed property law. Examination authorization requests to conduct an examination of a holder shall be prepared by Kelmar and shall clearly specify the scope of audit being requested, including the legal name, DBA, and FEIN of the holder; the time period of records to be examined; and explanation of factors qualifying the holder for examination; type of audit to be conducted (general ledger, securities, full scope, virtual currency); parent company date of formation and incorporation; holder state of incorporation and principal place of business; and indication if holder has been located in, doing business in, or incorporated in West



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Virginia. Kelmar shall not submit information regarding invited and/or participating states in a multi-state audit, if confidential by law or by contract. Kelmar provides all applicable and available information on the holder in the agreed upon format (i.e. Excel, Word, PDF), submitted electronically.

- **Commencement:** Following identification of a potential holder and receipt of an examination authorization from a client, Kelmar commences the examination of a holder's records to determine compliance with the client's unclaimed property law. From the moment of examination commencement, Kelmar shall maintain independence in mental attitude in accordance with all applicable professional standards, accounting principles, auditing standards, and accounting standards, including not only being independent in fact but also avoiding situations that may lead others to doubt its independence. All examinations are performed by Kelmar in accordance with the respective unclaimed property statutes, regulations, and administrative protocols of the states authorizing the review. Kelmar shall comply with the timeframes established by the STO, and shall schedule the commencement of an examination at a time mutually agreeable with the holder, but no later than 90 days after authorization notification, except for good cause.
- **Preliminary Discussions:** After learning of a client's notice to the holder exercising its statutory right to commence an unclaimed property examination of the holder's books and records and receiving the proper authorization from a client, Kelmar promptly contacts the holder to arrange an opening conference, either via conference call or on-site at the holder's headquarters. During preliminary discussions with the holder, Kelmar briefly explains the examination process and addresses any initial concerns or questions.

Prior to the opening conference, Kelmar also provides the holder with Kelmar's standard form Confidentiality and Non-Disclosure Agreement ("NDA"). In the event a client offers an alternative form confidentiality agreement, Kelmar shall provide the same for the holder's consideration. Along with the NDA, Kelmar provides the holder with an Initial Document Request (DRI) as well as any



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examination orientation documents, including Kelmar's Secure File Transfer ("SFT") User Guide (a secure method for transmitting information). Kelmar also provides any other state handouts to the holder that are required to be produced prior to the opening by any state participating in the examination.

In the event of multi-state audits, and if in agreement with some or all participating states, Kelmar shall request and receive approval from a majority of participating states prior to initiation of the audit, if possible. If possible, the authorization letters will be sent in minimal batches from all states, that are in agreement with this process, to serve as notice to the holder of the initiation of the multi-state audit and as a signal of uniformity by the participating states. Kelmar shall not submit information in connection with states participating in a multi-state audit, if confidential by law or by contract.

- The Opening Conference: During the opening conference, Kelmar provides all holders subject to review with details of the examination process including, without limitation, a list of participating states, the scope of examination, the property types subject to review, the time period covered by the review, a description of the examination phases and proposed timeline, and relevant extracts from the applicable state unclaimed property laws, rules, and regulations. This information is provided in Kelmar's Examination Overview & Participating State Acknowledgements document.

Conducting Audit Examinations

After completion of the research, identification, authorization, and commencement tasks described above, Kelmar audits the records of holders for past-due unclaimed property in a timely manner, with minimal disruption to the holder's regular business activities, and uses its best efforts to conclude the audit within the proposed time frame set forth in the audit schedule provided at the opening conference. Kelmar acknowledges that audits on behalf of the STO shall be authorized for two years from the date of the authorization letter, unless extenuating circumstances are adequately demonstrated. Should Kelmar not be able to complete the audit in that time,



it shall send a written request to the STO for a one-year extension of the audit, at least 45 days prior to the expiration of the audit. Kelmar understands that unless extenuating circumstances are adequately demonstrated, no more than one extension may be granted under any audit.

Pursuant to a contract resulting from this CRFQ, Kelmar shall perform examinations of holders as required by CRFQ. Audits shall be conducted offsite virtually through electronic means. However, audits may be conducted onsite in-person if technical limitations exist that make an offsite examination impracticable. Kelmar shall undertake to identify and collect all types of unclaimed property from holders that have never reported, have been improperly reported or are presumed to potentially have in their possession unclaimed property that is subject to report and delivery under the Act and within scope of the audit. Kelmar shall review the records of such holders to determine if all property within the scope of the audit has been reported and remitted to the STO, and the property shall be reported and remitted to the State of West Virginia for owners with a last known address in the State, or in the absence of records of owner names, where the holder is domiciled in West Virginia.

Kelmar shall act within the scope of authority granted to it by the STO. In conjunction with the identification and collection of unclaimed property on behalf of the STO, Kelmar shall:

- 1) Process records of unclaimed property obtained from holders and/or their agents;
- 2) Timely submit all required reports and notices electronically to the STO's Unclaimed Property Compliance Director;
- 3) Prepare and submit to the STO reports of unclaimed property in accordance with the requirements of the Act & corresponding West Virginia legislative rule, 112 CSR 5 (Kelmar understands that STO reserves the right to reject any audit reports not in compliance with the provisions of the CRFQ);
- 4) Report all unclaimed property electronically using the NAUPA II standardized unclaimed property reporting format; and



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- 5) Timely submit, pay, or deliver all funds and other property constituting unclaimed property to the STO, or its designee, subsequent to the processing of the holder's records and Kelmar's demand of report and payment or delivery.

Kelmar follows the examination processes and procedures described below to review, analyze, and identify overdue and unreported unclaimed property to be remitted to states authorizing the examination, in accordance with their respective unclaimed property laws.

Status Updates and Communication Support

Kelmar is committed to keeping clients apprised of the progress of an examination by making itself available to answer questions, or participate in meetings or conference calls as needed, and by providing status reports, written requests, and other communications via electronic media including, but not limited to, monthly Work in Progress Reports, audit expansion requests, property dispute notification, and extension requests.

- Work in Progress ("WIP") Report: Within 30 days of the commencement of the examination, and every 30 days thereafter, Kelmar provides its clients with a WIP that describes the status of all examinations in process. WIP formatting is customized to the specifications of the Company's clients and is generally provided as an Excel file sent via email to the individuals identified by the client.

Kelmar shall provide to the STO's Unclaimed Property Compliance Director at UP_Compliance@wvsto.com, by the 15th of each month, for the previous month, a WIP for each holder under examination. All holders under audit shall be listed in the WIPs from the time the audit is commenced until the audit is formally closed. The WIPs shall be in the form of and include all information required in the CRFQ.

- Audit Expansion Request: A formal written request shall be submitted to the STO, if audit expansion appears necessary, that includes a reason the expansion is necessary, the type of audit, properties included in the audit, subsidiaries included in the audit, and the lookback period.



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- **Property Disputes:** Kelmar shall assist the STO with property disputes, as needed. Kelmar shall notify the STO of any such disputes within 30 days of the determination that a dispute exists. Kelmar shall make all reasonable efforts to resolve disputes as quickly as possible. Kelmar shall provide to the STO the actual resolution date of any such disputes and shall remit the property within 30 days of resolution of disputes.
- **Extension Request:** Should Kelmar not be able to complete the audit within two years from the date of the authorization letter, it shall send a written request to the STO for a one-year extension of the audit, at least 45 days prior to the expiration of the audit. Kelmar understands that unless extenuating circumstances are adequately demonstrated, no more than one extension may be granted under any audit.

Records Review and Analysis

Kelmar's examination processes and procedures are customized for the type of property review (i.e., general ledger, securities, full scope, and virtual currency). Virtual currency examinations follow the same general phases outlined for general ledger examinations. Securities specific examinations also follow the same general phases of preliminary data collection and analysis and secondary data collection and analysis that are outlined for general ledger examinations, but because these are specialized types of examinations, processes and procedures are tailored to the specific property types. Using the audit methodology and supplemental procedures described below, Kelmar shall audit the records of holders or potential holders to identify unclaimed property that should be reported and delivered to the STO.

General Ledger Examination Work Plan

A summary of Kelmar's work plan for general ledger examinations is provided below, detailing essential tasks and processes within each phase of the review.

- **PHASE I. Planning and Development of Examination and Initial Document Request:** Kelmar's assigned exam team reviews relevant publicly available information regarding the holder under review. The standard initial document request issued by the exam team requests the holder provide non-publicly available information, including, but not



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limited to, an organizational chart, information regarding prior unclaimed property examinations and voluntary disclosures, and certain tax information. The information provided by the holder in response to the initial document request, coupled with relevant publicly available information and information gathered at the opening conference, allow the exam team to assemble the basic materials needed to begin the examination process. Beginning in Phase I (and continuing in subsequent phases), Kelmar creates and distributes to the holder, Task Management Reports (“TMRs”). The TMR is a management tool that is utilized throughout the examination to identify and track specific information and document requests, outstanding questions, and other tasks. The TMR identifies the responsible parties (Holder or Kelmar), and associated deadlines to complete the tasks. The TMR is often used on status calls with holders to ensure that the parties agree with tasks that have been completed and those that remain open or outstanding (and to discuss timelines for completion of any open or outstanding tasks).

- PHASE II. Preliminary Data Collection (within each identified legal entity): Based on the information derived from Phase I of the review, Kelmar prepares additional document requests. Document requests in this phase focus on identifying the relevant property categories by legal entity and the specific accounts to be reviewed in detail within each such property category. In Phase II, Kelmar also requests the holder provide all historical unclaimed property filings.
- PHASE III. Preliminary Analysis: Kelmar’s exam team, with management supervision, analyzes all data collected in the first two phases of examination. Based on this analysis, specific accounts are identified for detailed review and the availability of relevant records is determined.
- PHASE IV. Secondary Data Requests: Kelmar prepares and distributes detailed follow-up data requests to the holder for the specific accounts identified through the preliminary analysis detailed in Phases II and III above. These secondary requests consist of documentation at the transactional level of detail. The holder is requested to provide name and address detail associated with the identified property categories and accounts.



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- PHASE V. Secondary Data Analysis: Upon receipt of requested transaction detail in Phase IV, Kelmar analyzes and processes the data provided in each property category in order to identify those transactions representing potential unclaimed property.

Securities Specific Examination Work Plan

Having been authorized by a client(s) to conduct a review of the holder, and having completed the initial stages of the examination, Kelmar's securities exam 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. Listed below is a description of the phases of a securities specific examination performed by Kelmar on behalf of a client(s).

- PHASE I. Preliminary Data Collection: Kelmar's securities exam team establishes contact with the holder's investor relations personnel and issues a preliminary document request that is tailored to the corporate history of each holder. At the time that the preliminary document request is issued, a TMR is also sent to the holder. This report is utilized throughout the course of the securities examination in order to identify outstanding tasks and to establish deadlines for the completion of tasks.
- PHASE II. Preliminary Records Analysis: Kelmar reviews holder procedures, third party agreements and prior unclaimed property filings, and analyzes shareholder registration data. A second document request is distributed to the holder, containing follow-up questions and test population of accounts for a securities examination, after which time, Kelmar performs merger and acquisition testing.
- PHASE III. Secondary Records Analysis: When test data is received, it is analyzed in order to confirm the integrity of the critical data elements supplied. Specifically, dates of last contact are verified to confirm that account activity has been owner generated, and that record production of uncashed dividends and ACH payments is complete.



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Virtual Currency Specific Examination Work Plan

Having been authorized by a client(s) to conduct a review of the holder, and having completed the initial stages of the examination, Kelmar's examination team will follow the General Ledger Examination Work Plan explained above for the collection and analysis of virtual currency data and records.

Supplemental Examination Procedures and Practices

In addition to the examination processes described above, Kelmar incorporates supplemental procedures and practices throughout all examinations performed on behalf of its clients. Below are details concerning such procedures and practices to ensure the consistency, reliability, and overall quality of Kelmar's unclaimed property locator / examination / audit services.

- **Bankruptcy Procedures:** If, at any time during the course of an examination, Kelmar learns that a holder filed for bankruptcy, Kelmar, within seven days of discovery of the event, will notify the STO and any other states authorizing and participating in the examination of the holder's bankruptcy filing. Kelmar will also provide all available information to the STO's Unclaimed Property Compliance Director. When requested, Kelmar assists its clients with preparation of a proof of claim or provides such information to enable a participating state to file a proof of claim, if the participating state determines that the filing of a proof of claim is necessary.
- **Nonexistence of Owners' Addresses:** When determining priority with respect to reporting of unclaimed property, Kelmar follows state unclaimed property laws and relevant state and federal court rulings, including specifically, the holdings of the U.S. Supreme Court in *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), as well as applicable federal legislation.
- **Sampling, Estimation, and Projection Techniques:** If the amount of reportable property cannot be ascertained from the books and records of a holder, i.e. in the event that records do not exist or owner names and addresses are unknown, Kelmar obtains the written approval of each



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participating state prior to utilizing any sampling, projection, and/or estimation techniques to determine unclaimed property due to that particular state. All sampling and statistical estimation techniques used by Kelmar in any examination are applied in a manner consistent with AICPA Professional Standards AU Section 350 or an agreed upon methodology approved in writing by a client. Notably, the policies and procedures relating to estimation are generally inapplicable to Kelmar's securities examinations. Kelmar understands that STO approval is required for the use of statistical sampling, projection, and estimation in the absence of holder records. Written STO approval shall be obtained prior to estimation being undertaken.

- Recordkeeping Validation and Related Reporting: As part of its examination process, Kelmar utilizes a proprietary java-based software application, KBase, that was developed exclusively by and for Kelmar and which serves as an internal repository for recordkeeping, validation, and reporting. The RDBMS application securely stores and maintains all critical data elements received from holders and is used to provide validations, calculations, and diagnostics against the unclaimed property data. Where applicable, properties that are determined dormant under state law are exported directly from this proprietary system into standard NAUPA II format.

Kelmar has also developed a variety of project management tools and reports that are now integrated in Kelmar's Professional Services Administration ("PSA") project management system. The tools and reports integrated in PSA enable Kelmar to track projects at both macro and micro levels. Because all tasks and activities in PSA are name, date, and time stamped, Kelmar can create contemporaneous reports that show the current status of a project and the more granular tasks and action items within a particular project. PSA also allows Kelmar to closely monitor established internal time and project management goals as well as to control costs associated with its examinations. Internally, PSA is designed to send alerts and other system-generated messages in instances when tasks and action items have been completed as well as alerts on items that require attention by Kelmar and/or the holder. This allows Kelmar's leadership personnel to identify process logjams and create improvement to achieve greater efficiencies while monitoring



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team performance and overall outcomes. In addition, Kelmar utilizes PSA to generate real time status reports, Work in Progress reports, and other supplemental reports as requested by clients. Similarly, Kelmar can generate real time open items reports and typically provides Task Management Reports to holders at least monthly.

- **Dormancy and Reporting Periods:** As mentioned previously, Kelmar's Legal Team monitors the unclaimed property laws for all states to identify changes to dormancy periods and reporting periods. Such changes are communicated to Kelmar's examination teams and implemented during examinations as required. Additionally, Kelmar's Legal Team monitors and tracks proposed legislative and regulatory changes to the unclaimed property laws across all 50 states. These individuals regularly monitor clients' unclaimed property websites for important changes to state law or policy regarding unclaimed property.
- **Determining Death Status of Annuitants:** Kelmar is equipped to determine the death status of individual annuitants, using the Death Master File (DMF), provided by the United States, Social Security Administration (SSA). As an enhancement to its audit services, and a complement to its unclaimed property expertise, Kelmar utilizes available software tools to (a) perform address verification and (b) positively identify decedents (inclusive of verifying dates of death as part of its DMF matching procedures). Such tools provided by industry leaders LexisNexis® and The Berwyn Group, Inc. assist Kelmar's examination teams with applying exact and non-exact matching algorithms (referred to as "fuzzy logic matches") to, among other reasons, comply with the terms of various audit resolution agreements and/or other settlement terms that specifically require use of such searches. In addition to searching for insureds and annuitants, Kelmar utilizes death matching tools in examinations, involving securities, broker-dealers, preneed deathcare corporations, and potentially others where the life status of a unique biological individual may establish or help determine the existence of unclaimed property. Notwithstanding the use of these software matching tools, no duties associated with audit services provided by Kelmar to clients are delegated to vendors. Kelmar exclusively performs all aspects of an examination and maintains full



discretion throughout the address verification and DMF matching processes up to, and including, compilation of findings.

- **Record Retention:** Kelmar has a comprehensive Document Management Program that includes secured encrypted back-up and storage in compliance with all applicable state and federal laws. Under Kelmar's Document Management Program, all work papers and reports shall be retained by the Company for a minimum of 10 years from the originating date, unless Kelmar is notified in writing by the STO to extend the retention period. Kelmar shall permit the STO to review all records it maintains in connection with audits performed on behalf of the STO to ensure the Company's compliance with all terms and conditions of the purchase order issued pursuant to this CRFQ. Kelmar understands that the scheduling of these reviews will be designated by the STO.
- **Confidentiality:** Kelmar's Information Technology (IT) department ensures the security and confidentiality of all information and/or records stored, created, collected, maintained, and/or transmitted by Kelmar. Kelmar maintains robust security protocols, processes, and policies designed to protect the security, confidentiality, and/or integrity of any electronic, paper, or other records containing confidential information. With its comprehensive information systems security, Kelmar shall preserve the integrity of STO security and confidentiality by exercising appropriate security precautions for the handling of confidential information. Kelmar shall maintain as confidential all information concerning a holder's property.

Due Diligence, Remediation, and Collection

After completing the review and analysis of the holder's records, Kelmar continues to work closely with the holder when completing due diligence, remediation analysis, and collection of identified unclaimed property. During this phase of an examination, the holder is given the opportunity to eliminate preliminary findings from the actual annual reportable unclaimed funds and Kelmar ensures due diligence efforts meet client reporting requirements.



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- Report of Preliminary Examination Findings: Once the final population of dormant accounts is identified in an examination, Kelmar provides the holder with a report of preliminary examination findings detailing the preliminary unclaimed property liability amount in cash and securities.
- Due Diligence: The holder is given the opportunity to reconcile, remediate, and perform due diligence as required under the applicable unclaimed property laws of each state participating in the examination. To ensure the holder understands its due diligence obligations, Kelmar provides copies of each participating state's respective due diligence requirements to the holder for notifying owners of their property. With extensive working knowledge and familiarity with the requirements of the Act, Kelmar shall properly advise holders of the Act's due diligence requirements for notifying owners of their property and shall notify the STO if the holder fails to conduct due diligence.

Kelmar also advises the holder of its reporting, remittance, and delivery obligations for each client, as well as its continuing obligation to file future reports of unclaimed property with each state unclaimed property program. On behalf of the STO, Kelmar shall advise holders of the Act requirements and provide notice concerning property remittance, reporting, and penalties and interest:

- 1) Kelmar shall advise each holder that all property reported and remitted must conform to the requirements of the Act, now and in the future;
- 2) Kelmar shall advise each holder of the NAUPA reporting format and the required information for its use;
- 3) Kelmar shall advise each holder of record retention requirements under W. Va. Code §36-8-21; and
- 4) Kelmar shall advise each holder that they are not exempt from any section of the Act, including, but not limited to, W. Va. Code Â§36-8-24, which grants the STO the authority to charge penalties and interest to delinquent holders. Kelmar shall not represent to holders that penalties and interest will be waived without written authorization from the STO.



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- Remediation Analysis: Following due diligence, Kelmar reviews all documentation provided to try to remediate preliminary assessment liabilities. Kelmar validates that accounts have been appropriately removed from examination findings when holders re-establish contact with owners. After transactions for all unclaimed property types have been returned to the holder for remediation, Kelmar's focus for the duration of the examination is to work towards quantifying an assessment of the holder's overall unclaimed property liability for all states participating in the examination.

In other words, all of Kelmar's remaining efforts in the examination are concentrated on a finite pool of transactions that will ultimately produce a final statement of examination findings. To aid in defining this finite pool of transactions, Kelmar provides continuous feedback to the holder concerning its remediation efforts. This feedback ensures the holder can track its progress and has a full understanding of all items that have been properly resolved and remediated (and thus, removed from the calculation of liability), and all unresolved items where either no documentation has been provided, or additional documentation is needed for remediation. Disagreements as to the sufficiency of any remediation provided are promptly brought to the attention of the states participating in the review for their final determination.

- Reconciliation: The reconciliation processes undertaken by Kelmar ensure that every component of a final assessment is fully supported and traceable back to the holder's books and records. This also aids in ensuring that the final demand for payment consists solely of past due property. Throughout this process, Kelmar not only makes itself available at any time to each client with preliminary findings, but the Company works closely with holders to ensure that owner information required by clients is obtained and that cash and shares are remitted in a timely manner, in accordance with the applicable unclaimed property laws of all participating clients.

Kelmar confers with its clients with respect to issues of law or policy, concerning the reporting and delivery of unclaimed property. If a holder fails or refuses to report and deliver unclaimed property, Kelmar advises its client(s) of the holder's refusal. In the event that Kelmar and the holder do not agree upon the report to be filed, the Company shall notify the



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STO, who shall decide the matter. Upon request, Kelmar shall provide the STO with Release Agreements and/or Dispute Resolution as appropriate.

- Release Agreements: Kelmar shall prepare Release Agreements according to STO procedures, when requested by a holder, to be signed by the holder and the STO, which shall identify the property to be remitted, and verify that the appropriate abandonment period has been met for each type of property reported. Kelmar acknowledges that the STO reserves the right to modify the terms of the Release Agreement at its discretion.
- Dispute Resolution: Kelmar shall assist the STO in dispute resolution as needed. Kelmar understands that in the event the Company and the holder are unable to reach an agreement as to the terms of the final examination report, the holder may maintain an original action to establish the claim in the circuit court of Kanawha County, naming the administrator as a defendant.
- Collection: In instances where a client has directed Kelmar to collect the unclaimed property in trust for the client and perform custodial services in whole or part, Kelmar provides the necessary safekeeping custodial services and demands delivery of the respective property from the holder after receipt of the client's approved summary of findings. While in Kelmar's possession, unclaimed property assets are deposited in interest-bearing accounts or funds, approved in advance by the Company's clients. Where a client seeks to collect property directly from the holder, Kelmar instructs the holder to remit both cash and securities property directly to the client, in accordance with corresponding holder reporting instructions.

On behalf of the STO, Kelmar shall demand and accept remittances of unclaimed property from holders. Unless otherwise authorized by the STO, Kelmar shall not make a demand of a holder for remittance of property to the STO until such time as the holder and Kelmar reconcile and agree upon the report to be filed with the STO. All funds shall be segregated and securely maintained by Kelmar for a period not to exceed 30 calendar days prior to disbursement to the STO or its designee. Kelmar's interest bearing accounts for short-term custody of cash and securities property are described below.



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Short-term Custody of Cash Property

In instances where a client has directed Kelmar to collect unclaimed property in trust for the client and perform custodial services in whole or part, 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. Kelmar presently utilizes Boston Private Bank & Trust as its banking custodian and receives monthly statements for each client escrow account maintained. Kelmar receives monthly statements for each client escrow account. These statements are available upon request from a client. When requesting cash property from a holder, Kelmar directs the holder to wire funds directly to the state specific escrow account. All transactions from these accounts to Kelmar's clients are conducted via secure wire or ACH transfer. Upon receipt of the wire from the holder, Kelmar's Finance team is notified. These notices are stored by Kelmar, organized by state. Notably, in some instances, holders prefer to transfer the property via check. Any client funds which arrive by check are received by Kelmar's finance team and deposited daily by the Controller via remote deposit vehicle. In either instance, once property is received, Kelmar's finance team notifies the Company's State Reporting & Remittance Senior Manager and the Director overseeing this individual. Thereafter, Kelmar reconciles the property with the Report of Examination. All property received by Kelmar is remitted to its clients within 30 days of reconciliation.

After reconciling the property, a wire transfer request is submitted by Kelmar's Reporting team to the Senior Accountant for processing to the appropriate client. Kelmar's Senior Accountant reviews the documentation and, upon approval, initiates the wire transfer to remit the property to the client in accordance with its wiring instructions. Prior to the transfer, Kelmar's Chief Financial Officer or Controller reviews the documentation for a second time and issues the final wire authorization. Final authorization is submitted through the approval function within the bank's cash management website. Upon receipt of approval, and subsequent processing, a wire confirmation is received from the bank and is forwarded to Kelmar's Reporting team for communication with the client. Notifications sent to the client are saved by Kelmar. Notably,



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any unclaimed property collected with an address within a client is remitted to the respective state with all information available regarding the owner of the property.

To ensure proper checks and balances over escrow account transactions, Kelmar has implemented strict controls for collecting and processing cash property from holders on behalf of its clients. Below are details outlining the process.

- Escrow account wire transfer access is restricted to Kelmar's Chief Financial Officer, General Counsel, Director of Finance, Controller, and Senior Accountant.
- All wires must be initiated and approved by two separate authorized individuals to complete the transaction, and documentation identifying these individuals is maintained for each transaction.
- To ensure proper separation of duties, escrow account bank reconciliations are performed monthly by members of Kelmar's finance team, who are not permitted wire transfer access. If there are discrepancies, notice is given to Kelmar Executive Management.
- Once reconciliations are complete, the bank statements are then reviewed by Kelmar's Chief Financial Officer or Controller (depending on who authorized the wire transfer).
- Monthly financial reporting meetings are held with Kelmar Executive Management and include the review of escrow account balances.

Short-term Custody of Securities Property

In connection with the performance of custodial services for securities property on behalf of its clients, Kelmar maintains a custodial account for the benefit of its clients and collects securities and reconciles the remittance to the total unclaimed property due and owing to each state participating in the review. Kelmar presently utilizes Wells Fargo Advisors, Wells Fargo Clearing Services, LLC, First Clearing as its short-term custodian of securities property. All securities property delivered by holders is segregated into a separate account or accounts for each client



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and is not commingled with any other unclaimed property in safekeeping with Kelmar or its custodian. Securities are transferred through DTC (as long as the security is DTC eligible) and include all book entry and dividend reinvested shares at a single transaction upon remittance of the holder report. For all securities that are not DTC eligible, Kelmar shall cause them to be re-registered to the West Virginia State Treasurer or its nominee, at the written direction of the STO, and delivered in physical form to the STO, or its designee. Worthless securities will not be reported or transferred to the STO. Kelmar shall ensure that all securities are processed according to the procedures established by State law and the STO.

To ensure proper separation of duties, Kelmar has implemented strict controls throughout its securities custodial process, as described below.

- Upon receipt of notification from a holder of an impending share delivery, Kelmar informs its custodian to accept the shares. This ensures no unknown properties are deposited into Kelmar's custodial account. The custodian is prohibited, by contract, from accepting shares where Kelmar has not provided prior notification.
- Once shares are received, they can only be released by submission to the custodian of a document prepared by a Reporting Manager and reviewed and signed by Kelmar's State Reporting & Remittance Senior Manager.
- The custodian then verifies the transfer with a Kelmar Director or Managing Member identified on file to confirm intent to deliver. This ensures wide knowledge of any transfer and multiple controls to ensure the shares are delivered to the appropriate state custodial account.
- Custodial account reconciliations are performed monthly by members of Kelmar State Reporting & Remittance who are not associated with the transfer process. If there are discrepancies, notice is given to Executive Management.
- Delivery: After receiving confirmation that property has been collected, Kelmar reconciles the property received with the Report of Preliminary



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Examination Findings. Kelmar processes the records of unclaimed property holders, makes findings in connection with reviewing such records, and demands payment of the unclaimed property pursuant to each participating state unclaimed property law. Kelmar has a fully dedicated internal remediation and reporting group with decades of experience in reconciling unclaimed liabilities, preparing examination materials, and coordinating the prompt remittance of property and NAUPA reports to Kelmar's clients, as described in the *Examination Closing Package* section below.

Audit Closure

Kelmar shall properly close an audit on behalf of the STO in accordance with the requirements of the CRFQ. After the holder and Kelmar have agreed to the amount deliverable, Kelmar shall provide the holder and the STO with a final examination report summarizing the procedures performed and the conclusions reached, including the amount deliverable. Kelmar shall properly close the audit on the following month's WIP Report. If applicable, the STO will notify the holder of any interest or penalties assessed on delinquent property.

- Examination Closing Package: Kelmar electronically delivers an Examination Closing Package to its client. Kelmar's Examination Closing Package generally includes a Report of Examination that details the property types and entitlements reviewed, including merger and acquisition entitlement rates and dates where applicable, and conforms to client specifications; a completed unclaimed property report that conforms to the National Association of Unclaimed Property Administrator (NAUPA) standards that are acceptable to Kelmar's clients; an invoice for services provided that adheres to client requirements for payment and invoicing; along with any other materials required with reports of property by Kelmar's client.
- Report of Examination: Kelmar's Report of Examination (ROE) details the property types and entitlements reviewed, including merger and acquisition entitlement rates and dates where applicable, and conforms to client specifications. Upon completion of an audit, Kelmar prepares the Report of Examination in a format acceptable to



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its client and delivers it along with the NAUPA report to its client. Each ROE conforms to a client's specifications.

- NAUPA Report: Kelmar typically delivers the completed NAUPA report via electronic media, pursuant to client specifications, unless written permission has been granted in advance by a client to report in a non-electronic or other format. Kelmar's unclaimed property reports conform to the NAUPA standards acceptable to Kelmar's clients and includes all client specifications (as available).
- Invoice: The Examination Closing Package also includes an invoice for Kelmar's services. Kelmar adheres to each client's requirements for billing and payment, including the STO's. Kelmar shall supply the STO with an invoice for audit services that adheres to the STO's payment requirements, including the fee rates identified in the CRFQ of the net unclaimed property remitted.

The invoice shall also include the value of the shares on the date the property is received by the STO. The value of any security shall be the closing price of that security on the date the property is received by the STO or the STO's custodian. If the property is a security traded over the counter, it shall be the bid price as set forth in the over-the-counter market. For any other security related properties, the value shall be determined according to generally accepted valuation procedures.

- Audit Closing Requirements: In addition to the Examination Closing Package described above, Kelmar tailors its audit closing process to meet the needs of each of its clients, including performing all required final communications with the holder and/or client as well as supplying any additional required closing documentation.



4.2 Audit / Voluntary Compliance Program

4.2 Additional Optional Services Which Vendor May Provide: Vendors with the minimum qualifications set forth in Section 3 and who want to oversee Vendor-Assisted Self Audit (referred to as the Compliance Program within the STO) for Holders must also meet or exceed the mandatory requirements listed below.

At the request of the STO, Kelmar shall assist the STO in the identification, outreach, education, and notification of potential holders of unclaimed property. Set forth below is an overview of Kelmar's vendor-assisted self-audit work plan, including an explanation of the specialized methodology followed by the Company's experienced voluntary compliance staff to deliver the mandatory requirements associated with assisting the STO in the identification, outreach, education, and notification of potential holder of unclaimed property.

Identification and Authorization

Experience shows that the key to identifying noncompliant holders lies in an analysis of a company's unclaimed property filing history. There are hundreds of companies operating and paying taxes in the State of West Virginia that have never remitted unclaimed property. With a limited amount of human and financial resources to devote to outreach and compliance efforts, leveraging technology to initially identify those holders who generate a material amount of unclaimed property but have not reported it becomes a necessity. Kelmar's dedicated STACS team is well qualified to assist with identifying such businesses that have failed to report or possibly underreported unclaimed property in accordance with the Act.

- **Research and Summary Reporting Data:** Kelmar shall research and identify potential holders of unreported and under-reported unclaimed property, of all property types, that are past due. With the STO's authorization, the summary reporting data will be imported into the proprietary STACS application. The application stores summary-level



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holder reporting data and identifies compliance trends based on the amount and types of property reported by holders over the course of several years. Once this information is imported into STACS, users are able to query data, perform research, and generate reports of potentially noncompliant holders. Holder reporting data is analyzed in combination with other nationally recognized data sources, which provide valuable information at the state level. Key data elements within the algorithms that calculate holder compliance include sales volume, number of employees, corporate headquarters and regional footprint, state of incorporation, and industry type.

- Identification of Noncompliance: Nationally known data sources accumulated in STACS allow Kelmar and the STO to accurately identify the community of holders that are candidates for outreach and self-examination. With STO-authorized, intermittent imports of summary holder reporting data, Kelmar and the STO can effectively monitor holder reporting activity or inactivity. STACS features a completely customizable query feature, which allows Kelmar's STACS team to pinpoint potentially noncompliant holders based on a number of compliance metrics for any date range, property type, or industry type. While the application has the functionality to produce a list of all potentially noncompliant holders across the entire holder community, it can also pinpoint noncompliance in a specific industry or property type or in businesses of a certain size. STACS will allow the STO to identify under-reporting and/or noncompliant holders using multiple holder attributes. The accumulation of pertinent data sources will be used to systematically identify holders with the following characteristics: A) holders within a particular industry that have reported amounts or property categories inconsistent with other holders in the industry; B) holders that have reported unclaimed property historically but no longer report; C) holders that have reported unclaimed property recently but have not reported historically; D) holders that have reported unclaimed property for some property categories but not others; E) holders that have gaps in their reporting history; and F) holders that have never reported.
- Customized State Export: Based on the comparison of the holder's reporting history versus its size, industry, geographic footprint, and any other parameters selected by the STO, STACS produces an output of



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holders that are likely to be noncompliant or under-compliant with the Act. Kelmar shall provide this customized list to the STO for review. Kelmar also has the ability to focus on potentially noncompliant or under-reporting holders within a particular industry by leveraging codes and classifications from the North American Industry Classification System (NAICS). The STACS application produces valuable compliance metrics from this data, ranking holders within an industry after analyzing reporting history in relation to revenues (e.g., two holders in the manufacturing industry have comparable revenues, one of those holders has reported \$1 million and the other has only reported \$5,000 over the last five years). The same ranking logic is available by property category within any selected industry. The unique queries and ranking logic will provide refined lists and will result in more accurate holder outreach lists for the STO. Kelmar shall use STACS reporting features to generate a customized export with detailed information regarding potentially noncompliant holders to the STO for review.

- **Analysis and Recommendation:** The result of Kelmar's analysis will be provided in writing to the STO along with a clear recommendation of next steps. Kelmar's written justification shall be based on the holder's reporting history and shall include an assessment of the holder's apparent willingness to be compliant with the Act. Kelmar shall also compile a vendor-assisted self-review plan that identifies Kelmar's staff assigned to the self-review, the self-review assistance to be provided, an expected timeline of the self-review, the phases of the self-review, and the scope to be covered by the self-review.
- **Authorization:** Kelmar shall obtain prior written authorization from the STO to oversee a self-audit of a holder under the Compliance Program. Kelmar acknowledges that the STO has the final and sole authority to determine who, if anyone, will take part in the self-audit. Kelmar understands that the STO may also identify potential holder participation in the Compliance Program and will make requests in writing to Kelmar. Kelmar acknowledges that all unclaimed property funds or securities submitted by Kelmar or the holder without prior written approval from the STO shall be received by the STO without compensation to Kelmar.



Outreach Processes and Procedures

The nationally renowned data sources accumulated in STACS will allow the STO to accurately identify the community of holders for early compliance actions. With state authorized, intermittent imports of summary holder reporting data, Kelmar and the STO can effectively monitor holder reporting activity or inactivity. Reporting concerns will be identified timely, and the appropriate compliance measure may be delivered to the holder utilizing approved outreach email correspondence aimed at specific holder types (i.e. non-reporters, low-reporters, and noncompliant holders). STACS simplifies, streamlines, and integrates several labor-intensive activities and functions by significantly reducing physical mailings to holders, capturing electronic outreach responses and other events, integrating with a state's unclaimed property website (where desired), and reporting on the results of outreach.

- **Automated Outreach Management:** In Kelmar's experience, holder outreach is conducted most efficiently through the electronic delivery of outreach notification letters. Not only are notices that are sent electronically more likely to be received by the intended party, but they eliminate the cost of postage and supplies associated with physical mailings. The STACS application accumulates and maintains deliverable email addresses of holders and information regarding holders receiving notification. Communications sent through the outreach process are completely scalable and Kelmar can manage the delivery of thousands of outreach notification letters at once at the direction of the STO. All holder correspondence, outreach efforts, relevant dates, and the status of holder reporting may be integrated with the STO's current unclaimed property management system, allowing the STO to track each holder contacted through the KAPS® Holder Compliance module.
- **Initial & Follow-up Outreach Efforts:** Once potentially noncompliant holders are identified within STACS, the holder notification process begins. All outgoing correspondence shall be approved by the STO, and Kelmar shall not conduct outreach to a holder without express consent. Understanding that holders may not respond to initial outreach efforts, STACS has the capability to house and maintain data associated with follow-up communications. While some holders will respond to an initial



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letter, others may require secondary outreach or assistance in reporting from Kelmar and/or the STO.

- Documented Outreach and Response Procedures: During the outreach process, Kelmar's STACS team will perform the required tasks outlined by the STO. Kelmar's typical outreach and response procedures are described below for the STO's consideration.
 - Draft outreach correspondence and coordinate the electronic delivery of the communication to the holder (e.g., inform holder of duty to file and reporting requirements, request that holder acknowledge receipt of the correspondence within 30 days, etc.) This correspondence can be customized by the STO.
 - If desired by the STO, the holder shall be guided to the STO's website to complete the tasks outlined within the correspondence.
 - Work with STO staff to hone state-approved scripts to ensure that the content of correspondence and the review methodology are congruous with STO expectations. All holder correspondence, outreach efforts, and the results of reporting are completely transparent to ensure that the STO has insight into all voluntary compliance activities.
 - Prepare and distribute educational information to assist holders with compliance, such as a questionnaire to help a holder with reporting specific property types. Educational information may be reviewed and customized by the STO.
 - Prepare and coordinate the electronic distribution of follow-up correspondence to holders. Follow-up correspondence can be customized by the STO.
 - Manage, track, and monitor holder feedback and correspondence. Organize and maintain holder responses and questions, follow up with non-responsive holders, etc. (Available to the STO through the KAPS® Holder Compliance module.)



Vendor-Assisted Self-Audit

For holders who receive outreach letters and need assistance in identifying their unclaimed property liabilities to the STO, Kelmar will work closely with them to assist in managing voluntary compliance in a manner approved by the STO. Kelmar shall use its best efforts to educate, advise, and assist the holder in conducting and completing a vendor-assisted self-audit in the time frame established in the schedule provided at the outset of the process, unless circumstances arise that are entirely beyond the control and management of Kelmar and the holder.

While Kelmar encourages voluntary compliance through mailings, outreach, and education, where holders engage in vendor-assisted self-audits, Kelmar shall assist the holder to determine, report, and collect all types of unclaimed property in the holder's possession that is within the scope of the audit, and deemed due and owing to the STO. To ensure consistency in the review of vendor-assisted self-audits, and promote timely completion of a self-review within one year from the of the STO's authorization letter (unless an extension is granted), Kelmar has developed a multi-phase review process. All Kelmar review team members follow this vendor-assisted self-audit review process. While Kelmar's approach shall be consistently applied, the process remains flexible enough to incorporate and comply with the unique facts and circumstances of each holder self-audit. Furthermore, Kelmar's process and procedures for reviewing and approving work, described in further detail below, enhance consistency by ensuring proper review and approval at defined checkpoints during the process.

Phase I – Compliance Assessment

Within 90 days of obtaining authorization from the STO to oversee a vendor-assisted self-audit, Kelmar shall contact the holder and/or its advocate firm via email to discuss Kelmar's role in the process (as determined by the STO) and address any questions the holder may have in connection therewith. In some instances, Kelmar will also ask questions concerning any preliminary information voluntarily provided by the holder in order to assess the stage of the holder's self-examination of their records, as approved in advance by the



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STO. Kelmar shall explain its responsibilities to the holder under the Compliance Program, including i. gather and document basic corporate information; ii. review financial statement to advise the holder of the types of property to be included in the self-review; iii. Review the self-review analysis prepared by the holder; iv. assist with the preparation of the unclaimed property report; v. prepare a final report to close the self-review; and vi. Review the holder's final report, and submit the final report and remittance to the STO. Kelmar will discuss a work plan with each holder, in addition to general expectations and timelines. Kelmar's process of documenting all communications with the holder will be followed for all types of communications, including emails, telephone calls, and in person meetings. Subsequently, a holder activity log will be updated within the STACS application for reference purposes throughout a self-examination.

Phase 2 – Validation Process

Kelmar's STACS team shall continue to maintain contact with the holder, including, but not limited to, the interaction described below, to ensure that questions and concerns are properly vetted throughout this phase of a self-examination so that each holder understands the validation process that may occur prior to the submission of holder reports.

- Kelmar will host conference calls with the holder to answer questions in connection with the holder's record gathering efforts, the holder's self-audit of those records, and remediation of potential unclaimed items via internal research and/or external due diligence.
- Also, to the extent required by the STO, Kelmar can answer questions and reach agreement with the holder on acceptable sampling and estimation methodologies, if the holder is a state-domiciled entity, for the periods in which the holder does not have complete records.
- Kelmar shall submit monthly Work-in-Progress reports on all pending vendor-assisted self-reviews in an electronic format previously agreed upon by the STO. Kelmar shall supply the STO with a customized WIP report in Excel file format sent via email to the individuals identified by the STO.



Phase 3 – Vendor-Assisted Self-Audit Completion

Equipped with decades of experience, Kelmar shall guide a holder throughout the voluntary compliance assessment process to ensure that unclaimed property is properly remitted to its clients. Kelmar shall report all property remitted in accordance with the requirements of the CRFQ and instruct the holder to deliver any tangible property directly to the STO. Kelmar will work collaboratively with the holder and/or their advocate firm to resolve any open or outstanding issues prior to the submission of the final report. Prior to closing the vendor-assisted self-review, Kelmar shall advise the holder of its future obligations to comply with the Act. Upon remittance of unclaimed property, Kelmar shall supply the STO with an invoice for Voluntary Compliance Program services that adheres to the STO's payment requirements, including the fee rate identified in the CRFQ of the net unclaimed property remitted.

4.3 Audit / Other Services

4.3 Additional Services: Vendors with the minimum qualifications set forth in Section 3 may be selected to conduct agreed upon procedures related to a Holder that may or may not have been part of an audit. If selected, the scope of the Agreed Upon Procedure will be outlined in a delivery order.

At the request of the STO, Kelmar shall provide additional audit services sought related to a holder compliance. Kelmar acknowledges that a Vendor selected for contract award resulting from this CRFQ may be selected to conduct Agreed Upon Procedures related to a holder that may or may not have been part of an audit. Kelmar understands that if selected to provide such additional audit services, the scope of the Agreed Upon Procedure shall be outlined in a delivery order that is agreed to by both parties, at the compensation rate identified in the CRFQ.



Pricing Page

5.2 Pricing Page: Vendor should complete the Pricing Page (Exhibit A) by affirming it accepts the set reimbursement fees listed in subsections 4.1.21, 4.2.10, and 4.3.1. Vendor should complete the Pricing Page in full as failure to complete the Pricing Page in its entirety may result in Vendor's bid being disqualified.

Vendor should type or electronically enter the information into the Pricing Pages through wvOASIS, if available, or as an electronic document. In most cases, the Vendor can request an electronic copy of the Pricing Pages for bid purposes by sending an email request to the buyer at the following address: Toby Welch (toby.l.welch@wv.gov).

The completed Exhibit A – Pricing Page is attached hereto and incorporated herein by reference, immediately following this page of Kelmar's Proposal. The completed form has been signed by an authorized representative of the Company, affirming acceptance of the set reimbursement fees of CRFQ 1300 STO2300000001.

**REQUEST FOR QUOTATION
Professional Auditing Services**

EXHIBIT A – PRICING PAGE (Revised 8/30/22)

Vendor affirms by their signature or submission of a bid response that they will accept the fee schedule as listed for all STO mandatory, requested and approved services. All vendor expenses must be included in the established fee schedule and shall not be reimbursed separately.

Note: Vendor is not required to provide services considered Optional. Such response will have no bearing on a contract award.

MANDATORY SERVICES:

Per Section 4.1.21.1: Vendor fees for the identification and collection of unclaimed property will be a flat 10.5 percent (10.5%) of the net unclaimed property remitted to the WV STO.

OPTIONAL SERVICES (Non-mandatory):

Per Section 4.2.10: Compensation: All Vendor fees for the Voluntary Compliance Program will be a flat 9 percent (9%) of the net unclaimed property remitted to the STO. Net unclaimed property is the gross value of all unclaimed property, minus the value of all unclaimed property delivered by the Holder, if any, that otherwise would have been delivered pursuant to the reporting practices of the Holder as they existed prior to the execution of the agreement with Vendor.

Fee: Flat Rate of 9%

Vendor will offer this service: Yes ✓ No

Per Section 4.3.1: Compensation: Audit Agreed Upon Procedures related to a Holder which is outside of the scope of a multistate audit, West Virginia state specific audit, or Vendor-assisted self-audits will be paid on an hourly basis at the rate of \$100 per hour, and the total cost will be capped in a release order, if selected.

Fee: Not to Exceed \$100/hour

Vendor will offer this service: Yes ✓ No



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Miscellaneous

11.1. Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The dedicated Contract Manager must have experience in providing audit services and must be available during normal business hours to address any customer service or other issues related to this Contract. If it becomes necessary for Vendor to change the Contract Manager, Vendor must notify the STO immediately. The replacement must have similar or more experience than the original Contract Manager. The STO reserves the right to approve any replacement at the time of the contract award or thereafter. Vendor should list its Contract manager and this person's contact information below.

Contract Manager: Mr. Michael Gizzi, Managing Director

Telephone Number: (781) 928-9223 **Fax Number:** (781) 512-7998

Email Address: Michael.Gizzi@kelmarassoc.com