
From: david.kennedy@kelmarassoc.com
Sent: Tuesday, February 27, 2007 3:26 PM
To: Richard Coffey
Subject: FW: Unclaimed Property Contract Template
Attachments: Part.001; RI Contract Template 1-25-06.doc; Mime.822

Richard,

Attached is the original email that I had sent to Dave Sullivan back in December after our meeting the contract is attached in MS Word format. Let me know if you have any questions or if I can be of any further assistance.

Thanks.

David P. Kennedy
Kelmar Associates, LLC
401 Edgewater Place Suite 500
Wakefield, MA 01880
781.213.6926, ext. 205
781.928.9105 (fax)

Original Message
From: David Kennedy
Sent: Thursday, January 25, 2007 9:58 AM
To: 'dsullivan@tax.state.ri.us'
Subject: Unclaimed Property Contract Template

David,

Mark forwarded me a message that you were interested in taking a look at a standard template contract that we have based on the results of our meeting last month. I left you a voicemail earlier this morning in this regard. Please give me a call when you get a chance and I can walk you through a couple of the major points of the attached template.

Thanks a lot.

David P. Kennedy
Kelmar Associates, LLC
401 Edgewater Place Suite 500
Wakefield, MA 01880
781.213.6926, ext. 205
781.928.9105 (fax)

"This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use or distribute this information. If you have received this message in error, please notify us by replying to the message and deleting it from your computer. Thank You. Kelmar Associates, LLC."

<<Part.001>> <<RI Contract Template 1-25-06.doc>> <<Mime.822>>

Abandoned Property Contract

This contract ("Contract") is made by and between the State of RHODE ISLAND _____, ("State" or "The Director"), located at the _____ and Kelmar Associates, L.L.C. ("Kelmar"), located at 401 Edgewater Place, Suite 500, Wakefield, MA 01880. The Parties agree as follows:

Article I

Scope of Work

A. Identification of Unclaimed Property.

1. Kelmar shall conduct an examination, identify, and demand delivery of unclaimed property from holders that are subject to report and deliver said property under the Rhode Island Abandoned Property Law.
2. Kelmar shall identify and examine, unclaimed property from holders that are, or have been, incorporated in Rhode Island, having their principal place of business, and records located outside the state of Rhode Island, unless otherwise agreed to in advance in writing by State.
3. Kelmar shall notify the State, if a holder company files for bankruptcy before or during an approved examination within seven (7) days of discovery by Kelmar of the bankruptcy filing. In such a case, Kelmar will prepare a proof of claim or provide such information to enable the State to file a proof of claim within seven (7) days of discovery by Kelmar of the bankruptcy filing.
4. The period in which Kelmar shall examine and identify unclaimed property shall consist of the current reporting cycle as of the Contract as well as any prior reporting cycles for which property remains unclaimed and unreported.
5. Kelmar shall when examining for Rhode Island adhere to the Rhode Island Abandoned Property Law. It is understood by the parties that Kelmar shall not commence an examination on behalf of Rhode Island without first obtaining the State's consent.
6. The holdings of the U.S. Supreme Court in Texas v. New Jersey, 85 S. Ct. 1136 (1965), Pennsylvania v. New York, 92 S. Ct. 2820, (1972), and Delaware v. New York, 113 S. Ct. 1550, (1993), and any applicable

federal legislation regarding which state has the right to escheat property shall be followed.

- (a) Where the name and last known address of the apparent owner according to the books and records of the holder is in the State of Rhode Island, it shall be deemed to be reportable to the State of Rhode Island.
 - (b) If the holder has never maintained records setting forth the name and last known address of the apparent owner, the property shall be deemed reportable to the State of incorporation of the holder. An address shall be deemed to mean a description of location sufficient for the delivery and receipt of mail. Where no addresses presently exist, but the holder at one time maintained addresses of the apparent owners, the property shall be deemed reportable to the State of incorporation of the holder. Where no address exists, but the records of the holder establish that the apparent owner resided in Rhode Island, Kelmar shall advise State and the holder's state of incorporation, for the purposes of determining which state possesses the priority claim to the funds.
 - (c) Where the addresses of the apparent owner cannot be readily ascertained, but in fact exist in the books and records of the holder, sampling techniques will be used to allocate the property among the states participating in the review. In such event, if required, sampling techniques will also be utilized to ascertain the proportion of the total reportable property for which the holder has names and last known addresses. Kelmar shall notify the State when sampling techniques under this paragraph are being used.
 - (d) If the above rules do not provide for a case, or the state having the priority claim cannot be determined, Kelmar shall notify Rhode Island of such fact if the holder is incorporated in Rhode Island or if an address in Rhode Island may be established from the books or records of the holder.
 - (e) In the event that the state of priority claim provides for an exemption, deduction, exclusion or otherwise does not choose to assert jurisdiction over the property, Rhode Island shall be the state for reporting this property where it is the state of incorporation, and further shall be a state of proportion for reporting such property as described above in subparagraph (c) where it is not the state of incorporation.
7. If for certain periods the amount of reportable property cannot be ascertained from the books and records of the holder, projection and estimation techniques may be used to determine the reportable amounts for such periods. If names and addresses exist with respect to the abandoned property used in the projection and estimation, the names and addresses shall not be used to determine which state has the priority claim to the abandoned property estimated to be due.
8. All sampling and projection and estimation techniques used by Kelmar shall be a method approved by the State of Rhode Island's Abandoned Property Audit Manger prior to their use.

9. At the end of each month a progress report of all compliance reviews assigned, work in progress, and compliance reviews completed containing such information as the State may require shall be submitted to the State. The contract administrator nominated by Kelmar shall consult either by phone or in person with the State at least once at the end of each quarter to discuss the status of open and pending audits.

B. Demand for Delivery of Unclaimed Property.

1. Kelmar shall demand or direct holders or transfer agents to deliver all cash, safe deposit contents, securities, and related owner information to the STATE.
2. Kelmar shall demand or direct holders or transferors or transfer agents to deliver all other unclaimed property to the STATE.
3. Kelmar shall make a report of property payable to the STATE within thirty (30) calendar days once the property is identified and the holder agrees that it is subject to report and deliver under the Rhode Island Abandoned Property Law.
4. Certificates for security must be registered, if at all possible, in the name of the state. Certificates that cannot be transferred must still be remitted to the state of Rhode Island in the nominee or original owner's name.
5. The ORIGINAL DATE that certificates are registered in the name of State or credited in book entry form, must be retained, and must become a part of all reports relating to such certificates.

C. Report Forms.

1. Upon completion of an examination Kelmar shall deliver a completed holder report, via electronic media, pursuant to STATE specifications, unless written permission has been granted, in advance, by STATE to report in a non-electronic or other format.
2. Rhode Island shall be notified if a holder's records are out-of-proof. Out-of-proof reports may be substituted with the STATE's consent, but only if pro-rated by Kelmar prior to submission to the STATE, and only if allocated for each individual owner in order to reflect the actual dollar/share amount submitted, and only if marked as an "out-of-proof report".
3. Delivery of property to Rhode Island shall be accomplished at the sole expense of Rhode Island.
4. Kelmar shall adhere to all reporting requirements of the Rhode Island Unclaimed and Abandoned Property Law.

5. The results of the examination will be contained in a Special Report to be provided to the State with respect to each holder examined. The Special Report shall only be issued after the holder has had an opportunity to respond to the findings and an exit conference has been held with the holder. The Special Report will include findings resulting from the examination including the application of any sampling techniques and any other information including contested matters not resolved with the holder and the holders position thereon necessary to explain the findings to the State. The contractor shall not make a demand upon the holder for the delivery of property until such time as the State has reconciled any disputed matters and determined in its sole discretion the report which should be filed and the amount of abandoned property that should be paid to the State.

D. Enforcement.

1. If a holder company refuses to subject itself to an examination by Kelmar, or is uncooperative in an ongoing examination by Kelmar, or refuses to remit funds or securities after demand, then Kelmar will notify the STATE within seven (7) days of such occurrence.
2. Kelmar cannot initiate legal action against or enter into an agreement with a holder on behalf of Rhode Island.
3. Kelmar may inform a holder of Rhode Island law regarding penalties and interest.
4. Kelmar may not impose, or threaten to impose, penalties and/or interest.
5. If a holder of unclaimed property agrees to work with Kelmar, under a voluntary disclosure arrangement, in order to comply with Rhode Island's Unclaimed Property law, then Kelmar shall enter into such an agreement with the holder under the following conditions: (1) Only if Kelmar informs the STATE of the proposed agreement with the holder; (2) Only if Kelmar obtains the prior written consent of the STATE to enter into the approved agreement; and only if Kelmar thereafter mails a copy of the executed agreement to the STATE.
6. With respect to voluntary disclosures under Article I. D. 5. The fee arrangement shall be determined on the basis of the facts and circumstances of each case and a representative of the State of Rhode Island prior to the audit shall determine the fee conditions.
7. Kelmar shall commence examination within 90 days from the date the holder is notified of Kelmar's intent to examine, identify and demand unclaimed property.
8. Kelmar shall complete the identification and reporting of unclaimed property to STATE as soon as is practical after commencing the examination.
9. STATE shall compensate Kelmar for unclaimed property processed under the terms of this contract but whereas the STATE may make its final

determination and/or receive the funds, after the expiration of this or any successor contracts.

E. Compensation.

1. Rhode Island may choose to conduct examinations under a fee schedule that provides for either a contingency fee or rates per hour payment scheme in instances where there is a single state examination and Rhode Island is the initiating state.
2. In instances where Rhode Island is the initiating STATE and one or more other states choose to notify the Holder that it also wishes to conduct an abandoned property examination using the services of Kelmar, then the compensation scheme shall be contingency.
3. In instances where Rhode Island is the NOT the initiating STATE and Rhode Island chooses to notify the Holder that it also wishes to conduct an abandoned property examination using the services of Kelmar, then the compensation scheme shall be contingency.
4. The contingency fee shall be 12% of gross amount reported and paid to the state. The fee will be determined by STATE after receipt of the unclaimed funds and/or securities, and the Unclaimed Property Special Report. Kelmar understands that payment shall be only from unclaimed property received by the State as a result of Kelmar's services.
5. In instances where Rhode Island chooses to conduct, as the initiating state, examinations on a rates per hour basis and no other state chooses to participate, the rates listed below shall apply.
6. The rate to be paid to Kelmar for examinations conducted on a rates per hour basis (a situation where no other state chooses to participate) is an all-inclusive blended rate of \$200 per hour.
7. In instances where Rhode Island chooses to conduct, as the initiating state, an examination on a rates per hour basis, and where one or more other states choose to notify the Holder that it also wishes to conduct an abandoned property examination using the services of Kelmar, then the compensation scheme shall be contingency, and whereas Rhode Island may have already been invoiced on a rates per hour basis, and may have made payment on such invoice(s), then the contingency fee shall be paid in accordance with the other provisions of this contract, less any payment or expense reimbursements made as part of that examination.
8. Kelmar shall escrow no fee, nor shall any fee earned from one issue be offset against any uncollected fee from another issue.
9. Fees due to Kelmar shall be based on the sales price per share as set forth in "Section G".
10. Kelmar shall not be entitled to any fees resulting from a particular examination if the state finds that the examination was not performed in a commercially reasonable manner and in good faith and as described in "Article IV - Suspension and Termination".

F. Payment.

Kelmar is entitled to payment according to the following formula:

1. The fee is 12% of gross amount identified, paid and reported to the State as a result of the services performed by Kelmar. Payment shall be made out of unclaimed property received by the State within 30 days of receipt of the property by the State or within 30 days of receipt of Kelmar's invoice, whichever is later.
2. In instances where Rhode Island is the initiating state and one or more other states choose to notify the Holder that it also wishes to conduct an abandoned property examination using the services of Kelmar, then Kelmar shall provide Rhode Island a copy of the letter of examination intent of that other state(s) within seven (7) days of its receipt by Kelmar, as notification to Rhode Island that the Rhode Island examination shall now be a contingency fee examination. Upon notification of such fee change, Kelmar will no longer invoice Rhode Island for rates or expenses for that examination.
3. In the case of contingency fees, Kelmar will determine the gross proceeds from the holder and invoice STATE for its fee.
4. In the case of rates per hour, Kelmar will determine the amount due at the end of each month, for work performed during that month and invoice STATE for its fee.

G. Securities Valuation.

1. Kelmar and the State shall determine the value of securities, at the closing bid price of any security trading on a exchange, on the date the security is received by the State. If the security is traded in the over-the-counter market, then at the bid price as set forth in the pink sheets on the date the security is received by the state.
2. All securities shall be valued in accordance with generally accepted valuation procedures subject to verification by the STATE. Kelmar shall submit along with its invoices verifiable documentation supporting the valuation of the securities covered by the invoices.

H. Examination Procedures.

1. All findings in connection with the examination of holders and the demands for payment of the unclaimed property shall be made pursuant to the laws of Rhode Island.
2. The examination of the books and records of unclaimed property and the demand for delivery of reportable property shall be made pursuant to the laws of Rhode Island and shall adhere to Rhode Island's Abandoned Property examination standards.

I. Cooperation:

The State agrees to send such notices that may be required to each audit candidate naming Contractor as its agent and to assist Contractor in obtaining access to the records that are necessary to complete its audit. In addition, the Director or his designee shall co-operate with Contractor during conduct of the audit including, if necessary, attending the initial meeting with the audit candidate, and assisting Contractor in making demand for delivery of the unclaimed property.

J. Disclosure of Findings (Confidentiality).

1. Kelmar may with the consent of the holder disclose information it acquires hereunder to states other than states choosing to examine the Holder using the services of Kelmar, except as prohibited by the Rhode Island Unclaimed property Law.
2. Except as expressly permitted by this agreement, Kelmar shall not disclose any information it may obtain hereunder and all such information shall be confidential.

Article II

TIME OF PERFORMANCE

This Contract shall remain in effect until the work described in Article I: Scope of work, is completed to the satisfaction of the State and Kelmar is paid in accordance with Article I: E - Compensation, and F - Payment or until terminated as provided in Article IV: Suspension and Termination Provisions, whichever is sooner.

If an examination, as described in Article I is commenced during this period and extends beyond the time of performance then Kelmar shall be compensated according to the terms and conditions of this Agreement.

Article III

AMENDMENT

This Agreement may be amended by either party, but only if such amendment is in writing and executed by both parties.

Article IV

SUSPENSION AND TERMINATION

This agreement shall be effective from the date of execution until Month Day, Year, unless sooner determined or revoked by either party. This agreement may be terminated without cause by either party prior to its expiration date set forth above upon ninety (90) days written notice to the other party. The agreement may be immediately terminated by the State for cause by written notice to the contractor. The contractor agrees that no compliance reviews will be commenced once notice of termination has been received.

Article V

CUSTODIAN OF RECORDS

- A. Kelmar is the custodian of records for the work performed under this Agreement.
- B. Kelmar shall maintain these records for five years after the end of performance of the Agreement.
- C. State shall have reasonable access to all records related to the performance of this Agreement.

Article VI

CHOICE OF LAW

- A. This Agreement shall be governed by the laws of the State of Rhode Island.
- B. Kelmar shall comply with all federal, state, and local laws applicable to the performance of this Agreement.

ARTICLE VII

INDEMNITY

Kelmar shall indemnify the STATE, its officers, agents, employees and members from all liability arising out of the actions of Kelmar and any of its subcontractors, agents, employees or representatives during the performance of this agreement.

ARTICLE VIII

SEVERABILITY

If any term or condition of this Agreement is declared invalid by a court of law, the validity of the remaining terms and conditions shall not be affected.

ARTICLE IX

WAIVER

The failure of the STATE to enforce any provision of this Agreement shall not constitute a waiver by the STATE of that or any other provision.

Article X

NON-EXCLUSIVE CONTRACT

The STATE may contract with other parties and entities to ensure compliance with the Rhode Island Unclaimed Property Law.

Article XI

INTEGRATION

This Kelmar Contract is fully integrated, and as such, constitutes the entire understanding of the parties. Both parties agree that there is not other understanding or agreement that the terms expressly stated or through the documents incorporated by reference herein. This Kelmar Contract may only be modified by another writing signed by both parties.

Article XII

CORRESPONDENCE

A. Correspondence to the state should be addressed to:

B. Correspondence to Kelmar should be addressed to:

Mark S. McQuillen
President
Kelmar Associates, L.L.C.
401 Edgewater Place, Suite 500
Wakefield, MA 01880

The undersigned acknowledge they have read and understand all terms set forth herein. By fixing their signature below, the parties evidence their intent to be bound hereto.

Director of Revenue

Date

President, Kelmar Associates, LLC

Date

04-3577426
Tax ID Number

Sent: Tuesday, February 27, 2007 1:08 PM
To: david.kennedy@kelmarassoc.com
Subject: RI Unclaimed Property Contract.

Hi David,

We are working on the audit contract and would like to make a few changes. Please send it to us in word format so we can make the changes and send it back to you.

My e mail address is richardc@treasury.state.ri.us

If you have any questions, please contact me at 401-222-8558

Richard N. Coffey
Unclaimed Property Manager

Sent: Tuesday, March 27, 2007 10:23 AM
To: David.kennedy@kelmarassoc.com
Cc: Richard Coffey
Subject: Unclaimed Property Contract
Attachments: Kelmar Agreement.DOC

Attached is a redline agreement indicating our requested changes. These changes have been requested in order to maintain consistency among our unclaimed property contracts. If you are in agreement with these changes, please let us know and we will print and sign a copy and forward it to you for your signature. Thank you.

Gayle C. Mambro-Martin
Legal Assistant
Office of the General Treasurer
State House - Room 102
Providence, RI 02903
401-222-2397

<<Kelmar Agreement.DOC>>

Sent: Monday, April 09, 2007 3:06 PM
To: David.kennedy @ Kelmarassoc.com
Subject: Fwd: Unclaimed Property Contract- General Treasurer State of Rhode Island
Attachments: Unclaimed Property Contract.eml

Please see attached email that was sent to you on 3/27/07. Please respond.

Thank you.

Gayle C. Mambro-Martin
Legal Assistant
Office of the General Treasurer
State House - Room 102
Providence, RI 02903
401-222-2397

<<Unclaimed Property Contract>>

Sent: Friday, June 29, 2007 12:21 PM
To: Christine Camoirano
Subject: Re: FW: Message status - undeliverable

Hi Christine,

I just checked and his email differs from what I have used in the past. Try RICHARDC@treasury.ri.gov

Sorry for the inconvenience.

Gayle

Gayle C. Mambro-Martin
Legal Assistant
Office of the General Treasurer
State House - Room 102
Providence, RI 02903
401-222-2397

>>> "Christine Camoirano" <christine.camoirano@kelmarassoc.com> 06/29/07 12:15PM >>>
Gayle,

Richard Coffey's email bounced back with an error. Do I have the correct email address? [{rcoffey@treasury.ri.gov}](mailto:rcoffey@treasury.ri.gov)

Christine Camoirano GÇó Kelmar Associates, LLC
223 Wilmington-West Chester Pike, Suite 303 GÇó Chadds Ford, PA 19390
P781.213.6926 GÇó Ext. 411 nÇ+ Fax 781.928.9311 christine.camoirano@kelmarassoc.com

-----Original Message-----

From: Mailer-Daemon@treasury.ri.gov [<mailto:Mailer-Daemon@treasury.ri.gov>]
Sent: Friday, June 29, 2007 12:09 PM
To: Christine Camoirano
Subject: Message status - undeliverable

The message that you sent was undeliverable to the following:
(user not found)

Possibly truncated original message

"This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use or distribute this information. If you have received this message in error, please notify us by replying to the message and deleting it from your computer. Thank You. Kelmar Associates, LLC."

Sent: Friday, June 29, 2007 12:58 PM
To: Christine Camoirano
Subject: RE: FW: Message status - undeliverable

Christine,

We don't have the v-cards but see the names and addresses below.
If you need further information, don't hesitate to ask.

Gayle

Mark A. Dingley
Chief Legal Counsel/Chief of Staff
Office of the General Treasurer
State House - Room 102
Providence, RI 02903
(401)222-2397
mdingley@treasury.ri.gov

Richard Coffey
Manager, Unclaimed Property
Office of the General Treasurer - Unclaimed Property Division
40 Fountain Street - 7th Floor
Providence, RI 02903
(401) 222-8558
RICHARDC@treasury.ri.gov

Gayle C. Mambro-Martin
Legal Assistant
Office of the General Treasurer
State House - Room 102
Providence, RI 02903
(401)222-2397
gmambro@treasury.ri.gov

>>> "Christine Camoirano" <christine.camoirano@kelmarassoc.com> 06/29/07 12:29PM >>>
Thank you, Gayle - No inconvenience at all!

Would you be able to verify which address is correct for your office as well?

40 Fountain Street, 7th Floor
Providence, Rhode Island 02903
or
P.O. Box 1435
Providence, RI 02901

If you have outlook contact v-cards to forward, that would be great.

Christine Camoirano GÇó Kelmar Associates, LLC
223 Wilmington-West Chester Pike, Suite 303 GÇó Chadds Ford, PA 19390
P781.213.6926 GÇó Ext. 411 nÇ+ Fax 781.928.9311 christine.camoirano@kelmarassoc.com

-----Original Message-----

From: Gayle Mambro [<mailto:GMambro@treasury.ri.gov>]
Sent: Friday, June 29, 2007 12:21 PM
To: Christine Camoirano
Subject: Re: FW: Message status - undeliverable

Hi Christine,

I just checked and his email differs from what I have used in the past. Try
RICHARDC@treasury.ri.gov

Sorry for the inconvenience.

Gayle

Gayle C. Mambro-Martin
Legal Assistant
Office of the General Treasurer
State House - Room 102
Providence, RI 02903
401-222-2397

>>> "Christine Camoirano" <christine.camoirano@kelmarassoc.com> 06/29/07 12:15PM >>>
Gayle,

Richard Coffey's email bounced back with an error. Do I have the correct email address? {rcoffey@treasury.ri.gov}

Christine Camoirano G+ç+! Kelmar Associates, LLC
223 Wilmington-West Chester Pike, Suite 303 G+ç+! Chadds Ford, PA 19390
P781.213.6926 G+ç+! Ext. 411 n+ç+ Fax 781.928.9311 christine.camoirano@kelmarassoc.com

-----Original Message-----

From: Mailer-Daemon@treasury.ri.gov [<mailto:Mailer-Daemon@treasury.ri.gov>]
Sent: Friday, June 29, 2007 12:09 PM
To: Christine Camoirano
Subject: Message status - undeliverable

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(user not found)

Possibly truncated original message

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