

June 21, 2013

## Delaware VDA Program First Enrollment Deadline Is Fast Approaching

The first stage of the Delaware Secretary of State's Voluntary Disclosure Agreement program (the "Delaware VDA Program") for unclaimed property reporting closes on June 30, 2013. Companies that enter into the Delaware VDA Program on or before June 30, 2013, will benefit from a shortened look-back period—the audit will look back to 1996 rather than 1986 (or 1981, in some cases)—for reporting unclaimed property without penalties and interest.

A Voluntary Disclosure Agreement ("VDA") is a confidential agreement between a holder (i.e., the company) and a specific state under which an individual state allows a company to conduct a self-evaluative review of its unclaimed property practices and procedures. Once a VDA is completed, the results of the review and any unclaimed property identified in the review are remitted to the state. Entering into a VDA with a state generally forecloses the state's ability to subsequently initiate an unclaimed property audit against the company for the period and property types covered by the VDA.

The Delaware VDA Program requires a review of the company's books and records dating back to 1996 if the company enrolls in the Delaware VDA Program on or before June 30, 2013—or to 1993 if the company enrolls in the Delaware VDA Program after June 30, 2013. This review occurs in three phases: (1) a scoping phase; (2) a record review and remediation phase; and (3) a due diligence and reporting phase. Companies may enroll in the Delaware VDA Program until June 30, 2014, and must complete the review under the Delaware VDA Program by June 30, 2015.

For more information about the Delaware VDA Program, or VDAs generally, or unclaimed property, please contact one of the attorneys below.



*If you have any questions about this Legal Alert, please feel free to contact any of the attorneys listed below or the Sutherland attorney with whom you regularly work.*

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