

Supply Chain Management Company with \$1.1 Billion in revenues



OVERVIEW

This case underscores the critical importance of in-depth knowledge of unclaimed property laws and legislative histories in providing exceptional client service. Clarus' ability to navigate complex legislative landscapes and apply this knowledge strategically led to a substantial reduction in the client's financial burden, highlighting the difference between good and exceptional unclaimed property services.

PROBLEM

A Clarus client faced a substantial unclaimed property assessment from its state of incorporation, spanning multiple years. The state's preliminary findings relied heavily on an extrapolation methodology due to the lack of historical records and ignored key legislative impacts resulting from the client's change in its state of incorporation. This oversight resulted in a significant overstatement of the client's assessed liability reportable to the state.

SOLUTION

Clarus, drawing upon its extensive knowledge of the unclaimed property laws as well as the states' legislative histories challenged the assessment by showing that the legislative change in the client's prior state of incorporation significantly reduced the client's reportable obligation to the state.

In-Depth Research

- Clarus utilized its extensive knowledge of the states' legislative history to effectively demonstrate that the preliminary assessment failed to account for relevant changes to dormancy periods that materially affected the extrapolation methodology. This error resulted in an overstatement of the state's preliminary assessment.

Legislative Proof:

- Armed with a deep understanding of the legislative changes, Clarus gathered concrete evidence of the statutory alterations that were relevant to the quantification of the assessment. This involved compiling historical records, statutes, and regulations to substantiate the client's case.

Assessment Review:

- The Clarus team conducted a review of the assessment, identifying and isolating the years for which the state's extrapolation methodology had inaccurately estimated liabilities. These years were linked to the legislative change in dormancy periods and were pivotal to the case.

Challenge of Findings:

- Clarus prepared a well documented challenge to the preliminary findings, which highlighted the legislative proof and documented the impact of the state's error on its extrapolation methodology. The knowledge and experience of Clarus' team significantly reduced the state's final assessment correcting the initial overstatement. This approach was devised to demonstrate the errors in the state's findings based on its failure to account for the key legislative change resulting from the client's prior state of incorporation.

RESULTS

Diligent efforts of the Clarus team, combining technical expertise and legislative knowledge, led to a highly favorable outcome for the client:

Challenge of state's position **confirmed the fallacy and the overreach by the state** in it's aggressive assessment of the client's liability.

By eliminating the extrapolated years associated with the legislative change, Clarus **significantly reduced the overall assessment.**



CONTACT US TO SEE WHAT CLARUS
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