

SUPREME COURT OF THE UNITED STATES

DELAWARE, *Plaintiff*

v.

Nos. 22O145 & 22O146 (Consolidated)

ARKANSAS, *et al.*, *Defendants*

**DEFENDANTS' RULE 56.1 STATEMENT OF MATERIAL FACTS
ON MOTION FOR SUMMARY JUDGMENT**

Pursuant to Case Management Order No. 2, Doc. No. 47 § II, and Rule 56.1 of the Local Rules of the United States District Courts for the Southern, all Defendants (together, the “Defendant States”) submit this concise statement of the material facts as to which there is no genuine dispute in support of their Motions for Summary Judgment. The admissible evidence supporting this statement is contained in a concurrently filed appendix. Citations designated “App.” are to that appendix.¹

1. All Defendant States have enacted state legislation that empowers them to take custody of the unclaimed property at issue in this case. *See* Table A (attached to Defendant States’ concurrently filed motion for summary judgment on liability).

2. MoneyGram Payment Systems, Inc. (“MoneyGram”) is a subsidiary of MoneyGram International, Inc. *See* App. 353 (Dep. Ex. 28 at 1).

3. MoneyGram International, Inc. is the second largest money-transfer business in the world. *See* App. 4 (Dep. Ex. 2 at 4); *see also* App. 1064 (Yingst Dep. 21:3–7).

4. MoneyGram International, Inc. processes over 750,000 transactions each day; its annual revenue exceeds \$1 billion; and it employs more than 2,300 employees. *See* App. 40 (Dep. Ex. 5 at 5). It is a publicly traded corporation that, as a money transmitter, is subject to extensive state regulation. *See, e.g.*, Cal. Fin. Code § 2000, *et seq.*; 7 P.S. § 6101 *et seq.*

¹ The documents in that appendix are accurate copies of the deposition exhibits, produced documents, historical sources, expert reports, deposition excerpts, and a supplemental declaration from MoneyGram.

5. MoneyGram has served financial institutions for over 75 years by providing prepaid money transfer products for the financial institutions to sell or to use to pay their own obligations. *See* App. 40 (Dep. Ex. 5 at 5); App. 353 (Dep. Ex. 28 at 1); *see also* App. 1064 (Yingst Dep. 21:16–22).

6. MoneyGram—which until approximately 2005 operated under the name Traveler’s Express, Inc.,—processes the prepaid money transfer products sold by thousands of financial institutions in the United States. *See* App. 40 (Dep. Ex. 5 at 5); App. 353 (Dep. Ex. 28 at 1); *see also* App. 1064, 1145–46 (Yingst Dep. 21:16–22, 124:23–125:10).

7. MoneyGram refers to these financial institutions, which consist of banks and credit unions that sell its prepaid money transfer products, as its customers. *See* App. 1064, 1066–67 (Yingst Dep. 21:8–22, 28:6–29:3).

8. MoneyGram markets two lines of prepaid money transfer products for its customers: one line that MoneyGram markets as “Retail Money Orders,” and another that MoneyGram markets as “Official Checks.” *See* App. 1065–66, 1106, 1114 (Yingst Dep. 27:22–28:19, 85:6–22, 93:8–23).

9. MoneyGram has provided representative examples of the MoneyGram Retail Money Orders sold between 2000 and 2017, which are sometimes but not always sold by financial institutions, in this litigation. *See* App. 16–33 (Dep. Ex. 4 [Exs. A–D]); *see also* App. 1102–03 (Yingst Dep. 81:17–82:22).

10. The appendix contains a representative sample MoneyGram Retail Money Order. *See* App. 18–19 (Dep. Ex. 4 [Ex. A]).

11. The appendix contains a sample of a template for printing a Retail Money Orders. *See* App. 34–35 (Dep. Ex. 4 [Ex. F]).

12. A purchaser of a Retail Money Order buys a Retail Money Order by remitting the monetary amount imprinted on the face of the instrument, plus any applicable fee, to the seller. *See* App. 1079, 1083–84 (Yingst Dep. 45:7–15, 49:17–50:19).

13. The Retail Money Order seller is an agent for MoneyGram and is not considered a party on the instrument. *See* App. 1075–76 (Yingst Dep. 41:22–42:17).

14. In return, the purchaser receives a written instrument on which the purchaser can identify the desired recipient or payee. *See* App. 1077 (Yingst Dep. 43:10–15).

15. MoneyGram is designated as the “issuer” and the “drawer” of the Retail Money Order instrument. *See* App. 1078 (Yingst Dep. 44:1–14); *see also* App. 18–19 (Dep. Ex. 4 [Ex. A]).

16. The Retail Money Order can then be redeemed by the recipient of the instrument for the face value imprinted on the instrument. *See* App. 1075–77 (Yingst Dep. 41:22–43:24).

17. MoneyGram typically caps the value of Retail Money Orders at \$1,000, though a customer may buy more than one money order at a time. *See* App. 58 (Dep. Ex. 11 at 2); *see also* App. 1092–93 (Yingst Dep. 58:16–59:11).

18. MoneyGram’s decision to typically cap on the value of Retail Money Orders at \$1,000 is a business decision and not one required by law. App. 1097–98 (Yingst Dep. 63:16–64:5).

19. MoneyGram considers and markets the Retail Money Order instruments as “safe payment mechanism[s]” that are “accepted pretty much universally” and are “as good as cash.” *See* App. 1081–82, 1084–85, 1219–21 (Yingst Dep. 47:20–48:23, 50:20–51:7, 198:21–200:3).

20. When a MoneyGram agent sells a Retail Money Order, it reports four pieces of information back to MoneyGram: the dollar amount of the instrument, the instrument’s serial number, the date of sale, and the customer-identification number of the location that sold the instrument. *See* App. 1247–49 (Yingst Dep. 263:5–265:6).

21. That customer-identification number of the location that sold the Retail Money Order allows MoneyGram to determine the State in which the instrument was sold. *See* App. 1249 (Yingst Dep. 265:9–21).

22. The information conveyed back to MoneyGram from the MoneyGram agent does not include any information related to the party who purchased the instrument, including that party’s last-known address. *See* App. 1091–92 (Yingst Dep. 57:17–58:4).

23. Additionally, MoneyGram does not receive an image of the Retail Money Order until it has been presented for payment and cleared. *See* App. 1200 (Yingst Dep. 179:12–23).

24. The money that is remitted to purchase a MoneyGram Retail Money Order is transferred from the seller of the instrument to MoneyGram. *See* App. 1087 (Yingst Dep. 53:9–21).

25. MoneyGram then holds the money remitted to purchase a MoneyGram Retail Money Order in a portfolio of accounts and investments, where it commingles the balance of all its outstanding Retail Money Orders and other MoneyGram paper-based payment products—including that of its Official Checks products. *See* App. 1088–89, 1262 (Yingst Dep. 54:5–55:4, 278:15–22).

26. The money that is remitted to purchase a MoneyGram Retail Money Order then remains in that commingled portfolio referred to in the previous paragraph until the Retail Money Order is presented for payment or remains dormant for long enough to become subject to unclaimed-property laws. *See* App. 1089–90, 1128–29 (Yingst Dep. 55:13–56:5, 107:11–108:11).

27. When a Retail Money Order is presented for payment, it goes through the Federal Reserve clearing process using the routing number and transit number on the bottom of the instrument. *See* App. 1100–01, 1130–31 (Yingst Dep. 71:4–72:20, 109:7–110:8).

28. Those routing and transit numbers on the Retail Money Order are associated with a certain “clearing bank” that MoneyGram has contracted with to use its routing and transit numbers to intercept the MoneyGram items. *See* App. 1071–72, 1130–31 (Yingst Dep. 33:8–34:6, 109:7–110:8); *see also* App. 239–306 (Dep. Exs. 17–19).

29. A clearing bank is listed as the “payable through” entity on the face of the Retail Money Order. *See* App. 18–19 (Dep. Ex. 4 [Ex. A]); *see also* App. 1075–76, 1100–01 (Yingst Dep. 41:22–42:17, 71:10–72:11).

30. MoneyGram uses funds from its commingled portfolio (described above) to pay the clearing banks for the amount of the cleared Retail Money Orders. *See* App. 1101 (Yingst Dep. 72:12–20).

31. The clearing banks do not receive any information about the Retail Money Orders presented to them for payment, and the clearing banks have no relationship with the agents that sell Retail Money Orders. *See* App. 1072–73, 1130–31 (Yingst Dep. 34:22–35:11, 109:7–110:8).

32. The role of the clearing banks is simply to provide routing and transit numbers for MoneyGram’s use. *See* App. 1130–31 (Yingst Dep. 109:7–110:8).

33. If a Retail Money Order is not presented for payment, MoneyGram—as the holder of the unclaimed property—is responsible for reporting the sum representing the unclaimed balance. *See* App. 1040–41, 1053 (Petrick Dep. 131:17–132:3, 185:1–3).

34. Neither the agent that sold the Retail Money Order nor the clearing bank plays any role in the reporting of unclaimed Retail Money Orders. *See* App. 1042, 1048 (Petrick Dep. 133:14–16, 139:16–19).

35. Because MoneyGram has established its systems to not collect records that would allow it to identify the purchaser of the Retail Money Order, it does not perform due diligence to try to identify the rightful owner before reporting the unclaimed property. *See* App. 1091–92 (Yingst Dep. 57:17–58:4); *see also* App. 421 (Dep. Ex. 50 at MG004667).

36. Pursuant to the Federal Disposition Act, MoneyGram remits the unclaimed property to the State in which the Retail Money Order was purchased. *See* App. 1021 (Petrick Dep. 36:18–20); *see also* App. 425 (Dep. Ex. 50 at MG004671).

37. In addition to Retail Money Orders, MoneyGram offers another line of prepaid money transfer products for financial institutions to sell, which it markets as “Official Checks.” *See* App. 1066 (Yingst Dep. 28:6–19).

38. An “Official Check” is not a defined type of instrument in the Uniform Commercial Code (the “U.C.C.”); it is a label MoneyGram uses to describe the prepaid instruments processed through its “Official Check” platform. *See* App. 1122 (Yingst Dep. 101:2–14); *see also* App. 182, 217 (Dep. Ex. 13 at 1, 36) (“Primelink Official Checks Operating Instructions”).

39. MoneyGram sells its Official Check processing service to its banks and credit union customers. *See* App. 1066–67 (Yingst Dep. 28:6–19, 28:20–29:3).

40. In its line of Official Checks, MoneyGram offers four products: what it labels as “Cashier’s Checks,” “Agent Check Money Orders,” “Agent Checks,” and “Teller’s Checks.” *See* App. 1074 (Yingst Dep. 36:15–21); *see also* App. 226 (Dep. Ex. 15 § 2).

41. In some cases, MoneyGram appears to have sold Retail Money Orders through its Official Check platform as well. *See* App. 1074 (Yingst Dep. 36:15–21); *see also* App. 307 (Dep. Ex. 20 § 2).

42. Because MoneyGram is not responsible for reporting the unclaimed balances of abandoned Cashier's Checks, those instruments are not subject to this lawsuit. *See* App. 1242 (Yingst Dep. 229:17–22).

43. A representative example of the product that MoneyGram labels as an “Agent Check Money Order” is included in the appendix. *See* App. 32–33 (Dep. Ex. 4 [Ex. E]); *see also* App. 1113–14 (Yingst Dep. 92:22–93:7).

44. MoneyGram provides a template to its selling financial institutions showing what must be printed on an Agent Check Money Order. *See* App. 35 (Yingst Dep. Ex. 4 [Ex. G]); *see also* App. 1119 (Yingst Dep. 98:6–24).

45. The documents attached to Deposition Exhibit 4 as Exhibits E and G are representative of the Agent Check Money Orders issued by MoneyGram since 2000. *See* App. 16–17 (Dep. Ex. 4 at ¶ 4).

46. Another example of an Agent Check Money Order appears in the record at App. 53 (Dep. Ex. 8).

47. The appendix contains a representative sample Agent Check Money Order. *See* App. 53 (Dep. Ex. 8).

48. A MoneyGram Agent Check Money Order functions in the same way as a MoneyGram Retail Money Order. *See* App. 1106, 1114–15, 1137–38 (Yingst Dep. 85:6–22, 93:24–94:17, 116:8–117:7).

49. Agent Check Money Orders are sold by financial institutions, which act as agents for MoneyGram and are not considered parties who are liable on the instruments. *See* App. 1195 (Yingst Dep. 174:15–22); *see also* App. 32–33 (Dep. Ex. 4 [Ex. E]); App. 53 (Ex. 8); App. 226–27 (Ex. 15 § 3).

50. An individual wishing to purchase an Agent Check Money Order pays the desired face value of the Agent Check Money Order to the selling financial institution, and then signs the instrument. *See* App. 53 (Dep. Ex. 8); App. 64–65 (Dep. Ex. 12 at 5–6); *see also* App. 1198–1200 (Yingst Dep. 177:14–20, 178:19–179:1).

51. MoneyGram imposes no limits on the face value of an Agent Check Money Order or any other type of Official Check, though the selling financial institution may choose to do so. *See* App. 1211–12 (Yingst Dep. 190:4–191:3).

52. MoneyGram is designated as both the “drawer” and the “issuer” of the Agent Check Money Order. *See* App. 32–33 (Dep. Ex. 4 [Ex. E]); App. 53 (Dep. Ex. 8); App. 226–27 (Dep. Ex. 15 § 3); *see also* App. 1118 (Yingst Dep. 97:4–10).

53. The purchaser then delivers the Agent Check Money Order to the intended recipient, who can redeem the instrument for its face value in the same way as the recipient of a Retail Money Order. *See* App. 1106–07, 1114–15 (Yingst Dep. 85:6–86:15, 93:24–94:17).

54. At its own discretion, the selling financial institution may label its Agent Check Money Orders more generally as “personal” or “international” money orders. *See* App. 1194–95 (Yingst Dep. 173:22–174:14); *see also* App. 53 (Dep. Ex. 8); App. 58 (Dep. Ex. 11 at 2).

55. The selling financial institution of the Agent Check Money Order then sends the same four pieces of information to MoneyGram as with a Retail Money Order—the amount of the instrument, the date of purchase, the serial number, and the customer identification number of the financial institution that sold the Agent Check Money Order. *See* App. 1250–51 (Yingst Dep. 266:16–267:6); *see also* App. 1254 (Yingst Dep. 270:5–11).

56. MoneyGram can use that information gleaned from the selling financial institution of the Agent Check Money Order to determine the State in which the purchaser bought the Agent Check Money Order. *See* App. 1025 (Petrick Dep. 68:2–10).

57. The selling financial institution does not convey any information about the purchaser of the Agent Check Money Order, and MoneyGram does not receive an image of the Agent Check Money Order until it is presented for payment. *See* App. 1139–42 (Yingst Dep. 118:24–121:12).

58. Also like a Retail Money Order, the selling financial institution of the Agent Check Money Order transfers the money (equal to the face value of the Agent Check Money Order) to satisfy the obligation thereunder to MoneyGram. *See* App. 1253–54 (Yingst Dep. 269:12–270:4).

59. MoneyGram then holds that money identified in the previous paragraph in the same commingled portfolio where it holds the funds to satisfy Retail Money Orders. *See* App. 1136–37 (Yingst Dep. 115:15–116:6).

60. When an Agent Check Money Order is presented for payment, it goes through the Federal Reserve clearing process in the same manner as Retail Money Orders by using the routing and transit numbers of one of MoneyGram's clearing banks. *See* App. 1118–19, 1138–39 (Yingst Dep. 97:8–98:5, 117:8–118:23).

61. MoneyGram can use the same clearing bank for both Retail Money Orders and Agent Check Money Orders. *See* App. 1121 (Yingst Dep. 100:6–18).

62. MoneyGram, not the selling financial institution, selects the clearing banks for Agent Check Money Orders. *See* App. 1120 (Yingst Dep. 99:8–15).

63. The clearing banks identified in the previous paragraph are designated as the “drawees” on the Agent Check Money Orders. *See* App. 1118 (Yingst Dep. 97:11–20); *see also* App. 32–33 (Dep. Ex. 4 [Ex. E]); App. 53 (Dep. Ex. 8).

64. Like with Retail Money Orders, MoneyGram is the holder of the funds that represent the proceeds of unclaimed Agent Check Money Orders. *See* App. 1023 (Petrick Dep. 66:11–23).

65. MoneyGram does not collect information related to the purchaser of the unclaimed Agent Check Money Orders, so it does not perform any due diligence before reporting the property as unclaimed. *See* App. 1139–42 (Yingst Dep. 118:24–121:12); *see also* App. 421 (Dep. Ex. 50 at MG004667).

66. As with Retail Money Orders, MoneyGram reports the funds representing unclaimed Agent Check Money Orders to the State in which the Agent Check Money Order was purchased. *See* App. 1021 (Petrick Dep. 36:1–4); App. 210 (Dep. Ex. 13 at 29).

67. A representative example of the product that MoneyGram labels as an “Agent Check” is included in the appendix. *See* App. 343–44 (Dep., Ex. 26 [Ex. A]); *see also* App. 1204–06 (Yingst Dep. 183:14–185:19).

68. MoneyGram provides a template to its selling financial institutions showing what must be printed on an Agent Check. *See* App. 345–46 (Dep. Ex. 26 [Ex. B]).

69. The aforementioned Agent Checks are representative of the Agent Checks issued by MoneyGram since 2000. *See* App. 342 (Dep. Ex. 26); App. 1180–81, 1204 (Yingst Dep. 159:22–160:5, 183:14–21); *see also* App. 52, 56 (Dep. Exs. 7, 10) (further examples of Agent Checks); *see* App. 1266–68 (Supp. Yingst Decl. ¶¶ 2–3 & [Ex. A]) (giving example of a “blank stock” Agent Check).

70. Just as with Retail Money Orders and Agent Check Money Orders, an Agent Check purchaser remits the face value of the Agent Check to the selling financial institution. *See* App. 64–65 (Dep. Ex. 12 at 5–6).

71. As with Retail Money Orders and Agent Check Money Orders, the selling financial institution of an Agent Check acts only as an agent for MoneyGram, who is identified as the drawer and issuer of the Agent Checks. *See* App. 236–38 (Dep. Ex. 16); *see also* App. 1185 (Yingst Dep. 164:13–24).

72. MoneyGram’s clearing bank is designated as the drawee on an Agent Check. *See* App. 236–38, 343–44 (Dep. Exs. 16, 26 [Ex. A]); *see also* App. 1186 (Yingst Dep. 165:6–15).

73. An Agent Check also can be labeled simply as an “Official Check” on its face. *See* App. 56 (Dep. Ex. 10); *see also* App. 1204–05 (Yingst Dep. 183:14–184:19).

74. Using the same system that processes Agent Check Money Orders, the selling financial institution informs MoneyGram of the amount of the Agent Check, the date of purchase, the serial number, and the customer identification number of the selling financial institution. *See* App. 1250–51, 1254 (Yingst Dep. 266:16–267:6; 270:5–11).

75. As with Agent Check Money Orders, the selling financial institution does not convey to MoneyGram any information about the purchaser of the Agent Check or an image of the Agent Check. *See* App. 1150–52 (Yingst Dep. 129:4–131:13).

76. MoneyGram holds the money obtained from the purchase of the Agent Check (which is equal to the face value of the Agent Check) in the same commingled portfolio of investments and accounts as with those from Agent Check Money Orders and Retail Money Orders. *See* App. 1088–89 (Yingst Dep. 54:17–55:7); *see also* App. 1136–37, 1174 (Yingst Dep. 115:15–116:6; 153:7–16).

77. An Agent Check presented for payment goes through the same clearing process as with Agent Check Money Order and Retail Money Order, using a clearing bank's routing and transit number. *See* App. 1185, 1188–92 (Yingst Dep. 164:6–12; 167:23–171:8).

78. The backend processing that MoneyGram provides for Agent Checks is no different than the backend processing that MoneyGram provides for Agent Check Money Orders and Retail Money Orders. *See* App. 1191, 1243 (Yingst Dep. 171:3–8, 258:14–20).

79. Unlike with Agent Check Money Order and Retail Money Orders, however, MoneyGram reports the proceeds of all of its unclaimed Agent Checks to the State of its incorporation—Minnesota until 2005, and Delaware since then. *See* App. 375–78 (Dep. Ex. 42); *see also* App. 210 (Dep. Ex. 13 at 29).

80. MoneyGram does not collect any information related to the purchaser of the unclaimed Agent Check, so it does not perform any due diligence before reporting the property. *See* App. 1150–52 (Yingst Dep. 129:14–131:13); *see also* App. 421 (Dep. Ex. 50 at MG004667).

81. Despite the functional equivalency of Agent Checks, Agent Check Money Orders, and Retail Money Orders, MoneyGram's corporate designee on its escheatment practices, Kate Petrick could not state the basis for MoneyGram's policy of reporting unclaimed Agent Checks to its State of incorporation. *See* App. 1042–44 (Petrick Dep. 133:17–135:4).

82. Rather, Petrick testified that the decision to report unclaimed Agent Checks to MoneyGram's State of incorporation was made by MoneyGram's "attorneys and outside counsel." App. 1042–44 (Petrick Dep. 133:17–135:4).

83. A representative example of the product that MoneyGram labels as a "Teller's Check" is included in the appendix. *See* App. 347–48 (Dep. Ex. 26 [Ex. C]).

84. Other examples of Teller's Checks appear in the record. *See, e.g.,* App. 51, 54 (Dep. Exs. 6, 9); *see also* App. 1156, 1201 (Yingst Dep. 135:17–22, 180:4–18); App. 1266, 1269–70 (Supp. Yingst Decl. ¶¶ 2, 4 & [Ex. B]) (giving example of a "blank stock" Teller's Check).

85. MoneyGram provides a template to its selling financial institutions showing what must be printed on a Teller's Check. *See App. 349–50 (Dep. Ex. 26 [Ex. D])*.

86. These documents are representative of the Teller's Checks issued by MoneyGram since 2000. *See App. 342 (Dep. Ex. 26 ¶ 7)*.

87. A MoneyGram Teller's Check is issued and paid in the same way as Retail Money Orders and Agent Check Money Orders:

- a. The purchaser of the Teller's Check remits the value of the Teller's Check to the selling financial institution, which then issues the written instrument. *See App. 1158–60 (Yingst Dep. 137:23–139:13)*.
- b. The selling financial institution of the Teller's Check transfers the money (equal to the face value of the Teller's Check) to satisfy the obligation thereunder to MoneyGram. *See App. 1150–52 (Yingst Dep. 129:14–131:13)*.
- c. The selling financial institution of the Teller's Check provides the following information to MoneyGram: the amount of the instrument, the date of purchase, the serial number, and the customer identification number of the financial institution that sold the Teller's Check. *See App. 1150–52 (Yingst Dep. 129:14–131:13)*.
- d. The selling financial institution does not report to MoneyGram any information regarding the purchaser of the Teller's Check. *See App. 1150–52 (Yingst Dep. 129:14–131:13)*.

88. And like the other Official Check products, Teller's Checks are made payable to a named payee. *See App. 347–48 (Dep. Ex. 26 [Ex. C])*.

89. Money from the Teller's Check purchase (equal to the face value of the Teller's Check) remains in the same commingled investment portfolio with the proceeds from Retail Money Orders, Agent Check Money Orders, and Agent Checks (as previously described) until the Teller's Check is cleared through the Federal Reserve using the clearing bank's routing and transit numbers. *See App. 1174 (Yingst Dep. 153:7–16)*.

90. Like Agent Checks, Teller's Checks will sometimes simply be labeled as "Official Checks" on their face. *See App. 54–55 (Dep. Ex. 9) (Teller's Check); App. 56 (Dep. Ex. 10 (Agent Check))*.

91. The selling financial institution's role in the process of selling a Teller's Check is limited in the same way as it is with respect to Retail Money Orders and other Official Checks – the institution issues the instrument to the purchaser, collects the purchaser's money, and forwards that money and certain information along to MoneyGram. *See* App. 1150–52, 1177–79, 1188 (Yingst Dep. 129:14–131:13, 156:2–158:9, 167:15–19).

92. There are some differences between Teller's Checks and the previously-discussed instruments:

- a. While MoneyGram continues to be identified as the issuer of its Teller's Checks, the local financial institution is typically described as a drawer. *See* App. 347–48 (Dep. Ex. 26 [Ex. C]).
- b. MoneyGram's agreements with its financial institution customers refer to these Teller's Checks as being “drawn by” both the financial institution and MoneyGram. *See* App. 307–08 (Dep. Ex. 20 § 3).
- c. While MoneyGram's corporate representative, Eva Yingst testified that the selling financial institutions do not act as agents for MoneyGram in selling Teller's Checks (unlike the other instruments previously discussed); however, at least some of the financial institution agreements specifically appoint the financial institution as MoneyGram's agent for purposes of selling Teller's Checks and other Official Checks. *See* App. 1187–88 (Yingst Dep. 166:24–167:14); *see also* App. 227 (Dep. Ex. 15 § 5).
- d. Teller's Checks may have next-day availability under federal Regulation CC, which means the depositor has a right to withdraw the funds represented by a Teller's Check on the day after its deposit. *See* App. 58 (Dep. Ex. 11 at 2).

93. As with Retail Money Orders, Agent Check Money Orders, and Agent Checks, MoneyGram is responsible for reporting the funds representing unclaimed Teller's Checks. *See* App. 1020–22 (Petrick Dep. 35:11–37:1).

94. But unlike Retail Money Orders and Agent Check Money Orders, today MoneyGram reports the proceeds of unclaimed Teller's Checks to the State of its incorporation. *See* App. 1020–22 (Petrick Dep. 35:11–37:1); *see also* App. 210 (Dep. Ex. 13 at 29).

95. As was true of Agent Checks, MoneyGram cited only the instruction from its “attorneys and outside counsel” to explain its current reporting of Teller’s Checks differently than Retail Money Orders and Agent Check Money Orders. *See* App. 1044 (Petrick Dep. 135:5–11).

96. From the time that MoneyGram began offering Teller’s Checks as part of its “Official Check” line of products until 2005, MoneyGram reported funds from unclaimed Teller’s Checks to the States in which they were purchased or in which their financial-institution customer was incorporated. *See* App. 375–85 (Dep. Exs. 42–44).

97. MoneyGram changed its practice in 2005 and began to report all of its unclaimed Teller’s Check proceeds to Delaware. *See* App. 375–85 (Dep. Exs. 42–44).

98. By reporting its unclaimed Teller’s Check proceeds to its state of incorporation, MoneyGram acknowledges that its books and records do not contain information about the purchaser or intended payee of the instrument. *See* App. 375–85 (Dep. Exs. 42–44).

99. Per its internal policies, MoneyGram does not perform any due diligence to try to locate the rightful owner of Teller’s Checks despite the acknowledgement that the selling financial institutions may indeed have that information. *See* App. 375–85 (Dep. Exs. 42–44); *see also* App. 421 (Dep. Ex. 50 at MG004667).

100. MoneyGram has admitted that escheating funds from abandoned Official Checks to every State of purchase is as easy for MoneyGram as escheating to just one State. *See* Petrick Dep. 81:1–22, 83:21–84:4.²

101. In or around 2014, certain of the Defendant States contracted with Treasury Services Group (“TSG”) to audit MoneyGram’s books and records to determine compliance with unclaimed-property laws. *See* App. 958–65 (Kauffman Dep. 18:5–25:14); *see also* App. 583–85 (Dep. Exs. 71–73).

102. The TSG audit of MoneyGram’s books and records found that MoneyGram should have remitted to Delaware only approximately \$1

² These excerpts from the Petrick Deposition are contained in the amendment to the appendix that Pennsylvania is concurrently filing.

million—not the more than \$250 million that Delaware in fact received from MoneyGram. *See* App. 593 (Dep. Ex. 103 at ALF00001796).

103. Between 2002 and 2017, less than one half of one-percent of all official check property escheated to Delaware was actually purchased in Delaware. App. 593 (Dep. Ex. 103 at ALF00001796); *see also* App. 967–68 (Kauffman Dep. 192:16–193:2).

104. Minnesota, MoneyGram’s prior state of incorporation, has paid previously remitted unclaimed official check proceeds to a number of States. *See* App. 968–69 (Kauffman Dep. 193:3–194:8).

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Counsel of record for Defendant States in Case No. 22O146 certifies that on February 1, 2019, this document was served, as required by Case Management Order No. 5, on the following counsel:

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