

**BEFORE THE TAX APPEAL BOARD
OF THE STATE OF DELAWARE**

AYESHA ALTAF,)	
)	
Petitioner,)	
)	
v.)	Dkt. No. 1780
)	
STATE ESCHEATOR,)	
)	
Respondent.)	

BEFORE: Todd C. Schiltz, Esq., Steven R. Director, Esq., Joan Winters, CPA,
Robert Slavin and M. Lynn Fuller

Ayesha Altaf, *pro se*

Michelle E. Whalen, Esq., Deputy Attorney General, and Anthony J.
Testa, Jr., Esq., Deputy Attorney General, for Respondent

DECISION AND ORDER

Pending before the Board is the motion to dismiss or for summary judgment filed by the State Escheator (“Respondent”). For the reasons set forth below, the Board determines that petitioner Ayesha Altaf (“Petitioner”) has failed to state a claim against Respondent and her petition is dismissed.

While we dismiss her petition, we understand Petitioner’s frustration as she advised Intel Corporation (“Intel”) and its transfer agent, Computershare, that the shares of Intel common stock at issue in this case were not abandoned property. Yet, if Petitioner had completed a form she received from Computershare, then the

shares would not have been delivered to Respondent or sold, and if she had completed a form she received from Respondent, then the shares would not have been sold until her claim to them was resolved. Petitioner executed neither form and, as a result, the shares were delivered to Respondent, Respondent sold the shares (as she was required to do by statute), and Respondent now holds the proceeds of that sale for Petitioner's benefit. Respondent adhered to the statutory scheme and has offered to give Petitioner the sale proceeds. Nothing more was required of Respondent under the applicable statutes.

Background Facts

The following facts are set forth in Petitioner's petition and accompanying exhibits. The Board accepts these facts as true for purposes of this decision and order.

In 1998, Petitioner purchased 65 shares of Intel stock (the "Shares").

On November 2, 2012, Computershare, Intel's transfer agent, sent Petitioner a due diligence form designed to determine if the Shares were "abandoned property" or if Petitioner continued to exercise dominion and control over the Shares under Delaware's unclaimed property law.¹ Petitioner, who lives in

¹ As explained in *In re Appraisal of Dell, Inc.*, 2015 WL 4313206, at *9 (Del. Ch. July 30, 2015), virtually all public corporations hire a third party "transfer agent" to maintain their "stock ledger," a document that identifies those individuals and entities who own stock together with the number and type of shares owned.

Pakistan, received this notice on January 20, 2013. Petition Ex. 5 (“I have received a notice of due diligence from computer share of 2-11-12 on 20-1-13”).

On January 23, 2013, three days after receiving the notice, Petitioner submitted a comment to an Intel investor relations comment board. Petition Ex. 5. Among other thing, the comment indicated Petitioner had voted in the most recent annual meeting of stockholders and asked Intel’s investor relations department “to take measures to stop handing over private property to state authorities on the basis of a single letter, when you have so many other ways available to contact your shareholders.” Petition ¶ 5, Ex. 5. The comment included an email address for Petitioner and an account reference number for Petitioner. *Id.*

On January 25, 2013, two days after Petitioner posted her comment, Computershare emailed Petitioner explaining that her inquiry had been forwarded to Computershare by Intel’s investor relations group. Petition ¶ 6, Ex. 6. Computershare stated that, under the Delaware unclaimed property law, it was required to turn over securities if the owner does not make “contact with the transfer agent at least once every three years. Contact may be in the form of accessing your account on-line, calling Computershare’s call center, or communicating in writing.” Petition Ex. 6. Computershare also asked Petitioner to complete the due diligence form. *Id.*

On January 26, 2013, the day after receiving Computershare's email, Petitioner responded stating she is a current stockholder of Intel. Petition ¶ 7, Ex. 7. She also stated "[e]ven after receiving my mail, you have not taken any measures to assure me that my property is safe with you. This is not an unclaimed property. I need your conformation of this fact." Petition Ex. 7.

Computershare responded on January 30, 2013, stating "In order for me to update the contact information on your account, you will need to return the due diligence notice that was sent to you. Please forward a copy to me via e-mail and I will update your account." Petition ¶ 8, Ex. 8. Nothing before the Board suggests Petitioner completed or returned the due diligence notice as Computershare requested.

On February 24, 2014, more than a year after the foregoing correspondence, Intel escheated the Shares to Delaware. Petition ¶ 2, Ex. 4.

On March 25, 2014, the Office of Unclaimed Property of the State of Delaware Department of Finance sent Petitioner a letter that, in pertinent part, states:

My office is trying to reunite you with securities-related assets that have been reported to the State of Delaware. The State is acting as custodian for these assets because your account was shown as inactive for three or more years. INTEL CORP reported 65.00 shares and \$0.98 as prescribed by state law. They remitted these assets to the State for safekeeping after one or more unsuccessful attempts to re-establish contact with you. This letter serves as a further attempt to reunite you with your assets. To claim the property

described above, please complete and return the enclosed form immediately. ... Upon receipt of your completed form, we will send you a claims package. For questions regarding this letter, please contact the State Escheator at 302-577-8182 or unclaimedpropertyreply@state.de.us.”

Petition Ex. 3. Nothing before the Board indicates Petitioner completed the form or contacted Respondent at this time.²

On June 4, 2014, Respondent sold the Shares for \$27.58 per share.

Respondent also received a dividend on the Shares of \$14.63. Respondent received total consideration of \$1,807.45 for the Shares.

On July 26, 2016, two years after the Shares were sold and 28 months after the Office of Unclaimed Property sent Petitioner the March 25, 2014 letter, Petitioner emailed unclaimedpropertyreply@state.de.us asserting a claim to the Shares. Petition Ex. 11. Petitioner’s email states that “I wish to file a complaint against Intel and its agents Computershare for wrongfully surrendering this property.” *Id.*

The next day, the Office of Unclaimed Property sent Petitioner an email asking her to complete a form requesting the return of the property. Petition Ex. 11 at 3.

² If Petitioner had completed this form and pursued the claim process, the Shares would not have been sold until that process was complete.

Nothing before the Board indicates what happened over the next four and a half years. Neither the petition, the exhibits to the petition nor the parties' briefing addresses this period.

On February 22, 2021, the Office of Unclaimed Property informed Petitioner that it would pay her \$1,807.45 for the Shares and dividends, the amount it had realized through dividends and sale proceeds. Petition Ex. 1.

On February 27, 2021, Petitioner demanded that Respondent return to her the market value of the shares on February 26, 2021, which Petitioner calculated was \$3,950.70. Petition Ex. 12.

Analysis

Petitioner contends that the Shares were never abandoned property as that term is defined in Delaware's unclaimed property statutes, the Shares never should have been turned over to Respondent, Respondent should not have sold the Shares and, as a result, Petitioner is entitled to the present market value of the Shares. Respondent argues this claim is inconsistent with Delaware's unclaimed property law. We agree with Respondent and for this reason dismiss.³

³ Respondent argues that Petitioner's petition in this matter was filed too late and, as a result, the Board lacks jurisdiction over this case. There are disputed issues of fact related to when Petitioner mailed her petition and, as a result, we decline to dismiss or award summary judgment on this basis.

As detailed in *JLI Invest, S.A. v. Gregor*, Dkt. No. 1652, Tax Appeal Board Decision and Order (Jan. 18, 2017), Delaware’s unclaimed property/escheat statutory scheme contains provisions related to, among other things: (i) identifying and reporting abandoned property; (ii) the delivery of abandoned property to Respondent; and (iii) the obligation of Respondent to sell abandoned property delivered to her.⁴

As to identifying and reporting abandoned property, Delaware’s unclaimed property statutes require the “holder” to determine if property held by the holder is “abandoned property” within the meaning of the statute and to report any abandoned property to Respondent.⁵ Respondent plays no role in determining if property is abandoned, an unsurprising result given Respondent does not have access to any of the facts that would allow her to determine whether property is “abandoned property” as that term is defined by Delaware’s unclaimed property law.

⁴ Delaware’s unclaimed property statutes were revised substantially in 2017. Given the operative underlying acts occurred before those revisions, we apply the unclaimed property law that existed prior to those amendments.

⁵ 12 *Del. C.* § 1199 (“holder of ... property ... deemed abandoned” must file a report identifying such property with Respondent); 12 *Del. C.* § 1198(7) (a holder is “any person having possession, custody or control of the property of another person ...” and “the issuer of any intangible ownership interest in a corporation [*i.e.*, stock], whether or not represented by a stock certificate, shall be deemed a holder of such property.”).

A holder is different than an “owner.” An owner is the person or entity that has legal or equitable title to the property. 12 *Del. C.* § 1198(8).

Here, Intel is the holder and Petitioner is the owner.

Once a holder determines property is abandoned property, Delaware's unclaimed property statutes require the holder to pay or deliver such property to Respondent. 12 *Del. C.* § 1201(a) ("every holder of abandoned property shall pay or deliver to the State Escheator all abandoned property specified in the report"). If the holder mistakenly delivers property to Respondent that, in fact, is not "abandoned property," Respondent is required to treat the property as abandoned property until the property is refunded or redelivered. 12 *Del. C.* § 1144(e).

Delaware's unclaimed property statutes also require Respondent to sell all abandoned property, other than money, delivered to Respondent. 12 *Del. C.* § 1204(a) (abandoned property "shall be" sold). The proceeds of any sale, less any costs, "shall be held in place of such property" 12 *Del. C.* § 1143(b).

A person or entity with a legal or equitable title to abandoned property can make a claim for it, 12 *Del. C.* § 1246(a); however, if the property has been sold, then such claimant "shall be entitled only to the money so received [as a result of the sale], less lawful service charges." 12 *Del. C.* § 1143(b).

Here, Intel, the issuer of the Shares, was the holder responsible for determining if the shares were "abandoned property," an obligation it contracted with Computershare to perform.⁶

⁶ Whether Intel and its designee Computershare properly determined that the shares were abandoned property is not an issue before the Board. *JLI Invest, S.A. v. Gregor*, Dkt. No. 1652,

Once the shares were delivered to Respondent, she notified Petitioner of this fact and gave Petitioner an opportunity to claim the shares pre-sale. Petitioner did not make a pre-sale claim.⁷ Respondent sold the shares as she was required to do by the operative statute. Once sold, Petitioner's recovery is limited to the sale proceeds less service charges. Respondent has offered to pay Petitioner the entire sale proceeds, plus the dividend distributions.

The petition and exhibits thereto demonstrate Respondent complied fully with her statutory obligations as to the Shares. Accordingly, Petitioner's claim is dismissed.

Tax Appeal Board Decision and Order (Jan. 18, 2017) (noting the Board is an administrative body with no jurisdiction over common law claims).

⁷ Petitioner appears to contend that, notwithstanding the fact she never completed the form Respondent sent her pre-sale, Respondent was on notice of Petitioner's claim to the Shares. *See* Petitioner's opposition to motion to dismiss at footnote 2. It is not clear, but it appears that Petitioner relies on a January 26, 2013 email to Computershare to support that contention. Petition Ex. 7. An email address associated with the Office of Unclaimed Property, escheat.holderquestions@state.de.us, was carbon copied on the January 26, 2013 email. Petition Ex. 7. Yet, as Respondent had no role in determining whether the Shares were abandoned property and must treat property turned over to her as abandoned property, the inclusion of the anonymous escheat.holderquestions@state.de.us email address on an email that was sent more than a year before the Shares were even delivered to Respondent did not preclude Respondent from treating the Shares as abandoned property or from selling them.

Jul C Edt

J.R. M

Jean M. Winters

M Lynn Fuller

Robert W. Slavin/CS

Dated: February 20, 2022