

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

CLAUDIO BUENO SUAREZ,)	
)	
Petitioner,)	
)	
v.)	Docket No. 1807
)	
STATE ESCHEATOR,)	
)	
Respondent.)	

DECISION AND ORDER

Petitioner Claudio Bueno Suarez has appealed the respondent State Escheator's notice of determination ("NOD"), which found that petitioner is entitled to the net proceeds arising from the sale of 208 shares of Spectrum Group International, Inc. common stock (the "Shares") that were escheated to and sold by the respondent in 2014, but no further relief.

The parties have filed a Stipulation of Facts ("SOF") and briefed their dispute, with petitioner contending that he is entitled to an award of \$998,400 (the amount the petitioner contends is the current market value of the Shares) plus \$499,200 in interest and respondent contending that petitioner is entitled to \$427.34 as set forth in the NOD. For the reasons set forth below, we agree with the respondent and hereby confirm the NOD and its award of \$427.34 to petitioner.

FACTUAL BACKGROUND

Petitioner is a resident of Spain. SOF ¶1. In 2000, petitioner began working for Afinsa Bienes Tangibles, S.A. (“Afinsa”). *Id.* ¶2. During his employment, petitioner was awarded shares of stock in The Greg Manning Company (“GMC”), a publicly traded affiliate of Afinsa. *Id.* ¶¶6-9, 17. GMC changed its name on two occasions and by 2009 was operating as Spectrum Group International, Inc. (“SGI”), and the GMC stock petitioner had been awarded became the Shares. *Id.* ¶¶10-11, 21.

American Stock Transfer & Trust Company (“AST”) served as SGI’s transfer agent. Sometime in 2013, petitioner provided AST with his updated contact information. *Id.* ¶¶9, 19-20. The updated mailing address information petitioner sent AST in 2013 is not identified in the SOF.

On August 20, 2013, almost 80,000 shares of SGI common stock were escheated to Delaware. *Id.* ¶45. The Shares—208 shares of SGI common stock owned by petitioner—were part of this escheatment. SGI advised respondent that petitioner’s address was Calle Lagasca 88, Madrid, Spain 28001. *Id.* ¶46. On or about September 27, 2013, respondent mailed a letter to petitioner (the “Outreach Letter”) at that address. *Id.* ¶47. The Outreach Letter stated that the Shares had been escheated to Delaware and explained how to file a claim for the Shares. *Id.* ¶47.

On or about February 7, 2014, respondent sold all of the Shares, and realized net proceeds of \$427.34 based on a per share market price of approximately \$2.05

per share. *Id.* ¶¶49, 51. On May 14, 2014, SGI engaged in a 1,000 to 1 reverse stock split. *Id.* ¶44 and SOF Ex. C (incorrectly labeled Ex. 3) at ¶4.¹ On December 15, 2021, SGI may have engaged in a 10 to 1 reverse stock split. *See id.*² If petitioner had continued to hold the Shares through these stock split(s) (and the Shares were not converted as described in footnote 1), he would presently hold either 0.208 or 0.0208 shares of SGI common stock (the correct figure being dependent on whether SGI engaged in the second 10 to 1 reverse stock split).³

¹ In connection with its May 2014 reverse stock split, SGI announced that “stockholders of record who hold fewer than 1,000 shares of Common Stock,” like the petitioner, “will have such shares cancelled and converted into the right to receive \$0.65 for each share of Common Stock held prior to the reverse stock split[.]” May 19, 2014 Amendment 5 to SGI Schedule 13E-3. *Fortis Advisors, LLC v. Allergan W.C. Holding Inc.*, 2019 WL 5588876, at *4 (Del. Ch.) (Delaware courts can take judicial notice of filings with the Securities and Exchange Commission). It appears that if respondent had not sold the Shares in February 2014 for in excess of \$427, the Shares would have been converted into \$135.20 (208 x \$0.65) in May 2014.

² The record is not clear if SGI engaged in the December 2021 reverse stock split. The parties’ briefing references it and portions of the record suggest it occurred, but the SOF is not clear because, unlike the 1,000 to 1 reverse stock split, there is no affidavit stating it occurred.

³ Petitioner fails to account for the stock split(s) and other events when he calculates what he believes the Shares are presently worth. He calculates the present value of the Shares assuming they continue to represent 208 shares of SGI common stock and then he multiplies the 208 figure by what he believes to be the current market price of SGI common stock. Both of petitioner’s inputs are wrong/questionable. Given the stock split(s) (and assuming the Shares were not cancelled and converted as described in footnote 1), the 208 Shares now represent 0.208 or 0.0208 shares of SGI common stock. His per share price quote was obtained from an internet site. This is of questionable reliability because SGI’s filings with the Securities and Exchange Commission state that it intended to terminate its listing and for its common stock to stop trading in 2014. *See* May 19, 2014 Amendment 5 to SGI Schedule 13E-3. Further, 2024 press releases issued by an entity doing business as Spectrum Group International Inc. state that it is a “small issuer that is not publicly registered” and that it engaged in a recent merger whereby all of its stockholders who did

In April 2021, petitioner retired. SOF ¶25. Post-retirement, he took steps to sell the Shares, only to learn they had been escheated to Delaware and sold. *Id.* ¶¶26-39. He filed a claim with respondent, which respondent approved in the amount of \$427.34, the net liquidation value of the Shares that respondent realized when the Shares were sold in 2014. *Id.* ¶¶50-51. This appeal followed.

Citing statutes that were enacted after respondent sold the Shares, petitioner contends that respondent was required to send the Outreach Letter and that respondent sent it to the wrong address. Petitioner further contends that the NOD must be set aside because respondent “did not receive proper consideration for the value of the shares.” Petitioner’s Opening Brief at 3.

ANALYSIS

Delaware amended its unclaimed property laws in 2017. The parties’ briefing relies on post-2017 unclaimed property statutes to argue the issues before the Board.

not own more than 3 shares of its stock and who are not accredited investors, as that term is defined in the federal securities laws, were cashed out. See [Spectrum Group International Announces Proposed Cash Election Merger | Nasdaq](#) and [Spectrum Group International Announces Results of Cash Election Merger](#). Finally, SGI was traded under the stock ticker SPGZ and internet searches for this ticker symbol suggest it can be traded in the over the counter market, but that effectively no SPGZ shares trade. Given the lack of clarity in the record and the apparent absence of true market liquidity, the Board finds petitioner’s internet price quotes are too unreliable to serve as evidence of the current market value of the Shares. Significant questions regarding the price quotes--such as do the price quotes concern the same entity that issued the Shares and even if the quotes concern the same entity do the quotes take into account the 1,000 to 1 reverse stock split, possibly another stock split and at least one other capital restructuring since 2014 and whether the price quote is accurate given the lack of liquidity--remain unanswered.

This is incorrect. The propriety of respondent's conduct must be measured by the statutes in effect at the time respondent received and processed the Shares.

Respondent's Pre-Sale Outreach Efforts

On January 18, 2017, this Board issued its decision in *JLI Invest, S.A. v. Gregor*, Tax Appeal Board Docket No. 1652. On September 30, 2024, this Board issued its opinion in *Barff v. State Escheator*, Tax Appeal Board Docket No. 1824. Both *JLI* and *Barff* addressed situations virtually identical to those presented here: the escheatment and sale of stock owned by an individual who resides outside the United States prior to the 2017 amendments to Delaware's unclaimed property laws. As explained in *JLI* and *Barff*, under Delaware's pre-2017 unclaimed property laws, respondent had no obligation to contact a property owner before selling escheated shares of stock.

Given respondent had no obligation to conduct any pre-sale outreach, petitioner cannot complain about respondent's conduct when issuing the Outreach Letter. Even if petitioner could complain, he has not shown respondent did anything wrong. Respondent mailed the Outreach Letter to the address provided by SGI. SOF ¶¶46-47. Petitioner's briefing contends respondent should have mailed it to: C/ Juan Fernandez Navarete n° 66, 28200 San Lorenzo de El Escorial, Madrid, Spain. Petitioner's Opening Brief at 3; Reply Brief at 4. The briefing cites the SOF to support this mailing address, but the SOF does not identify the mailing address

petitioner provided AST or otherwise contend that the address respondent actually mailed to was not the address received from SGI. As respondent had no obligation to reach out prior to selling the Shares and as respondent used the address the State Escheator received from SGI, the NOD cannot be set aside based on respondent's pre-sale outreach efforts.

Sale Consideration

Under the statutory scheme that existed in 2014, “[a]ll abandoned property, other than money, delivered to the State Escheator under this subchapter shall be sold or disposed of in accordance with § 1143 of this title.” 12 *Del. C.* § 1204(a) (2014). The 2014 version of Section 1143, in turn, stated that “[i]n the case of stocks ... , disposition may be made by sale through a registered broker on a recognized security exchange or over the counter market or, if there is no ready market for such security, by negotiation or public auction.”

Consistent with these statutes, respondent sold the Shares on February 7, 2014 for a net price of approximately \$2.05 per share. This price was within the range of high (\$2.35/share) and low (\$1.98/share) prices “quoted on the OTCBQ marketplace under the symbol ‘SPGZ,’” the ticker symbol for SGI, during the first quarter of 2014. *See* SGI’s April 2014 Form 14A at 46 under “Market Price of Common Stock” header. Petitioner bears the burden of proof, and nothing in the record suggests respondent did not comply with the then-applicable statutory requirements regarding

the sale of stock when selling the Shares. The NOD will not be set aside for failure to obtain adequate consideration in the sale of the Shares.

For the foregoing reasons, the Board finds in favor of respondent.

SO ORDERED this 21st day of February, 2025.

Paul C. S. B.

Robert A. Blawie

Joan M. Winter

Robert Blawie / CES

Mr. Lynn Fuller