

Delaware District Court Rules That Delaware's Unclaimed Property Audit Process Violates Substantive Due Process Constitutional Rights

Client Alert

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On June 28, 2016, the United States District Court for the District of Delaware issued an opinion in the case of *Temple-Inland, Inc. v. Cook*, Civ. No. 14-654-GMS, granting in part and denying in part cross motions for summary judgment filed by the State of Delaware (the "State") and Temple-Inland, Inc. (the "Company"). Significantly, the Court granted the Company's claims that the State's audit conduct violates substantive due process rights under the United States Constitution. Declining the State's invitation to abstain from deciding the case pending a review by a Delaware state court of the statute allowing for the extrapolation and estimation of liability for periods for which a holder lacks records, the Court held that the combined effect of several aspects of the State's executive actions created a game of "gotcha" which "shocks the conscience."

Click here to read the full Morris Nichols analysis.

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Unclaimed Property

