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Steve Marshall
Alabama Attorney General



For press inquiries only, contact:
Amanda Priest (334) 353-2199
William Califf (334) 242-7491
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Bipartisan Coalition Announces Settlement with Delaware in MoneyGram Case Over \$190 Million in Unclaimed Property Litigation

(Montgomery, Ala.) – Alabama Attorney General Steve Marshall announced a bipartisan coalition of 35 states have agreed to a settlement with the State of Delaware ending the outstanding damages phase of an unclaimed property dispute before the U.S. Supreme Court. In 2023, a unanimous U.S. Supreme Court sided with the multi-state coalition in holding that unclaimed official checks issued by MoneyGram Payment Systems, Inc. (“MoneyGram”) are governed by the Federal Disposition Act. Arkansas, Pennsylvania, California, Texas, Wisconsin, their coalition partners, and other states will take possession of more than \$190 million in unclaimed property.

“After the Supreme Court’s decision, states now have a clear process for unclaimed property allowing each jurisdiction to determine how best to handle those funds,” stated Attorney General Marshall. “We are grateful that our coalition’s original action in the Supreme Court led to this great result for Alabama and its citizens.”

The dispute originated after states discovered Delaware was misapplying federal law in advising MoneyGram to allocate unclaimed official checks to Delaware instead of back to the states where those financial instruments were purchased. The settlement agreement ends the outstanding parts of the ongoing litigation before the U.S. Supreme Court, and the remaining damages phase of the consolidated actions of State of Delaware v. Commonwealth of Pennsylvania et al., and State of Arkansas, et al. v. State of Delaware.

Under the terms of the settlement, Delaware will transfer more than \$102 million of the property that MoneyGram reported to Delaware from 2011 to 2017 to the coalition states, based on each monetary instrument’s place of purchase. Delaware’s transfer represents roughly half of the report years disputed in the litigation.

In addition, approximately \$89 million deposited by MoneyGram in a litigation escrow account from 2018 to 2022, plus interest earned, will be distributed among all 50 states based on each instrument’s place of purchase. The coalition states will receive nearly \$55 million, plus earned interest, from the escrow account.

States will assume custody and responsibility to return any property received under the terms of the settlement or from the escrow account to owners, including paying any claims for the property.



In addition to Alabama, the state of Arkansas, Pennsylvania, California, Texas, and Wisconsin, took original action in the Supreme Court against Delaware, and was joined by the States of Arizona, Colorado, Florida, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, Utah, Virginia, Washington, West Virginia, and Wyoming.