BELLA RISK WS, LLC

FORMAL PROTEST TO RFPSDOR230041

March 29, 2023

Dear Department of Revenue & Office of Administration,

The evaluation of RFPSDOR230041 is improper for the following issues that will be addressed in detail in the following.

1. E-Verify Affidavit of Work Authorization: RFP: 4.8.1/Exhibit D - LO Management did not submit the applicable portions of Exhibit D, as stated by the RFP, this is a "must" and without completion LO Management must be non-compliant and reduced of all points. For further clarification LO Management did not complete the notary section of page 61, additionally there is no signature on page 61, as required.

2. Digital Signatures: RFP: 4.2.8 b. 3) - James Koester used electronic signatures for each signature without a single wet signature. Section 4.2.8 b. 3) of the RFP states, "Obtain signatures required in Exhibits C, D, and E. Digital signatures are acceptable." James Koester of LO Management, LLC, electronically signed page 1 and page 80 (Exhibit F) that is not permitted for digital signatures.

   2.1. Digital signatures and electronic signatures are different (see attached photo), James Koester of LO Management, LLC electronically signed but did not digitally sign the RFP. This is in violation of the E-Sign Act requirements and makes all of the electronic signatures, null and void. Without signatures to bind, LO Management's RFP should be deemed non-compliant and all points should be removed.

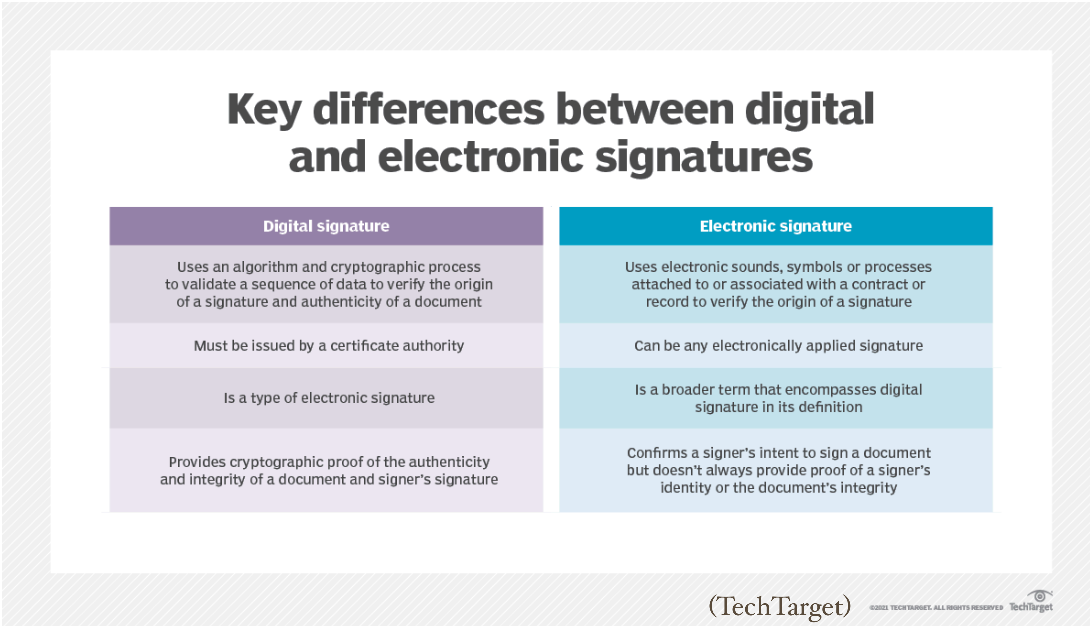
UETA and ESIGN Act

Both the United States Electronic Signatures in Global and National Commerce (ESIGN) Act, and the Uniform Electronic Transactions Act (UETA), have four major requirements for an electronic signature to be recognized as valid under U.S. law. Those requirements are:

- **Intent to sign** – Electronic signatures, like traditional wet ink signatures, are valid only if each party intended to sign.
- **Consent to do business electronically** – The parties to the transaction must consent to do business electronically. Establishing that a business consented can be done by analyzing the circumstances of the interaction, but consumers require special considerations. Electronic records may be used in transactions with consumers only when the consumer has:
  - Received UETA Consumer Consent Disclosures
  - Affirmatively agreed to use electronic records for the transaction
  - Has not withdrawn such consent
- **Association of signature with the record** – In order to qualify as an electronic signature under the ESIGN Act and UETA, the system used to capture the transaction must keep an associated record that reflects the process by which the signature was created, or generate a textual or graphic statement (which is added to the signed record) proving that it was executed with an electronic signature.
- **Record retention** – U.S. laws on eSignatures and electronic transactions require that electronic signature records be capable of retention and accurate reproduction for reference by all parties or persons entitled to retain the contract or record.

(DocuSign)

Exhibit D



Key differences between digital and electronic signatures

Digital signature	Electronic signature
Uses an algorithm and cryptographic process to validate a sequence of data to verify the origin of a signature and authenticity of a document	Uses electronic sounds, symbols or processes attached to or associated with a contract or record to verify the origin of a signature
Must be issued by a certificate authority	Can be any electronically applied signature
Is a type of electronic signature	Is a broader term that encompasses digital signature in its definition
Provides cryptographic proof of the authenticity and integrity of a document and signer's signature	Confirms a signer's intent to sign a document but doesn't always provide proof of a signer's identity or the document's integrity

3. Liquidated Damages/Inventory Charges: RFP: 2.9.2/B-6B "Section B6B EXPERIENCE Inventory Control Identify the Contract License Office Manager's experience monitoring and maintaining inventory controls for a license office. " There are multiple facets to the problems in this section in regards

    3.1. Inventory scoring for Bella Risk WS, LLC was incorrect. Prior to the missing inventory now being accounted for; the office manager's missing inventory charges were still below $50.00, yet Brittany Plant/Bella Risk WS/The Officers were scored as over $50.00 in inventory charges. This missing inventory has now been accounted for. As example: DRX365866 was listed as missing and charges were assessed by DOR. However, this inventory was sold and should have been caught by DOR auditors. The actual missing inventory was DRX365868. A miskeying of DRX 365866 rather than the correct item number DRX365868 resulted in an double inventory charge on 2021 inventory that was that was accounted for in 2020. This should result in at least an additional 3 points for Bella Risk WS, LLC.

    3.2.Annual Inventory vs Semi-Annual Inventory: In XXXXX offices were treated inconsistently, essentially offices with low to no missing inventory previously were only asked by The Department to file an annual inventory report and offices with anything more were asked to file semi-annual inventory reports. In the case of semi-annual vs annual inventory it has harmed The Vendor, its officers, and its proposed managers by the inconsistent time-periods to which inventory was assessed. For example, if an office has a singular piece of missing inventory during a two year period and a previously perfect record, that office would have been placed by The Department on annual inventory reports; considering how this would cause a potential 6 month delay of inventory charge, this puts The Vendor in a disadvantage to another vendor with imperfect previous inventory that was assess inventory 6 months prior. Any vendor that was previously on annual inventory should be treated with the same fairness ability as any other competing vendor, therefore the vendors that were previously on annual inventory and if that annual inventory span through the two year inventory charges period, those vendors should only be subject to 1.5 years of inventory charges to ensure fairness.

3.2.1.Kill, as it points out RFP problems, which could trigger a cancelation

3.3. Inventory Charges vs Payment Date: Inventory charges are due at inventory time of loss, as with any payment, the actual transfer of monies comes after the amount is due. Considering how the only method of payment/credit for a vendor is via long/short, which is entirely maintained, generated and automatically bank ACH transferred by The Department; there is an error as The Department is counting an inventory charge against Brittany Plant and/or the officer/s and/or the vendor that is based upon a payment date that was at least a year past the actual loss/charge date. Bella Risk WS, its officers, and its proposed manager should not be harmed by The Departments decision of when The Department wants to add payment to a vendor's long/short.

3.4. Inconsistencies between Length of Time Inventory Payment: The Department is responsible for ensuring timely billing of any charges and/or credits to each individual office's long and short. Considering how the only method of payment/credit for a vendor is via long/short, which is entirely maintained, generated and automatically bank ACH transferred by The Department. With The Department's, automatic charging and issuing of credits against the vendor's bank account, there has been a wide spread amount of inconsistencies between when charges are actually filed. We have seen lag times for items being posted to long/short reports reach as high as approximately 2 years and as short as a single month. These inconsistencies cause the potential for real damage to The Vendor, its officers, and its proposed managers.

3.5. May28th 2020?

4. Multiple Inventory Orders RFP: 2.9.2/B-6B 2) - The proposed manager by LO Management has placed multiple inventory orders in a month, however not always directly with DoR. The NKC license Office has had to order inventory many times from the Gladstone License Office within the past 2 years because they were unable to order the proper quantities of inventory via direct DoR ordering. There has been transportation/shipping expenses (such as fuel) incurred by the vendor and proposed manager.

5. We reserve the right to find additional items and supplement this with any additional items that maybe found and reserve the right to have legal representation for Bella Risk WS, LLC, its officer's, and its potential office manager.

Sincerely yours,

Chase Williams

Bella Risk WS, LLC