

**04 NCAC 25 .0110 EARLY TERMINATION NOTICE AND CLOSE OUT PLAN REPORT**

(a) When a Sandbox participant's business objectives fail before the end of the Sandbox testing period, a written notice of early termination shall be provided, pursuant to G.S. 169-7(e), to the applicable State agency and the Executive Director, at least 30 business days prior to the planned termination of the Sandbox product or service and shall include:

- (1) An updated monitoring and evaluation report;
- (2) A description of why the product or service failed;
- (3) A description of the proposed steps the Sandbox participant will need to terminate the innovative product or service to ensure that consumers have not been harmed;
- (4) A copy of the consumer notice of termination of the product or service; and
- (5) The proposed date for termination.

(b) The proposed termination steps must be approved by the applicable State agency before the Sandbox participant may notify consumers and begin winding down operations. The applicable State agency and the Sandbox participant will collaborate to determine a termination date that will ensure consumers are informed and rights are protected during this process.

*History Note: Authority G.S. 169-4; 169-7;  
Eff. March 1, 2025.*