

04 NCAC 25 .0111 CONCLUSION OF SANDBOX PERIOD AND BUSINESS OPERATIONS

(a) If the Sandbox participant cannot obtain regulatory compliance within 90 days following the expiration of the Sandbox period, the participant shall wind down operations with existing consumers within 90 days after the conclusion of the Sandbox period, as directed by the applicable State agency.

(b) Written notification to consumers, by way of electronic notification email or a letter sent via first class mail, regarding the conclusion of the initial or extended Sandbox period, must be provided by the Sandbox participant within 30 business days of conclusion and include:

- (1) Date the notice was sent;
- (2) The expiration date of the Sandbox period;
- (3) Summary of outstanding activities, actions, fees for products, or services the consumer utilized;
- (4) Any steps the consumer needs to take to close out their liabilities; and
- (5) The name, title, email, and telephone number of a contact person(s) whom the consumer may contact after the conclusion of the Sandbox period.

(c) A final report shall be submitted to the Executive Director in writing, in a format approved by the Council, by the Sandbox participant within 90 days after the conclusion of the Sandbox period, and shall include:

- (1) A final monitoring and evaluation report;
- (2) A final report of consumer complaints and actions taken to remediate the complaints during the Sandbox period;
- (3) Financial reports, including a report detailing all money owed by consumers based on agreements made before the conclusion of the Sandbox period;
- (4) A statement outlining all additional steps the Sandbox applicant must take to wind down the innovative product or service;
- (5) A written statement outlining all additional duties owed to consumers arising from the innovative product or service, including the name, contact information and role of any third party, acceptable to the applicable State agency, the Sandbox participant has arranged to fulfill those duties, and copies of contracts or agreements binding the fulfillment of said duties to consumers; and
- (6) A written statement describing any insights into current regulations and their impact on the innovative product or service; and
- (7) If the Sandbox participant has ongoing duties after the expiration of the Sandbox period, it shall submit an updated final report once all ongoing duties have been completed. The applicable State agency shall verify that all ongoing duties have been completed. The State agency will confirm and will advise the Council of their satisfaction of all outstanding duties and responsibilities.

(d) The Sandbox participant shall remain liable for any consumer harm resulting from its Sandbox participation or winding down regardless of whether a third party assists in the winding down.

(e) The Executive Director, at the request of the Council, shall issue a closeout letter to the Sandbox participant informing them of the official close out date, that all outstanding duties have been reconciled, and the records retention terms and conditions, as per the waiver agreement.

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