

6316 Duck Call Ct
Tallahassee, FL 32309
October 29, 2014

Ms. Katie Robinson
Staff Liaison
11 N Wabash Ave, Ste 1010
Chicago, IL 60602

Re: Project to Revise the Uniform Unclaimed Property Act – Response
to American Bar Association Letter dated 10-06-2014

Dear Ms. Robinson:

I am a listed observer on the project to revise the Uniform Unclaimed Property Act and I want to share my comments on the American Bar Association letter dated 10-06-2014 on each provision.

Background Information: I have been working in Unclaimed Property for more than 44 years in some capacity or another. I was the Unclaimed Property Administrator for the State of Florida for more than 23 years and I served on the executive board of the National Association of Unclaimed Property Administrators (one of the founding fathers of reformed NAUPA) and I am now a registered claimant's representative with the State of Florida.

II. SECURITIES PROPERTY (Multiple Sections of the UUPA)

Paragraph II. – Page 2

I disagree with increasing the dormancy period of reporting securities.

I disagree with ABA's recommendation with Paragraph II "Securities Property" to change the dormancy reporting period – in essence increasing the dormancy period. This recommendation is flawed and it is not in the best interest of the owner based on years of auditing/examination of stock records by national "expert" auditing private companies. This fact is also supported by state auditors/examiners. The birth of the State's Unclaimed Property Auditing programs started as a consortium and hired private auditing firms. The two largest private firms hired were (1) The Unclaimed Property Clearing House ("UCH"), David Epstein, one of the nation's leading experts in Unclaimed Property and (2) Anthony Androlli, CPA, co-author

of “Guide to Unclaimed Property and Escheat Laws” was another leader in auditing for unclaimed property in the early days on auditing for unclaimed property. Both of these professional experts found that the securities dealers including stock transfer agents were the worst record keepers on unclaimed property of all the holders, thus not acting in the best interest of unclaimed property owners. The current dormancy period in the UCH of 3 years works well and should not be changed.

Agree with “Third” (but with a recommendation) on page 4

I agree with the recommendation “that Section 12 of the UUPA be revised to provide that a state shall have the right to elect whether to hold the securities on behalf of the owner or sell the securities for the current fair market value;” with a recommendation that the state allow the owner to claim the value of the stock sold in his/her behalf **or** redeem the same number of shares of the stock. The plan is called the **Fungible Approach** and it provides the best overall protection for the owner. A state would have to maintain a small portfolio of stock to best administer this Fungible Approach. This approach also serves the owners best as it defers the decision on any tax liability that may be due and when such taxes should be incurred, a decision to be made by the owner and not the State or the securities dealer.

Disagree with “Fourth” on page 5

The owners’ interests would not be best served with such a recommended provision “that the state can decline to accept securities property from any holder.” I believe the state can better manage securities and it allows one place that owners can find their securities. It is critical that property be returned to the rightful owners or their legal heirs based on the efforts of the state and the private sector as approved by the state.

Disagree with “Fifth” on page 5

The owners’ interests would not be best served with such a recommended provision “that the early reporting of securities be prohibited” as the state can better manage securities and it allows one place that owners can find their securities. Again, it is critical that property be returned to the rightful owners or their legal heirs based on the efforts of the state and the private sector as approved by the state.

Disagree with “Sixth” on page 5

The owners’ interest would not be best served with such a recommended provision “that a provision be added to the UUPA that expressly grants an owner of securities the right to elect, via contract with the holder, that his or her securities will never be escheated to any state”.

I strongly disagree with such a provision as it creates a private escheat law contrary to public policy of giving the best chance of returning unclaimed property to the rightful owner or their legal heir, not the security company. The initial problem was securities dealers including transfer agents were negligent in reporting unclaimed securities and created the problem in the first place.

Disagree with “Seventh” on page 5.

The owners’ interest would not be best served with such a recommended provision “that Section 2 of the UUPA be revised to expressly exempt private-held and restricted securities from the UUPA” as it creates a private escheat law contrary to the public policy of giving the best chance of returning unclaimed property to the rightful owner of their legal heir, not the private-held company.

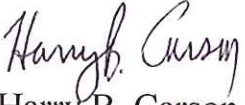
Another Reason for Disagreement – Current Practices

The current practices by some securities companies and/or stock transfer agents are unregulated in allowing 3rd parties to contact owners prior to reporting the unclaimed property to the state. The State of Florida allows attorney’s, CPA’s, and licensed private investigators to register with the Unclaimed Property Bureau and thus allowing them to assist owners with the recovery of their property. Florida Law is a model that should be adopted in the UUPA as it allows for the highest return of property back to its owners (top 3 in the nation – in not the top in the nation) of all the states. The fees charged by Claimant’s Representatives are regulated unless a full disclosure Limited Power of Attorney (“LPOA”) is entered into or other valid exemption. This is not the current practice by pre-escheat companies working with securities companies and/or stock transfer agents.

I trust that if the Drafting Committee has any questions on this letter then will contact me at 850-385-9267 or carsonpa@centurylink.net

I greatly appreciated your consideration of these recommendations.

Sincerely & Respectfully,


Harry B. Carson

Cc: Professional Claimant's Representative Association, Inc.