INVESTMENT COMPANY INSTITUTE

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April 21, 2014

Mr. Rex Blackburn, Co-Chair
ULC Unclaimed Property Act Drafting Committee
c/o Idaho Power Company
P.O. Box 70
Boise, Idaho 83702

Mr. Michael Houghton, Co-Chair
ULC Unclaimed Property Act Drafting Committee
c/o Morris, Nichols, Arsht & Tunnell LLP
P.O. Box 1347
Wilmington, DE 19899

Mr. Charles A. Trost, Reporter
ULC Unclaimed Property Act Drafting Committee
c/o Waller Lansden Dortch & Davis, LLP
Nashville City Center
511 Union Street, Suite 2700
Nashville, TN 37219-1760

*Sent via email*

Re: List of Recommended Revisions to the Uniform Unclaimed Property Act

Dear Messrs. Blackburn, Houghton, and Trost:

I was pleased to represent the Investment Company Institute* and our members' shareholders at the recent meeting of the Uniform Law Commission's Drafting

* The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of $16.8 trillion and serve more than 90 million shareholders.

Committee to discuss revising the Uniform Unclaimed Property Act (the "Act"). Abandoned property issues are of great interest and concern to our members, which are investment companies (*i.e.,* mutual funds) registered with the U.S. Securities and Exchange Commission. Unlike other financial institutions, mutual funds are externally managed companies and they are subject to extensive regulation under each of the four federal securities laws: the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, and the Investment Company Act of 1940. Indeed, Rule 17Ad-17 under the Securities Exchange Act of 1934 requires our members to identify and conduct searches for their lost securityholders. It additionally requires them to notify any mutual fund shareholder of a check from the mutual fund that has not been cashed within six months of the date of the check. Abandoned property issues are also of great concern to our members' 90 million shareholders, most of which are long term investors who could be adversely impacted by overly aggressive state escheatment laws.

We very much appreciate having the opportunity to share with you our recommended revisions to the Act to address our members' concerns. Accordingly, enclosed please find two documents prepared by the Institute for your consideration. The first document is a list of our recommended revisions to the Act along with a brief explanation of each recommendation and why it is important to our members. The second document is intended to provide some context to some of our recommendations (*e.g.,* our recommendation that there only be one holder per mutual fund account). It explains the distribution channels through which mutual fund shares are sold to investors, the impact of these channels on the information available to the mutual fund regarding its shareholders, and the abandoned property considerations associated with each channel.

Consistent with the request at the recent Drafting Committee meeting, we plan to follow up this list of recommendations with a redlined version of the Act that contains our proposed amendments to address each of the issues included in our list of recommended revisions. We hope to have that document submitted to the ULC's Co-Chairs and Reporter within the next couple of months.

I hope you find this information helpful. If you have any questions concerning the enclosures or about our industry, please do not hesitate to contact me by phone (202-326-5825) or email (tamara@ici.org). I look forward to continuing to work with you on this very important project!

Regards,

/s/
Tamara K. Salmon
Senior Associate Counsel

Enclosures:

- Recommendations of the Investment Company Institute to the Uniform Law Commission
- The Impact of the Distribution Channels Used by Mutual Funds on Abandoned Property Reporting Obligations

Cc: Katie Robinson, Staff Liaison
ULC Unclaimed Property Act Committee