

MEMO# 28316

August 15, 2014

ICI Confirms That Louisiana's Trigger for Abandoned Property Escheatment Is Returned Mail, Not "No Contact"

[28316]

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TO: TAAC ABANDONED PROPERTY TASK FORCE
TRANSFER AGENT ADVISORY COMMITTEE No. 52-14 RE: ICI CONFIRMS THAT LOUISIANA'S TRIGGER FOR ABANDONED PROPERTY ESCHEATMENT IS RETURNED MAIL - NOT "NO CONTACT"

The Unclaimed Property Division of the Louisiana Treasurer's Office has asked the Institute to alert our members to the fact that the trigger for presuming mutual fund accounts abandoned under Louisiana law is returned mail (i.e., an RPO standard). In particular, Louisiana Revised Statute Title 9, Section 154(A)(3)(a)(ii), which governs securities, including mutual fund shares, expressly provides that such shares shall be deemed abandoned "three years after the date of the second mailing of a statement of account or other notification or communication [to the shareholder] that was returned as undeliverable, or after the holder discontinued mailings to the apparent owner, whichever is earlier."^{*}

To the extent members were deeming mutual fund accounts held by Louisiana residents abandoned based on a standard other than RPO, we encourage you to revise your policies and procedures as soon as practicable to reflect an RPO trigger.

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Senior Associate Counsel

endnotes

^{*}As such, Louisiana's provision seems to track the provisions in SEC Rule 17Ad-17 regarding deeming a securityholder a "lost securityholder."

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