

MEMO# 2167

September 7, 1990

CALIFORNIA REVISES ABANDONED PROPERTY LAW

September 7, 1990 TO: SEC RULES MEMBERS NO. 64-90 CLOSED-END FUND MEMBERS NO. 34-90 UNIT INVESTMENT TRUST MEMBERS NO. 60-90 OPERATIONS MEMBERS NO. 26-90 ABANDONED PROPERTY TASK FORCE RE: CALIFORNIA REVISES ABANDONED PROPERTY LAW _____

The California abandoned property law was recently revised by the State legislature and signed by the governor on July 31, 1990. The revised law is effective immediately and a copy is attached. The legislation reduced the period for determining abandonment for all types of property (including dividend reinvestment accounts) from 5 to 3 years. No other substantive changes were made to the existing law. Thus, as we understand the California statute, as long as the location of the owner of a dividend reinvestment account is known to the mutual fund, the account is not deemed abandoned, regardless of the level of activity in the account. We understand that the California Controller's office intends to require the initial abandoned property report under the new rule to be filed by April 1, 1991 for the period beginning July 1, 1989 and ending June 30, 1990. Thereafter, payment and reporting of escheated accounts will be due on November 1. The Controller's office anticipates delivering notices regarding the new law within the next few weeks. In the interim, questions should be directed to the Controller's office at 916/323-2845. W. Richard Mason Assistant General Counsel Attachment

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