

Unclaimed Property Relating to Brokers and Dealers – Reference Sheet

Schedule of Events for Article V-A	
December 10	First class mailing deadline
December 31	Cut-off date – if funds have become dormant in the year prior to this date, they should be included in this report cycle
January 10	Certified mailing deadline
March 10	Final report and remittance due

How to Report (due 3/10) - Include the following when reporting:

1. Account details of the funds you are transferring in an approved format
2. Remittance of cash or securities
3. Verification and Checklist (Form AC2709 or Electronic VCL)



More details, including forms and contact information, can be found at: <http://osc.state.ny.us/ouf/reporters/index.htm>

Applicable Property Types		
Property Type	Property Type Description	Dormancy Period
1I	Credit balances in trading and investment accounts with trusts, brokers, investment firms, etc., including outstanding checks issued to customers	3 years
4A	Cash over receipts-dividends and other	3 years
4B	Bond interest over receipts	3 years
4C	Stock over receipts-dividends and other	3 years
4D	Other over receipts	3 years
4E	Unidentified overages	3 years
4F	Other distributions resulting from ownership interest or debt obligation	3 years
4P	Stock over receipts-dividends and other, shares	3 years
4Q	Other over receipts-shares	3 years
4R	Unidentified overages-shares	3 years
4S	Other distributions resulting from ownership interest or debt obligation-shares	3 years
8A	Wages, payroll, salaries, commissions, pension payments, CMTA	3 years
8F	Securities long in customers' trading, investment, or trust accounts	3 years
8P	Securities long in customers' trading, investment, or trust accounts-shares	3 years
8X	Late filing interest	

Unclaimed Property Relating to Brokers and Dealers

The following information corresponds to Article V-A of New York's Abandoned Property Law (APL). For more information, refer to Article V-A of the statute.

This document includes the following sections:

[Unclaimed Property](#)

[Statutory Considerations in Addition to Article V-A](#)

[Schedule of Events for Article V-A](#)

[Important Issues](#)

[Due Diligence](#)

[Mailing Requirements](#)

[Remittance](#)

[Security Delivery](#)

[Report Samples](#)

Unclaimed Property

Unclaimed property subject to Article V-A of the APL includes dormant customer accounts, uncashed checks, and wages. If the broker or dealer is incorporated in New York State, overpayment amounts and securities held for unknown owners are also subject to the statute. There are specific record retention requirements for brokers and dealers.

Statutory Considerations in Addition to Article V-A – Brokers and Dealers

Article V and Section 1315 of New York's Abandoned Property Law

In addition to Article V-A, brokers and dealers are subject to the statutory requirements of Article V and §1315 of the APL. For more information, refer to Article V and §1315 of the statute and to OUF's General Corporation document.

Abandoned property related to Article V and §1315 may be included with your Article V-A report.

Due Diligence

§1422 of the APL requires that, at least 90 days prior to your final report, a first class mailing be made to each person whose name is expected to appear on the report unless the address is unknown or the holder can demonstrate that the address it has for the owner is not the owner's current address. In addition, at least 60 days prior to your final report, a certified mailing, return receipt requested, must be made to each person whose name is expected to appear on the report whose abandoned property is valued in excess of \$1,000 unless a claim has been initiated since the first class mailing was sent, or the first class mailing was returned as undeliverable.

In addition, in §501.2.b.iii, certified mailing is required for all dividend reinvestment shares, including mutual funds (book entry shares only).

Holders Not Authorized to Conduct Business in New York State

§1312 of the APL extends statutory coverage to any broker or dealer that:

- Is chartered or organized in another state and not authorized to do business in New York and
- Holds unclaimed property payable to a person whose last known address is within New York.

Such reporting organizations are subject to the same statutory reporting requirements as organizations doing business in New York.

Schedule of Events for Article V-A – Brokers and Dealers

December 10

By this date:

- Send a first class mailing to each person or entity whose name appears on your report of abandoned property and request a signed written statement from the owner that acknowledges the property's existence. This requirement does not apply to those accounts that meet the exclusionary provisions of §1422.
- Notify and educate internal communications staff about the due diligence letters for effective processing when the rightful owner contacts your organization.
- Reactivate all accounts of owners who respond to the mailing. Do not include these accounts on your report.

Prior to December 31

- Send certified mail to each owner of securities in a dividend reinvestment plan or mutual funds (book entry) requesting written communication to keep the items active.

December 31

For the purposes of determining abandoned property, a broker or dealer's year runs from January 1 through December 31. December 31 is the cut-off or ending date for the reporting period. Use it when identifying abandoned accounts/items.

January 1 through March 10

During this period, review your records and collect data related to any account/item that may be dormant and subject to reporting.

If you have an account/item subject to reporting:

- Compile the data in one of our reporting formats so that you may submit it as your final report.

If you do not have any items subject to reporting:

- Keep a record of your review.
- Do not send preliminary or negative (zero balance) reports.

January 10

By this date:

- If an owner has not responded to the first class mailing, or if the first class mailing was not returned as undeliverable, and the value of all unclaimed property held for the owner exceeds \$1,000, you are required to send a second notification via certified mail, return receipt requested.
 - You may charge the cost of the certified mailing against the property's value.
- Reactivate all accounts of owners who respond to the mailing. Do not include these accounts on your report
 - Note: we consider a return receipt to be customer contact if the receipt bears the signature of the account owner. Verify return receipt signatures against the other signature records you may have for an owner.

March 1 through March 10

During this period:

- Finalize the report.
- Arrange for payment.
- Submit the report, payment, and a Verification and Checklist by the close of business on March 10.

Important Issues – Brokers and Dealers

Dormant Customer Accounts

Dormant customer accounts are reportable to New York State if payable to a resident of this state. Those stockbrokers incorporated in New York State are also required to remit foreign and unknown resident accounts. Dormant accounts held for non-New York residents may be subject to the abandoned property laws of other states.

IRA and Keogh Accounts

In the absence of contact/activity within the last three years, report an individual retirement account (IRA) or Keogh account in the cut-off year in which the account's owner reached or surpassed the mandatory distribution age as prescribed by the IRS. Report an educational savings IRA (Coverdell Educational Savings Account, CESA) in the cut-off year in which the account's owner reached age 30. For an IRA, if you cannot reasonably obtain the owner's date of birth, presume the owner was 21 on the account's opening date. For a CESA, use the account opening date as the account owner's date of birth.

Reported amounts constitute distributions from the IRA. In reporting, use the property type that reflects the nature of the account. For example, use 1I if the proceeds had been held in a trading or investment account. In the Date field, enter the date on which the owner reached the age of mandatory distribution. In the Description of Security field, enter IRA. This clarifies that you are not reporting the account prematurely.

Record Retention

The law requires that brokers and dealers retain records relative to abandoned property filings for a period of 10 years following the year in which the records were created.

Roth IRA

While a Roth IRA is not subject to the mandatory distribution rules during the original owner's lifetime, confusion may nonetheless exist among both the public and the holder community as to the proper treatment of this product with respect to the reporting requirements of the APL. Accordingly, for the purpose of consistency, OUF will not penalize reporting organizations for treating a Roth IRA in the same manner as the traditional IRA and reporting a Roth IRA in the year the owner reaches the age of mandatory distribution.

Uncashed Checks

Uncashed checks issued by brokers to their customers or other brokers in payment of dividends, bond interest, principal, or other customer credit balances are reportable to New York if payable to a resident of this state. Additionally, if a broker incorporated in New York issues checks to foreign and unknown owners, they are reportable to New York. Since the funds represent amounts due to customers, a three-year dormancy period applies.

Unclaimed Overpayments – Dividends, Interest and Securities

Brokerage firms incorporated in New York and New York partnerships are required to report all unclaimed overpayment amounts and securities held for unknown owners. A three-year dormancy period applies. Such amounts held by a non-New York corporation or partnership are reportable to the holder's state of incorporation.

Due Diligence – Brokers and Dealers

Holders of abandoned property are required to conduct due diligence in the form of mailings. The costs for completing certified mailing due diligence may be charged individually to the abandoned accounts subject to the due diligence effort. However, the costs for completing the first class mailing requirement cannot be offset. You may not take a bulk deduction against the report's total value. A positive customer response to any due diligence attempt negates the need for further due diligence actions on an account.

Exercise due caution in attempting to contact entitled owners who reside in politically sensitive countries as defined by the U.S. Department of Treasury's Office of Foreign Assets Control. Certified mailing requirements do not apply to residents of foreign countries. Address any questions pertaining to this subject to our Director of Audits.

Mailing Requirements

First Class and Certified Mailings

§1422 of the APL requires that all organizations do the following:

- At least 90 days prior to their final report/remittance date, send a first class mailing to each owner whose name is expected to appear on that report unless:
 - The address for the owner is unknown; or
 - The holder can demonstrate that the address it maintains for the owner is not the owner's current address.
 - Note – if you use an address validation service and find a new address for the owner, you may send the mailing to the new address but you should not change the original address on your report.
 - The items to be reported are valued at \$20 or less and are being reported in the aggregate, in which case the owner's name will not appear on the report, therefore a mailing is not required.

And

- At least 60 days prior to their final report/remittance date, send a certified mailing, return receipt requested, to each owner whose name is expected to appear on that report with abandoned property valued in excess of \$1,000 unless:
 - A claim has been initiated since the first class mailing was sent, or
 - The first class mailing was returned as undeliverable, or
 - The last known address is outside of the United States.
- In the calendar year prior to reporting the funds, send a certified mailing to account owners of dormant dividend reinvestment plans or mutual funds (book entry).

Costs

You may deduct the mailing costs for certified mail. Deduct such charges from each item for which you are mailing the notice, or one item if you are combining similar items for a specific owner into one item. You may not make a bulk deduction against the final remittance.

Multiple Items

Where feasible, if you are reporting more than one item for the same customer, one letter should address all of the items you are reporting.

Multiple Owners

For cases in which multiple owners of an item have different addresses, you must send a letter to each owner. You may deduct the additional costs of mailing a certified notice to more than one address.

Wages and Dividend Reinvestment Accounts – Article V

Article V requires you to send notification to the apparent owners of securities that are enrolled in reinvestment plans. This notification, which is to be sent via certified mail, return receipt requested, must advise owners that in the absence of establishing written communication with the holder their securities will be delivered to the State Comptroller as abandoned property. A return receipt signed by the owner of the property is considered contact.

Additionally, Article V stipulates that owners of unclaimed wages be notified at the last known address of record via first class mail.

In either of the above cases, the notifications must be sent in the calendar year prior to the year in which you are required to deliver the property to the State Comptroller. You may not deduct the cost of sending these notifications from the value of the abandoned property.

Remittance

Submit your remittance at the time you file a report. The remittance should be equal to the sum of the values of the accounts being reported. Pay your remittance by electronic transfer, check, or by using the Security Delivery Instructions.

Electronic Funds Transfer

Electronic funds transfer is available to make payment of the amount due for your report of abandoned property. Instructions, including the account and routing number information, are linked in the Forms area of the [website](#).

Checks

Make checks payable to Comptroller, State of New York. You should mail it to the following address:

New York State Office of the State Comptroller
Office of Unclaimed Funds
Remittance Control, 2nd floor
110 State Street
Albany, New York 12236

Include the letters 'OUF' and the Date/Time stamp in the memo and advice areas of your check if you sent your report account details using one of our electronic reporting methods. This will help us apply your funds correctly.

In accordance with OUF's internal control procedures, send all payments to the above address. Do not send any checks to our New York City office.

Securities

Deliver securities to the Comptroller using the current instructions, available on our [website](#). Use the most current version; they are kept updated regularly.

Delivery of Securities

You must deliver all reported security positions to the Office of Unclaimed Funds' (OUF) custodian at the time you file the abandoned property report.

Remove restricted legends from securities (in any form) before delivery. If a restricted legend must remain on the security, the reporting organization must provide detailed instructions including the type of restriction and applicable restriction dates.

To deliver securities to the OUF, follow the steps below and use one of the approved delivery methods.

Before delivering securities to OUF:

- Prepare a list in MS Excel format describing the securities that you intend to report, including:
 - Security description
 - CUSIP number and ISIN (for foreign securities)
 - Number of shares
 - Delivering party's Depository Trust Company (DTC) participant number
 - Preferred delivery method
- Email your list to OUF's custodian, Avenu Insights and Analytics at upch.custody@avenuinsights.com and email a copy to OUF at nysrpu@osc.ny.gov.
- Receive our delivery authorization within four business days of receiving your email. We will tell you to either deliver as requested or provide alternate instructions. **Do not** deliver securities without authorization.

After delivering the securities retain evidence of the transfer into OUF's custody, to be provided to OUF upon request. Keep the evidence of transfer with the report records for the duration of the record retention period. An owner claim may not be paid until you provide this evidence.

Approved Delivery Methods

Book Entry Eligible Shares

Deliver through DTC, DRS, or DWAC (if not DTC participant) as follows:

DTC #:	901
Reference:	State of New York, OUF
Agent Bank:	26500
Acct #:	114429

Dividend Reinvestment Plans (DRP) & Closed-End Funds

Close the accounts and forward whole shares via DTC (see Book Entry instructions above). Fractional shares must be sold at the owner level and the proceeds applied to each individual owner.

Federal Reserve Securities

Deliver Federal Reserve securities to:

Federal Reserve Bank of New York
ABA #0210-0001-8
Bk of NYC/CUST
Account # 114429
Account Name: State of New York, OUF

Foreign Securities

Email your list of foreign securities that need to be delivered to OUF's custodian, Avenu Insights and Analytics at upch.custody@avenuinsights.com and copy OUF at nysrpu@osc.ny.gov.

We will reply to your email with an authorization to deliver as requested or provide alternate instructions.

Open-End Mutual Funds

Open-end mutual fund accounts held for OUF must be opened in advance by Avenu Insights and Analytics. Email upch.custody@avenuinsights.com to obtain account numbers prior to attempting delivery.

Send interested party statements for open-end mutual fund accounts to:

Avenu Insights and Analytics
Custody Department
100 Hancock Street, 10th Floor
Quincy, MA 02171

A confirmation statement showing the State of New York, OUF as the owner of the shares must be available to OUF on request when needed to prove receipt or pay a claim. See the [Handbook for Reporting Organizations](#) for more guidelines.

Physical Certificates

Advance approval is required to deliver physical certificates. Certificates will be returned to the sender if they are DTC, DWAC, or DRS eligible. If physical certificates are returned, penalties may be assessed until the securities are properly delivered.

Email your list of securities that need to be delivered in certificate form to OUF's custodian, Avenu Insights and Analytics at upch.custody@avenuinsights.com and copy OUF at nysrpu@osc.ny.gov.

We will reply to your email with an authorization to deliver as requested or provide alternate instructions.

Account Registration

Advance approval is required to deliver securities to an account. If securities are not delivered as instructed, penalties may be assessed until the securities are properly delivered.

Email your list of securities that need to be delivered to an account to OUF at nyssmu@osc.ny.gov. We will reply to your email with an authorization to deliver as requested or provide alternate instructions.

A confirmation statement showing the State of New York, OUF as the owner of the shares must accompany your Abandoned Property Report for your report to be complete.

Report Samples – Brokers and Dealers

Security Account (DTC Delivery)

This sample reflects how to report a security with fractional shares that could not be delivered and have been liquidated. Note that the CUSIP Number of Security, No. of Shares or Denomination, and Method of Transfer fields are all complete. Initial and escheated dollar values are left blank.

Per the Security Delivery Instructions, fractional shares must be liquidated at the owner level and proceeds applied to each individual owner. So, for example, when there are 98.765 shares, deliver the 98 shares, then liquidate the 0.765 and deliver the cash value separately.

Owner Last Name	Jones	Property Type	3Q
First Name	Mary	Property ID Number	98765
MI	M	Date (MMDDYY)	060614
Suffix		Initial Amount	
Account Title	Mary M Jones	Escheated Amount	
Soc. Sec. No./ Empl ID No.	987654321	Removal Indicator (If applicable, enter "P" or "R")	
Owner Address	123 Jane Lane	Multiple Owners	
Owner Address 2		Description of Security	Very Big Company & Fractional Cash-In-Lieu (CIL)
Owner City	Lawndale	CUSIP Number of Security	999888777
State	MD	No. of Shares or Denomination	98.765
Zip	65432	Method of Transfer	D
Country if Not USA			

Security Account (DRS Deliver)

This sample reflects the DRS delivery reporting of a security position. Note that the CUSIP Number of Security, No. of Shares or Denomination, and Method of Transfer fields are all complete.

Owner Last Name	Jones	Property Type	3Q
First Name	Mary	Property ID Number	ZQ1141
MI	M	Date (MMDDYY)	061514
Suffix		Initial Amount	
Account Title	Mary M Jones	Escheated Amount	
Soc. Sec. No./ Empl ID No.	987654321	Removal Indicator (If applicable, enter "P" or "R")	
Owner Address	123 Jane Lane	Multiple Owners	
Owner Address 2		Description of Security	IBM Common
Owner City	Lawndale	CUSIP Number of Security	723622107
State	MD	No. of Shares or Denomination	1000
Zip	65432	Method of Transfer	D
Country if Not USA			