



STOCKS, BONDS, MUTUAL FUNDS AND EMPLOYEE BENEFITS

March 2008

Holders of unclaimed property often overlook the area of equity, debt and employee benefits as potential sources of unclaimed property because they may be handled by outside agents. However, these are areas that holders should continue to monitor.

STOCKS

Stocks and similar ownership interest may include:

- Certificates - publicly - or privately-traded
- Mutual funds
- Dividend reinvestment plan
- Underlying shares
- Unredeemed/undelivered shares from:
 - stock dividends
 - stock splits
 - mergers
 - acquisitions
 - spin-offs
 - warrants

UNDERLYING SHARES

Shares are considered underlying and abandoned after three years if there is no owner contact and at least three dividends or distributions remain uncashed. If it meets underlying shares status, the entire account, including all the uncashed dividends to date, is presumed abandoned.

MUTUAL FUNDS AND DIVIDEND RETIREMENT PLAN

Report mutual funds and other property enrolled in a Dividend Retirement Plan (DRP) three years after the holder receives two returned mailings.

REPORTING EQUITY ITEMS

Contact your trustee or transfer agent to see if there are unclaimed items to report. You are indemnified by the Department for reported property. Refer to the sample on letter on page two.

If your company is incorporated in the State of North Dakota, report these items:

- Foreign address owners
- Unidentified and no address owners

DELIVERY AND SALE

Holders must cancel and reissue the abandoned ownership interest in the name of the State of North Dakota - Unclaimed Property Division.

The Department generally liquidates security interests after holding them no less than 13 months and after conducting in-house due diligence mailings, public notices and website postings.

DISSOLUTIONS

All property distributable in the course of a voluntary or involuntary dissolution shall be presumed abandoned one year after the property becomes distributable.

BONDS

Bonds may include:

- Debentures
- Notes
- Unregistered bonds
- Registered bonds

- Coupons
- Interest payments

Interest payments or coupons are reportable three years from the date payable to the owner. Some holders erroneously believe that bond monies are not reportable until the issue matures or is called. Each interest payment or coupon is reportable three years after the date first payable to the owner.

If a local unit of government, or paying agent, is holding unclaimed funds from a bond issue, the funds are presumed abandoned three years after the date payable.

CONTACT YOUR TRANSFER AGENT

We often find that holders are not aware that they need to report their unclaimed equity and debt. They may mistakenly believe that the transfer agent reports any unclaimed property on their behalf. Contact your trustee or transfer agent to determine if there are any unclaimed items that need reporting and if they are already report for you. We indemnify you for any property you report.

EMPLOYEE BENEFITS

Employee Benefits may include:

- Pension
- Medical and dental
- Workers compensation
- Self-insurance
- Stock options
- Profit-sharing
- Deferred compensation
- Retirement plans

Unclaimed employee benefits are presumed abandoned three years after they become payable.

Often an agent or contractor handles a company's employee benefits and the agent also reports any unclaimed property. However, the actual holder remains responsible to report unclaimed items from a self-administered plan or a plan controlled by

an agent who does not report the unclaimed benefit.

SUMMARY

Stock, bonds and employee benefits are often overlooked by holders because they are held by agents and are not as obvious in the day to day operations of the organization. For most holders, a simple request letter to their agents will ensure they are in compliance for these areas.

SAMPLE LETTER TO A PENSION ADMINISTRATOR

July 1, 20XX

Pension Administrator
1234 Any Road Street N
Any Town, USA 99999-9999

RE: ABC Pension Trust Account

In order to complete our unclaimed property reporting to the State of North Dakota, we need an accounting of any uncashed pension checks and any undistributed funds, issued or payable prior to June 30, 20XX, which relate to our Pension Trust Fund.

Please review your records and supply any available information.

SAMPLE LETTER

TO A TRUSTEE OR TRANSFER AGENT

July 1, 20XX

M. Agent
YOUR TRUST AGENT
Street Address
City, State, Zip Code

In order to prepare our unclaimed property report to the State of North Dakota, we need an accounting of unredeemed and/or undeliverable interest payments prior to June 30, 20XX (three years back). In addition, we need to determine if there are any unclaimed matured or called bonds or debentures held for North Dakota residents.

INTEREST

Interest payments, which are unredeemed or undeliverable and have North Dakota addresses, are reportable to the State of North Dakota as unclaimed property three years from the date of issue or payable date.

UNCLAIMED MATURED BONDS OR DEBENTURES

Matured or called bond issues are presumed abandoned after three years. Bondholders with North Dakota addresses are reportable to the State of North Dakota.

UNDERLYING REGISTERED BONDS

Registered bonds with three consecutive years of unredeemed interest payments are presumed abandoned and should be reported to North Dakota if the bond holder has a North Dakota address.

For those bonds escheated, any accrued or accruing interest, including any current interest payments or coupons is escheatable to date.

SAMPLE LETTER

**TO A TRUSTEE OR TRANSFER AGENT
REGARDING UNCLAIMED EQUITY ITEMS**

July 1, 20XX

M. Agent
YOUR TRUST AGENT
Street Address
City, State, Zip Code

In order to prepare our unclaimed property report, we need a listing of abandoned stock, shares or dividends due North Dakota residents. Please check the following types of property, which need to be reported:

DIVIDENDS

Uncashed or undeliverable dividends with North Dakota addresses are reportable to the State of North Dakota as unclaimed property three years from the date of issue or payable date.

UNCLAIMED CERTIFICATES

Physical certificates held for lost owners with a last known North Dakota address are reportable after three years.

UNDERLYING SHARES

Share accounts are presumed abandoned after three years if there is no owner contact and at least three dividends or distributions remain uncashed.

UNEXCHANGED PROPERTY

Unredeemed/unexchanged shares from stock dividends, stock splits, mergers, acquisitions, spin-offs and warrants are escheated after three years.

For those shares escheated, any accrued or accruing interest, including any current dividends or distribution is also escheatable to date.



Comments and questions should be addressed to ND State Land Department, Unclaimed Property Division, P. O. Box 5523, Bismarck, ND 58506-5523. You may also call us at (701) 328-2800 or visit our web site at www.land.nd.us .