State of Michigan
Department of Treasury
Unclaimed Property

MANUAL
FOR REPORTING
SECURITIES

Revised June 2018
REPORTING SECURITIES

Securities and Securities-Related Cash

Do not report securities on paper; electronic reporting is the preferred method to use if securities or securities-related cash is being reported. See the Manual for Reporting Unclaimed Property, Chapter 3 “Preparing Your Report,” Instructions for Reporting Electronically.

General Rules for Reporting

Observe the following rules:

1. Do not report and remit worthless securities.

2. Provide each issue’s Committee on Uniform Securities Identification Procedures (CUSIP) number.

3. List minor children as primary owners of properties on UGMA accounts. List the trustee/custodians as additional owners.

4. List owners who are owed more than one amount of the same property type only once (e.g., four quarterly dividend payments). Combine all the amounts due the owner during the applicable reporting period into one total. Provide the ending date through which the amounts were payable. Do not report dividends in aggregate.

5. If reporting bearer bonds or unclaimed interest on the bonds, list the owners of the properties as “unknown.” Provide complete descriptions of the bonds in the applicable fields or boxes. Descriptions must include the issue name, series, bond number, and all outstanding coupon numbers.

6. If reporting dividends received in nominee name, list the stock issues in the description fields or boxes. List the nominee name as the owner of the property.

7. Provide the amounts and issue names of any outstanding shares (e.g., still in the possession of the shareholders) when reporting underlying, unexchanged, unredeemed, or unsurrendered shares.

8. If remitting underlying shares or undelivered shares returned by the post office (RPO shares), or both, combine all shares of the same issue and class. The report, however, must reflect the number of underlying shares and the number of shares which are RPO for each of the owners.

9. Provide original stock certificates or proof of transfer for each share being reported.
Determining What Property to Report

The dormancy period for stock and dividends is three years. The shares of stock should be escheated if the following two conditions apply:

1. The shareholder, for more than three years, has not claimed a dividend, distribution, or other sum payable, or has not communicated in writing with the holder.

2. The holder does not know the location of the shareholder at the end of the three-year period.

The return of official shareholder notifications or communications by the postal service as undeliverable is one form of evidence the holder does not know the location of the shareholder. Other forms of evidence may include no response to due diligence correspondence or no owner-initiated activity on the account during the previous three years.

At the time the shares of stock are escheated, any dividend, distribution, or other sum held for or owing to the shareholder should also be escheated.

Property Type Codes and Property Descriptions

Assign a property type code to each property listed on your report. The choice of codes is important because it determines what kind of information is required of a claimant. Descriptions of some of the more frequently used codes are below. See the Manual for Reporting Unclaimed Property, Appendix A, for a complete list.

<table>
<thead>
<tr>
<th>Code</th>
<th>Securities-Related CASH Code Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC01</td>
<td>Cash dividends. Include the issue name of the security in the Description field.</td>
</tr>
<tr>
<td>SC02</td>
<td>Registered bond interest due an owner of a registered corporate security. <strong>Do not</strong> use this code to report interest paid on a bearer bond.</td>
</tr>
<tr>
<td>SC03</td>
<td>Registered bond principal due an owner of a corporate-issued bond.</td>
</tr>
<tr>
<td>SC07</td>
<td>Municipal bond interest and matured principal. List the owner as “unknown” if reporting a bearer bond. Provide a complete description, including issue name, series, bond number, and all outstanding coupon numbers. Also provide the total cash amount of unclaimed interest and principal in the Cash Amount Remitted field.</td>
</tr>
<tr>
<td>SC09</td>
<td>Cash for fractional shares. Provide the issue name of the security in the Description field or box. <strong>Do not</strong> report liquidation proceeds under this code. Use the “SC13” code for liquidation proceeds.</td>
</tr>
<tr>
<td>SC13</td>
<td>Liquidation or redemption proceeds (cash only). List the issue name of the liquidated security and number of shares presumed to be in the possession of the shareholder in the Description field. <strong>Do not</strong> complete the Shares Remitted field. Provide the total cash amount due each shareholder in the Cash Amount Remitted field.</td>
</tr>
<tr>
<td>SC20</td>
<td>Credit balances due missing owners.</td>
</tr>
</tbody>
</table>
Stock and Bond Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC08</td>
<td>Undelivered shares that are returned by the post office (RPO shares). These shares are normally the result of a stock split or stock dividend. Include the issue name of the security in the Description field.</td>
</tr>
</tbody>
</table>
| SC10 | Unexchanged shares resulting from a merger or buy-out. Provide the number of shares of the successor corporation in the Shares Remitted field. These are the shares that will be remitted to UP with the report. Indicate the issue name of the successor corporation’s stock and the unexchanged stock in the Description field.  

**Example:** XYZ Corporation merged into ABC Corporation.  

One share of XYZ is exchangeable for ¼ share of ABC.  

An owner fails to exchange 100 shares of XYZ.  

The 25 shares of ABC (unexchanged) are outstanding and presumed to be in the possession of the owner.  

If there is a claim, UP will request the 100 unexchanged shares of XYZ from the owner before releasing the 25 shares of ABC. |
| SC12 | Underlying shares. The shares are presumed to be in the possession of the shareholder. The certificates must be canceled on the books of the issuer and reissued to the State Treasurer. Provide the issue name and number of underlying shares held by the owner. Report all cash and stock dividends payable on the underlying shares as of the date of remittance. |

Securities Registration and Mailing Instruction/Guidelines for all Holders Reporting Securities

It is very important that these instructions are followed when submitting a report and securities to UP so receipt can be verified.

Although the securities will be transferred to a different location, they must be transferred at the same time the report and cash are mailed to UP. Proof of transfer must accompany the report for those shares not being delivered via DTC.

**Stocks**

A DTC (Depository Trust Company) transfer is required for delivering all DTC-eligible securities. A DTC transfer is performed by depositing shares to DTC 0901 for credit to account 822440, Agent Bank 26500. When a security is not DTC-eligible and physical certificate(s) are being delivered, the stock certificates must be registered in the State of Michigan’s nominee name of “Spartans & Co.,” Tax ID number 30-0187543.
At least two days in advance of a DTC deposit, fax the following information concerning the deposit to 617-532-8762, Attn: Custody Department. Questions can be directed to the State Client Liaison at upch.custody@conduent.com.

State of MI “#822440”
Name of Security:
CUSIP number:
Holder’s DTC number:
Number of Shares:

If sending physical certificates, mail the certificates with the unclaimed property report to:

Michigan Department of Treasury
Unclaimed Property
PO Box 30756
Lansing MI 48909

**Dividend Reinvestment Plans (DRPs) & Closed End Mutual Funds**

The preferred method of handling DRPs is to liquidate all reported shares and include a check for all proceeds with the report.

If DRP shares cannot be liquidated for some reason, DRPs are to be transferred into the name of the Michigan Department of Treasury using tax ID number 38-6000134. The account statements showing the transfer of shares to the Michigan Department of Treasury must be sent together with the holder report to:

Michigan Department of Treasury
Unclaimed Property
PO Box 30756
Lansing MI 48909

**Mailing the Remittance Report**

Mail report and a check payable to the “State of Michigan” for the total amount of cash reported to the following address:

Michigan Department of Treasury
Unclaimed Property
PO Box 30756
Lansing MI 48909

If you have any questions, please call 517-636-6940.
Mutual Fund Shares, Distributions, and Checks

Do not report securities on paper; electronic reporting is the preferred method to use if securities or securities-related cash is being reported. See the Manual for Reporting of Unclaimed Property, Chapter 3 “Preparing Your Report,” Instructions for Reporting Electronically.

- SC16 Mutual Fund Shares
- SC01 Dividends
- SC20 Credit Balances

Identifying Unclaimed Shares

The dormancy period begins when either a sum payable is unclaimed or the first time a piece of mail is returned by the post office (RPO). Determine the date of the first RPO event and use this date. Note that this may be different than what is on the holder’s information system. At the time the shares become unclaimed, the entire account and any cash proceeds due the owner are also considered unclaimed. Report shares using property type code “SC16” and the cash proceeds as credit balances with property type code “SC20.”

Identifying Unclaimed Distribution and All Other Checks

Mutual fund companies may also hold unclaimed income or capital gains distributions for various reasons. Distribution proceeds may not have been reduced to check form. If a check was issued, it may have never been reported. Checks for closed accounts may be outstanding or RPO’d and should be reported as credit balances, using property type code “SC20.”

Registration Instructions for Open End Mutual Funds

Mutual fund shares must be transferred to an account held by the State of Michigan at the same time the report and cash are mailed to UP. Documentation verifying the transfer must be attached to the report.

Preferred Method. Mutual Fund accounts held for the State of Michigan should be registered in the name of “MAC & CO” and transferred into Michigan’s custodial account with Conduent. A fund account number is required to be established at the fund in order to effect the transfer into MAC & CO. Contact our custodian at upch.custody@conduent.com to obtain the MAC & CO account number. Ensure a detailed list is e-mailed 48 hours in advance to upch.custody@conduent.com or fax to 617-532-8762.

The list should contain:

- CUSIP number
- Fund name
- Share amount
- Account number at the fund.

Note: It is important the registration references account number 822440. This is what identifies the fund as belonging to the State of Michigan.
If, for some reason, mutual fund shares cannot be transferred as indicated above, an account must be established at the fund with the following registration:

Note: The account statement must be sent together with the holder report.

Michigan Department of Treasury
Unclaimed Property
PO Box 30756
Lansing MI 48909

FEIN: 38-6000134

Mailing the Remittance Report

Mail report and a check payable to the “State of Michigan” for the total amount of cash reported to the following address:

Michigan Department of Treasury
Unclaimed Property
PO Box 30756
Lansing MI 48909