

John Chiang
California State Controller
Notice to Holders of Unclaimed Property
California Unclaimed Property Injunction Update
July 2, 2007

On June 1, 2007, a federal court in Sacramento directed the State Controller's Office to not accept any unclaimed property until new laws are passed. The new laws would allow this office to adequately notify owners that property being held by a business will be transferred to the State for safekeeping unless the owner contacts the business to claim or reactivate the property. This notice provides an interim update to all holders of unclaimed property while a solution is being considered in the State's legislative process.

The State Controller's Office has received questions from holders about how the injunction and possible legislative changes affect their current responsibilities under existing law. Information addressing the most common questions or concerns is provided as follows:

- **Due Diligence** – Holders' responsibilities to notice owners of their property six to twelve months before the property becomes reportable are still in effect (refer to Sections 1513.5, 1516(d) and 1520(b) of the Code of Civil Procedure (CCP)). There are no changes to this requirement.
- **Holder Reports** – Holders' responsibilities to submit a report to the State Controller's Office by October 31, 2007 and by April 30, 2008 (for Life Insurance companies) per CCP Section 1530(d) are not affected by the injunction. However, the injunction does prohibit the delivery or remittance of property. **Therefore, holders will be required to submit a report by the required due dates**

listed above, but will not deliver or remit property for those reports until further notice.

- **Interest Charges** – Many holders have asked if interest for late payment of property under CCP Section 1577 will be charged if they do not remit property during the injunction period. Interest will not be charged for the period of time the Controller is prohibited from accepting unclaimed property by the federal court injunction. These circumstances are beyond the control of the holder.

The State Controller's Office will provide further updates as they become available. Please continue to monitor the website @ www.sco.ca.gov. If you have any questions regarding this notice, please call the Unclaimed Property Reporting Unit at (916) 464-6284.