

#26

11/1/74

First Supplement to Memorandum 74-68

Subject: Study 26 - Unclaimed Property

Attached as Exhibit I is a letter from the Office of the State Controller commenting on the draft of the recommendation attached to Memorandum 74-68.

The comments suggest two technical corrections and also question whether Sections 1531 and 1532 need conforming revisions. We will make the technical corrections and attach as Exhibit II the conforming revisions for Sections 1531 and 1532. These conforming revisions are not strictly necessary; we did not include them in the recommendation for this reason. However, in view of the State Controller's suggestion, we recommend that the conforming revisions to Section 1531 and 1532 be added to the recommendation.

Respectfully submitted,

John H. DeMouly
Executive Secretary



HOUSTON I. FLOURNOY

Controller of the State of California

SACRAMENTO, CALIFORNIA 95805

October 29, 1974

Mr. John H. DeMouilly
Executive Secretary
California Law Revision
Commission
Stanford School of Law
Stanford, California 94305

Dear Mr. DeMouilly:

We have reviewed the material enclosed with your letter of October 24 concerning the California Unclaimed Property Law.

On page 5, line 2 of the proposed legislation, reference is made to Sections "1513 through 1521". We believe the reference should be limited to Section 1513 since the other sections do not pertain to travelers checks, money orders and similar items.

On page 5 in the paragraph beginning (b), line 1 the word title is used. We believe the reference should be to "chapter" rather than "title".

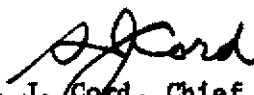
Sections 1531(g) and 1532(c) also refer to travelers checks and money orders. Should the words "or other similar instruments" be added to those subdivisions.

In all other respects the proposed amendment seems to cover the situation.

Very truly yours,

HOUSTON I. FLOURNOY, STATE CONTROLLER

By


S. J. Cord, Chief
Division of Accounting

Sec. . Section 1531 of the Code of Civil Procedure is amended
to read:

1531. (a) Within 120 days from the final date for filing the reports required by Section 1530, the State Controller shall cause a notice to be published at least once each week for two successive weeks in an English language newspaper of general circulation in each county in this state in which is located:

(1) The last known address, as listed in the reports, of any person named in the reports as the apparent owner of property escheated to this state under this chapter; or

(2) If no address of any apparent owner named in the reports is listed, or if the address listed in the reports for any apparent owner named therein is outside this state, the principal place of business within this state of the holder of the escheated property.

(b) Each published notice shall be entitled "notice of names of persons appearing to be owners of unclaimed property," and shall contain the names in alphabetical order and last known addresses, if any, of:

(1) Those apparent owners listed in the reports as having a last known address within the county;

(2) Those apparent owners listed as having a last known address outside this state or as having no last known address in a report filed by a holder with his principal place of business within the county; and

(3) The insured or annuitant in the case of funds described in Section 1515 if:

(i) The report does not list the name of the apparent owner of the funds and his last known address; and

(ii) The last known address of the insured or annuitant is within the county.

(c) Each published notice shall also contain:

(1) A statement that information concerning the amount or description of the property and the name and address of the holder may be obtained by any persons possessing an interest in the property by addressing an inquiry to the State Controller.

(2) A statement that, if proof of claim is not presented by the owner to the holder and if the owner's right to receive the property is not established to the holder's satisfaction before a date specified in the notice (which shall be the date five months from the final date for filing the report), the property will be placed, not later than one month after such date, in the custody of the State Controller and all further claims must thereafter be directed to the State Controller.

(d) The State Controller is not required to publish in such notice any item of less than twenty-five dollars (\$25) unless he deems such publication to be in the public interest.

(e) Within 120 days from the final date for filing the report required by Section 1530, the State Controller shall mail a notice to each person having an address listed therein who appears to be entitled to property of the value of twenty-five dollars (\$25) or more escheated under this chapter.

(f) The mailed notice shall contain:

(1) A statement that, according to a report filed with the State Controller, property is being held to which the addressee appears entitled.

Sec. . Section 1532 of the Code of Civil Procedure is amended

to read:

1532. (a) Except as otherwise provided in subdivisions (b) and (c), every person who has filed a report as provided by Section 1530 shall, within six months from the final date for filing reports as required by Section 1530, pay or deliver to the State Controller all escheated property specified in the report.

(b) If any person establishes his right to receive any property specified in the report to the satisfaction of the holder before such property has been delivered to the State Controller, or if it appears that for some other reason the property is not subject to escheat under this chapter, the holder need not pay or deliver the property to the State Controller, but in lieu thereof shall file with the State Controller a written explanation of the proof of claim or of the reason the property is not subject to escheat.

(c) In the case of sums payable on travelers checks, or money orders, escheated under Section 4511, such sums shall be paid to the State Controller not later than 20 days after the final date for filing the report.

(d) The holder of any interest under subdivision (b) of Section 1516 shall deliver a duplicate certificate to the State Controller. Upon delivery of a duplicate certificate to the State Controller, the holder and any transfer agent, registrar or other person acting for or on behalf of the holder in executing or delivering such duplicate certificate shall be relieved from all liability of every kind to any person including, but not limited to, any person acquiring the original certificate or the duplicate of such certificate issued to the State Controller for any losses or damages resulting to such person by the issuance and delivery to the State Controller of such duplicate certificate.

(e) Payment of any intangible property to the State Controller shall be made at the office of the State Controller in Sacramento or at such other location as the State Controller by regulation may designate. Except as otherwise agreed by the State Controller and the holder, tangible personal property shall be delivered to the State Controller at the place where it is held.

or similar
written
instruments

1511

(2) The name and address of the person holding the property and any necessary information regarding changes of name and address of the holder.

(3) A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the State Controller and all further claims must be directed to the State Controller.

(g) This section is not applicable to sums payable on travelers checks, ~~or~~ money orders that escheat under Section 1617.

1511

and similar written instruments