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February 20, 2009

David Milby, Association Manager
NAUPA
P.O. Box 11910
Lexington, KY 40578-1910

RE: Unclaimed Property Reporting

Dear Mr. Milby:

Founded in 1911, the STA represents more than 150 transfer agents around the United States, including commercial transfer agents, issuer agents, and mutual fund agents. Collectively, the STA members serve as transfer agent for more than 15,000 publicly traded corporations, aggregating more than 100,000,000 shareholders. On an annual basis, STA members escheat substantial amounts of unclaimed assets to the states.

A number of our members are also affiliated with the National Association of Unclaimed Property Administrators ("NAUPA") and Unclaimed Property Professionals Organization ("UPPO").

The STA would like to bring to your attention important concerns it has relating to the escheatment of abandoned property.

Data Security

The nature of our industry demands that our members remain at the forefront in protecting their clients and their clients' security holders from unauthorized disclosure of Non-Public Personal Information ("NPPI"). Ensuring that the highest security standards are met when information is transmitted to the states in connection with unclaimed property filings is critical.

Our members desire to send all escheatment reports through the HRS Pro NAUPA PGP Encryptor or a mutually acceptable equivalent. The HRS Pro NAUPA PGP Encryptor is the encryption program used by 42 reporting jurisdictions and provides an extra level of security, ensuring that files cannot be viewed in transit. While our industry standard is to send all reports to states encrypted, a number of states do not currently accept the HRS Pro NAUPA PGP Encryptor, and therefore require exception processing. Additionally, the data is not as secure. We would urge NAUPA to strongly encourage all states to accept the HRS Pro NAUPA PGP Encryptor or a mutually acceptable equivalent to enhance the security of all data transmissions.

Sale of Securities

Nearly all states have legislation that allows for the liquidation of securities based on defined minimum holding periods. The STA believes that these liquidations may cause harm to investors, as the rightful owner's intentions are not considered and they will not receive the benefit of any market price appreciation that may occur after the shares are sold. We are also concerned that this action also disenfranchises the rightful owner as they no longer have any ownership in the company.

Additionally, the sale of securities generally triggers a potential IRS withholding and reporting responsibility for transfer agents and security owners, the requirements of which are being extended under recently introduced Taxation Cost Basis legislation. When a state liquidates an owner's security assets, it is our belief that the state may have triggered a potential capital gain or loss on behalf of the rightful owner without the owner's knowledge or consent. While we are aware that some states provide the necessary 1099 reporting to owner's who re-claim assets, we do not believe that there is consistent application of the IRS reporting requirements.

There also appear to be inconsistencies in the manner in which the states return property to rightful owners who come forward and claim their property. Some states attempt to maintain a large enough security balance to return securities plus any dividends accrued from the time of the filing, while other states will return sale proceeds plus some interest component, and other states simply return the capital proceeds without any incremental value. As one of primary reasons for the unclaimed property legislation is to enable states to protect the rights of their residents, we believe that the states should maintain the property in a manner such that a claimant retains their full entitlements.

APEX Audits

Recently, STA member organizations and their issuer clients have received numerous requests for information from Abandoned Property Experts ("APEX") pertaining to auditing unclaimed property records. Many of these requests are multi state demands that have included: Arizona, Arkansas, Florida, Illinois, Maine, Michigan, Missouri,

New Hampshire, Nebraska, North Carolina, Oregon, South Carolina, South Dakota, Tennessee, Texas and Virginia.

The audit requests received have been very general in nature and raise many concerns for our members:

- The basis for initiating the audit
- The resources needed to produce the requested information;
- Whether the information is encrypted and meets strict security standards for the transmission of NPPI;
- The duration of the audit;
- Cost and fees for supporting and responding to these audit requests;
- The perceived lack of structure and limited processing capabilities of APEX.

Recognizing the importance of efficient and accurate audits, the STA Unclaimed Property Committee will be working on a set of guidelines designed to assist our members and audit firms with this goal. Until these guidelines have been finalized, we respectfully request that the states involved direct APEX to provide our members more specific information pertaining to the above concerns.

Thank you in advance for addressing our concerns. We appreciate any suggestions you may have with these or any other issues. Should you wish to discuss the items raised in this letter, please contact me at (781) 575-2825.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Griffith', with a large, stylized flourish at the end.

Paul Griffith
Chairperson, Unclaimed Property Committee
The Securities Transfer Association, Inc.