

Securities and Exchange Commission
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Chris Barnard

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- **17 CFR Part 240**
- **File No. S7-11-11**
- **Proposed amendments to Rule 17Ad-17; Transfer agents', brokers', and dealers' obligation to search for lost securityholders; paying agents' obligation to search for missing securityholders**

Dear Sir.

Thank you for giving us the opportunity to comment on your proposed rule: Proposed amendments to Rule 17Ad-17; Transfer agents', brokers', and dealers' obligation to search for lost securityholders; paying agents' obligation to search for missing securityholders.

Section 929W of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) added subsection (g), "Due Diligence for the Delivery of Dividends, Interest, and Other Valuable Property Rights" to Section 17A of the Securities Exchange Act of 1934 (Exchange Act). Subsection (g) directs the SEC to revise Exchange Act Rule 17Ad-17, "Transfer Agents' Obligation to Search for Lost Securityholders" to: extend to brokers and dealers the requirement of Rule 17Ad-17 to search for lost securityholders; add to Rule 17Ad-17 a requirement that "paying agents" notify "missing securityholders" in writing that the paying agent has sent the missing securityholder a check that has not yet been negotiated; add to Rule 17Ad-17 an exclusion for paying agents from the notification requirements when the value of the not yet negotiated check is less than \$25; and add to Rule 17Ad-17 a provision clarifying that the written notification requirements shall have no effect on State escheatment laws.

I fully support your proposed rules here. It is entirely appropriate that transfer agents, brokers and dealers, and paying agents should be required to carry out reasonable due diligence in

order to search for lost or missing securityholders. This is a sensible, clear and effective proposal, which should visibly act to improve investors' and the public's confidence in the integrity of markets. It will also improve market efficiency by facilitating all investors to get the maximum utility out of their investments.

Although the proposed rules apply to all brokers and dealers, I also agree that in practice only brokers and dealers that carry securities for customers should be subject to the new rules. This is appropriate.

Finally I do not believe that the new term "missing securityholder," and its related requirements and timeframes will be confused with the rule's existing term "lost securityholder" and its related requirements and timeframes. "Lost securityholder" and "missing securityholder" are distinct concepts with pretty clear and simple definitions.

Yours faithfully

Chris Barnard