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May 9, 2011

Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street., N.E.
Washington, D.C. 20549 J
Sent via e-mail: rule-comments@sec.gov - File No. S7-11-11

Re: Comments - Release No. 34-64099; File No. S7-11-11]
RIN: 3235-AL11: 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

R & L Associates Law LLC (R&L), by its President Prescott Lovern,
respectfully files these comments in the Proposed Rulemaking change to
Rule 17Ad-17, regarding the requirements, specifically for dividends to be
classified as legally abandoned by its owner.

The Proposed Rule change is a blatant attempt by SEC personnel to cover-
up massive fraud committed by Transfer Agents / Stock Issuing Companies,
and, massive malfeasance by SEC personnel, inclusive of SEC Lawyers and
the Commissioners.

R&L requests that this Proposed Rule change be scraped and the process
start over to prevent and avoid serious litigation against SEC personnel, and,
unbelievable injustice to victims of fraud.

Footnote 5 of the Proposed Rule states:

Rule 17Ad-17(b)(2) defines a “lost securityholder” to mean “a securityholder: (i) to whom an item of correspondence that was sent to the securityholder at the address contained in the transfer agent’s master securityholder file has been returned as undeliverable; provided, however, that if such item is re-sent within one month to the lost securityholder, the transfer agent may deem the securityholder to be a lost securityholder as of the day the resent item is returned as undeliverable; and (ii) for whom the transfer agent has not received information regarding the securityholder’s new address.”

“Returned as undeliverable” means from the Post Office. I can tell you that no Transfer Agent, or State, that I have personally spoken to who has received alleged dividends, can produce any actual proof that the current Rule, 17Ad-17(b)(2), has been complied with in conjunction with missing / stolen dividend[s] in question.

We have a client who had over 35 dividend payments stolen from her [One Transfer Agent – Two Companies] and the Companies in question, and the State in question, cannot provide proof of compliance with the current SEC Rule.

The State had this ridiculous theory that their state escheatment laws take precedent over 17Ad-17 et seq., as if federal preemption doesn’t exist. I explained to the State and SEC that the State is not a party to the “Contract” between the Company selling the stock and the buyer who illegally lost their dividends.

The SEC in this Proposed Rule states in Footnote 15;

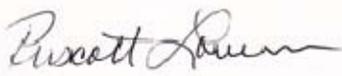
Generally, after expiration of a certain period of time, which varies from state to state but is usually three to seven years, an issuer or its transfer agent must remit abandoned property (e.g., securities and funds of lost securityholders) to a state’s unclaimed property administrator pursuant to the state’s escheatment laws. [emphasis]

WRONG! Only if the federal requirement under 17Ad-17 et. seq. for abandonment has been met. It's not a coincidence that the SEC Division of Trading & Markets, who covered up massive fraud associated with stolen dividends, immediately elected to issue this Proposed Rule to try and eliminate federal preemption subtly, via **Footnote 15**. I can only assume this was done in an effort to try and get in synch with the States to slide under the radar beginning in 1998 to present day. Be assured it will not work because if this Rule is adopted as written, we will sue all appropriate Parties at the SEC both officially & individually.

It is time the SEC stops playing games and stops covering-up fraud simply because they failed to do their job. Congress has no idea how many people have had their dividends stolen by lazy, corrupt Transfer Agents who hire third parties to verify so-called abandonment, and these third parties never check anything except out-of-date address lists. They never check to see if the law has been complied with, nor do the State or the Transfer Agent, and the SEC stands by and does NOTHING.

The Commissioners need to stop this fraud and start over.

Yours truly,



Prescott Lovern
President