



THE UNCLAIMED PROPERTY LEDGER

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CURRENT EVENTS

SMS Vanacore Announces New Name & Appoints CEO Outside Investment to Expand Capabilities & Service

New York, NY -SMS Vanacore, a global leader in the field of unclaimed property and owner locations services, on December 31, 2008, changed its name to Venio LLC, and appointed Michael O'Donnell to the newly created position of CEO. The changes are driven in part by a recent financial investment in the company by DFW Capital Partners, a private equity investor that seeks opportunities to develop companies which demonstrate high-growth potential; particularly, those that utilize technology in a proprietary or unique way.

"The investment in our company at this time is significant," notes Nick Nichols, Executive Vice President. "It reinforces the confidence we have in our business model and strategy, which remains centered on providing our clients with the best search results and compliance services."

Michael O'Donnell, a business executive with over 20 years of experience managing companies in the professional services and IT industries, has been chosen to guide Venio's strategic vision and mission during this expansion phase. Mr. O'Donnell has a proven record of successfully leading privately held companies through mergers and acquisitions, and managing investment capital for continued long-term growth. Venio's existing management team will remain unchanged.

While Venio builds on its strength in the unclaimed property marketplace and further expands its vertical industry market expertise, clients will experience the same dedicated, personal level of service and support they have come to expect. More information on Venio's unclaimed property services and support can be found at www.venio.com

Venio is pleased to announce the additions of Lisa Andersen and John Amodeo. Lisa Anderson, with more than 24 years of experience in insurance, annuities, mutual funds and brokerage operations, has joined Venio from Ameriprise Financial, Inc. Most recently, Lisa served as a Director in the Client Service Organization, where she led teams in assisting clients through major life events. Lisa also held key managerial assignments in administering abandoned property across Ameriprise.

John Amodeo came to Venio after more than 22 years at HSBC where he was a market manager specializing in retail products and services. John's focus included the growth of the retail and commercial segments as well as ensuring service levels across 20 branches. During his tenure, John served as a regional representative responsible for setting customer service standards and as a member of an operational task force charged with ensuring compliance of retail policies and procedures. John is a graduate of the Consumer Bankers Association for Executive Retail Bank Management where he was educated on executive retail operations, including, retail bank profitability analysis, risk management and competitive product analysis.

Events

Recently, we sponsored and exhibited at the Unclaimed Property Professionals Organization (UPPO). At the conference Christa DeOliveira, Venio's Chief Compliance Officer, spoke with Sheryl Flaherty of WellPoint, on taking due diligence to the next level. During the business meeting at the conference, Christa formally became the Second Vice President of UPPO. Venio hosted its fourth annual cocktail party this year, featuring their signature cocktail, the Ventini!

From March 30 to April 1 Venio will be exhibiting at The Life Insurance Conference in Orlando, Florida.

We will be exhibiting at the Open Solutions Client Solution Expo from April 27-29 in Las Vegas, Nevada.

Venio will be attending the Investment Company Institute (ICI) membership meeting in Washington D.C. from May 5-6.

From June 7-10 we will be exhibiting at the National Investor Relations Institute (NIRI) Annual Conference in Hollywood, Florida.

Venio is excited to be a Platinum Sponsor for the Shareholder Services Association (SSA) Annual Conference being held from July 15-18 in Coeur d'Alene, Idaho. Nick Nichols, Venio's Executive Vice President, and Mike Ryan, Venio's Senior Vice President, will be making a brief presentation.

ABOUT VENIO



Venio finds owners of unclaimed property for banks, brokerage firms, mutual funds, insurance companies, transfer agents and publically held companies. Its search and location, reporting and risk management services ensure compliance with SEC regulations and state laws, reduce expenses and improve customer and asset retention. With over 45 years of experience, Venio has recovered and restored hundreds of millions of dollars in unclaimed property for clients and their customers.

HOT TOPIC

Conversations with Mike O'Donnell and Nick Nichols about Venio

By Christa DeOliveira, CIA, CCEP

What brought you to Venio?

Mike O'Donnell, CEO: DFW Capital Partners LLC, a private equity firm, invested and took a controlling interest in two commonly controlled companies – SMS Vanacore and Jaisan on December 31, 2008. I had previously been CEO of two of DFW's portfolio companies and they asked me to assist them in their business due diligence for this investment. Obviously, they subsequently asked me to join as CEO to lead the integration of the companies, drive the growth of the businesses and to continue to enhance the value proposition of the business to its customers, employees and stakeholders.

What were your initial goals at Venio?

Mike O'Donnell: Goal number one has been to integrate the outstanding employees of the separate operations into one cohesive unit under the new Venio LLC banner. With an outstanding executive team already on hand, it was an easy task to accomplish and to carry on keeping the combined organization's focus on continuing the excellent customer service that they have always been recognized for. In addition, we needed to integrate the various processes, procedures and IT systems of the different organizations. I also felt that to achieve our longer term goal of becoming the premiere service provider in our niche that we needed to expand our executive team, as well as add staff in key areas to keep pace with our significant revenue growth over the past year, as well as our

expected continued growth in the future. In these troubled times, Venio is bucking the trend, increasing our staff 35% over the past months to meet our customer service objectives as well as to handle the transaction growth of the organization.

Can you tell us about any key initiatives in your first 90 days?

Mike O'Donnell: A key initiative that benefits all of our customers and all of our staff is the immediate investment that was made to upgrade many aspects of our technology platform. We have already invested over \$500,000 with much more planned. We have upgraded our hardware infrastructure, specifically in the processing and storage areas. We also upgraded to state-of-the-art security software to continue to protect our clients' data. We are shortly rolling out a new enhanced and customized CRM system as well. In addition, we made substantial improvements to our staff working environments. There are a number of additional planned investments this year. IT will be a key driver in our business model and value proposition going forward and we will continue to invest and enhance our systems and technology to achieve the greater internal efficiency and customer satisfaction.

How did you pick the name "Venio"?

Nick Nichols: Picking a name is not an easy task! We solicited ideas from employees, while also engaging a marketing firm for assistance. Ultimately, Venio was selected. Venio is taken from the Latin "invenio" which means to come upon, find, discover. In addition to Venio fitting nicely with our core business, it's also fairly unique both in print and on the web. Finding a name that does not return numerous options when you run a Google search was very fortunate.

What's the most difficult part of launching a new brand?

Nick Nichols: I'm not sure there is a most difficult part, as it's all time consuming and critical to get right. From logo selection to tag lines, new collateral development and trade-show materials; everything needs to be coordinated with a consistent message. Plus, people have known us as "SMS" and "SMS Vanacore" for several years. Those names built up tremendous brand recognition and respect, so communicating a name change effectively to the markets is imperative. The last thing you want is people that knew SMS Vanacore well to say, "Venio? Never heard of them".

As a founder of SMS, how do you feel about the transaction with DFW and the man sitting next to you?

Nick Nichols: I take great pride in the fact that we started SMS with 5 people and managed to become one of the premier names in unclaimed property with over 50 people in just a few years. As SMS Vanacore, we did an excellent job of growing while maintaining service excellence, but to reach the next level, you need people that have done it before. So, the experience and resources Mike brings to the table are invaluable to us. Additionally, the commitment to make substantial investments in resources and technology, as he mentioned has me very excited about the future. The fact that we've added more than 15 people in the last 3 months further reflects this commitment.

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CONTRIBUTOR'S CORNER

Caring about Unclaimed Property: A Win for Everyone

by Bernadette Maffei

When it comes to unclaimed property, from the perspective of investor relations, the task of tracking down the owner can seem daunting. But doing what's right for the shareholder is not difficult or costly, and it can actually become a win for everyone.

First, let's consider how unclaimed property comes to be. It's often a byproduct of transactions such as mergers, acquisitions, stock splits or reverse splits that can leave shareholders with small or fractional positions in companies for which they may not even have an affinity. Shareholders may not realize that they have received a position in a different company or that action on their part is required, while the transfer agent and the company issuing the securities are left with the unenviable task of keeping tabs on these shareholders.

Without an easy and inexpensive option to liquidate their positions, these shareholders often place the stock to the side and forget about it. They may not think to cash a small divi-



dend check in a timely fashion; they may change their name or they may move. Under these circumstances, their account can quickly fall into a lost or inactive status.

When a shareholder account does fall from active status, it can be a loss for the shareholder as well as a burden for both the issuer and the transfer agent.

For shareholders, there is a risk that they will become separated from an asset that they do not know exists, do not realize they need to take action on or have forgotten about entirely. If a shareholder realizes the problem too late, he or she is left to track down the asset with the state and determine any tax consequences. For the issuer, there are expenses incurred to re-mail checks and to perform costly semiannual searches for shareholders, both of which are required by regulators, under SEC 17 Ad-17. At the same time, the transfer agent experiences a workload imbalance as call and mail volumes spike with account maintenance inquiries from shareholders who are uncertain about the status of their account or certain assets.

Second, let's look at what companies issuing securities can do to solve the problem. By putting in place the simple practice of searching for lost shareholders on a regular schedule, issuers can clean up their files by purging bad addresses and outdated information. Shareholders are alerted to their holdings and can decide how they want to manage their assets and transfer agents can concentrate more of their efforts on active accounts.

Lastly, who wins? The answer is everyone.

Happy shareholders are reunited with their assets. They can concentrate their efforts on managing a complete and active investment portfolio, rather than spending time on the phone or online inquiring about the status of their assets or worrying that mailings may have gone to an old address.

Companies issuing securities see a benefit to their bottom line. They experience a decline in mailing and call center costs when there are accurate, up-to-date records on file for their shareholders. Dividend and proxy mailings become more efficient and the number of re-mails is reduced. Additionally, the risk of fraud is reduced for both the issuer and for shareholders when records are kept up to date.

Transfer agents are able to manage their workload more effectively. There is less volatility in the number of calls and emails because there are fewer shareholders inquiring about uncertainties in their account status or asking why they haven't received a mailing. At the same time, more of the transfer agent's resources can be concentrated on serving current accounts and making sure those customers are satisfied with the service they are receiving.

Finally, both the issuer and the transfer agent share in the feeling of goodwill that shareholders express after successful efforts to find them and reunite them with their assets. So, it's a win for everyone.

Bernadette Maffei, is a Director, Investor Relations for Comcast Corporation. She has been with Comcast since 2002, when the company's shareholder base jumped from 200,000 to 3.1 million shareholders. She currently manages the transfer agent and registrar activities for approximately 800,000 retail shareholders.

To subscribe, ask questions or submit suggestions, please send an email to newsletter@venio.com.

LEGISLATIVE UPDATES



This web edition includes highlights of recently passed legislation impacting unclaimed property and gift cards; it does not convey legal advice. Previous legislative updates are available in the first and third quarter online editions of our newsletters at www.venio.com/news.html. (Budgetary legislation is only cited when there are peripheral provisions that might be of interest.)

HAWAII

HB 2559 effective 7/1/09: This legislation establishes a new Uniform Unclaimed Property Act based on the Uniform Unclaimed Property Act of 1995. The entire legislation can be reviewed at [www.capitol.hawaii.gov/session2008/bills/HB2559_SD1 .htm](http://www.capitol.hawaii.gov/session2008/bills/HB2559_SD1.htm).

ILLINOIS

HB 5904 signed 8/14/08: If medals awarded to U.S. military personnel are delivered to the Treasurer in compliance with unclaimed property laws in the contents of a safe deposit box, those medals shall not be offered for sale or at public auction. Medals shall only be returned to the owner of the safe deposit box or the heirs of that owner.

HB 2636 effective 7/1/2009: Limits fees that can be charged to assist in recovery of pre-estate property to 25% for living owners and 33% for deceased owners. Legislation requires written disclosure discussing eventual delivery to state administered unclaimed property program and the ability to recover from the program without a fee and other required disclosures.

KENTUCKY

HB 406 effective 7/1/08: Budgetary legislation that includes a reduction in dormancy period for property held by banking or financial institutions to 3 years from 7. This does not apply to traveler's checks; the dormancy period for traveler's checks is 7 years. The Secretary of Finance and the Administration Cabinet shall determine when to initiate the sale of securities based on the market structure and the financial status of Kentucky. The legislation also directs that the proceeds from the sale of unclaimed securities, net of estimated claims to be paid, to be made available to the general fund during the 2008-2010 biennium.

MAINE

HB 1651 effective 7/1/08: The state treasurer shall implement a policy for the sale of unclaimed shares of stock as authorized by sale under current law. The policy must require the liquidation of all of the shares of stock held in custody as unclaimed property on or about July each year and after advertisement in a newspaper of general circulation in the state. Proceeds from that sale must be transferred to the general fund, not earlier than December 1st of each year.

MICHIGAN

HB 4050 signed 7/10/08: This legislation prohibits retailers from refusing to accept gift certificates, except after an expiration date, which must be at least 5 years after the purchase date. It also prohibits restricting the bearer of a gift certificate from using it in any manner that is consistent with the terms and conditions, altering terms and conditions after purchase or failing to accept a certificate and apply it to a purchase when the remaining value is less than the total purchase price.

HB 4317 effective date 11/1/08: Prohibits retailers from assessing an inactivity fee or other similar service fee for the possession or use of gift certificate. Fees charged to and paid by consumers at the time of sale are excluded unless said fees are deducted from the face value of the certificate. Unfair, unconscionable and deceptive methods, acts and practices in the conduct of commerce and trade are unlawful; see legislation for specific listings and potential consequences of violations.

HB 4680 effective date 11/1/08: Prohibits retailers of goods or services from selling a gift certificate with an expiry period of less than 5 years.

SB 388 effective date 11/1/08: Amends several sections of the current unclaimed property law; it provides a series of definitions. A gift certificate, gift card or credit memo is presumed abandoned if: it is not claimed or used for a period of 5 years after becoming payable or distributable, or the certificate, card or memo was used 1 or more times without the full value having been exhausted and was subsequently not used for an uninterrupted 5 years.

A gift certificate or card is considered to have been used if there is any transaction initiated by the buyer or owner; whereas, activity initiated by the issuer such as assessing inactivity fees is not considered as use of the certificate or card. For gift certificates and gift cards the owner is considered to be the gift recipient and the amount presumed abandoned is the original purchase price, less any fees assessed against it. For a credit memo the amount presumed abandoned is the amount credited to the recipient of the memo. This legislation does not apply to a gift certificate as defined in section 3e of the Michigan consumer protection act, 1976 PA 331, MCL 445.903e.

The legislation directs the expiration of the duration of when a claim for money or property can be made as specified by contract, statute or court order; it does not prevent the money or property from being presumed abandoned or remove the duty to report and deliver unclaimed property to the administrator. This subsection does not apply to gift cards or gift certificates.

NEBRASKA

LB 668 effective 7/17/08: A gift certificate or card which is not assessed any fees and does not have an expiration date shall not be presumed abandoned; this removes the previous restriction of only applying to cards and certificates with values of less than \$100.





NEW HAMPSHIRE

HB 1533 effective 8/29/08: Reports with 20 or more items shall be remitted in an electronic format; however, the administrator may waive this requirement when he or she determines that it creates an undue hardship. Any sale, including securities, held under this section shall be preceded by notice sent via First Class mail to the last known address of the property owner at least 30 days in advance of sale and a single publication of notice, at least 3 weeks in advance of sale, in a newspaper of general circulation for the county in which the property is to be sold.

Outlines how the administrator should consider claims for property if the administrator held in the name of a deceased owner and outlines when probate is appropriate, also sets dollar thresholds for various courses of action.

NEW YORK

SB 8650 signed 7/7/08: This legislation addresses unclaimed property lent to museums. Property lent to a museum becomes unclaimed if there has been no contact with the owner for at least 10 years from the date of the beginning of the loan, if the loan was for an indefinite or undetermined period, or for at least 5 years after the date upon which the loan for a definite period expired. For these properties, certain notice and publication requirements must be followed, including publication of the property on the unclaimed funds registry. Once the required steps have been observed a museum may acquire the rights to the property.

RHODE ISLAND

HB 7398 effective 7/4/08: Unfair Sales Practices Act amended, gift cards or prepaid stored value cards issued by a state-chartered financial institution, credit union or by third party

issuers for cards that are usable at multiple, unaffiliated merchants or service providers are excluded from this act, providing that they comply with necessary disclosure and marketing guidelines.

VERMONT

HB 588 effective 7/1/09: Property held by a museum that is not subject to a loan agreement and has been held for 10 or more years and has remained unclaimed during that time shall be deemed to be abandoned. The property shall become the property of the museum, provided the museum has given notice as required. Property in the possession of a museum subject to a loan agreement shall be deemed to be donated to the museum, provided no claim is made after the termination of the loan, the museum adheres to notification requirements, and no assertion of title is filed within the required timeframe responding to the notices.

VIRGIN ISLANDS

BILL 27-0161 effective 7/11/08: Adopted the 1995 Uniform Unclaimed Property Act, the full Act may be viewed at www.legvi.org/vilegsearch/ShowPDF.aspx?num=6999&type=Act.

VIRGINIA

HB 1313 & SB 137 effective 7/1/08: A holder that is a state-chartered credit union may refund charges or reverse or cancel those charges or retroactively credit interest with respect to such property to the same extent that a federally-chartered credit union is authorized so to do pursuant to applicable provisions of federal law.

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