

## **556.5 Stocks and other intangible interests in business associations.**

1. Any stock, shareholding, or other intangible ownership interests in a business association, the existence of which is evidenced by records available to the association, is deemed abandoned and, with respect to the interest, the association is the holder, if both of the following apply:

*a.* The interest in the association is owned by a person who for more than three years has neither claimed a dividend, distribution, nor other sum payable as a result of the interest, or who has not communicated with the association regarding the interest or a dividend, distribution, or other sum payable as the result of the interest, as evidenced by a memorandum or other record on file with the association prepared by an employee of the association.

*b.* The association does not know the location of the owner at the end of the three-year period.

2. The return of official shareholder notifications or communications by the postal service as undeliverable shall be evidence that the association does not know the location of the owner.

3. This section shall be applicable to both the underlying stock, shareholdings, or other intangible ownership interests of an owner, and any stock, shareholdings, or other intangible ownership interest of which the business association is in possession of the certificate or other evidence or indicia of ownership, and to the stock, shareholdings, or other intangible ownership interests of dividend and nondividend paying business associations whether or not the interest is represented by a certificate.

4. At the time an interest is deemed abandoned under this section, the following shall apply:

*a.* Except as provided in paragraph "*b*", any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously deemed abandoned, is deemed abandoned.

*b.* A disbursement held by a cooperative association shall not be deemed abandoned under this chapter if the disbursement is retained by a cooperative association organized under chapter 490 as provided in section 490.629, by a cooperative association organized under chapter 499 as provided in section 499.30A, or by a cooperative as provided in section 501A.1008.

5. This section does not apply to any stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless one or more of the following applies:

*a.* The records available to the administrator of the plan show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within three years communicated in any manner described in subsection 1.

*b.* Three years have elapsed since the location of the owner became unknown to the association, as evidenced by the return of official shareholder notifications or communications by the postal service as undeliverable, and the owner has not within those three years communicated in any manner described in subsection 1. The three-year period from the return of official shareholder notifications or communications shall commence from the earlier of the return of the second such mailing or the time the holder discontinues mailings to the shareholder.

[C71, 73, 75, 77, 79, 81, § 556.5]

84 Acts, ch 1295, § 9; 85 Acts, ch 195, §50; 91 Acts, ch 267, §628; 93 Acts, ch 178, §33, 34; 94 Acts, ch 1023, §116; 96 Acts, ch 1173, § 6; 2001 Acts, ch 142, §6; 2005 Acts, ch 135, §117