



## UNCLAIMED PROPERTY

BRENDA D. WILLIAMS  
DEPUTY TREASURER

December 21, 2018

The property finder business includes a business entity or an individual which has a primary purpose of locating, delivering, recovering or assisting in the recovery of property that is distributable to the owner or presumed abandoned. N.C.G.S. § 116B-78(a1). It is the N.C. Department of State Treasurer's (Department) position that in accordance with N.C.G.S. § 74C-3(a)(8)b and N.C.G.S. § 74C-3(a)(8)c, the North Carolina Private Protective Services Board requires a private investigator's license if a Property Finder, for a fee, makes inquiries or engages in any kind of investigation to determine the identity or whereabouts of any individual. You may contact the Private Protective Services Office at (919) 788-5320.

Pursuant to N.C.G.S. § 116B-78(f), a Property Finder must register each calendar year with the Department and must pay a \$100.00 non-refundable registration fee. The fee must be paid via check or money order. Please find attached a registration form for your completion. If the form is not fully completed, it will be returned to you for completion. *Your registration will not be processed until a fully completed registration form has been submitted, along with either a check or money order in the amount of \$100.00.* You will be notified if your registration has been approved or denied.

Also, please note, a Property Finder must follow the timing restrictions, disclosure requirements, fee cap, and *all* other requirements of N.C.G.S. § 116B-78 in order to legally operate within North Carolina. A copy of the statute is enclosed for your convenience.

In order for the Department to monitor your compliance with all of the requirements of N.C.G.S. § 116B-78, *you must submit a copy of the agreement you have with each property owner, prior to or along with the corresponding unclaimed property claim form.*

Additionally, a Property Finder should only generate or request an unclaimed property claim form after an agreement has been executed by the property owner. Once the Department receives the claim form and agreement, it may request that you provide additional information to enable the Department to authenticate and evaluate the claim. If you do not respond within 90 days from the date of such request, the claim will be discontinued, at which point a new claim, along with supporting documents, will need to be filed with the Department.

Thank you for your attention, and please be informed and reminded of the following:

- Submit a fully completed registration form along with a check or money order in the amount of \$100.00 in order to operate in the property finder business. Note: Registration confirmation from the Department should be received prior to executing contracts with potential owners of unclaimed property.
- Submit a copy of the executed property finder agreement you have with each property owner prior to, or along with, the corresponding unclaimed property claim form.
- Only generate or request an unclaimed property claim form after the execution of a proper property finder agreement.
- **Please note, beginning with agreements executed January 1, 2019 and forward, the Department will enforce the maximum allowed fee of 20% or \$1,000.00, whichever is less, for estates not subject to N.C.G.S. § 28A-22-11 (North Carolina estates ONLY). For estates not administered in North Carolina, the maximum allowable fee cap of \$1,000.00 would apply.**



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### § 116B-78. Agreement to locate property.

- (a1) **Agreements Covered.** – An agreement by an owner is covered by this section if its primary purpose is to locate, deliver, recover, or assist in the recovery of property that is distributable to the owner or presumed abandoned.
- (a2) **Void Agreements.** – An agreement covered by this section is void and unenforceable if it was entered into during the period commencing on the date the property was distributable to the owner and extending to a time that is 24 months after the date the property is paid or delivered to the Treasurer. This subsection does not apply to an owner's agreement with an attorney to file a claim or special proceeding as to identified property or contest the Treasurer's denial of a claim or a clerk's denial of a petition.
- (b) **Criteria for Agreements.** - An agreement covered by this section is enforceable only if it meets all of the following criteria:
1. Is in writing and clearly sets forth the nature of the property and the services to be rendered.
  2. Is signed by the owner, with signature notarized.
  3. Describes the property, which includes the type of property, the property ID held by the State Treasurer, and the name of the holder.
  4. States that there may be other claims to the property that may reduce the share of the owner.
  5. States the value of the property, to the extent known, before and after the fee or other compensation has been deducted.
  6. States clearly the fees and costs for services. Total fees and cost shall be limited as follows:
    - a. For an agreement covered by this section other than one covered by G.S. 28A-22-11, total fees and costs shall not exceed one thousand dollars (\$1,000) or twenty percent (20%) of the value of the property recovered, whichever is less.
    - b. For an agreement subject to G.S. 28A-22-11 by an heir, unknown or known but unlocated, the primary purpose of which is to locate or recover, or assist in the recovery, of a share in a decedent's estate, or surplus funds in a special proceeding, total fees and costs shall not exceed twenty percent (20%) of the value of the property recovered.
  7. Discloses that the property is being held by the North Carolina Department of State Treasurer's Unclaimed Property Program.
- (c) **Mineral Proceeds.** - If an agreement covered by this section applies to mineral proceeds and the agreement contains a provision to pay compensation that includes a portion of the underlying minerals or any mineral proceeds not then presumed abandoned, the provision is void and unenforceable.
- (d) **Means of Payment.** – Any person who enters into an agreement covered by this section with an owner shall be allowed to receive cash property, but not tangible property or securities, on behalf of the owner but shall not be authorized to negotiate the check made payable to the owner. Tangible property shall be delivered to the owner by the Treasurer, and securities will be reregistered into the owner's name.
- (e) **Other Remedies.** - This section does not preclude an owner from asserting that an agreement covered by this section is invalid on grounds other than as provided in subsection (b) of this section.
- (f) **Registration.** - Any person who enters into an agreement covered by this section with an owner shall register each calendar year with the Treasurer. The information to be required under this subsection shall include the person's name, address, telephone number, state of incorporation or residence, as applicable, and the person's social security or federal identification number. A registration fee of one hundred dollars (\$100.00) shall be paid to the Treasurer at the time of the filing of the registration information. Fees received under this subsection shall be credited to the General Fund.
- (g) **Unfair Trade Practice.** – In addition to rendering an agreement void and unenforceable, a failure to comply with the provisions of this section constitutes an unfair or deceptive trade practice under G.S. 75-1.1.



*Dale R. Folwell, CPA*

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<p><b>Property Finder Registration Form</b> <b>N.C.G.S. § 116B-78(f)</b> <b>Calendar Year 2019</b></p>	<p><i>DST Use Only</i></p> <p>Registration No: _____</p> <p>Date: _____ Approved by: _____</p>
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Registered Finder (Business Entity or Individual's Name and Title to appear on Finder Agreements):

\_\_\_\_\_

Address: \_\_\_\_\_

Primary Contact Name (if different than above): \_\_\_\_\_

Contact Telephone Number: \_\_\_\_\_ Contact Email: \_\_\_\_\_

FEIN \_\_\_\_\_ or SSN \_\_\_\_\_

Name of individual(s) authorized to negotiate contracts on behalf of Registered Finder. Attach listing if additional space is needed.

\_\_\_\_\_

Name of individual(s) contracted by Registered Finder which are registered with NC Private Protective Services Board. Attach listing if additional space is needed.

NC Private Protective Licensee Name: \_\_\_\_\_

NC Private Protective License Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

I certify that the information furnished herewith is true and accurate to the best of my knowledge and belief. I further certify that I have read N.C.G.S. §116B-78 and acknowledge that:

- I shall not enter into a contract to locate, deliver or recover property any time from the date the property is distributable and until after the NC Department of State Treasurer has held the property for at least 24 months.
- Agreements with owners must comply with all the requirements stated in N.C.G.S. § 116B-78(b). Noncompliant Agreements are unenforceable and any related claims will be **denied**.
- Total fees for the sum of all properties identified, regardless of the number of claims submitted, shall be limited to 20% or \$1,000, whichever is less, unless the agreement is subject to N.C.G.S. § 28A-22-11 (North Carolina administered estates ONLY), in which case, the fees shall be limited to 20%.
- Copies of individual agreements should be submitted to the NC Department of State Treasurer along with, or prior to the submission of corresponding claim forms.
- I may only generate or request an unclaimed property claim form after an agreement has been executed by the owner(s).
- All claims forms must be signed by the owner(s) before a notary.
- I have been informed of the Department's understanding that the Private Protective Services Board takes the position that a private investigator's license is required if a Property Finder, for a fee, makes inquiries or engages in any kind of investigation to determine the identity or whereabouts of any individual.

Print Name: \_\_\_\_\_ Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**INSTRUCTIONS:**

1. Form will not be processed unless all lines are properly completed and requested information is provided, including the \$100 non-refundable registration fee, via check or money order.
2. If request is on behalf of a business entity, provide evidence of position and/or authority of primary contact to act on behalf of the business entity.
3. The period of registration is the current calendar year or any part thereof and ends on December 31<sup>st</sup> of each year.