



Seapoint Probate Services – March 2018 Newsletter

The Irish Banks and share consolidations

All three Irish banks have now reissued their share certificates at least once since the crash in 2008 and in some measure done a consolidation of their shares.

Why do they do it? One of the reasons is to make their share price more attractive, taking the share price from low cents to something more attractive over a euro.

When a company does a consolidation the share price goes up by the factor of the consolidation, so in the case of Permanent TSB Group Holdings who did a 100 or part thereof for one share consolidation a pre-consolidation price of 5 cent would go to 5 euro

In the case of each of the consolidations the companies rounded up the entitlement so if you had 101 shares in Permanent TSB Group Holdings you would have received 2 new shares, the consolidation was 100 or part thereof for 1 new share.

The consolidations are as set out along with the details of the dates on the certificates to look out for, all certificates prior to these dates are invalid.

Permanent TSB Group Holdings – 100 or part thereof for 1 new share – Ex Date 13th April 2015, new certificates issued in May 2015

Bank of Ireland – 30 or part thereof for 1 new share – Ex Date 10th July 2017, new certificates issued in July 2017

AIB Group – 250 or part thereof for 1 new share – Ex Date 21st December 2015 – new certificates issue in January 2016 – however the company did a share re-organisation and new certificates were issued on a 1 for 1 basis on 8th December 2017, the new certificates were issued in December but only posted in early January 2018 and say AIB Group not Allied Irish Banks as all the previous ones do.



Bank of Ireland



 permanent tsb

Verizon – Administration in a deceased estate

As we know these shares are US assets as the transfer agent is located in the US since the end of February 2016, for those shares that came from shareholdings in Vodafone Group. US shares require a different process in order to note the death and one of the fixed costs in administering Verizon shares is the cost of a Medallion Stamp. Currently these cost Stg£200 per stamp. This is a fixed cost and it does not matter what the value of the shares is.

A Medallion Stamp is a bar coded stamp in special green ink that is issued by a member of the Medallion Stamp program, usually a US investment bank, that guarantees that the signatures on the transfer documents (which actually note the death, transferring the shares from the deceased shareholder to the executor/beneficiary) are genuine.

You can still use an Irish Grant of Representation, regardless of the value. The only other factor to watch is the value of the shares at the date of death, where the deceased was not a US citizen or green card holder and is what is regarded as a non-resident alien in the US, that the US situate assets do not exceed US\$60,000 at date of death, otherwise US Federal Estate Tax is payable and the deadline for the pay and file of this tax is 9 months from date of death, however the process can be started without the Irish Grant of Representation, so this is not an impediment to getting started and stopping the clock on interest and penalties that accrue for late pay and filing of this tax.

On the basis that all runs smoothly and there are no unexpected delays or issues, the average shareholding in Verizon that is worth under \$60,000 takes about 3 hours of my time to administer.

The maths is set out below

The Verizon Conundrum – small shareholdings

What do you do with small Verizon shareholdings? As with all small shareholdings from an administrative point of view the costs are fairly similar regardless if the shares are worth \$100,000 or \$100. The same process needs to be followed and associated costs.

However what do you do if the shareholding is not economical to administer the shares?

Luckily in the US you can abandon the shares and in the case of shareholdings that do not have a US address, the shares “escheat” to the State of Incorporation. (If the address on the shareholding is in the US they will escheat to the State of the location of the address). The time it takes for the shares to escheat varies from State to State but on average it is between 3 and 7 years.

In the case of Verizon the State of Incorporation is Delaware. Before the shares escheat you will be notified that they are going to escheat and if you do not want them to escheat, just follow the instruction in the letter, however if you do want them to escheat, do not reply, do not cash any of the dividends and generally ignore the shareholding.

Once the shares have escheated to the State, in the case of Delaware, they hold the shares for six months then sell the shares.

You can make a claim to the State of Delaware to claim back the Verizon shares on behalf of the estate, which for the most part can be done on-line via their web-site, which is easy to use, but it is a slow process as it is a very busy department. If you make the claim within the first six months you can claim the actual shares or their cash equivalent, after this period you can only claim back the value of the shares that was a result of the sale done by the State of Delaware.

Verizon cost of administration versus sale value						
				Ex VAT	VAT	Total
					450	553.50
	3 hours @ 150 + VAT					
	Medallion Stamp £200	Eur/Stg	0.8833			€ 226.50
	Sealed and dated court attested copy of the Grant of Representation					€ 20.00
						€ 800.00
	50 Verizon		48.26	\$2,413.00		
		Eur/USD	1.235	€ 1,953.85		€ 1,153.85
						€ 100.00
						€ 1,053.85