

1975 WL 28993 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

July 7, 1975

***1 Re: Peat, Marvick, Mitchell & Company—Audit of the S. C. Retirement System as of June 30, 1974**

Honorable Purvis W. Collins
Director
S. C. Retirement System
Bankers Trust Tower
P. O. Box 11960
Columbia, South Carolina 29211

Dear Mr. Collins:

You have requested certain information regarding the Retirement System as of June 30, 1974. In compliance with your request, the following information is given:

1. As of June 30, 1974, there were two lawsuits pending against the Retirement System.

(a) Nickpeay v. The South Carolina Retirement System, et al.;

(b) Arthur M. Speights v. S. C. Retirement System, et al.

The Nickpeay case involves a claim for payment of forged endorsements. This case is due for trial in the very near future and should result in no liability for the South Carolina Retirement System, the liability for the forged endorsements falling upon the collecting bank. The Speights case involves a claim for additional monies due a retired member of the System under an option. This case has just been argued and summary judgment denied the plaintiff. It is my opinion that this case will also result in no liability for the South Carolina Retirement System.

Additionally, you have requested an opinion as to the effect the State Escheat Laws have on the Retirement Funds. The recently enacted 'Disposition of Unclaimed Property Act,' S. C. Code § 57-240.1, *et seq.* (1962), would cover the South Carolina Retirement System. Specifically, Code § 57-240.8 would seem to include the South Carolina Retirement System. Therefore, it is the opinion of this Office that the South Carolina Retirement System would come under the 'Disposition of Unclaimed Property Act' and be subject to its requirements.

Finally, you have asked for an opinion as to whether or not securities purchased in compliance with South Carolina Code § 1-797 (1962) must continue to comply with that section for the period of time the South Carolina Retirement System holds these securities as investments. It is the opinion of this Office that Code § 1-797 requires that all funds invested by the State Budget and Control Board, to include the funds of the South Carolina Retirement System, shall meet the requirements of Code § 1-797 at all times and that when a security purchased, meeting those requirements, subsequently fails to meet those requirements that that security can no longer be held and must be replaced.

Sincerely,

A. Camden Lewis
Assistant Attorney General

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