

Title:

Changes In The World Of Transfer Agents - Good News For Issuers

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Summary:

Unfortunately the relationship between transfer agents and the companies and investors with which they do business isn't always peaches and cream. As of late, it seems as if the industry is suffering - overcapacity, lack of trained service people, and ill communication between agent systems have led to frustration on both ends. But that doesn't mean there isn't any good news in the world of transfer agents.

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Article Body:

Unfortunately the relationship between transfer agents and the companies and investors with which they do business isn't always peaches and cream. As of late, it seems as if the industry is suffering - overcapacity, lack of trained service people, and ill communication between agent systems have led to frustration on both ends. But that doesn't mean there isn't any good news in the world of transfer agents.

For instance, the Securities Transfer Association (STA) now has a website offering information for investors and there is a trend toward strengthening agent systems to avoid confusion, costly mistakes, and other problems that plague the transfer agent industry. Although every company does need a transfer agent, pressure from the competition (brokers and asset managers) will hopefully encourage the industry to improve current circumstances.

The transfer agent enterprise is actually a very simple one, so it's worthwhile to continue using the services it provides to your advantage. Transfer agents that know how to keep things uncomplicated and straightforward are coming to the forefront and, hopefully, will force everyone in the business to follow suit. With basic bookkeeping and accurate typing as the two primary facets of the industry, unnecessary complications should not bog down the business.

For the transfer agents who are beginning to do things right, it's a low cost

business that can truly provide a much-needed service to the investing world. In the past, huge fixed costs complicated the system, but now, efficiently run transfer agents that utilize modern technology don't have to spend a lot to keep afloat. And with the practice of mailing paper certificates disappearing, costs are being cut even more. A large staff, the most expensive part of any business, is no longer needed to type and mail these certificates. And the trend toward outsourcing means even more cost cutting.

In addition, more and more transfer agents are realizing that being on top of the game - doing things properly from the get-go, anticipating questions, providing answers before they're asked, and staffing knowledgeable employees - lowers costs and benefits for everyone. As the industry as a whole becomes a well-oiled machine, transfer agents are expected to impress instead of disappoint.

Another auspicious trend is the movement in the direction of consolidation. As transfer agents merge and simplify the business, it is hoped that the state of the industry will improve and savings will be passed on to all involved in the process.

Working with a transfer agent will remain a viable option as long as investing continues to increase. If current trends are any indication of the future, troubles with transfer agents have the potential to become a thing of the past.