



Salli Marinov

By Rebecca Larsen

In explaining to those outside the industry what a stock transfer agency does, Salli Marinov uses the example of a fictional company, Whimsical Whirligigs, that transforms “political hot air” into true energy.

“It started out as a privately held company with shares held by family and friends, but there was such an abundance of hot air that the company was able to grow quickly and the number of shareowners who wanted to buy shares grew as well. There were so many shareholders, in fact, that they couldn’t keep track of all the shares,” said Marinov, president and CEO of First American Transfer Co., Inc., in Phoenix.

Transfer agencies are paid for services rendered and do not earn commissions as stock brokers do. First American Stock Transfer is in good standing with the SEC and like similar agencies is subject to unannounced visits by the SEC to examine the agency records.

“Then Whirligigs decided to do a public offering. They weren’t large enough for the AMEX so they decided to go onto NASDAQ. Making a move like this definitely requires that a transfer agent be involved, by law, and Whimsical Whirligigs was lucky they had already hired one. In order to make their public offering, the company’s first registration statement must give a full history of every share issued, what type of exemption was used for the initial issuance, as well as when and to whom each share was ever transferred. This the transfer agent had already done.” (In the fine art field, this is what is known as provenance.)

Marinov also used this example in her book — “A Practical Guide for the Transfer of U.S. Equity Shares.” Now sold on Amazon, the book, published in 2010, is considered by many in the industry to be a great guide for investors and even for those new and old to the transfer agency business. The book is part of Marinov’s mission to educate her clients while providing them with fast and efficient stock transfer services.

Her company, First American, services 485 companies, and acts as the conduit for FAST/DWAC processing for another 60 companies, that are clients of other transfer agents. First American is one of the most active transfer agencies in the West, Marinov said. The company was started by her father, Philip Young. But he completely retired in 2005 and, since she has been in charge, it has more than doubled in size.

Overall, Marinov has in excess of 30 years of experience in the securities industry ranging from cage accounting to retail brokerage to wholesale inventory trading. She has worked for such firms as AMT Securities and Young, Smith & Peacock as well as Bateman Eichler, Hill Richards in Los Angeles. At one point she also owned her own school tutoring stockbroker initiates to pass their Series 7 and other exams.

But she points out that she has done some very different things in her life, besides working in the field of finance.

“When I was very young, I was a bit of a ‘Contrarian,’ like the character riding his horse backward in the movie ‘Little Big Man,’” she said. “I was an angry teenager who was sent away to boarding school in Palm Springs for a while.”

"I like to come into work every day. I enjoy the challenge of figuring out solutions to difficult situations and continuing to help others."

But she learned to cope with some of that in her 30s, when she and her former husband joined the Navy. She learned the value of compliance, she said, but retained her entrepreneurial ability to "think outside the box." Serving in the Navy more than eight years, she became a counselor helping service people with drug and alcohol addictions. This is where her love of helping others truly blossomed.

"I liked what I was doing; I could really connect with people," she said. So after the Navy, she became an addictions counselor and later a probation officer for Maricopa County. "I supervised people who had felony probations, some of whom were sex offenders on lifetime parole."

All this background has increased her skills in working with clients – particularly in today's economy. "We want to help people. We can jump in where they're at and help them," Marinov said.

Due to the recent business upheaval, small and mid-cap issuers are facing many more struggles with demands from regulators, she noted. Unlike larger companies, these smaller companies can't use well-paid legal counselors to help them untangle red tape.

"DTC (Depository Trust & Clearing Corp.) has put onerous burdens on small cap issuers," she said. "We can often show them what route to follow in the situations they run into with FINRA (the Financial Industry Regulatory Authority) or DTC. We have a lot of contacts at these agencies, and, although not always successful, we can usually intercede and find a level playing field somewhere." Though she was careful to note that First American is not a law firm and can't give legal advice.

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Here are just some of the many services that First American can provide:

- Making sure that a company's master control book is properly maintained, that all debits and credits balance, that every issuance is authorized under law, and that there is never an issuance over and above the amount of shares authorized.
- Insuring that all parts of the law are covered in both the issuance of shares as well as the removal of any restrictions on any shares.



- Performing searches for lost shareholders, reporting lost certificates to the proper agencies, and following individual state escheatment laws.
- Handling proxy distribution and annual meeting election and voting.
- Making sure that the history of the ownership of all shares is properly presented to "market makers" who must present the information to FINRA.
- Changing registration for shares, upon presentment of proper supporting documentation.
- Helping clients file for new CUSIP (Committee on Uniform Securities Identification Procedures) numbers and verifying information for FINRA on corporate actions.
- Providing guidance in submissions to achieve DTC and FAST eligibility. FAST is an acronym for Fully Automated Stock Transfer software processing system, the system used by the DTC.

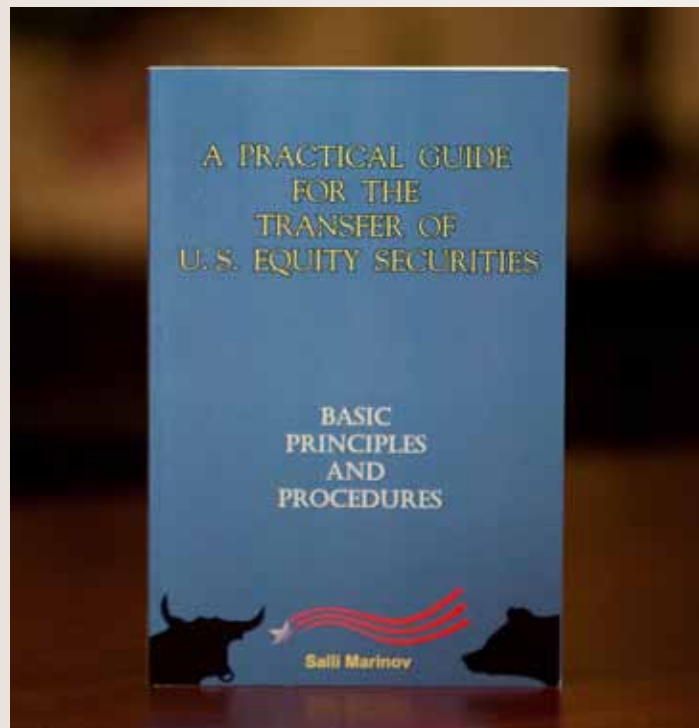
The size of a company is not a problem for Marinov's firm, which has clients trading on the AMEX but also on PinkSheets and the OTC Bulletin Board. "We can handle companies with hundreds of thousands of shareholders, take care of their dividends and handle their stock option plans," she said. "We've also participated in three initial public offerings over the last eight months."

"It is one of the best, easy to read, reference books I have seen."

— James Alden, Director of Shareholder Services for the Walt Disney Co.

Management of Marinov's company includes senior vice president John Lorenzen, previously of the Bank of America and still certified by the Institute of Certified Bankers as a corporate trust specialist, and, James Ebentier, a senior financial executive with over 45 years of diverse experience in accounting, financial planning, consulting, cost control management, data processing systems development, tax return preparation and forensic accounting. In addition, Marinov has built a wide national network of business support resources familiar with the transfer industry, specifically.

The stock market losses of 2008 hurt business at transfer agencies as well, but Marinov has seen a definite improvement in business recently. She has added 14 clients since the first of the year. "I do think things are picking up again," she said.



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With growth improving and the need for new capital increasing, small and medium size companies do need to think about hiring the services of a transfer agency. "I'd suggest that any corporate attorney needs to urge his client to seek out a transfer agent sooner rather than later once the company reaches the size of about 30 shareholders," Marinov said. "They need to seek out a firm that is very familiar with SEC regulations. Getting companies through the public process is difficult and sometimes tiresome, but it always starts with the registration statement, an attorney familiar with securities law, sometimes an underwriter, an auditor AND a credible transfer agent."

Another reason for seeking out a transfer agent, she noted, is that transfer agencies are always on top of changes in the law: "Tax, legal, financial information – we bring it all together."

Many attorneys, their paralegals and their clients are not familiar with the transfer agency process and don't understand FAST, she noted. In part, that's why she wrote her book, "A Practical Guide for the Transfer of U.S. Equity Securities."

"The book came out with a bang, and it's being used by many transfer agents for training new hires," she said. "Corporate officers can also read it to help them determine whether their transfer agency is doing a proper job for them and it provides additional reading material for college courses dealing with equity investments."

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Marinov, who also serves on the board of directors of the national Securities Transfer Association and Chairs the Small Agents Committee, has received many accolades for the book.

"It is one of the best, easy to read, reference books I have seen," said James Alden, Director of Shareholder Services for the Walt Disney Co. "The content in the book would normally take 500 pages to write in any other reference book I've used in the past. For me, the glossary is one of the highlights of the book with every acronym and definition you could ever think of covered."

"If you are responsible for stock transfer services, or if you deal with shareholders, transfer agents or stock plan service providers at a publicly traded company – or if you work with any Wall Street people, for that matter – this is an invaluable desk reference and training aid," said Carl Hagberg, consultant and publisher of Shareholder Service Optimizer.

Despite the complexities of her job, Marinov has an active personal life. In 1990, she and her then-husband adopted a Romanian child, Marissa, who is now 20 and attending college. "She'll inherit this business someday, but she wants to strike out on her own now," Marinov said.

Later in her career, Marinov would like to spend time in pediatric wards helping children write stories which she will publish quickly and offer back to the children with their drawings and ideas properly credited to each child, in paperback form.

In counseling, she previously worked with clients helping them write stories "in-the-round." "One person starts the story and others keep adding to

it until you go all the way around a group," she said. "I could do this for these children and put all their offerings together and then publish it overnight to give to them and their parents."

But for now, she said, "I like to come into work every day. I enjoy the challenge of figuring out solutions to difficult situations and continuing to help others."

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