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December 11, 2007

**RE; PROPOSED ARTICLE 9 STATUTORY CHANGES TO THE NATIONAL
CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS**

To the Permanent Editorial Board for the Uniform Commercial Code,

On behalf of the International Association of Commercial Administrators (IACA), I would like to thank you for your prompt attention to the IACA proposed Article 9 statutory changes. We have reviewed your responses to the task force recommendations, as provided from the PEB meeting on September 27, 2007. Attached, please find the final version of IACA's proposed Article 9 statutory changes to the National Conference of Commissioners on Uniform State Laws (NCCUSL).

William Henning has informed IACA that the Permanent Editorial Board (PEB) is planning to undertake a broad study of the inconsistencies that have emerged since the original adoption of Revised Article 9. IACA was also advised that the PEB would prefer to make the IACA requests part of a broader package of revisions that results from the study. I would strongly recommend that IACA's four (4) proposed changes be considered immediately. These four (4) inconsistencies are detrimental to the accuracy of the public record maintained by a filing office and time is of the essence. Any additional delay will only lead to greater inaccuracy. Since the PEB has been quite responsive to our draft proposals in the past months, I trust we may expedite a resolution.

Finally, many of the IACA member jurisdictions have already passed their legislative sessions for this year. In order to allow for greater uniformity, the IACA Secured Transaction Section plans to present these proposed changes to its membership at the next annual meeting, in May 2008, in Salt Lake City, Utah. This will afford our membership sufficient time to present the changes to their respective legislative bodies, thereby allowing the IACA membership to implement the changes at relatively the same time.

Let us know if we may be of additional assistance and please notify us as this progresses.

Thank you,



Kelly L. Kopyt, Esq.
Secured Transaction Section Chair
International Association of Commercial Administrators

**International Association of Commercial Administrators (IACA)
Proposed Article 9 Statutory Changes to the National Conference of
Commissioners on Uniform State Laws (NCCUSL)**

December 11, 2007

1. **“Public Record” Definition:** This proposed revision intends to clarify the application of existing law. A public organic record is a record that is filed to form, organize, incorporate, or otherwise create an organization. If the organization is organized solely under the law of one state or the United States, it is a “registered organization” under this act. The term includes any amendments to or restatements of the original record that are filed publicly. The term includes the articles of incorporation of a business corporation, the articles of incorporation of a nonprofit corporation, a certificate of limited partnership, and a certificate of organization of a limited liability company. In those states where a record must be filed for another type of entity, such as a business trust or a cooperative, to come into existence, the record will constitute a public organic record and the entity will be a registered organization. The record must also be available to the public for inspection or copying.

Amend Section 9-102(a)(70): "Registered organization" means an organization (i) organized solely under the law of one State or the United States, and (ii) created by the filing of a public organic record with a governmental unit of the State or the United States.

Add 9-102(a)(67)(A): “Public organic record” means a record that is (i) filed with a State or the United States to create an organization, (ii) shows that the organization has been created, and (iii) is available to the public for inspection or copying. The term includes an amendment to or restatement of the record that is filed with the State or the United States and available to the public for inspection or copying.

Amend 9-503(a)(1): if the debtor is a registered organization, only if the financing statement provides the name of the debtor indicated on its public organic record;

2. **Claim Concerning Inaccurate or Wrongfully Filed Record (Correction Statements):** This proposed amendment intends to provide the filer, debtor and secured party with the ability to file a correction statement with respect an indexed record. IACA would like to keep the section title as “Claim Concerning Inaccurate or Wrongfully Filed Record” so as to avoid an unnecessary revision of the associated form.

Amend 9-518(a): (a) A person may file in the filing office a correction statement with respect to a record indexed there if:

- (1) the person believes that the record is inaccurate or was wrongfully filed, and
- (2) one or more of the following applies:
 - (i) the record is indexed under the person’s name;

- (ii) the person would have been entitled to file the record pursuant to Section 9-509; or
- (iii) the person filed the record.

3. Transmitting Utility Financing Statements: If a debtor is a transmitting utility that did not indicate as such on the initial financing statement, the standard lapse period would be applied by the filing office. Section 9-515(f) provides that the transmitting utility debtor may indicate its status on a “financing statement,” however, due to system limitations, filing offices are unable to change the lapse period when a financing statement amendment is filed. The correct lapse period must be indicated on the initial financing statement only.

Amend 9-515(f): Transmitting Utility Initial Financing Statement. If a debtor is a transmitting utility and a filed initial financing statement so indicates, the initial financing statement is effective until a termination statement is filed.

4. Uniform Form of Written Financing Statement and Amendment: Approved UCC forms have become increasingly inconsistent from one jurisdiction to the next. Many jurisdictions now require the use of a form quite different from that presented in Article 9. In order to encourage use of a standard form, IACA requests that the model forms be removed from 9-521 and reference be made to the IACA Recommended UCC Forms. IACA is diligent in revising its IACA Recommended UCC Forms and we are confident that we can encourage uniformity in the jurisdictions where such legislative delegation is lawful. Additionally, removal of the model form will encourage routine review and revision, when necessary.

Amend 9-521: Uniform Form of Written Financing Statement and Amendment.

(a) **Initial Financing Statement Form.** A filing office that accepts written records may not refuse to accept a written record in a form approved by the office [,nor may it refuse to accept a written record in the most recent form approved for nationwide use by the International Association of Commercial Administrators], except for a reason set forth in Section 9-516(b).

(b) **Amendment Form.** A filing office that accepts written records may not refuse to accept a written record in a form approved by the office [,nor may it refuse to accept a written record in the most recent form approved for nationwide use by the International Association of Commercial Administrators], except for a reason set forth in Section 9-516(b).