

# The Model Registered Agent Act from an IT Perspective

The start of a discussion on working together smarter



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# Introductions

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# Why MORAA

- Evolution in Platform, Evolution in Processes
- Efficient and Effective Bulk Updates to the Company Registry
- Every state is different. There is no one solution.

# History of MORAA

- MORAA grew from discussions within IACA between the Corporate Service Providers and the Filing Officers on how best to handle filing issues.
- NCCUSL, ABA and IACA worked together to draft MORAA.
- IACA represented by:
  - Timothy R. Poulin
  - Kelly Kopyt

# Who has adopted MORAA

- Arkansas
- District of Columbia
- Hawaii
- Idaho
- Maine
- Montana
- Nevada
- North Dakota
- South Dakota
- Utah



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# The Role of the Registered Agent

- The registered agent is an agent of an entity authorized to receive service of process on behalf of the entity

# The corresponding role of the filing office

- Facilitate service of process by maintain a list of entities, the entities authorized registered agent, and the address at which process can be delivered to the registered agent.

# Appointment of Registered Agent

- Traditionally, updating RA's information required the entity to file a "public organic document" - one document per update to the filing office's database.
- Under MORAA, updates to RA's information filed by RA, covering all companies represented by RA - Facilitating Batch Processing.
- Which makes the distinction between commercial and non-commercial RA significant.



# Commercial registered agent

- An individual or entity that is in the business of serving as a registered agent and that files a listing statement
  - Note: Commercial registered agents are the ones that submit batch jobs for tens of thousands of updates to the company registry. Non Commercial Agents are the ones who submit smaller numbers of transaction specific documents.

# Appointment of Registered Agent

- A registered agent filing must state either
  - The name of the entity's commercial registered agent; or
  - The name AND ADDRESS of the entity's noncommercial registered agent; or
  - The title of an office or other position with the entity if service of process is to be sent to the persons holding that office or position, and the address of the business office of that person.

# Appointment of Registered Agent

- For commercial registered agents, the filer does not have to provide the agent's address
- Why, commercial registered agents file their address ONCE with the filing office.
- Goal: facilitate global updates and reduce the occurrence of filers providing the filing office with an incorrect address for their commercial registered agent

# Appointment of Registered Agent

- The filing office shall make available list of filings that contain the name of a registered agent.
- Put burden of cleaning up database on the registered agent.

# Listing of Commercial Registered Agent

- One becomes a “Commercial Registered Agent” by filing a statement with the filing office.
- Effect: Annotate each entity record that entity represented by a CRA, and delete the CRA’s address from the entity’s record.
- Why: Simplify filing office practice by removing need to amend the filed record of every entity when a CRA changes its address.
- One way to solve the batch update problem, but not the only method.

# Change of Name, Address or Type of of Organization by CRA

- One filing, signed by the Commercial Registered Agent (CRA), effective to change the information regarding the CRA with respect to each entity represented by the CRA.

# Statement of resignation

- A person named as a registered agent without the agent's consent, or who agrees to serve as registered agent for a fee and fee is not paid - may resign as registered agent
  - This filing corrects a class of error in the filing office's database, the incorrect association of an entity with a registered agent.
  - Common cause of error: Entities appointing an agent without notifying the agent.

# How to Treat a Batch Update

- Do you store one copy of document initiating batch update per transaction; or
- Do you omit storing multiple copies of the same document?
- It may depend on your state's statutes and your interpretation of an update as an "public organic" document" or not.



## Before we update we need to clean up

- Over time, the filing office's list of companies and their associated registered agents diverges from the list kept by the registered agents.
- The further the lists diverge, the harder it is to prevent orphans.

# Example of Divergence

- One state:
- 35 representations of CT; 63 representations of CSC; and, 55 representations of NRAI.
- If we only update records associated with one representation, you orphan the rest.

# Example of Divergence

RA_NAME	NO_UNITS_REP	ERRORS
C T Corporation		1 Spacing and name incomplete
Ct Corporation		1 Capitalization, name incomplete
Ct Corporation		5 Capitalization, name incomplete
Ct Corp.		1 Capitalization and Abbreviation
Ct Corporation		1 Capitalization, name incomplete
Ct Corporatation		1 Spelling
CT Corporation System	42028	The Canonical version
C T Corporation System		3 Spacing, Capitalization and full name
Ct Corporation System		1 Capitalization
CT Corporation System		2 The Canonical version
Ct Corporation System		1 Capitalization
Ct Corporation System		1 Capitalization
CT Corporation System		2 The Canonical version
CT Corporation System		1 The Canonical version
Ct Corporation System		1 Capitalization
CT Corporation System		2 The Canonical version
CT Corporation System		39 The Canonical version

# Conclusion

- Everyone is different, but the requirement to update the database remains.
- MORAA is the start of a conversation on the best method to solve this requirement