

MINUTES
2018 IACA Conference
Charlotte, North Carolina
Flying into the Future

Monday, May 7, 2018
9:00 a.m.

I. Opening Ceremony

- National Guard marches the United States and North Carolina flags in
- National anthem is sung by Hazel Edmond
- Canadian anthem is sung by Crystal Beck while Myron places the Canadian flag

II. Welcome Address – Elaine F. Marshall, Secretary of State

9:45 a.m. to 10:30 a.m.
10:50 a.m. to 11:50 a.m.

III. Roll Call of Jurisdictions

- **Arizona** – *Secretary of State's Office* has raised notary fees to \$10. Tradenames and trademarks are now available online and hope to bring other services online in the future (i.e. UCC and partnerships). *Corporations Division* successfully implemented a Lean initiative that has shown several improvements. Challenge is high processing times. Working toward go-live of new system this month.
- **Australia** – Working on enhancing digital services for reliable data.
- **British Columbia** – Working on complying with New Societies Act - 98% of filings online with a 40% conversion rate. There has been a shift in process for five applications. They are using open source.
- **Colorado** – Working on reinventing their current system and remote notarization.
- **Connecticut** – Implementation of Uniform LLC Act. Administrative dissolutions have been a challenge. Working on automating UCC.
- **Delaware** – LLC changes include adding series LLCs, statutory benefit LLC and a certificate of transparency.
- **District of Columbia** – Working on developing uniform laws. Online filings have increased from 70% to 95 %.
- **Federal Government of Canada** – Looking for new filing system; RFI coming soon. Online filings are available and have implemented online chat.
- **Georgia** – Implemented bulk processes.
- **Germany** – BRIS has been a challenge. A transparency register is being launched.

- **Ghana** – In the process of replacing many laws with those that are more encompassing because the older law is too limited.
- **Hawaii** – Currently have 38 online filings. Can now add an attachment to online filings. Nonprofit Articles of Incorporation are now online. 96% of annual reports are filed online.
- **Indiana** – The InBiz portal has 5 state agencies participating. Notaries are included in professional licensing. Trademarks will be online as of June 11th. Chargebacks are a challenge but currently working with lovation on the issues.
- **Iowa** – Online corporate filings will launch on May 14th. Raising fees. Old technology is a challenge and looking to replace UCC system.
- **Kansas** – New UCC system launching July 1st. Next will work on building corporations system. Business form finder is functional.
- **Kentucky** – New notary legislation. 86% of filings are currently available online. Dissolutions are available online now.
- **Kenya** – New constitutional dispensation allows ideas from America to be incorporated. The Office of the Attorney General performs many commercial administrators' functions. Transactions in land may all be done online.
- **Louisiana** – New legislation for online filings. PCI Compliance has been a focus. Remote notarization is at the forefront. Looking forward to hosting the 2019 conference.
- **Macedonia** – Beneficial Owners Registry is available. Will be hosting the 2019 ECRF conference.
- **Maine** – Working on cross-training staff. New online corporate filing system. Personnel issues remain a challenge.
- **Massachusetts** – Online filings have increased to 90%. Modernization of nonprofit law. Legalization of marijuana has led to many changes.
- **Michigan** – New online filing system. Certificates are automatically generated. Procedural manual was completed. UCC section has full staff again and have increased filing fees.
- **Mississippi** – Lost three key employees. Challenges have included back scanning old documents and redaction of sensitive information. Working on cross-training staff.
- **Missouri** – Updated to Windows 10. Remote notarization. Issued RFP for new system.
- **Montana** – Cross-training corporations and UCC staff. UCC functions going online.
- **Nevada** – Lost four supervisors to retirement. Developing online system for all filings. Cross-training staff. Forms have been consolidated from 100 to 30.
- **New Hampshire** – 92% of filings are online. Working with PCC. Customer service and modernization is a focus.
- **North Carolina** – Restructuring call center and developing a training manual.

- **Nova Scotia** – Procurement completed and working with ERS on new filing system. Working on complying with New Societies Act. Beneficial ownership has been a challenge. Will work on single purpose accounting to allow filers to do it themselves.
- **Ohio** – Laid off four employees in 2017 due to increase in online filings. UCC online as of July 2017. 100% of filings are online. Have a watchlist system. Working with lovation on chargeback issue. Low morale has been a challenge.
- **Pennsylvania** – One-stop shop phase one completed. Cross-training staff. In 2017, processing time was 5-6 days but they are current now. Working on converting microfilm to digital.
- **Quebec** – Panama Papers issue. Working on Beneficial Owner registry. Looking to upgrade search engine.
- **Rhode Island** – Working on refining the business portal. Data visualization. Launched the notary website. Have a new POS system.
- **Slovenia** – Beneficial owner registry.
- **South Carolina** – New online filing system. Charge \$15 if you *can* file online but do not. Notary system coming. Certified documents are online now.
- **South Dakota** – Were 60-90 days behind on business and UCC filings but now they are current. Cross-training staff and creating procedural manuals. Tecuity is working on their new filing system. Domestications and mergers will never be online.
- **Spain** – Established beneficial ownership registry. Received accreditation.
- **Texas** – Fully staffed now. 9% increase in business formations. Remote notary effective July 1st. Name change statute goes into effect on June 1st. Funding has been a challenge. Have education and enforcement tool for notaries.
- **Utah** – Cross-training staff. Released RFP for UCC online system. Working on increasing online filings.
- **Vermont** – All entities are online and currently 96% of filings are online. 5-year project to clean up corporate records was completed. One-click annual report filing courtesy of PCC.
- **Virginia** – New system launching in upcoming year. Increased fees. Working on call center assessment and moving images online. Looking for innovative ways to project manage.
- **Washington** – Launched new filing system. Real-time filing with no human intervention. Making all documents available to public. Reduced fees. Challenge is another agency attempting to remove services from Secretary to under Governor. Retirements and retraining.
- **West Virginia** – Launched new business one-stop. Looking to incorporate other agencies into the portal.
- **Wisconsin** – Managing legislation has been a challenge. They have moved offices.
- **Wyoming** – Working on modernizing UCC. Series LLC is launching. Moving to a permanent space in 2019.

- **Zambia** – Corporate Act now allows for beneficial owner information to be collected. Historical records are a challenge.

11:50 a.m.

IV. Partners' Showcase

- Capitol Lien
- Capitol Services
- Cogency Global Inc (formerly NCR)
- Corporation Service Company
- CT Corporation
- DMI
 - Michigan's system
- Dun & Bradstreet
- ERS/ISC
- First American Title – UCC Division
- First Corporate Solutions
- Foster Moore – The Registry People
- GLEIF – Global Legal Entity Identifier Foundation
- InCorp Services, Inc.
- John Deere
- Kyckr
- National Public Records Research Association (NPRRA)
- Netfor, Inc.
 - Call center outsourcing
 - I.T. customer services
 - 100% US
- Notary Cam
- Parasee
- PCC Technology Inc/GCR Incorporated
- Skadden, Arps, Slate, Meagher & Flom LLP
- Sutherland
 - Partnered with Tecuity
 - Work with Idaho

- Sutherland Government Solutions
- Tecuity
 - Worked on North Dakota’s and Idaho’s systems
 - Working with Utah on admin rules
- Ubisecure Oy
 - Identity insurance

LUNCH BREAK (12:15 p.m.)

1:15 P.M.

V. General Session – *Data, Data Everywhere....But Who is Using it?*

(Cyndi Festa of Dun & Bradstreet, John Morrissey of Cogency Global, and Alan Stachura of Wolters Kluwer-CT)

- You need to know who you are giving data to and who they are doing business with.
- Dun & Bradstreet founded on data sharing.
- CT combines data with others like the secretaries of state. The data is used for PCI compliance or determining risk.
- Sometimes companies use social media to investigate data. The challenge is that there may be multiple people with the same name (e.g. “John Doe” is on the terrorist watch list but many businesses have a “John Doe” working for them).
- On May 25, the GDPR (General Data Protection Regulations) goes into effect.
 - The goal is to protect personal data (i.e. to avoid another Cambridge Analytics issue).
 - It is likely that a large company will “make a mistake” to test it.
 - CT is educating people and businesses about the regulation.
 - If an EU person is in our database, GDPR affects us.

Break (2:30 p.m. to 2:45 p.m.)

2:45 p.m.

VI. Pillars of Distinction Award

(recognition for long-standing support of and contribution to IACA)

- Dun & Bradstreet
- CT Corporation
- Corporation Service Company

3:00 p.m.

VII. Merit Awards (Judges: Myron Pawlowsky, Alan Stachura and Chuck Rogers)

- Kansas – Form Finder (all forms in one place)
- Michigan – Online Filing System (no more fax)
- South Carolina – Files, Search and Retrieve Documents Electronically
 - Paperless filing
 - Receive via email
 - 65% adoption rate (online not mandatory)
 - 238 unique filings
 - No expedite fee
 - One staff member can process 200 plus filings per day

3:20 p.m.

VIII. General Session – *Data: The Main Building Block*

(Andreja Marusic, World Bank Group; Catherine Masinde, World Bank Group; and Taye Alemu Mengistae, World Bank Group)

- Goal: reliable and accessible business registers for better business information and greater access.
- Seek to reduce time and cost, improve quality of data and the efficient integration of G2B services.
- Key dimensions: efficiency, quality, transparency/public access, current info and information exchange.
- Challenges: some do not have reliable registries, information is outdated, information is not accessible or a lack of focus on quality.
- Serbia case study – reformed in 2004-2005. Rated top performer by World Bank Group. Transformation from court to administrative function. Was 51 days to start a business.

Tuesday, May 8, 2018

8:50 a.m.

I. Announcements

- Vacancies on the Board. Please speak to any Board member if you are interested.

9:00 a.m.

II. General Session – *PCI Compliance*

(Jason Wikenczy, Principal Security Consultant with SecureWorks)

- Who is expected to be compliant? Anyone who takes a payment, i.e. merchants such as government agencies, financial institutions, universities, service providers, banks and software developers.
- It is our responsibility to spot check who we work with.

- \$362 million is the average cost of a data breach.
- If you are found non-compliant, you are subject to up to \$100,000 plus in monthly costs and fines.
- It takes more than 2 years on average to become PCI compliant.
- In becoming PCI compliant, the goals are to:
 - Build and maintain a secure network
 - Protect cardholder data
 - Maintain a vulnerability management program
 - Implement strong access control
 - Regularly monitor and test
 - Maintain an information security program
- Validation levels
 - Merchant (i.e. banks) – based on transaction volume and volume determined by acquirer.
 - Service provider – defined by payment brands
- A self-assessment questionnaire is available to help determine if you are PCI compliant.

10:00 a.m.

III. International Business Registers Report

- Highest response rate this year.
- Does size of the business register influence work? (Russia has the highest).
- Processing times – paper takes longer than images/internet to process.
- E-services: identity verification – electronic certificate is the highest.
- New registrations were highest in Africa.
- There were more terminations with the most being in Europe.
- Kenyan attendee pointed out that South Africa is touted but Kenya has accomplished the same things without recognition, therefore, there is some concern about methodology. Marissa explained that there could be many factors such as who responded to the report. She will contact the Kenyan government to get more information.

BREAK (10:35 a.m.)

10:50 a.m.

IV. General Session – *Credit Card Fraud and Chargebacks: Struggles and Strategies*

- Upsides: convenient and verification through merchant
- Downsides: fees at settlement are time-sensitive, customer disputes and overall burden.
- Best practices to avoid chargebacks:
 - Clear description for customer statements
 - Customer service/contact information
 - Train employees

- Good record-keeping
- When you get a request for a chargeback:
 - Show evidence of filing
 - Copy customer ID
 - Verify address (online filings)
 - At least two of the following: purchaser IP address, device Id/device name, purchaser name/email, same device and previous transactions not disputed, proof of merchant website or proof of profile set up.
- To monitor performance, prepare a win-loss report. Industry publications encourage less than 1% in chargebacks.
- Collect CVV to improve odds

LUNCH (12 p.m. – 1:00 p.m.)

1:00 p.m.

- V. Annual Report of Jurisdictions**
- Responses have declined
 - Information from the report is used by members and outside vendors
 - Question: what do we want from the survey?
 - In the future, the survey will be shortened.

1:30 p.m. to 2:30 p.m.

Jurisdictional Showcases

- **Germany** – AuRegis – The Future of the German Business Register
- **Australia** – Future Proofing the PPSR
- **Virginia** – An Innovative Approach to Initiating and Managing a Project

2:30 p.m.

- VI. General Session – *Sovereign Citizens and Fraudulent Document Schemes***
(William P. Fritzlen, Supervisory Attorney, U.S. Department of State)
- Started with the strawman theory
 - A U.S. national is someone who has allegiance to the U.S. but is not a citizen (e.g. a Samoan)
 - For reference, see 22 CRF 50.1 and Senate Bill 6491 (Washington)

BREAK (3:30 p.m.)

3:45 p.m.

Concurrent Sessions

- **BOS:** Model Nonprofit Corporation Act (William H. Clark Jr., Drinker, Biddle & Reath, LLP)
- **STS:** Implementing XML Filing

Wednesday, May 9, 2018

9:00 a.m.

Concurrent Sessions

- **BOS:** Going Digital: The Realities of Moving Away from Paper Business Filings – MT and CO
- **STS:** UCC 301

BREAK (10:45 a.m.)

11:00 a.m.

Concurrent Sessions

- **BOS:** The Uniform Protected Series Act – Issues for the Filing Office (Steve Frost, ULC Drafting Committee Chair and Dan Kleinberger, Drafting Committee Reporter)
- **STS:** Jurisdictional Filing Chart and Legislative Update

12:30 LUNCH – Speaker: Jeanne Robertson

BREAK (2:30 p.m.)

2:45 p.m.

Concurrent Sessions

- Remote Notarization (Mike Smith, Georgia and Leslie Reynolds, NASS)
- Verifiable Organizations Network using Blockchain Technology (Carol Prest and John Jordan, British Columbia)
- Revised UCC Form Discussion

3:45 p.m.

VII. General Session – *Project Management for Non-Project Managers*
(Joanne McDaniel, Leadership and Management Consultant)

- Project management
 - Temporary
 - Specific needs
 - Dedicated/ending
 - Resources
- Program Management
 - Continuous
 - Ongoing needs
 - Dedicated/ongoing
 - Resources

- Project justification
 - Meeting new needs, demands or requirements
 - Solving problems
 - Improving performance
 - Creating something new
- Project activities lead to project outcomes
- Projects involve
 - Defining/managing scope (justification, purpose, objectives and deliverables)
 - Budget/resources (budget, people, teams, infrastructure, equipment and time)
 - Schedule (start/end, deadlines, milestones, critical path activities and dependencies)
- Three keys: Resource, Schedule and Scope – if one gets out of whack, it can affect the others.
- ASK QUESTIONS
- Risks/threats – mitigation and management, low/medium/high, probabilities
- Quality requirements – what needs to be accomplished, standards/benchmarks, statutes, standard operating procedure
- Environment – internal, external, economic, social and political
- Role of project manager: interpersonal, information, analytical, decision and reflective
- Responsibilities of a project manager:
 - Develop project charter
 - Develop work plan
 - Direct/monitor/control project work
 - RACI (responsibility, accountability, consulted and informed)
 - Communicate project information
 - Handle project changes
 - Close or phase the project

- Questions to ask:
 - Who needs to be involved?
 - What does success look like?
 - What result is desired?
 - How can you measure success/results?
 - What are the assumptions?
 - Are there constraints?
 - Are there limits?
 - What can go wrong?
- Keys to success: ask questions and be open

Thursday, May 10, 2018
9:00 a.m.

VIII. IACA Business Meeting

- Call to order
- Quorum established – Tanya Gibson, Secretary
- **Minutes of the 2017 IACA Conference** – Motion to approve made by Robert Lindsey. Seconded by Mike Smith. All in favor. Motion passed
- Treasurer’s report:
 - Checking: \$164,384
 - Savings: \$350,889
- **Discussion:** Board considering shortening conference to 3 days.
 - Comments: is too long to be away from office, however, international travelers need to justify time and expense of traveling.
 - Discussion tabled for a later date
- **Auditor’s Report** – conclusion is that IACA has appropriate procedures in place and policies are being followed.
 - **Recommendations/Motions**
 - Establish a subcommittee of past treasurer, current treasurer and upcoming treasurer plus one additional Board member to review financial statements and deposits.
 - a. Motion by Trevor to accept. Seconded by Cathy.
 - b. Motion amended to reflect that the First VP (Chair of the Audit Committee) chooses committee.

- c. Motion by Trevor to accept. Seconded by Scott. All in favor. Recommendation passes.
 - Review all documents related to Treasurer function
 - a. Motion by Kathy Berg to accept. Seconded by Mike Smith. All in favor. Recommendation passes.
 - Create a support position of treasurer liaison to use institutional knowledge for support. This would be a static position selected by the First Vice President.
 - a. Motion by Marissa to accept. Seconded by Kathy. All in favor. Recommendation passes.
- **BOS Section Chair Report (see attached report)**
 - Sessions were well-attended and there were ample discussions. Thanks to all involved for making it successful.
- **ITS Report**
 - Sessions were informative and well-received. Thanks to Trevor and the Board for support and efforts.
- **STS Report**
 - Sessions were successful. Thanks to Mike Smith and Robert Lindsey for their assistance.
 - Resolution was presented to update XML (technical spec document) by creating a working group. To be completed by 2019 conference.
 - Motion made by Scott. Seconded by Marissa. All in favor. Resolution passes
 - MARS and UCC forms update – Resolution to adopt Model Administrative Rules.
 - Motion by Robert Lindsey. Seconded by Marissa. 1 “no” vote; no abstention. Resolution passes.
- **Officer nominations:**
 - Carla Bonaventure – President
 - Rebecca Longfellow – President Elect
 - Josef Gasimov – First Vice President
 - Mike Powell – Second Vice President
 - Tanya Gibson – Treasurer
 - April Wright – Secretary
 - Alexis Chadderdon - First Alternate
 - Marissa Soto-Ortiz – Second Alternate
 - BOS Chair – Pat Viverto

- ITS Chair – Scott Mayers
- STS Chair – Rayne Sherman
- IRS Chair – Julian Lamb
 - Motion to approve by Laurie Flynn. Seconded by Frank Miranda. Nominations accepted.
- **Other Business**
 - Rolf noted that he is attending three conferences in the same time period. He also noted that there are not as many Europeans attending the IACA conference and suggested that it could be because of conflicting travel dates. Rolf suggested that, for planning purposes, the Board consider other event dates.

ADJOURNED (9:46 a.m.)

10:45 a.m.

IX. General Session - *Supersized Cybersecurity – Google*
(Jack O’Connell and Brad Schmerbeck)

- Build security out – do not rely on any one security measure.
- All of Google’s defenses were built by Google.
- 694,000 pages scanned; 2 billion devices protected; 400+ android devices checked for health; and 10+ million spam stopped
- Issues with “castle approach”: mobile devices, the cloud, breaches and the plethora of devices.
- Walls do not work.
- Identity aware proxy (non-VPN) is similar to the Zero Trust Model.
- Google cloud identity has centrally managed users

LUNCH (12:00 p.m. to 1:00 p.m.)

1:00 p.m.

X. General Session – *Microsoft Security Solutions for the Modern Enterprise*
(Keith Garred)

- Current defenses are not sufficient
- Attacks are more targeted and using the transparency of government against us
- 73% of attacks stem from identity/credential theft.

- Attacks are becoming automated and multi-modal.
- Evolution from phishing to spearphishing (target leadership) to whaling to trusted user phishing.
- Average cost of a breach is \$172 per record
- Website: www.haveibeenpwned.com will tell you if your email has been a part of a breach.
- Passwords – alphanumeric passwords are hard to remember but easy for computers to guess
- Ways to protect your information:
 - Windows Hello (Windows 10) – uses face recognition and thumbprint
 - Microsoft account (Outlook) – can authenticate through phone app
 - Coming soon: FIDO (Fast Identity Online) 2.0.

2:00 p.m.

XI. Association Presentations

- LEI Update (Rico Dunn)
 - Legal Entity Identifier has 1.18 million members worldwide
 - Dues are paid annually
 - Local operating units issue LEIs
 - Working on mapping between LEI and banks
 - If you have LEI, you will report
 - LOUs need business registers for mapping and validation
 - Registration authorities list – cross references legal entity to local authoritative source.
 - Entity Legal Form List – identifies legal forms in jurisdiction
- ASORLAC (Association of Latin American and Caribbean) (Martin Vargas)
 - There are currently 16 members
 - Paraguay is an example of best practices
 - Reduced incorporation formalities
 - Streamlined requirements
 - Clarified shareholders

- CRF (Corporate Registries Forum) (Christopher Mapani)
 - The 2017 conference was in Hong Kong
 - Discussed reform of business systems, beneficial ownership and use of information technology
 - CRF's role is to cross boundaries and build relationships
 - Create opportunities
 - Exchange experiences
 - Share information
 - Support each other
 - Inspire innovation
 - In the future, would like to increase membership, increase technical workshops and improve communications
 - 2018 Conference in Botswana from May 21-25. The platform is Critical Vehicle for Global Economic Growth
 - Botswana is one of the best places to do business; it is made up of middle income individuals; it is the size of France; and mining (diamonds), livestock and tourism drive its economy.
- ECRF (Rolf)
 - The 2018 Conference is in Gibraltar from June 5-7.

BREAK (2:15 p.m.)

3:15 p.m.

XII. Closing Ceremony