

Secured Transaction Section (STS) Report

2006 IACA Conference

May 18, 2006

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STS Chair

Agenda Items:

1. **Bogus Filing Project Charter**
2. **UCC Forms**
3. **Model Administrative Rules (MAR's)**
4. **Search Logic/Indexing Rules**
5. **Jurisdiction Guidelines for Searching UCC Records Chart**
6. **9-705(c)(2)**
7. **IRS Electronic Filing**

Resolutions that were passed by the general membership of IACA at the 2006 IACA Conference:

1. IACA's Secured Transaction Section recommends to the National Conference of Commissioners on Uniform State Laws (NCCUSL) that the Conference replace the National UCC Forms in Article 9 with the following IACA Model Forms: UCC1, UCC1Ad, UCC1AP, UCC3, UCC3 Ad, UCC3AP, and UCC5.
2. IACA's Secured Transaction Section recommends the adoption of the Final Report and Recommendations from the Joint IACA/NASS Task Force on "Bogus" UCC Document as amended.
3. IACA's Secured Transaction Section recommends the adoption of the UCC5 as amended at the 2006 Annual Conference.

Bogus Filing Project Charter – Bruce Gallo, UCC Direct Services, A WoltersKluwer Company & Wally Boggus of Capitol Services presented the Final Report and Recommendations for the National Association of Secretaries of State (NASS) and the International Association of Commercial Administrators (IACA). As you can see from the aforementioned resolutions we unanimously approved the final Recommendations and will now forward the Report to NASS. I would like to also thank Steve Weise and Neil Cohen for their work on section 2 – 5 of the final recommendation. It was a pleasure working on this endeavor with Steve, Neil, Bruce and Wally.

UCC Forms – As many of you know Mary Jackson maintains, creates and oversees the UCC Forms for IACA. Every once in a while she will let me provide some input on the forms. I can't express how lucky we are to have someone so talented offer her services to our organization. Thank you Mary! See the aforementioned resolutions for what we accomplished in the area of forms. I will say that I think it is imperative for us as an organization to maintain one consistent form that we will all accept in our offices. This is why we are asking NCCUSL to replace what currently reside in statute with the IACA Model Forms hence allowing them to become the National Form. If NCCUSL does not embrace this recommendation I'm afraid that each jurisdiction will eventually one by one start removing the National Form from statute and rejecting the National Form if presented to their respective office. We also spent considerable amount of time discussing the need for developing a specification document that clearly documents the specifications for creating an electronic UCC Form. A special thanks should go out to Tom Ose, Mary and Shelley Pitlick for working on this document. This stems from the some of the poor quality forms that we receive that do not meet and or resemble the National and or IACA Model Forms. We also made a change in verbiage on the Correction Statement. We replaced (Inaccurate or Wrongfully Filed Record Statement) with (Claim Concerning Inaccurate or Wrongfully Filed Record).

Model Administrative Rules (MAR's) – Darrell Pierce, Dykema Gossett, led us through the MAR's and took meticulous notes and will clean up/assimilate what was discussed and present a draft document to Kelly. We did discuss every aspect/rule of the MAR's during this session. The goal was to develop MAR's that reflect the membership's position on each section and vote on the final draft in the closing business meeting obviously this was to ambitious for the time allotted so Kelly will oversee this process and will present the final MAR's at next years conference. We will definitely send out the draft document for everyone's review as soon as it is available.

Search Logic/Indexing Rules - This joint session with ITS was led by Trevor Timmons and a guest panel that included Wally Boggus, Tom Ose and yes even me. We made significant progress regarding the topic of search logic/indexing rules since last year's IACA Conference and STS/ITS Summit Meeting. You will see some of the results from this discussion to show up in the MAR's as well as some additional documents/guidelines for search logic/indexing rules, noise words and sample search reports that reflect all of the data elements that are defined within the MAR's. I will not go into great depth on this subject but rather yield to Trevor to update the membership on this topic.

Jurisdictions Guidelines for Accepting a UCC Record Presented for Filing Chart (Filing Chart) – Unfortunately, this topic was the one that we had to cut short to make sure that we had ample time for all of the other topics. I have chatted with Kelly a little bit about filing chart and hopefully we can fit it into next year's agenda. I will say that I was extremely impressed with the response from the members when ask to update the chart. We had 30 jurisdiction's give validation that everything was correct or submit changes to the chart. I will post the new chart out on the IACA Website in the near future. Good job everyone! This is where I should and will extend a

big thank you to Cathy Beaudoin for consolidating all of the changes and for helping me present the filing chart. She led this effort and I couldn't have pulled all of this together without her. Thanks Cathy!

9-705(c)(2) – Good Night 9-705! Trish Bogenrief, CSC, and Paul Hodnefield, CSC, presented what I hope to be the last presentation on 9-705. They recapped the transition problem and IACA's position regarding this difficult topic. They also spent some time sharing what they have been instructing their customers to do based on this transition rule and the adherent ambiguity of the rule.

IRS Electronic Filing – Jim Thompson and Ken Meyer, IRS, and Rina Levy, Mitre Corporation, presented the e-Lien Project. The session covered: an XML standard for federal tax liens, the Uniform Federal Lien Registration Act, and the progress of IRS e-LIEN initiative covering electronic filing of various federal tax lien certificates, electronic recording office acknowledgement and improved and automated billing. This presentation will be posted on the IACA Website.