

**STATE OF COLORADO**

**Department of State**

1700 Broadway  
Suite 250  
Denver, CO 80290

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**Gigi Dennis**  
Secretary of State

**William A. Hobbs**  
Deputy Secretary of State

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**Memorandum**

**To:** Interested Persons

**From:** Gigi Dennis, Colorado Secretary of State

**Subject:** Annual Report of the Secretary of State to the Governor and Legislature on the Operation of the Filing Office pursuant to section 4-9-527, Colorado Revised Statutes

**Date:** June 12, 2006

Attached is the above-captioned Annual Report for the year ending June 11, 2006.

In accordance with section 4-9-527, Colorado Revised Statutes, one (1) copy of this report is being delivered to the Governor of the State of Colorado.

Further, in accordance with section 24-1-136 (9), Colorado Revised Statutes, this report is being filed and distributed as follows:

1. one (1) copy in each house of the general assembly [one (1) copy to the Chief Clerk of the House and one (1) copy to the Secretary of the Senate];
2. six (6) copies in the joint legislative library;
3. four (4) copies with the state librarian for the state publications depository and distribution center; and
4. additional copies to those legislators requesting such.

For further information, contact Keith Whitelaw, Director, Business Division, Colorado Secretary of State's Office, at 303 860 6905 or [keith.whitelaw@sos.state.co.us](mailto:keith.whitelaw@sos.state.co.us).

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**Report to the Governor and General Assembly of the State of Colorado**

**From the Colorado Secretary of State**

**Pursuant to Section 4-9-527, Colorado Revised Statutes**

To the Governor and Legislature of the State of Colorado, Greetings:

Pursuant to section 4-9-527, Colorado Revised Statutes, I, Gigi Dennis, Colorado Secretary of State, make the following report to the Governor and General Assembly of the State of Colorado on the operation of the office of the Colorado Secretary of State as a "filing office" under part 5 of article 9 of title 4, Colorado Revised Statutes, ("C.R.S.") Colorado's Uniform Commercial Code, Secured Transactions, as of June 11, 2006.

A. **Responsibility.** The filing office is operated within the Business Division of the Secretary of State's office. The duties, functions, policies, procedures, and practices of the Business Division relative to Colorado's Uniform Commercial Code, article 9, part 5 are explained in numerous publications available on the Business Center link on the Secretary of State's website, <http://www.sos.state.co.us/>. Generally, these duties involve filing and indexing Uniform Commercial Code records presented to the Secretary of State for filing, managing and maintaining those records, making those records accessible and searchable, issuing search reports and providing certified copies and certificates, all in accordance with the provisions of said part 5.

B. **Status of Operations.** As of June 11, 2006, the status of operations was as follows:

**Filing and indexing (or refusal) of records.** All records presented for filing through June 8, 2006, have been examined, filed, and indexed (or acceptance has been refused, in accordance with section 4-9-520, C.R.S.).

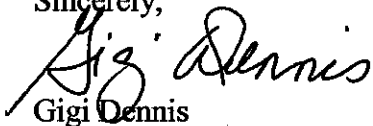
**Search Services.** All requests for searches have been satisfied through June 8, 2006, with the exception of requests accompanying records to be filed which have been satisfied through June 7, 2006.

Operations of the filing office include creation and maintenance of records of financing statements and various related documents delivered to the filing office for review and filing. Currently, 71% of those financing statements and other documents are delivered and filed online via the Secretary of State's Web site automated filing system. This rate of adoption of online filing has increased steadily since online filing was made available, signaling satisfaction of the public with this e-government innovation.

C. Rules and Rulemaking. Staff of the Business Division has monitored, via list serve participation and otherwise, rule-adoption processes of filing offices in other jurisdictions, has participated in conferences attended by staff of such other jurisdictions, and in general is knowledgeable about the rules adopted by other jurisdictions. Except as noted below, the Filing Office Rules are substantially in harmony with the rules of filing offices in other jurisdictions that enact substantially said part 5. Any variations are necessary to accommodate the circumstance that, for the period from July 1, 1996 to January 1, 2000, Colorado law permitted de-centralized filing of Uniform Commercial Code financing statements and related records. Staff has become aware that issues have arisen among such various jurisdictions regarding the appropriateness and utility of certain of such rules, particularly with regard to standard search logic, and that many of such jurisdictions, independently and collectively through participation in the International Association of Commercial Administrators, are considering amendments to such rules. Staff is closely monitoring these developments. Further, Staff is continuing its review of the Filing Office Rules in light of such issues and consideration of appropriate amendments.

Except as previously reported, the Filing Office Rules are substantially in harmony with the most recent version of the model rules promulgated by the International Association of Corporate Administrators (now known as the International Association of *Commercial* Administrators, "IACA"), or any successor organization. Staff has become aware that issues have arisen regarding the appropriateness and utility of certain of such model rules, particularly with regard to standard search logic, and that the Secured Transactions Section of IACA is considering amendments to such model rules. Staff continues to monitor these developments.

Sincerely,



Gigi Dennis

Colorado Secretary of State

June 12, 2006