



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, Mike Coffman, 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 - Secured Transactions of title 4 - Colorado's Uniform Commercial Code, of the Colorado Revised Statutes, ("C.R.S."), as of June 01, 2007.

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 said part 5, article 9, title 4 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 01, 2007, the status of operations was as follows:

1. Filing and indexing (or refusal) of records. All records presented for filing through May 31, 2007 have been examined, filed, and indexed (or acceptance has been refused, in accordance with section 4-9-520, C.R.S.).

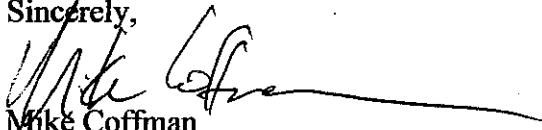
2. Search Services. All requests for searches have been satisfied through May 21, 2007.

C. Rules and Rulemaking. Staff of the Business Division has monitored, via listserv 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 Corporate Administrators, now known as the International Association of *Commercial* Administrators ("IACA"), 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.

On May 17, 2007, the Secured Transaction Section of IACA adopted amended model administrative rules ("MARs") during its 2007 Annual Conference. Staff participated in such adoption of the amended MARs at such conference. Staff is continuing its review of the Filing Office Rules in light of the adoption of the amended MARs and is considering appropriate amendments to Filing Office Rules to bring the same substantially into harmony with the most recent version of the model rules promulgated by IACA or any successor organization. Staff has become aware that issues have arisen regarding the appropriateness and utility of certain of such MARs, particularly with regard to standard search logic, and that modification may become appropriate, especially as the Business Division begins the redesign of its computerized system for managing and maintaining UCC and related records.

Sincerely,



Mike Coffman
Colorado Secretary of State
June 01, 2007