VERMONT
SECRETARY OF STATE

128 State Street, Montpelier, VT 05633
802-828-2363 | sos.vermont.gov

Act 10 Stakeholder Group Meeting Minutes – June 24 2026

Participants (spoke)
- David Hall (Director, Business Services, SOS) — host
- Neil Rhodes (SOS Business Services)
- Koren Steventon (SOS Business Services)
- Michelle Bean (SOS Business Services)
- Michelle Kelly (SOS Business Services)
- Nicole Killoran (Vermont Law & Graduate School — Small Business Law Center)
- Mary Parent (Downs Rachlin Martin)
- Kim Gilding (Paralegal, Downs Rachlin Martin)
- Amanda Smith (Dept. of Financial Regulation — Securities Division)
- Chris Leff (Paul Frank + Collins)
- Carl Lisman (private practice)
- Christopher D'Elia (Vermont Bankers Association)
- Catherine Burke (private practice attorney)
- Eleanor Moody (Gravel & Shea)

Topics
- Registry integrity: identity verification, fraud prevention, and data use by banks
- Registration and reporting cadence across entity types (including nonprofits, trade names)
- Who can sign filings; ability to amend annual reports mid-year
- Sole proprietors and possible registration
- Partnerships/LLPs dual registrations and simplification
- Whether to register additional forms (trusts, statutory trusts, series LLCs, service marks)
- UCC and name rules: rules vs written procedures; future review of name distinguishability
- Next steps toward a legislative package and December report

Discussion (succinct)
- Registry integrity and identity verification
  - Banks rely on SOS records to meet KYC/Bank Secrecy Act requirements and to cross-check entity details (officers/principals, addresses, beneficial-owner context). Up-to-date, accurate data is critical.

- Vermont currently does not verify filer identity beyond perjury attestation. Connecticut is moving toward ID verification for all filers; attendees flagged trade-offs: privacy/security risks of storing IDs vs benefits of deterring fraud. Preference expressed for “pass-through” verification tools (no storage of IDs/SSNs by SOS).
    - SOS will demo a device-risk/fraud-screening service (TransUnion-style device fingerprinting) to filter known/suspect actors without collecting/storing sensitive IDs.
    - Enforcement: ideas included stronger administrative penalties for false attestation; caution that broad regimes can burden compliant users while bad actors evade.
- Reporting cadence and scope
    - Strong support for annual reporting across the board (including nonprofits and trade names) to reduce lapses and keep information current; concern that five-year renewals (e.g., trade names) are frequently missed.
    - Sensitivity to fees/burden: preference to increase frequency while keeping total cost neutral or lower where feasible.
- Signatories and amending annual reports
    - Broad support to increase flexibility in who may sign corporate and nonprofit annual reports (closer to LLC practice) while preserving appropriate formality for amendments/mergers.
    - Clear ask to add a distinct “Amend Annual Report” filing to update mid-year changes (e.g., officers) without creating charter amendments or implying board/shareholder actions. Current practice causes confusion when certifications show multiple “amendments” that are actually report updates.
- Sole proprietors
    - Mixed views. Many see little public-notice value in registering sole proprietors operating under their own legal name; banks generally would not consult SOS for such accounts.
    - Some support for optional/required registration to promote awareness and accountability for new entrepreneurs, though concerns remain about burden and unclear consequences for noncompliance.
- Partnerships and LLPs
    - Desire to eliminate the current dual registration/renewal construct (under both partnership acts and 11 V.S.A. ch. 15) as duplicative and confusing, especially if moving to annual reporting.
- Additional forms to register
    - Trusts/statutory trusts: Limited demand to register common-law trusts; frequent need to list a trust as a principal/owner on entity filings and to do so more easily. Consider a mechanism to register foreign statutory trusts (public notice/tax context) even if Vermont does not adopt its own statutory trust form.
    - Series LLCs and service marks: flag for future discussion; no immediate consensus recorded.

- UCC and name rules; name distinguishability (preview)
  - SOS is considering shifting UCC and name standards from formal rules to written procedures for agility while adhering to IACA guidance; feedback requested.
  - Will revisit the “distinguishable on the record” name standard; example cited where a “.com” name was treated as identical though reasonably distinguishable in practice. Goal: simpler, clearer standard that supports public notice.
- Legislative/report timeline
  - SOS plans one to two more meetings to wrap topics, then circulate draft legislation for stakeholder review and submit a report in December.
  - Will add Department of Financial Regulation content to the new-business welcome email (per request).

Next Steps / Action Items

- David/SOS
  - Evaluate identity/fraud mitigation options (e.g., device-based risk screening) that avoid storing sensitive IDs; report back on feasibility.
  - Scope a distinct “Amend Annual Report” filing and increased flexibility on eligible signers for corporate/nonprofit annual reports.
  - Develop a proposal to simplify/eliminate LLP dual registration/renewal and align reporting cadence (toward annual).
  - Consider mechanisms to better capture when a principal/owner is a trust and assess options for registering foreign statutory trusts.
  - Prepare materials on handling UCC and name standards as written procedures; schedule a focused session on name distinguishability.
  - Continue adding DFR resources to the new-business welcome email; coordinate with VLGS on education/referrals.
  - Draft legislative changes after remaining sessions; circulate for comment; prepare December report.
- Participants
  - Provide input on: annual reporting (including fee implications), signatory flexibility, and an “Amend Annual Report” filing.
  - Share views on sole proprietor registration (value vs burden) and on simplifying LLP registrations.
  - Offer feedback on shifting UCC/name standards to procedures and on proposed name-distinguishability revisions when circulated.