

DELIVERABLE GROUP 2

House Legislative Oversight Review of Secretary of State's Office

Disclaimer:

Updates to Program Evaluation Report

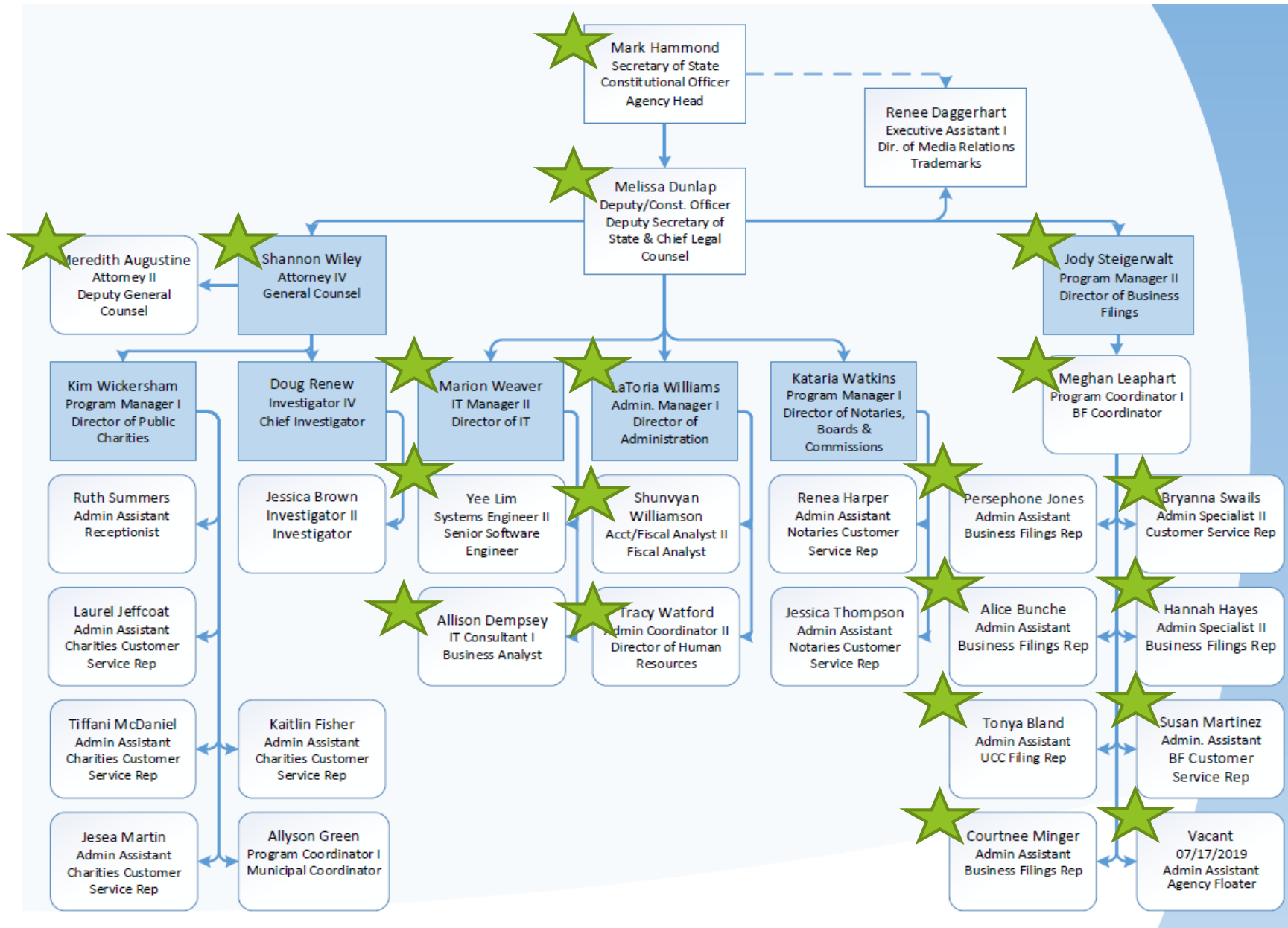
In the course of preparing the Deliverable Group presentations, some data provided in the original Program Evaluation Report has been corrected. The presentations will reference the corrected data, and the Program Evaluation Report will be updated once the Deliverable Group presentations are concluded.



Deliverable Group 2

Divisions Grouped in Deliverable Group 2:

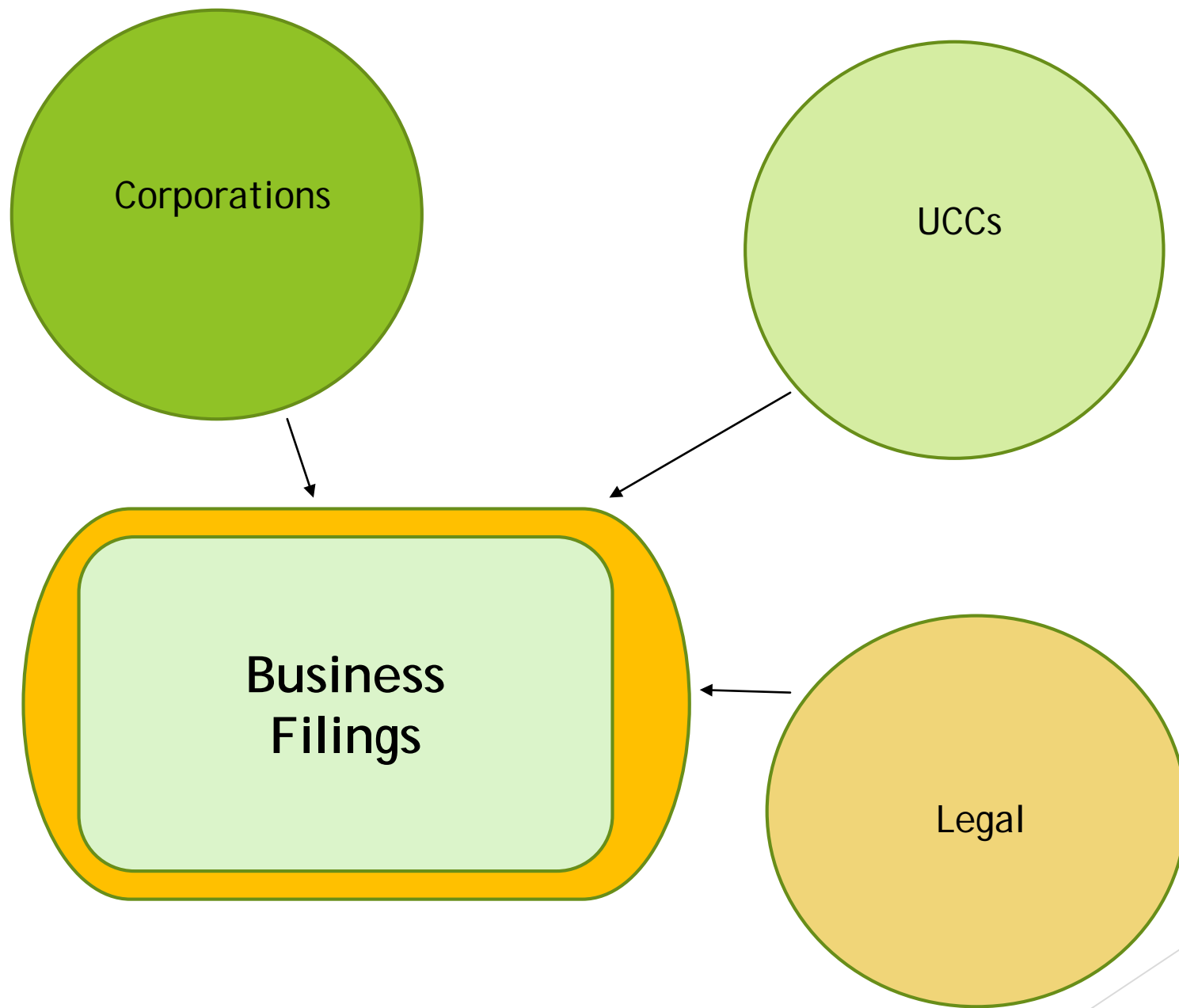
- ▶ Business Filings
- ▶ Information Technology
- ▶ Administration & Internal Operations
- ▶ Legal Functions Related to Business Filings, Information Technology, Administration, & Internal Operations



Business Filings Division

The Business Filings Division files documents for business entities operating in the state, including corporations, limited liability companies, limited partnerships, limited liability partnerships, and other types of business entities. The Division also files Uniform Commercial Code filings.





Business Corporation Filings

Deliverable No. 58

- ▶ The Secretary of State files documents from domestic and foreign corporations as outlined in S.C. Code of Laws Title 33, Chapters 1 through 20.
- ▶ Filings include but are not limited to the following:
 - ▶ Articles of Incorporation
 - ▶ Articles of Amendment
 - ▶ Articles of Correction
 - ▶ Articles of Merger
 - ▶ Articles of Dissolution
 - ▶ Notice of Change of a Registered Office or Registered Agent or Both
 - ▶ Application for a Certificate of Authority to Transact Business

Required by S.C. Code
§§ 33-1-200, -210, -220, -230,
-240, -250

Customers:
Business Corporations

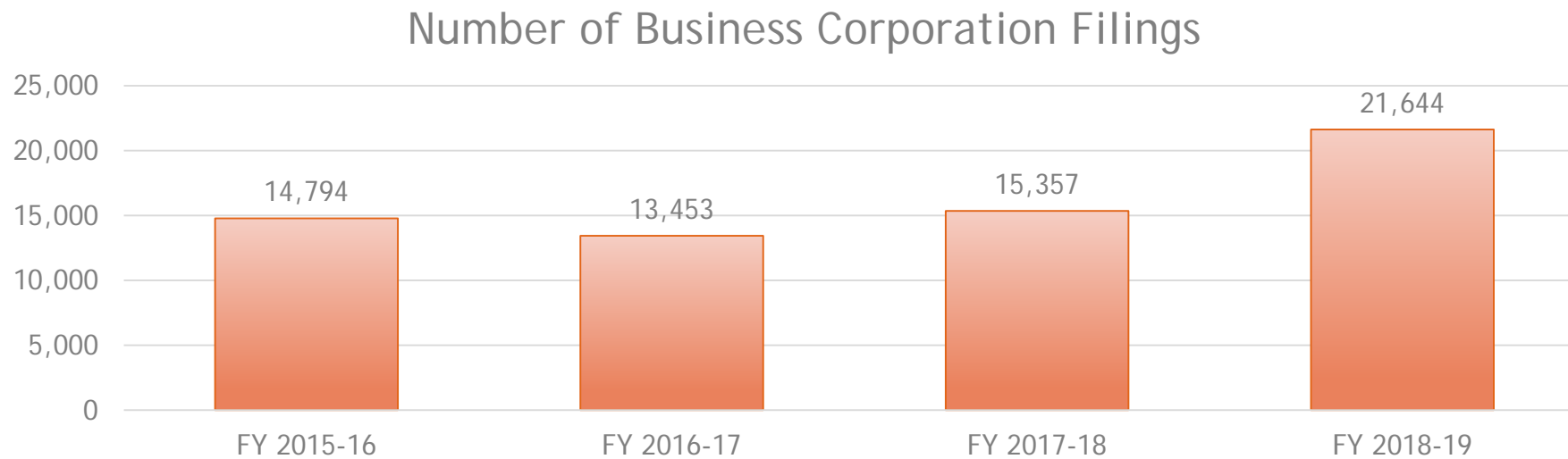
Number of Customers Served
in 2017-18: 15,357

Total Employee Equivalents in
2017-18: 0.64

Legislative Intent:
Simplify filing requirements,
minimize paper, and eliminate
disputes between filers and the
Secretary of State as to legal
efficacy of documents. (Official
Comment, 1988 Act No. 444)

Business Corporation Filings

Deliverable No. 58



As of August 1, 2019, the adoption rate of all online business filings was 77.4%.

Nonprofit Corporation Filings

Deliverable No. 59



- ▶ The Secretary of State files documents from domestic and foreign nonprofit corporations as outlined in S.C. Code of Laws Title 33, Chapter 31.
- ▶ Filings include but are not limited to the following:
 - ▶ Articles of Incorporation
 - ▶ Articles of Merger
 - ▶ Articles of Dissolution
 - ▶ Application for a Certificate of Authority to Transact Business
 - ▶ Notice of Change of a Registered Office or Registered Agent or Both

Required by S.C. Code
§§ 33-31-120, -121, -122,
-123, -124, -125

Customers:
Nonprofit Corporations

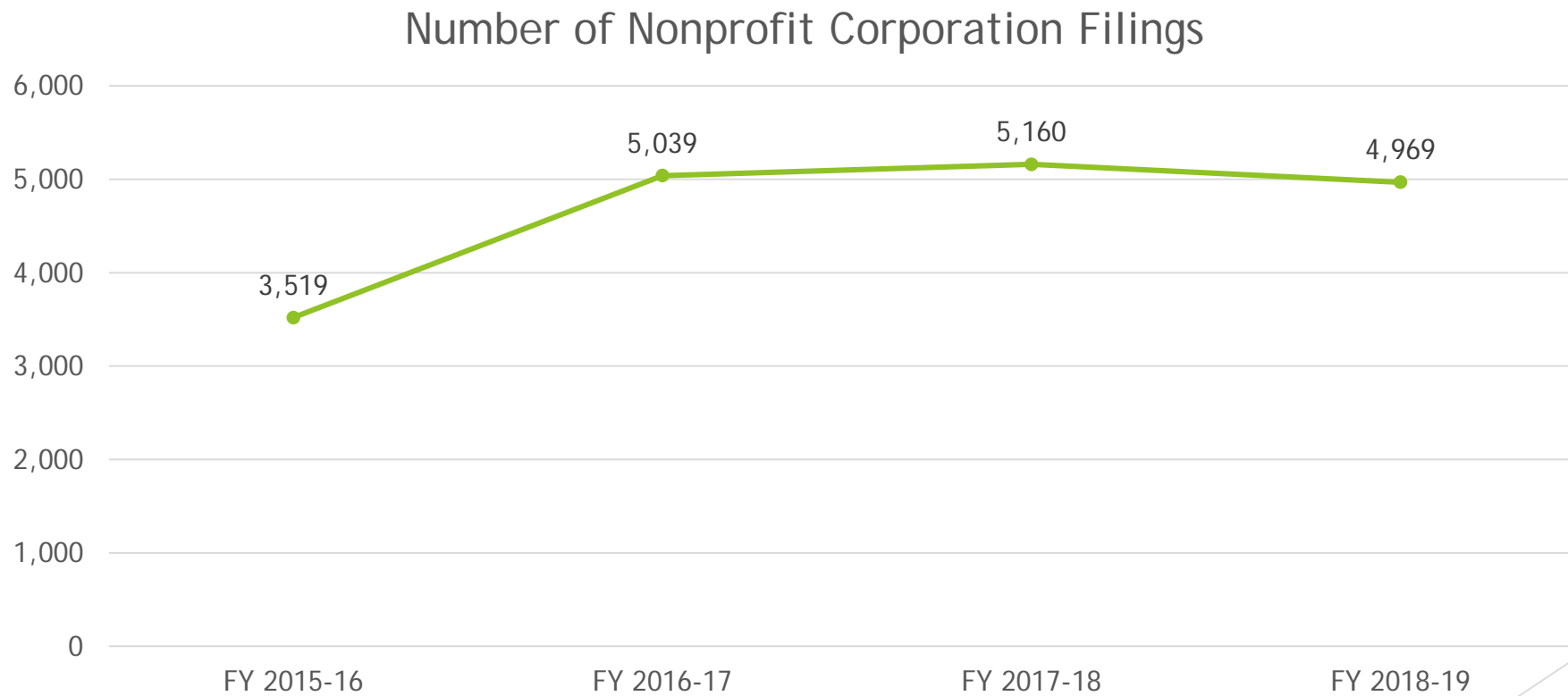
Number of Customers
Served in 2017-18: 5,162

Total Employee
Equivalents in 2017-18:
0.22

Legislative Intent:
Simplify filing requirements,
minimize paper, and eliminate
disputes between filers and the
Secretary of State as to legal
efficacy of documents. (Official
Comment, 1994 Act No. 384)

Nonprofit Corporation Filings

Deliverable No. 59



Limited Liability Partnership Filings

Deliverable No. 60

- ▶ The Secretary of State files initial and renewal applications for registration as a limited liability partnership as well as initial and renewal applications for certificates of authority for foreign limited liability partnerships.
- ▶ Registration of an LLP or certificate of authority for a foreign LLP is effective for one year.



Required by S.C. Code
§§ 33-41-1110, -1160,
-1170

Customers:
Limited Liability
Partnerships

Number of Customers
Served in 2017-18: 524

Total Employee
Equivalents in 2017-18:
0.06

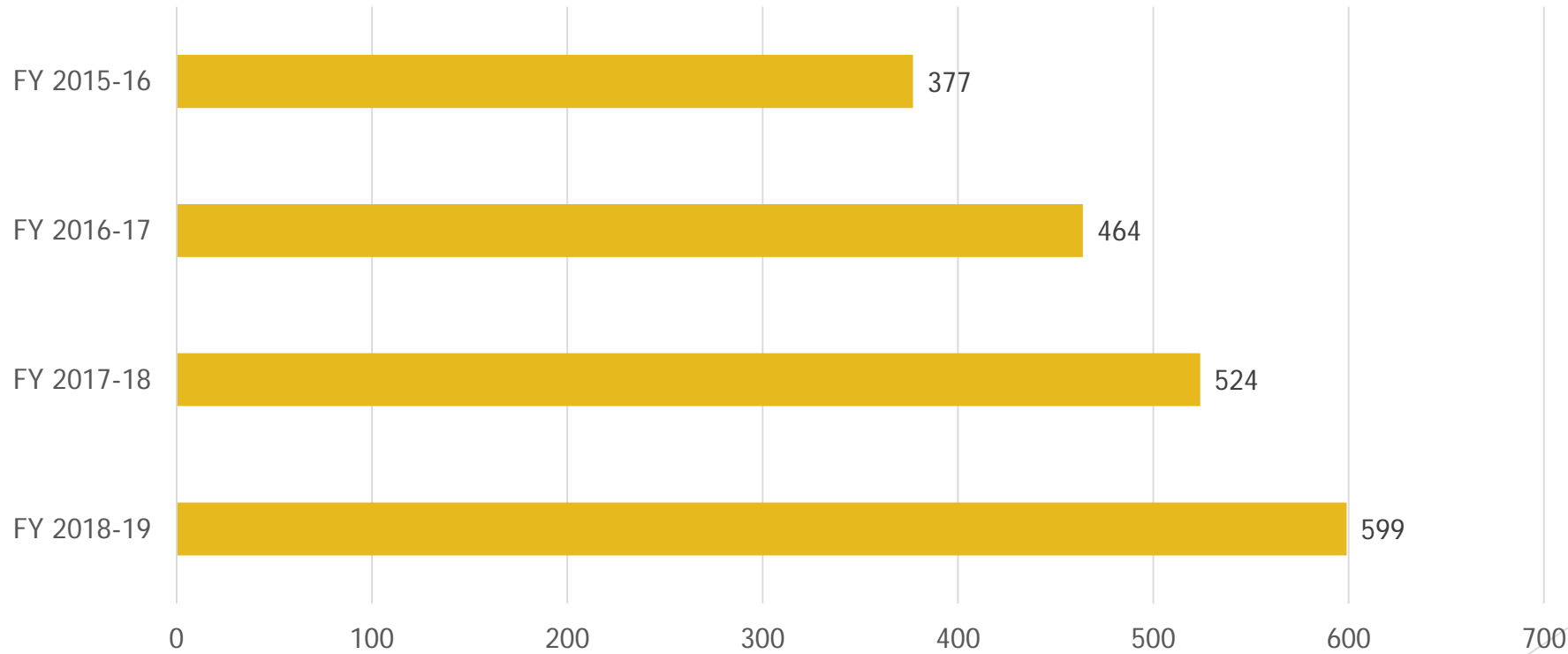
Outcome Sought by Agency*
To provide for the filing of
formation and other business
documents for limited liability
partnerships in the state of South
Carolina.

**Legislative intent not expressly stated.*

Limited Liability Partnership Filings

Deliverable No. 60

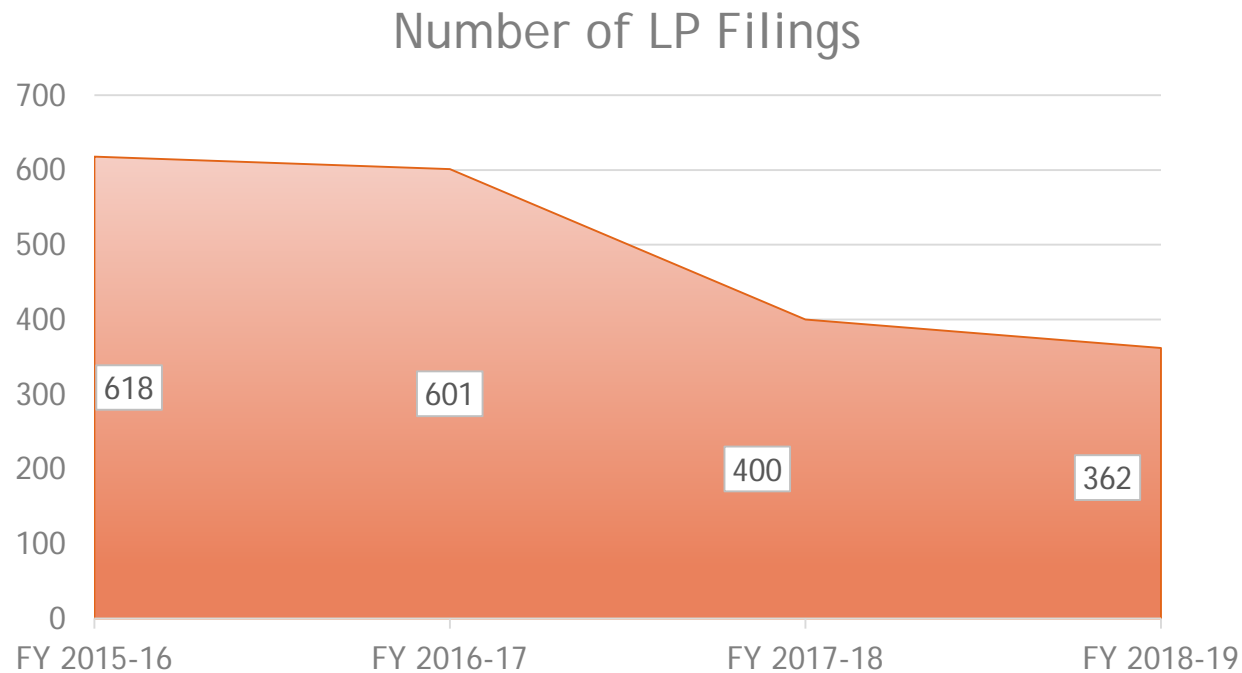
Number of LLP Filings



Limited Partnership Filings

Deliverable No. 61

- The Secretary of State files certificates of limited partnership, amendment, and cancellation pursuant to S.C. Code of Laws Title 33, Chapter 42.



Required by S.C. Code
§§ 33-42-210, -260, -1630

Customers:
Limited Partnerships

Number of Customers
Served in 2017-18: 400

Total Employee
Equivalents in 2017-18:
0.06

Legislative Intent:
Derived from Revised Uniform LP Act and intended to modernize Uniform LP Act of 1916 and retain special character of LPs compared with corporations. (Comment, 1986 Act. No. 533)

Limited Liability Company Filings

Deliverable No. 62

- ▶ The Secretary of State files documents received from domestic and foreign limited liability companies pursuant to S.C. Code of Laws Title 33, Chapter 44.
- ▶ LLCs are the type of entity with the highest volume of filings.
- ▶ Filings include but are not limited to the following:
 - ▶ Articles of Organization
 - ▶ Amended Articles of Organization
 - ▶ Restated Articles of Organization
 - ▶ Articles of Merger
 - ▶ Articles of Termination
 - ▶ Application for a Certificate of Authority to Transact Business
 - ▶ Notice of Change of a Registered Office or Registered Agent or Both
 - ▶ Articles of Correction



Required by S.C. Code
§§ 33-44-202, -206, -207

Customers:
Limited Liability
Companies

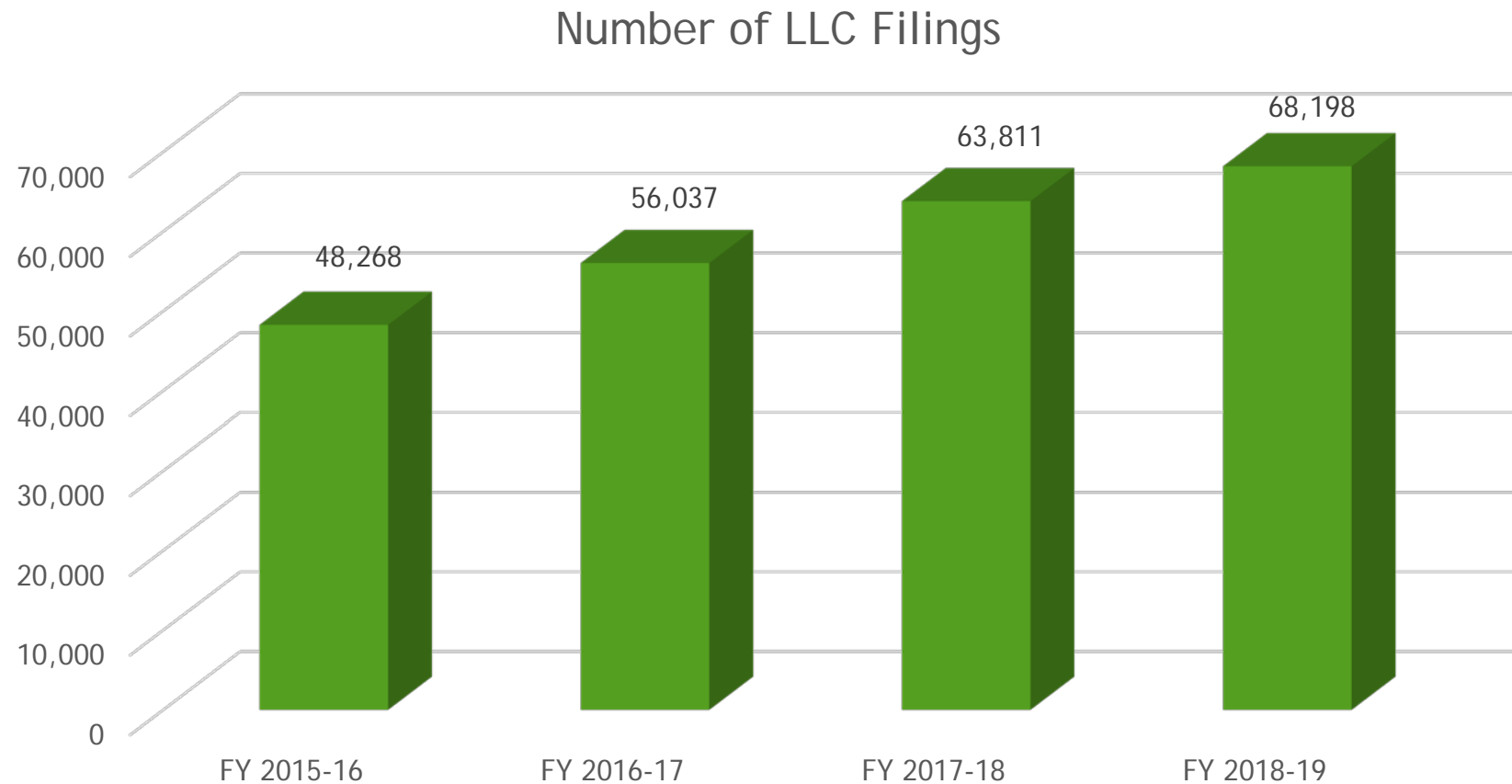
Number of Customers
Served in 2017-18: 63,811

Total Employee
Equivalents in 2017-18:
2.38

Legislative Intent:
Sets forth default rules to operate
an LLC without sophisticated
agreements and provide flexibility
in modifications by private
agreement. (1996 Act. No 343)

Limited Liability Company Filings

Deliverable No. 62



Military Corporation Filings

Deliverable No. 63



- ▶ S.C. Code of Laws § 25-1-120 provides for the formation of military corporations. These entities may be formed by members of the National Guard of South Carolina for the purpose of social activities and holding property.
- ▶ These filings are rare. None were filed in FY 2015-16 or 2017-18. Seven were filed with the Secretary of State in FY 2016-17.

Provided under S.C. Code
§ 25-1-120

Customers:
Military Corporations

Number of Customers
Served in 2017-18: 0

Total Employee Equivalents
in 2017-18: 0.04 (includes
employee time spent on
development of Business
Filings system)

Legislative Intent:
Provide for the makeup of military
corporations and for the purposes,
programs and funding of military
corporations. (2005 Act No. 37)

Corporation Not-for-Profit Filings

Deliverable No. 64

- ▶ The Secretary of State files corporation not-for-profit filings pursuant to S.C. Code of Laws Title 33, Chapter 36.
- ▶ These entities are incorporated for a public purpose and are treated like special purpose districts. They are authorized to perform local government functions such as water service and/or sewage treatment, fire protection service, ambulance service, and medical clinic facilities.
- ▶ Possible filings include articles of incorporation or amendments, or other papers relating to the incorporation, merger, consolidation, or dissolution of a corporation not-for-profit.
- ▶ No corporation not-for-profit documents have been filed with the Secretary of State during the period covered in the program evaluation report.

Required by S.C. Code
§§ 33-36-2220, -230

Customers:
Corporations Not-for-Profit

Number of Customers
Served in 2017-18: 0

Total Employee Equivalents
in 2017-18: 0.04 (includes
employee time spent on
development of Business
Filings system)

Legislative Intent:
Established to provide local
government functions and treated
like SPDs for some purposes. (2000
Act. No 404)

Conversion of Corporation Not-for-Profit to a Public Service District

Deliverable No. 65

- ▶ S.C. Code of Laws Title 33, Chapter 36 also provides that a corporation not-for-profit organized for the purpose of providing water services may submit a petition to the Secretary of State to convert to a public service district.
- ▶ No petitions for conversion to a public service district have been filed during the period covered in the program evaluation report.

Required by S.C. Code
§ 33-36-1320

Customers:
Corporations Not-for-Profit

Number of Customers Served in 2017-18: 0

Total Employee Equivalents in 2017-18:
0.04 (includes employee time spent on development of Business Filings system)

Legislative Intent:
To allow election to become public bodies for purposes of funding, participation in a joint system, and lower cost of borrowing money. (2001 Act No. 78)

Business Development Corporation Filings

Deliverable No. 66

- ▶ Business development corporations may incorporate by filing with the Secretary of State for the purpose of promoting, developing, and advancing the prosperity and economic welfare of South Carolina.
- ▶ Since FY 2015-2016, the Secretary of State has received two business development corporation filings.



Required by S.C. Code
§§ 33-37-210, -910

Customers:
Business Development
Corporations

Number of Customers
Served in 2017-18: 0

Total Employee
Equivalents in 2017-18:
0.04 (includes employee
time spent on
development of Business
Filings system)

Legislative Intent:
To promote, develop, and advance
prosperity and economic welfare.
(Section 33-37-210)

Benefit Corporation Filings

Deliverable No. 67

- ▶ The S.C. Benefit Corporation Act became law in 2012 and allowed corporations to incorporate as a benefit corporation or to convert to a benefit corporation by identifying a specific public benefit purpose in the articles of incorporation filed with the Secretary of State.
- ▶ A special public benefit purpose is one that serves one or more public welfare, religious, charitable, scientific, literary, or educational purposes, or other purposes or benefits beyond the strict interest of the shareholders of the benefit corporation.
- ▶ A benefit corporation may file with the Secretary of State to amend its articles of incorporation to add, amend, or remove a specific public benefit purpose or may terminate its status as a benefit corporation.

Required by S.C. Code
§§ 33-38-120, -200

Customers:
Benefit Corporations

Number of Customers
Served in 2017-18: 11

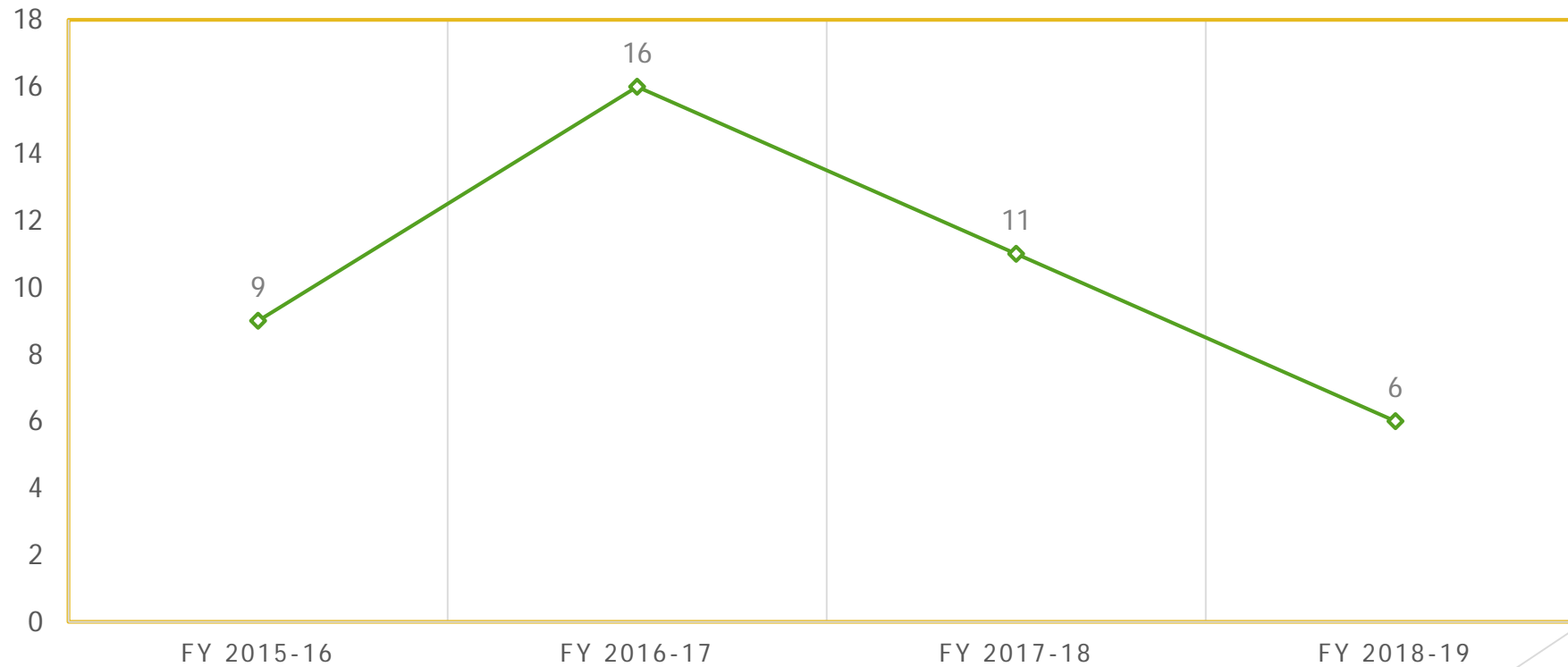
Total Employee
Equivalents in 2017-18:
0.04 (includes employee
time spent on
development of Business
Filings system)

Legislative Intent:
Allow a corporate purpose of
providing public benefits without
subjecting the corporation or
directors to liability except for
specified reasons. (2012 Act No.
277)

Benefit Corporation Filings

Deliverable No. 67

NUMBER OF BENEFIT CORPORATION FILINGS



Cooperative Association Filings

Deliverable No. 68

- ▶ Cooperative associations are formed for the purpose of conducting agricultural, dairy, mercantile, mining, mechanical, or manufacturing business in South Carolina.
- ▶ Cooperative associations are formed by first filing a petition with the Secretary of State and then receiving a certificate of charter once the requirements for formation are met.



Required by S.C. Code
§§ 33-45-40. -50. -140

Customers:
Cooperative Associations

Number of Customers
Served in 2017-18:
Unknown (these filings are
not distinguished from
other corporate filings in
Business Filings system)

Total Employee
Equivalents in 2017-18:
0.04 (includes employee
time spent on
development of Business
Filings system)

Legislative Intent:
To permit persons to form a
cooperative association for
conducting certain types of
business. (Section 33-45-30)

Marketing Cooperative Association Filings

Deliverable No. 69

- ▶ Marketing cooperatives file articles of incorporation, articles of amendment, and other corporate filings with the Secretary of State's Office pursuant to S.C. Code of Laws Title 33, Chapter 47.
- ▶ The Cooperative Marketing Act is intended to “promote, foster and encourage the intelligent and orderly marketing of agricultural products through cooperating, to eliminate speculation and waste, to make the distribution of agricultural products as direct as can be efficiently done between producer and consumer and to stabilize the marketing problems of agricultural products.”



Required by S.C. Code
§§ 33-47-40, -70, -260

Customers:
Marketing Cooperative
Associations

Number of Customers
Served in 2017-18:
Unknown (these filings are
not distinguished from
other corporate filings in
Business Filings system)

Total Employee
Equivalents in 2017-18:
0.04 (includes employee
time spent on
development of Business
Filings system)

Legislative Intent:
To promote orderly marketing of
agricultural products, eliminate
speculation and waste, make
distribution as direct as can be
efficiently done, and stabilize
marketing problems of agricultural
products. (Section 33-47-30)

Telephone Cooperative Filings

Deliverable No. 70



- ▶ Telephone cooperatives must file their articles of incorporation, amendments, consolidations, mergers, conversions, or dissolutions and certificates of election to dissolve and affidavits of compliance (as required) with the Secretary of State pursuant to S.C. Code of Laws Title 33, Chapter 46.
- ▶ Telephone cooperative nonprofit corporations are organized for the purpose of rendering communication and information services.

Required by S.C. Code
§ 33-46-90

Customers:
Telephone Cooperatives

Number of Customers
Served in 2017-18:
Unknown (these filings are
not distinguished from
other corporate filings in
Business Filings system)

Total Employee
Equivalents in 2017-18:
0.04 (includes employee
time spent on
development of Business
Filings system)

Legislative Intent:
To render communication and
information services and to allow
actions necessary for control and
operation of said systems. (Section
33-46-210)

Electric Cooperative Filings

Deliverable No. 71



- ▶ Electric cooperatives file articles of incorporation, amendment, consolidation, merger, conversion or dissolution and certificates of election to dissolve and affidavits of compliance (as required) for electric cooperatives pursuant to S.C. Code of Laws Title 33, Chapter 49.
- ▶ Electric cooperatives are formed “for the purpose of supplying electric energy and promoting and extending the use thereof.”

Required by S.C. Code
§ 33-49-80

Customers:
Electric Cooperatives

Number of Customers
Served in 2017-18:
Unknown (these filings are
not distinguished from
other corporate filings in
Business Filings system)

Total Employee
Equivalents in 2017-18:
0.04 (includes employee
time spent on
development of Business
Filings system)

Legislative Intent:
Organized for the purpose of
supplying electric energy and
promoting and extending its use.
(Section 33-49-210)

Transmission of Electric Cooperative Filings to County Officials

Deliverable No. 72

- ▶ Section 33-49-90 states that upon receipt of an electric cooperative filing, the Secretary of State shall transmit a certified copy to the county clerk of the county or counties in which the principal office of the each electric cooperative affected by the filing is located. The Secretary of State shall also forward a certified copy of the filing to the clerk of court or register of deeds of any county in which the cooperative owns affected property.
- ▶ There have been no transmittals in the time period covered in the program evaluation report.

Required by S.C. Code
§ 33-49-90

Customers:
Electric Cooperatives

Number of Customers
Served in 2017-18: 0

Total Employee
Equivalents in 2017-18:
0.00

Legislative Intent:
Organized for the purpose of
supplying electric energy and
promoting and extending its use.
(Section 33-49-210)

Business Trust Filings

Deliverable No. 73



- ▶ Business trusts created under common law or doing business in South Carolina must file a certified copy of the trust instrument that was issued by the county with the Secretary of State.
- ▶ The filing must set forth the name of the entity and a registered agent and office for service of process.

Required by S.C. Code
§ 33-53-10

Customers:
Business Trusts

Number of Customers
Served in 2017-18:
Unknown (these filings are
not distinguished from
other corporate filings in
Business Filings system)

Total Employee
Equivalents in 2017-18:
0.04 (includes employee
time spent on
development of Business
Filings system)

Outcome Sought by Agency*
To provide a venue for the
recording of business trusts at the
state level.

Notice of Appointment of a Registered Agent by a Nonresident Landlord

Deliverable No. 74

- ▶ The South Carolina Residential Landlord and Tenant Act allows nonresident landlords to designate and file a registered agent with the Secretary of State.
- ▶ Very few nonresident landlords file an appointment of a registered agent with the Secretary of State. Only 6 filings have been made during the time period covered by the program evaluation report.



Provided under S.C. Code
§ 27-40-130

Customers:
Nonresident Landlords

Number of Customers
Served in 2017-18: 1

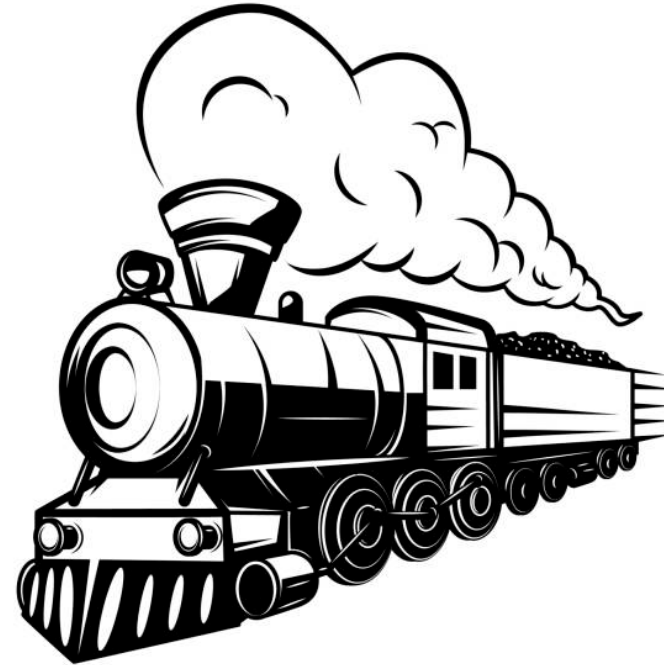
Total Employee
Equivalents in 2017-18:
0.00

Legislative Intent:
The Act is intended to clarify and modernize the law governing rentals of dwelling units and encourage landlords and tenants to maintain and improve quality of housing. (Section 27-40-20)

Railroad Document Filings

Deliverable No. 75

- ▶ The Secretary of State's Office files deeds, mortgages, deeds of trust, and documents of railroads pursuant to S.C. Code of Laws Title 30, Chapter 11.
- ▶ Filings are made in duplicate and the Secretary files one copy, giving it a file number, indexing the document, and retaining the document. The other copy is properly endorsed, given the filing number from the Secretary of State and returned to the filer.
- ▶ No railroad document filings described in this deliverable have been received during the period covered in the performance evaluation report.



Required by S.C. Code
§§ 30-11-10, -20, -40

Customers:
Railroad Companies

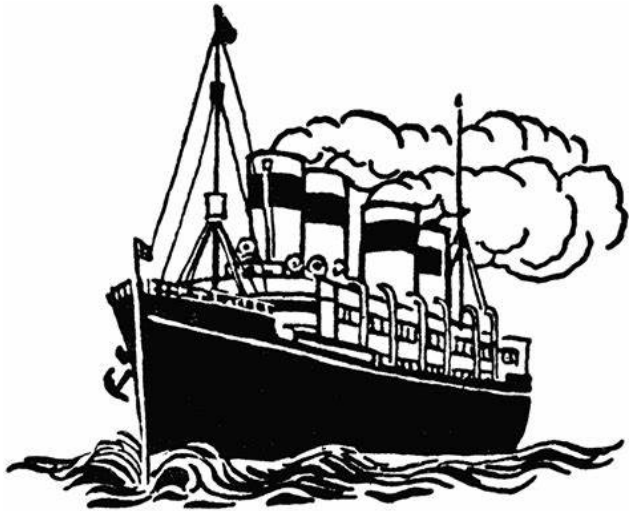
Number of Customers
Served in 2017-18: 0

Total Employee
Equivalents in 2017-18:
0.00

Outcome Sought by Agency*
To comply with the duties outlined
in statutes regarding recordation of
deeds and documents of railroads.

**Legislative intent not stated in law.*

Railroad, Street Railway, Steamboat and Canal Company Formation Deliverable Nos. 76 through 81



- ▶ Pursuant to S.C. Code of Laws Title 58, Chapter 15, those wishing to incorporate to build a railroad, street railway, steamboat, or canal business file a written declaration and petition with the Secretary of State, after which, the Secretary of State issues to the petitioners a commission constituting them a board of incorporators who may then open books of subscription to capital stock after the required public notice.
- ▶ Opponents of the application may appear and oppose it and the Secretary of State determines whether to refuse to grant the charter or grant it.
- ▶ The incorporators then file a return with the Secretary of State, providing required information, and the Secretary of State issues a charter certificate.

Required by S.C. Code
§§ 58-15-10, -30, -40, -70, -90, -
100, -160, -170, -200 and §§ 58-
17-340, -430, -620, -630, -660

Customers:

Railroad Companies; Street
Railway Companies; Steamboat
Companies; Canal Companies
Petitioners for Formation of
Railroad Companies, Street
Railway Companies, Steamboat
Companies, and Canal Companies;
General Public

Number of Customers Served in 2017-18:

- No. 76-78: 0
- No. 79: 1
- No. 80-81: 0

Total Employee Equivalents in 2017-18:

- No. 76-78: 0.00
- No. 79: 0.01
- No. 80-81: 0.00

Outcome Sought by Agency*

Comply with statutes governing the
incorporation and organization of
railroad, street railway, steamboat,
and canal companies.

**Legislative intent not stated in law.*

Railroad, Street Railway, Steamboat and Canal Company Formation

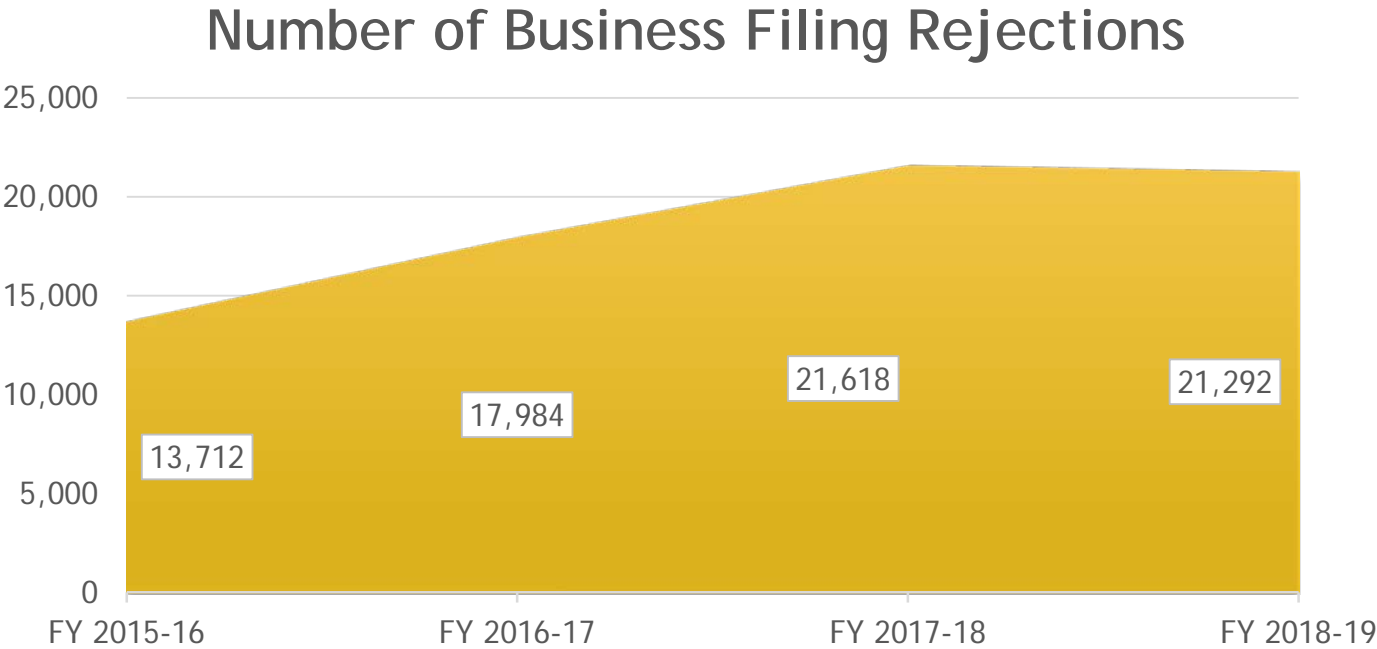
Deliverable Nos. 76 through 81

- ▶ Railroad, street railway, steamboat, or canal corporations may have their charters amended by the Secretary of State by filing a declaration of the desired changes, after which the Secretary issues a certificate as supplement to the charter.
- ▶ In the sale of a railroad wholly or partially in this state, a company may form to own and maintain a railroad by filing a certificate with the Secretary of State providing information as to the name of the corporation, the directors, period of services not to exceed one year, amount of capital stock, and number of shares.
- ▶ In a consolidation of railroad companies, the consolidation agreement or a certified copy of it must be filed with the Secretary of State.
- ▶ With the exception of one amendment filed in FY 2017-2018, no documents have been filed with the Secretary of State pursuant to S.C. Code of Laws Title 58, Chapter 15.

Rejection of Business Filings

Deliverable No. 82

When a customer attempts to file a document that does not meet statutory requirements, the Secretary of State’s Office will reject the filing and return it to the filer with a brief written explanation of the reason the filing was rejected.



Required by S.C. Code
§ 33-1-250(c), § 33-31-
125(c), §§ 33-41-1110, -
1170, §§ 33-42-260, -1630,
§ 33-44-206

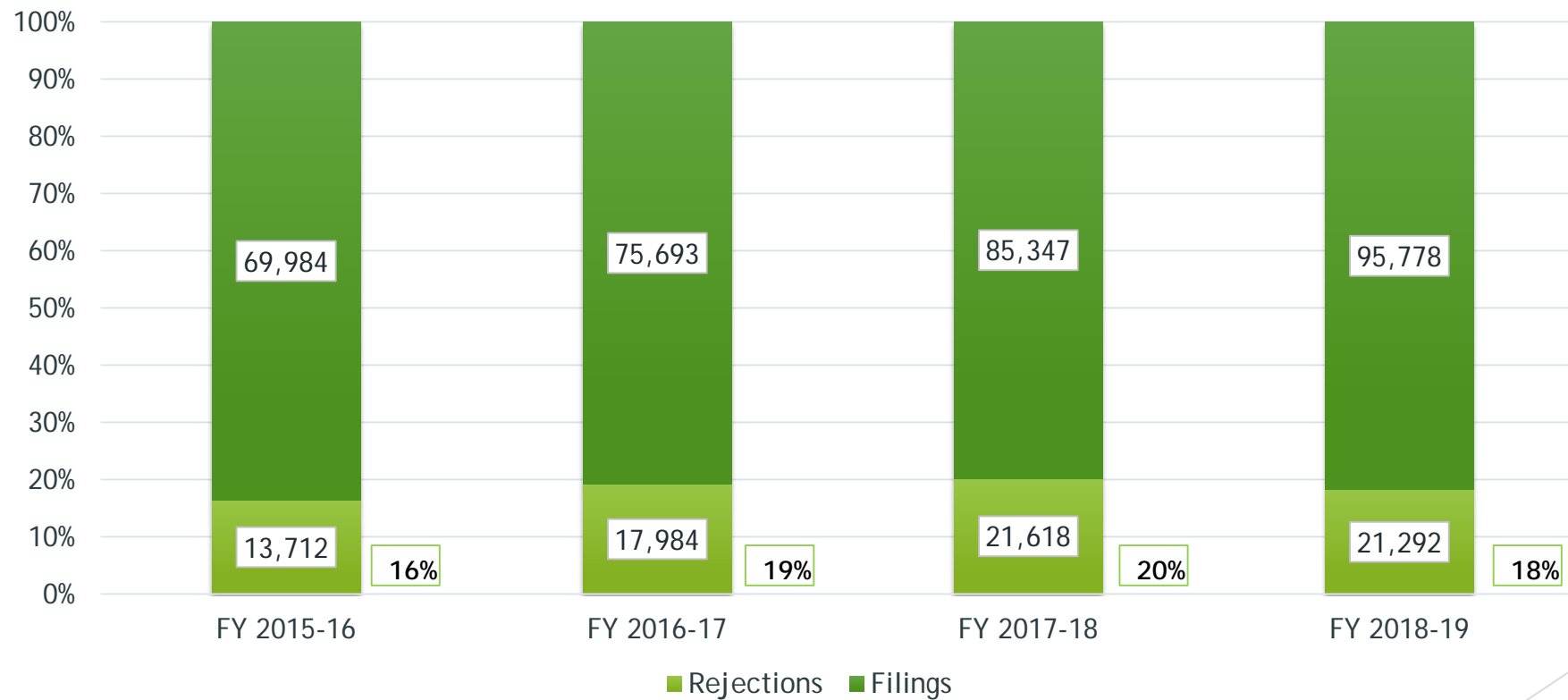
Customers:
Business Entities

Number of Customers
Served in 2017-18: 21,618

Total Employee Equivalents
in 2017-18: 0.82

Legislative Intent:
To simplify filing requirements,
minimize paper, and eliminate
disputes between filers and the
Secretary of State as to legal
efficacy of documents. (Official
Comment, 1988 Act No. 444)

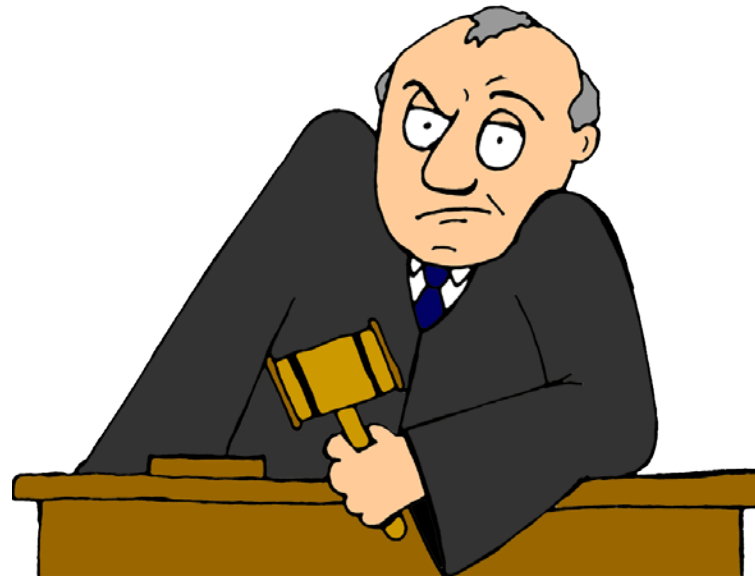
Rejection of Business Filings (compared with number of filings accepted) Deliverable No. 82



Appeal of Rejection of Business Filings

Deliverable No. 83

- ▶ An entity may file an appeal with the Richland County Circuit Court following a refusal by the Secretary of State to file a document.
- ▶ During the time covered by the performance evaluation report, no appeals of the Secretary of State's refusal to file a document have been filed with the court.



Provided under S.C. Code
§§ 33-1-260, 33-31-126

Customers:
Business Entities

Number of Customers
Served in 2017-18: 0

Total Employee
Equivalents in 2017-18:
0.00

Legislative Intent:
To simplify filing requirements,
minimize paper, and eliminate
disputes between filers and the
Secretary of State as to legal
efficacy of documents. (Official
Comment, 1988 Act No. 444)

Administrative Dissolution of Business Corporations

Deliverable No. 84

Corporate Information

Entity Type **Corporation**

Status **Forfeited**

Domestic/Foreign **Domestic**

Incorporated State **South Carolina**

- ▶ The Secretary of State may administratively dissolve a business corporation if grounds exist and the corporation does not correct the grounds within 60 days after notice. The Secretary of State may also revoke or cancel certificates of authority of foreign corporations and limited liability companies.
- ▶ Administrative dissolutions of business entities are most commonly due to a failure to comply with a requirement of the Department of Revenue.
- ▶ An entity that has been administratively dissolved will have a status of “forfeited” in the Business Entities database.

Required by S.C. Code
§§ 33-14-200, -210;
§§ 33-15-300, -310;
§ 33-44-1006

Customers:
Business Corporations,
Limited Liability
Companies

Number of Customers
Served in 2017-18: 4

Total Employee
Equivalents in 2017-18:
0.06

Legislative Intent:
To reduce records maintained by
the Secretary of State and avoid
wasteful attempts to compel
compliance by abandoned
corporations. (Official Comment,
1988 Act No. 444)

Administrative Dissolution of Nonprofit Corporations

Deliverable No. 85

- ▶ The Secretary of State may administratively dissolve a nonprofit corporation if grounds exist and the corporation does not correct the grounds within 60 days after notice. The Secretary of State must also notify the Attorney General. The Secretary of State may also revoke the certificate of authority of a foreign nonprofit corporation to transact business in South Carolina.
- ▶ Nonprofit corporations are most often administratively dissolved or revoked for failure to maintain a registered agent and registered office.



Provided under S.C. Code
§§ 33-31-1420, -1421, -
1530, -1531

Customers:
Nonprofit Corporations;
Attorney General

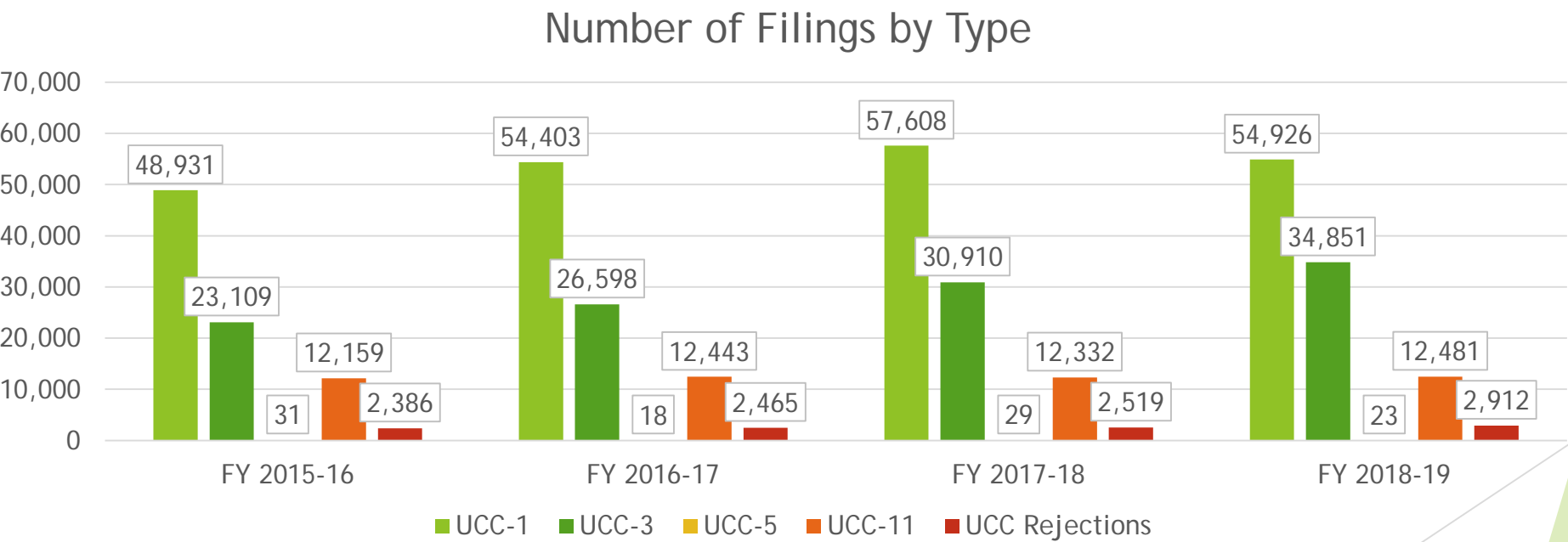
Number of Customers
Served in 2017-18: 31

Total Employee
Equivalents in 2017-18:
0.10

Legislative Intent:
To save the time, money, and
effort required for judicial
dissolution and give notice to
allow opportunity to avoid
dissolution. (Official Comment,
1994 Act No. 384)

Uniform Commercial Code (UCC) Filings

The Secretary of State’s Office is the central filing office for financing statements regarding security interests under Revised Article 9 of the Uniform Commercial Code. A financing statement indicates a security agreement between a debtor and a secured party.

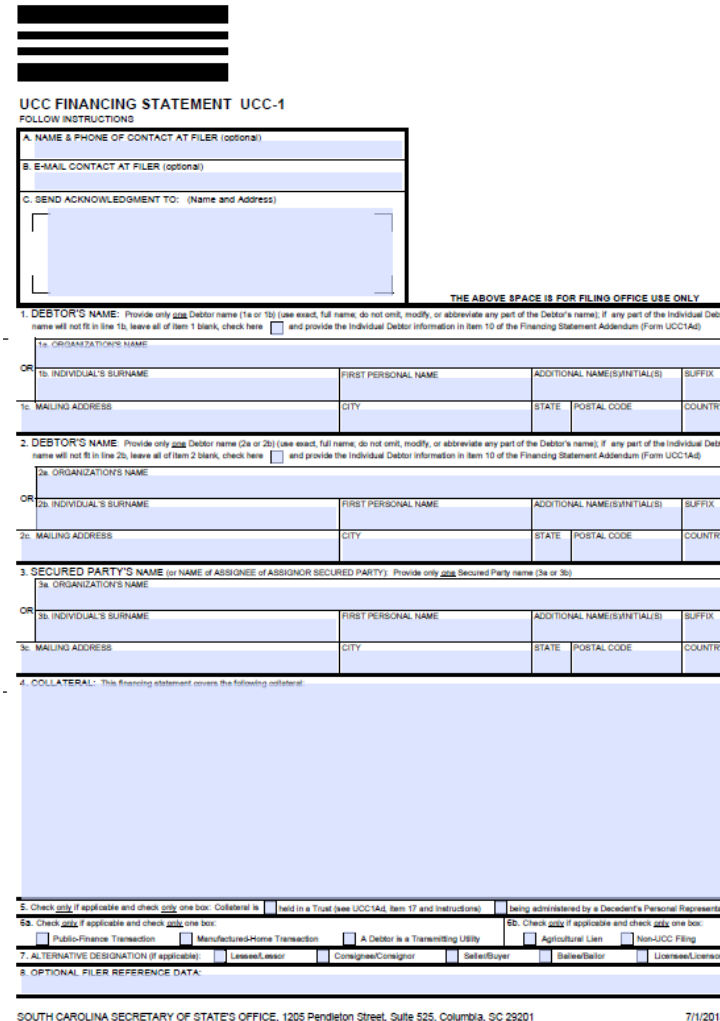


As of August 1, 2019, the adoption rate of online UCC filings was 62.2%.

UCC-1 Financing Statement Filings

Deliverable No. 86

- ▶ A secured party may file a notice of a security interest with the Secretary of State by filing a UCC-1 Financing Statement.
- ▶ All subsequent records filed relating to a particular financing statement are linked to that initial financing statement.
- ▶ Filers may also use a UCC-1 Addendum to provide additional information to the UCC-1 Financing Statement.



UCC FINANCING STATEMENT UCC-1
FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only 22a Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor Information in item 10 of the Financing Statement Addendum (Form UCC1Ad).

1a. ORGANIZATION'S NAME

OR

1b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S) INITIAL(S) SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2. DEBTOR'S NAME: Provide only 22a Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor Information in item 10 of the Financing Statement Addendum (Form UCC1Ad).

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S) INITIAL(S) SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only 22a Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR

3b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S) INITIAL(S) SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

4. COLLATERAL: This financing statement covers the following collateral:

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

5a. Check only if applicable and check only one box: ☐ Public Finance Transaction ☐ Manufactured Home Transaction ☐ A Debtor is a Transferring Utility ☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessor/Lessee ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailor/Borrower ☐ Licensee/Licensee

8. OPTIONAL FILER REFERENCE DATA:

SOUTH CAROLINA SECRETARY OF STATE'S OFFICE, 1205 Pendleton Street, Suite 525, Columbia, SC 29201 7/1/2013

Required by S.C. Code
§§ 36-9-501, -502, -503,
-504, -516, -519, -521,
-526

Customers:
Secured Parties and
Debtors; General Public

Number of Customers
Served in 2017-18: 57,608

Total Employee
Equivalents in 2017-18:
1.14

Legislative Intent:
To provide performance standards
for filing offices and provide
provisions to govern filing
operations. (Official Comment,
2013 Act No. 96)

UCC-3 Amendment Filings

Deliverable No. 87

UCC-3

UCC FINANCING STATEMENT AMENDMENT
FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. INITIAL FINANCING STATEMENT FILE NUMBER

2. ☐ **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement.

3. ☐ **ASSIGNMENT (full or partial):** Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9. For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8.

4. ☐ **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

5. ☐ **PARTY INFORMATION CHANGE:**
Check one of these two boxes:
This change affects: ☐ **Debtor** or ☐ **Secured Party of record**. ☐ **CHANGE** name and/or address. Complete item 7a or 7b and item 9. ☐ **ADD** name. Complete item 7c and item 9. ☐ **DELETE** name. Give record name to be deleted in item 7a or 7b.

6. **CURRENT RECORD INFORMATION:** Complete for Party Information Change - provide only one name (7a or 7b).

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S/INITIALS) SUFFIX

7. **CHANGED OR ADDED INFORMATION:** Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (see exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name).

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S/INITIALS) SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

8. ☐ **COLLATERAL CHANGE:** Check one of these four boxes: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral
Indicate collateral:

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:** Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment). If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor.

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S/INITIALS) SUFFIX

10. OPTIONAL FILER REFERENCE DATA:

SOUTH CAROLINA SECRETARY OF STATE'S OFFICE, 1205 Pendleton Street Suite 525 Columbia, SC 29201 (Rev. 07/01/13)

► A person may file a UCC-3 Amendment with the Secretary of State tracking changes to a UCC-1 for the following:

- to continue a financing statement;
- to amend a financing statement;
- to terminate a financing statement; or
- to assign a security interest.

Required by S.C. Code
§§ 36-9-501, -502, -503,
-504, -516, -519, -521,
-526

Customers:
Secured Parties and
Debtors; General Public

Number of Customers
Served in 2017-18: 30,910

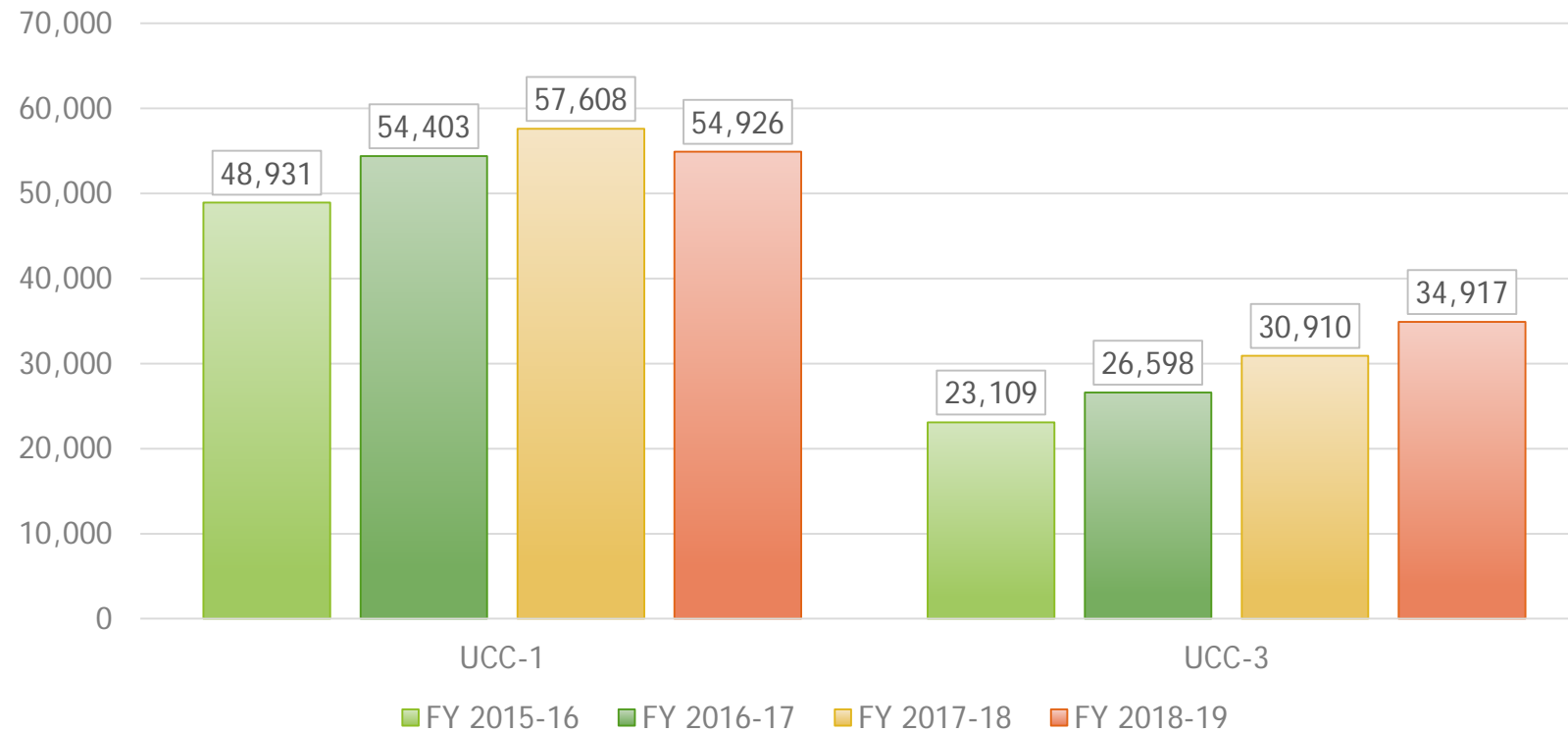
Total Employee
Equivalents in 2017-18:
0.60

Legislative Intent:
To provide performance standards
for filing offices and provide
provisions to govern filing
operations. (Official Comment,
2013 Act No. 96)

UCC Filings

Deliverable Nos. 86 & 87

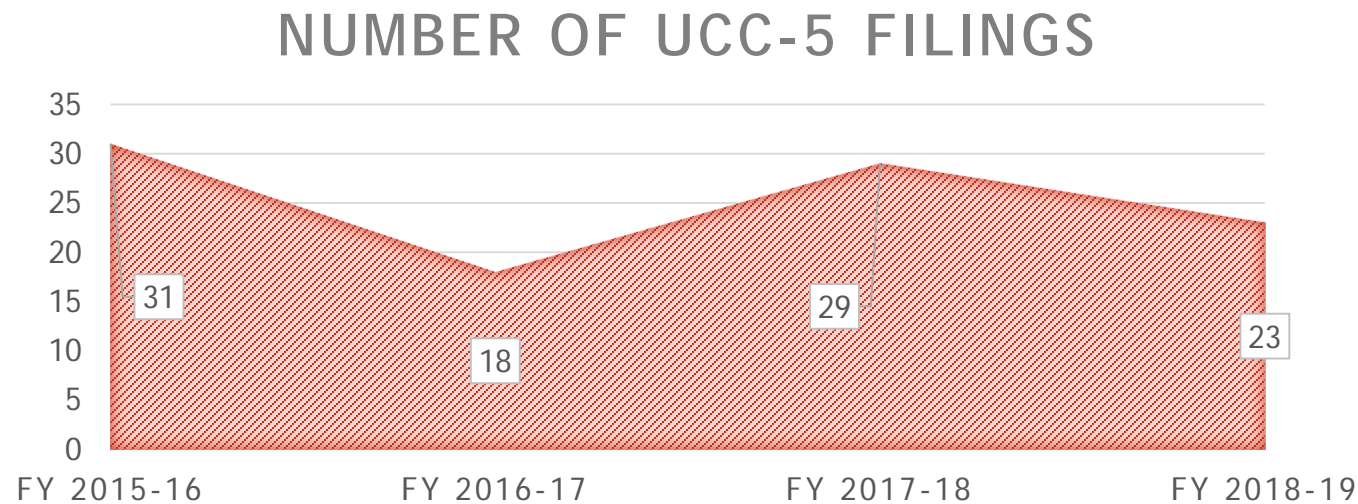
Numbers of UCC-1 and UCC-3 Filings



UCC-5 Information Statement Filings

Deliverable No. 88

- ▶ A person may file a UCC-5 Information Statement with the Secretary of State to demonstrate that a filing was inaccurate or wrongfully filed.
- ▶ There are very few of these filed each year.



Required by S.C. Code
§ 36-9-518

Customers:
Secured Parties and
Debtors; General Public

Number of Customers
Served in 2017-18: 29

Total Employee
Equivalents in 2017-18:
0.02

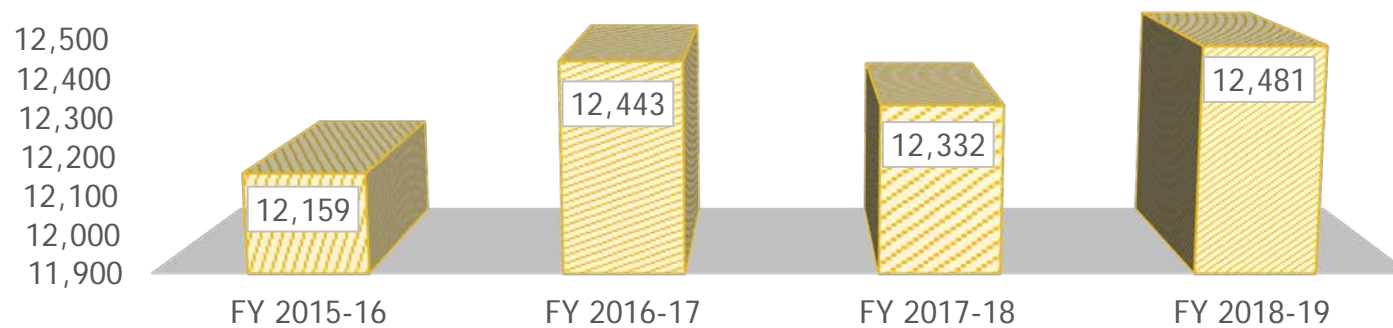
Legislative Intent:
To provide performance standards
for filing offices and provide
provisions to govern filing
operations. (Official Comment,
2013 Act No. 96)

UCC-11 Search and Copies

Deliverable No. 89

A person may file a UCC-11 Search form with the Secretary of State to perform a search of a debtor or secured party. Also, a person may request regular and certified copies of Uniform Commercial Code filings on file with the Secretary of State.

NUMBER OF SEARCHES AND COPIES



Required by S.C. Code
§§ 36-9-519, -523

Customers:
Secured Parties and
Debtors; General Public

Number of Customers
Served in 2017-18: 12,332

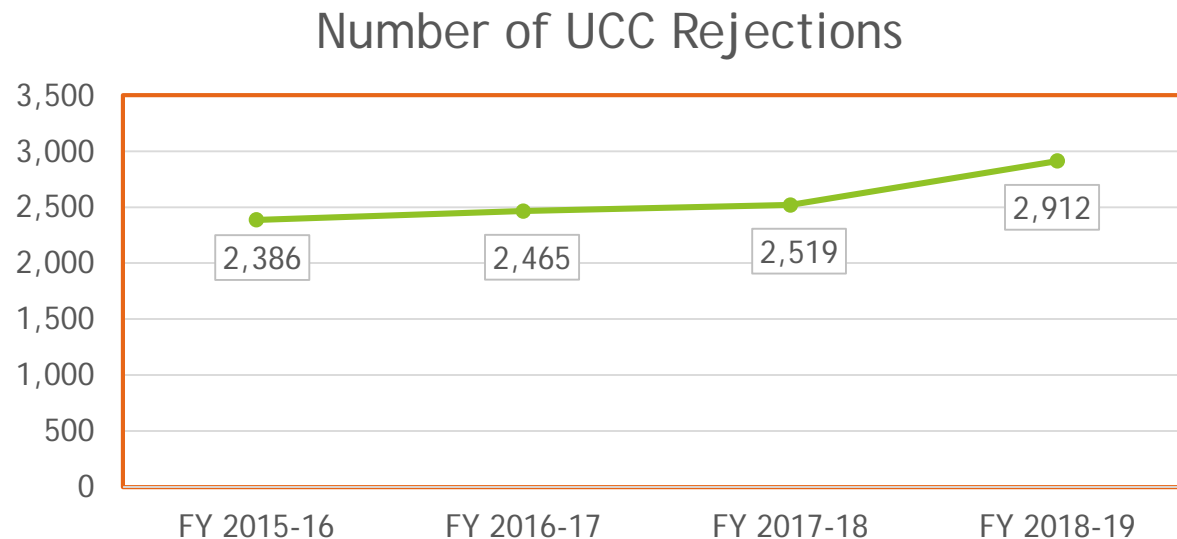
Total Employee
Equivalents in 2017-18:
0.22

Legislative Intent:
To provide performance standards
for filing offices and provide
provisions to govern filing
operations. (Official Comment,
2013 Act No. 96)

UCC Filing Rejections

Deliverable No. 90

- The Secretary of State may reject a filing under Chapter 9 of Title 36 (Commercial Code - Secured Transactions) if it does not contain the statutorily required information, or the Secretary of State determines that it has been filed for an improper purpose, the filing is not within the scope of Chapter 9, or the secured party and debtor are the same.



Provided under S.C. Code
§ 36-9-516

Customers:
Secured Parties and
Debtors; General Public

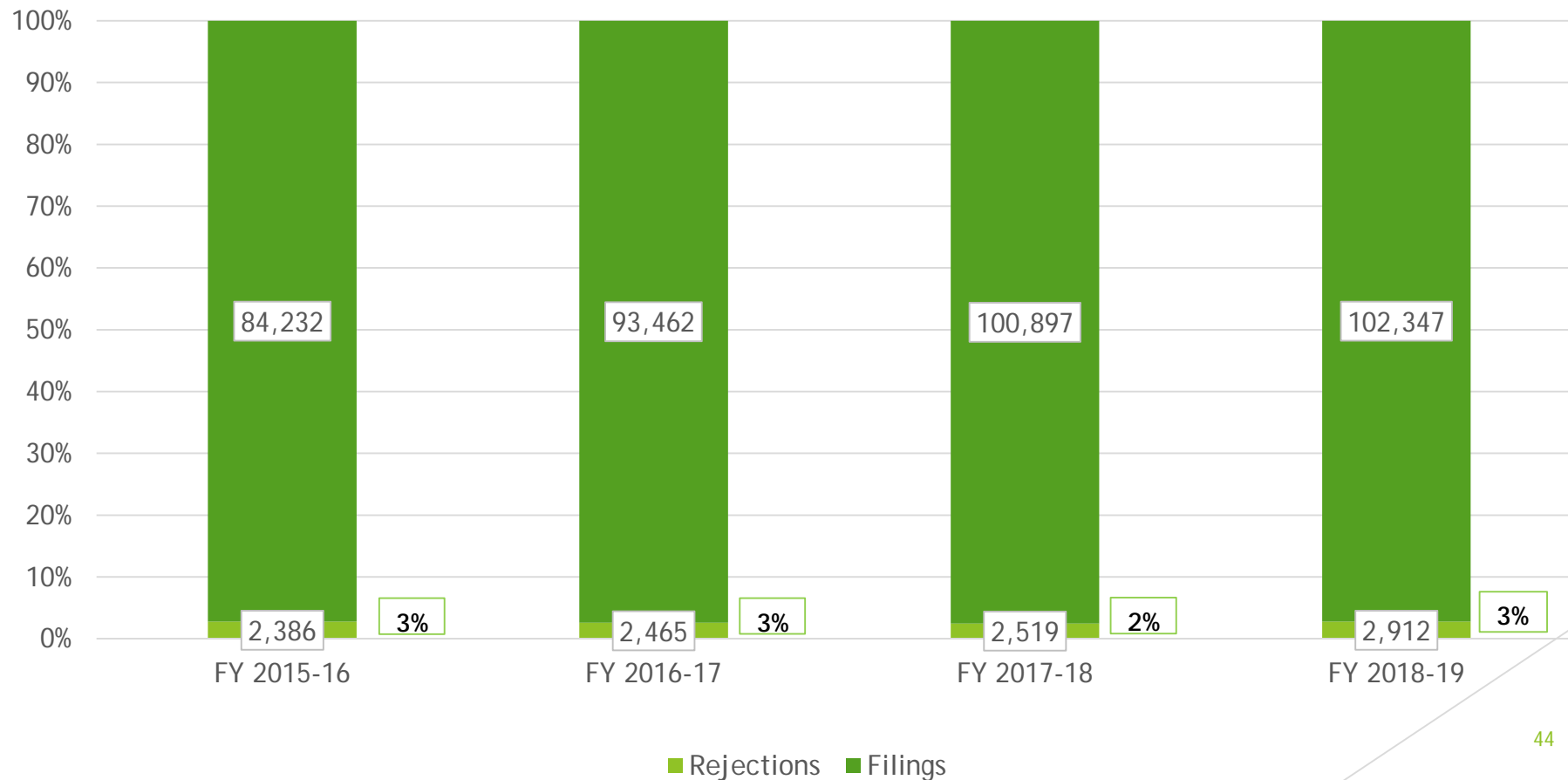
Number of Customers
Served in 2017-18: 2,519

Total Employee
Equivalents in 2017-18:
0.06

Legislative Intent:
To provide performance standards
for filing offices and provide
provisions to govern filing
operations. (Official Comment,
2013 Act No. 96)

UCC Filing Rejections (compared with number of filings accepted)

Deliverable No. 90



UCC Filing Rejection

Deliverable No. 90

- ▶ One of the common types of rejections are UCC filings submitted by sovereign citizens.
 - ▶ Some of these rejected filings are bogus liens against officials and entities in retaliation for a perceived wrong against the individual.
 - ▶ For example, a sovereign citizen may file a lien against a law enforcement officer or magistrate judge following receipt of a traffic ticket.
 - ▶ Other rejected filings include those in which an individual lists himself or herself as both the debtor and secured party. This is usually in an effort to avoid some kind of debt or to claim an account they believe was secretly set up by the government at birth.

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)
Roger Syntell Legette #243366
Evans Corr. Inst./ F3b-240
610 Hwy 9 West
Bennettsville, S.C. 29512

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name; if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1A4))

2a. ORGANIZATION'S NAME
OR **2b. INDIVIDUAL'S SURNAME**
ROGER SYNTELL LEGETTE

3a. MAILING ADDRESS
Evans C.I./ 610 Hwy 9 West

3b. CITY
Bennettsville

3c. STATE
SC

3d. POSTAL CODE
29512

3e. COUNTRY
USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name; if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1A4))

2a. ORGANIZATION'S NAME
OR **2b. INDIVIDUAL'S SURNAME**
Legette

3a. MAILING ADDRESS
Evans C.I./ 610 Hwy 9 West

3b. CITY
Bennettsville

3c. STATE
SC

3d. POSTAL CODE
29512

3e. COUNTRY
USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
OR **3b. INDIVIDUAL'S SURNAME**
Legette

4a. MAILING ADDRESS
Evans C.I./ 610 Hwy 9 West

4b. CITY
Bennettsville

4c. STATE
SC

4d. POSTAL CODE
29512

4e. COUNTRY
USA

4. COLLATERAL: This financing statement covers the following collateral:
The following property is Accepted for Value, exempt from levy, and herewith registered in the Commercial Chamber; 15th Circuit Court of SOUTH CAROLINA COURT CASE NUMBER 96-GS-26-2809, emanating from an INDICTMENT signed by Jackie Williams, GRAND JURY FOREPERSON in behalf of the Fifteenth Circuit Court in behalf of the State of South Carolina Horry County, and the case is herein claimed and lienated at a sum certain \$2,382,720,000,000** (two-trillion, three hundred eighty-two billion, seven hundred twenty million dollars and no/100) based upon the value of any unlawful incarceration, malicious charges, malicious prosecution, misapplication of statutes, violation of due process of law, fraud by Scientist, failure of the prosecutor to certify the charges and bond the Case/Action and per fraud by the prosecutor and fraud by the court.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1A4, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6. Check only if applicable and check only one box: ☐ Public Finance Transaction ☐ Manufactured Home Transaction ☒ A Debtor is a Transacting Utility ☐ Agricultural Lien ☐ Non-UCC Filing

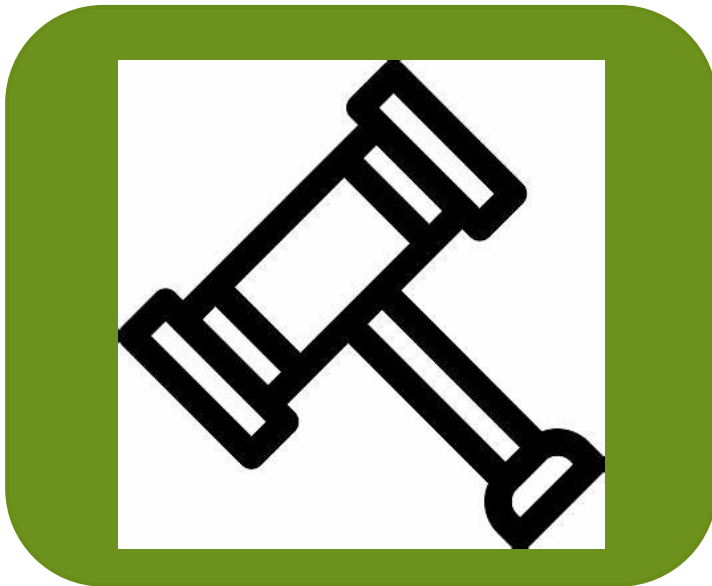
7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessor/Lessee ☐ Consignor/Consignee ☐ Shipper/Receiver ☐ Bailor/Bailee

8. OPTIONAL FILER REFERENCE DATA:

FILING OFFICE COPY — UCC FINANCING STATEMENT (Form UCC1) (Rev. 04/2011) International Association of Commercial Administrators (IACA)

Appeal of UCC Filing Rejection

Deliverable No. 91



- ▶ A person whose Uniform Commercial Code filing has been rejected by the Secretary of State may file an appeal with the Administrative Law Court.
- ▶ During the time period covered in the program evaluation report, no appeals have been filed with the Administrative Law Court.

Provided under S.C. Code
§ 36-9-520

Customers:
Secured Parties and
Debtors; General Public

Number of Customers
Served in 2017-18: 0

Total Employee
Equivalents in 2017-18:
0.00

Legislative Intent:
To provide performance standards
for filing offices and provide
provisions to govern filing
operations. (Official Comment,
2013 Act No. 96)

Certificates of Existence for Business Entities

Deliverable No. 92

The Secretary of State may furnish a certificate of existence for a business entity that may be relied upon as conclusive evidence that the business entity is in existence or is authorized to do business in South Carolina.

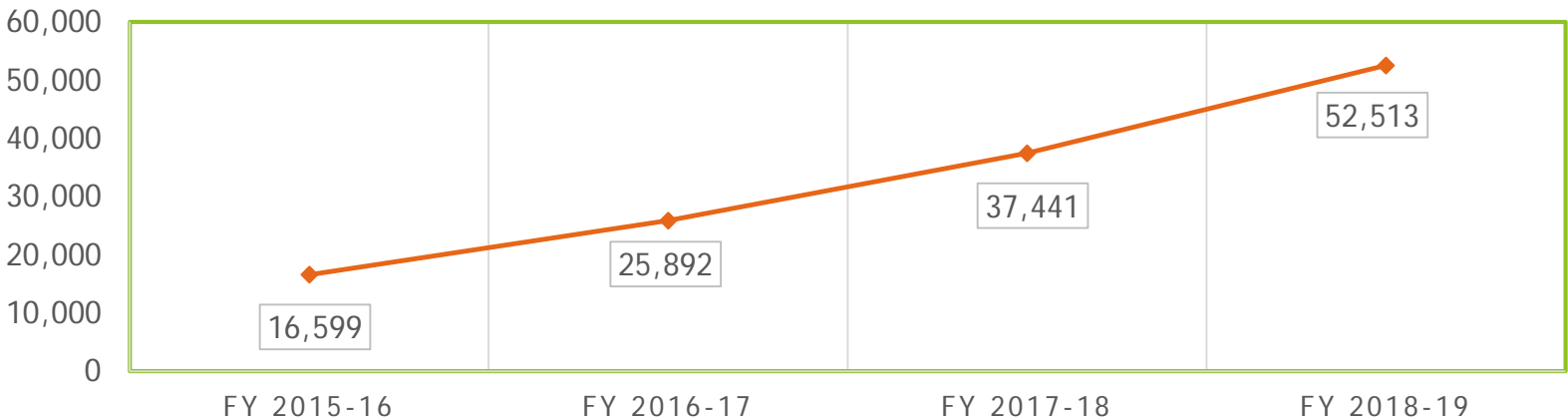
Provided under S.C. Code
§§ 33-1-280; 33-31-128;
33-41-1110; 33-42-210;
33-44-208

Customers:
Business Entities; General
Public

Number of Customers
Served in 2017-18: 37,441

Total Employee
Equivalents in 2017-18:
1.42

NUMBER OF CERTIFICATES OF EXISTENCE

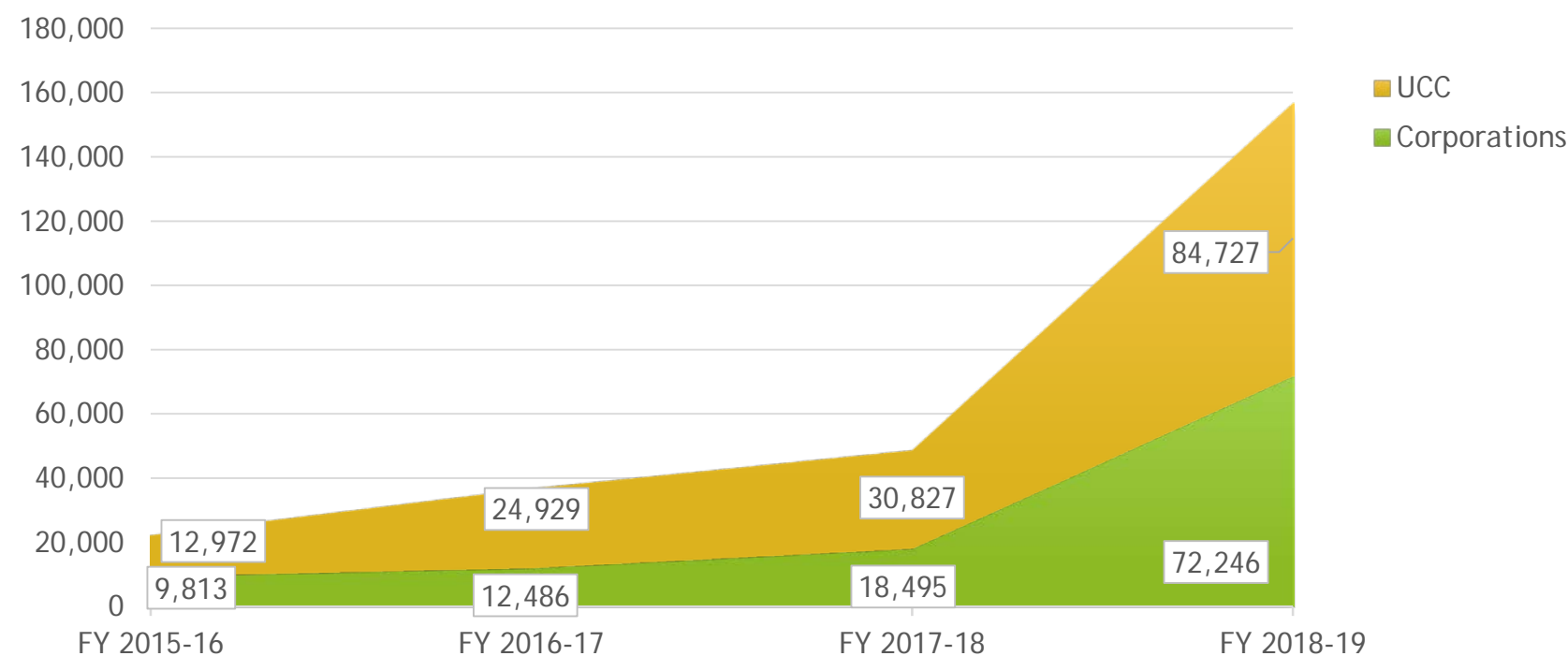


Legislative Intent:
Simplify filing requirements,
minimize paper, and eliminate
disputes between filers and the
Secretary of State as to legal
efficacy of documents. (Official
Comment, 1988 Act No. 444)

Copies of Business and UCC Filings

Deliverable No. 93

The Secretary of State collects fees for copying and certifying copies of filed documents related to business entities. Certified copies are conclusive evidence that the original document is on file with the Secretary of State.



As of August 1, 2019, the adoption rate of online business filings document requests and certificates was 97.8% and the adoption rate of online UCC searches was 99.4%.

Required by S.C. Code
§ 1-5-50; §§ 33-1-220,
-270; §§ 33-31-122, -127;
§ 33-36-230

Customers:
Business Entities

Number of Customers
Served in 2017-18: 18,495

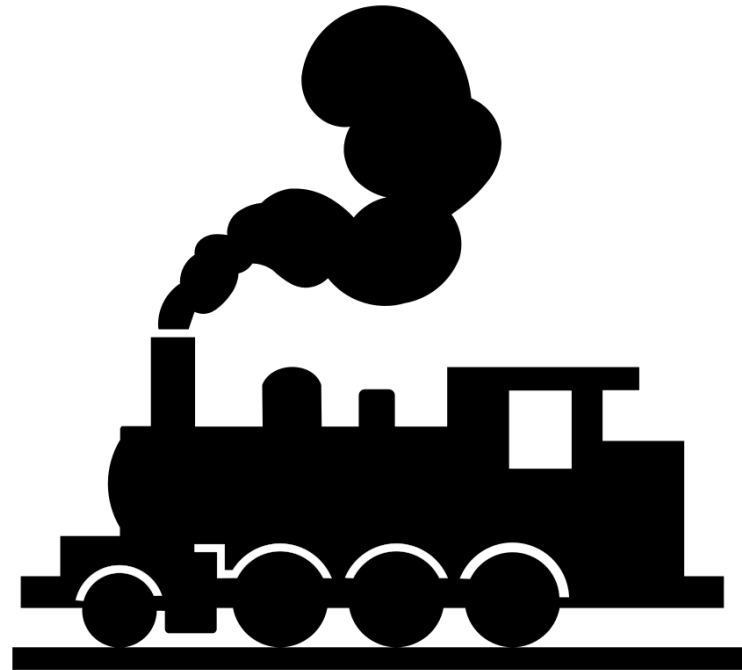
Total Employee
Equivalents in 2017-18:
0.70

Legislative Intent:
Simplify filing requirements,
minimize paper, and eliminate
disputes between filers and the
Secretary of State as to legal
efficacy of documents. (Official
Comment, 1988 Act No. 444); To
provide performance standards for
filing offices and provide provisions
to govern filing operations. (Official
Comment, 2013 Act No. 96)

Certified Copies of Railroad Documents & Filings

Deliverable Nos. 94 & 95

- ▶ Upon request, the Secretary of State provides certified copies of railroad documents filed pursuant to S.C. Code of Laws Title 30, Chapter 11 and Title 58, Chapter 17. Documents certified by the Secretary of State may be used as evidence in all courts of this State.
- ▶ No certified copies of railroad documents and filings were processed during the time period covered in the program evaluation report.



Required by S.C. Code
§ 30-11-50; §§ 58-17-430,
-620

Customers:
Railroad Companies;
Courts; General Public

Number of Customers
Served in 2017-18: 0

Total Employee
Equivalents in 2017-18:
0.00

Outcome Sought by Agency*
To comply with the duties outlined
in statutes regarding recordation
of deeds and documents of
railroads and to comply with the
duties outlined in the general
railroad law.

**Legislative intent not stated in law.*

Database Queries & Bulk Data

Deliverable Nos. 96, 97 & 98

- ▶ Corporate Database Query - The Secretary of State's Office provides bulk business filings data at the request of customers. The Secretary of State's Office also provides data in response to specific search requests.
 - ▶ Corporate Bulk Filings - The Secretary of State's Office provides capability to receive and process Change of Agent/Agent Address filings in bulk.
- ▶ Uniform Commercial Code Bulk Data and Images - The Secretary of State's Office provides bulk UCC data at the request of customers. The Secretary of State's Office also provides data in response to specific search requests.
 - ▶ XML Filings - The Secretary of State's Office provides capability for receipt of UCC filings in bulk.
- ▶ Corporations/Uniform Commercial Code Bulk Combo - The Secretary of State's Office provides corporate bulk data and Uniform Commercial Code bulk data at the request of customers. The Secretary of State's Office also provides data in response to specific search requests.

**These requests are provided via a subscriber account.*

Provided under S.C. Code
§ 1-5-50; §§ 33-1-220,
-270; §§ 33-31-122, -127;
§ 33-36-230; § 36-9-523

Customers: Businesses;
Legal Professionals;
General Public

Number of Customers
Served in 2017-18:

- No. 96: 3
- No. 97: 2
- No. 98: 2

Total Employee
Equivalents in 2017-18:

- No. 96: 0.00
- No. 97: 0.00
- No. 98: 0.00

Outcome Sought by Agency*

To efficiently provide bulk data to customers.

**Legislative intent not stated in law.*

Qualified Business Registration

Deliverable Nos. 99 & 100

- ▶ The General Assembly passed the High Growth Small Business Job Creation Act, also known as the Angel Investor Act, in 2013. The Act provides tax credits to angel investors who make qualified investments in qualified businesses.
- ▶ In accordance with the Act, the Secretary of State reviews applications and registers businesses as qualified businesses when applicants meet criteria for registration, and may revoke a registration if false information is provided in the applications.
- ▶ Registration as a qualified business allows a company to receive investments from investors who can then apply for tax credits for their investments from the Department of Revenue.
- ▶ While not specifically required by statute, the Secretary of State's Office provides a copy of the certification letter and filed application for registration as a qualified business for each registered qualified business to the Department of Revenue to assist that agency in carrying out its duties under the High Growth Small Business Job Creation Act.



Required by S.C. Code §
11-44-60

Customers:
Qualified Businesses;
Department of Revenue

Number of Customers
Served in 2017-18:

- No. 99: 82
- No. 100: 1

Total Employee Equivalents
in 2017-18:


- No. 99: 0.06
- No. 100: 0.02

Legislative Intent:

To encourage investment in early-stage, high-growth job-creating businesses; increase high-quality, high-paying jobs in the state; expand the state's economy by enlarging the base of wealth-creating businesses; and supporting businesses seeking to commercialize technology invented in higher education institutions. (Section 11-44-20)

Qualified Business Reporting

Deliverable Nos. 101 & 102



State of South Carolina
Office of the Secretary of State
The Honorable Mark Hammond

1205 Pendleton Street, Suite 525, Columbia SC 29201
Telephone (803) 734-2170 • Fax (803) 734-1661
www.sos.sc.gov

High Growth Small Business Job Creation Act
Aggregate Statewide Report—Updated January 25, 2019

Pursuant to South Carolina Code of Laws §11-44-60, Secretary of State Mark Hammond is publishing an aggregated statewide report of qualified businesses registered under the High Growth Small Business Job Creation Act. This report includes the number of qualified businesses registered under the Act; the amount of capital raised by the businesses, including the amount of qualified investment as defined by the Act; the number of full-time, part-time, and temporary jobs created by the qualified businesses; and the average wages paid by these jobs. This aggregated statewide report is based on the information provided by the qualified businesses at the time of registration.

<u>Total Number of Qualified Businesses Registered Since Inception of Act:</u>	238
<u>Total Number of Qualified Businesses Currently Registered:</u>	69
<u>Total Amount of Capital Raised Since Inception of Act:</u>	\$175,837,118.35

<u>Total Amount of Qualified Investment:*</u>	<u>Number of Jobs Created Since Inception of Act:</u>
• Reported for 2013: \$7,132,900.00	• Full-time: 661
• Reported for 2014: \$18,487,687.00	• Part-time: 208
• Reported for 2015: \$16,732,380.55	• Temporary: 125
• Reported for 2016: \$16,083,000.52	
• Reported for 2017: \$23,324,237.47	
• Reported for 2018: \$8,732,109.40	

Average Wages Paid Since Inception of Act:

- Full-time:
 - \$60,230.53/year reported as annual compensation
 - \$17.03/hour reported as hourly wages
- Part-time:
 - \$24,186.34/year reported as annual compensation
 - \$22.81/hour reported as hourly wages
- Temporary:
 - \$20,960.47/year reported as annual compensation
 - \$30.28/hour reported as hourly wages

*Please note that the amount of qualified investment reflects the information reported by the businesses at the time of registration, and may not correlate with the amount of tax credits awarded by the Department of Revenue.

- ▶ The Secretary of State must provide annual reports with a list of qualified businesses to the House Ways and Means Committee, Senate Finance, and the Governor by January 31st of each year.

- ▶ The Secretary of State must post an aggregate statewide report of the number of qualified businesses and other information on the Secretary of State's website and update the report annually.

Required by S.C. Code
§11-44-60

Customers:
Governor; House Ways and Means Committee; Senate Finance Committee; General Public

Number of Customers Served in 2017-18:

- No. 101: 3
- No. 102: 150

Total Employee Equivalents in 2017-18:

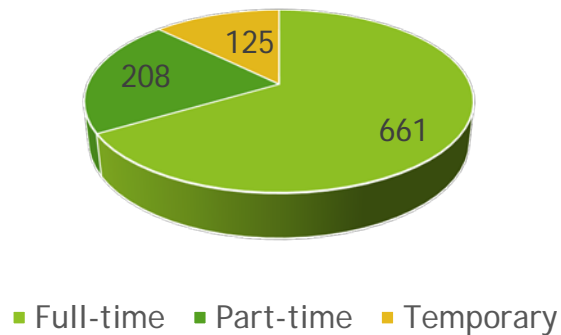
- No. 101: 0.05
- No. 102: 0.00

Legislative Intent:
To encourage investment in early-stage, high-growth job-creating businesses; increase high-quality, high-paying jobs in the state; expand the state's economy by enlarging the base of wealth-creating businesses; and supporting businesses seeking to commercialize technology invented in higher education institutions. (Section 11-44-20)

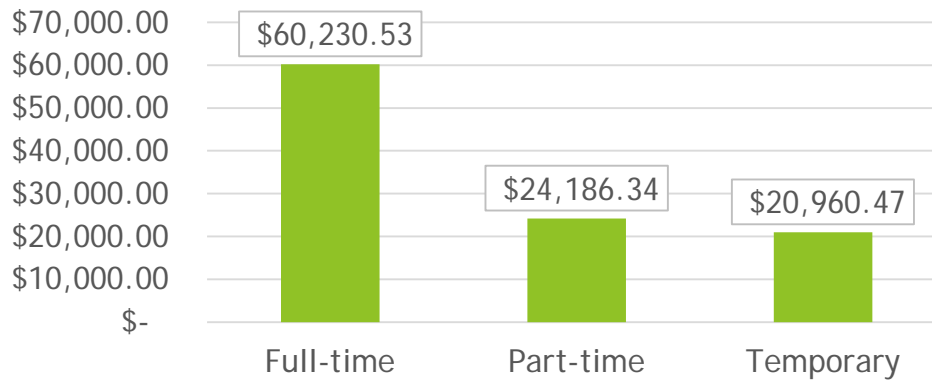
Qualified Business Data

Since inception of the Act, \$175,837,118.35 total capital has been raised by 238 registered qualified businesses.*

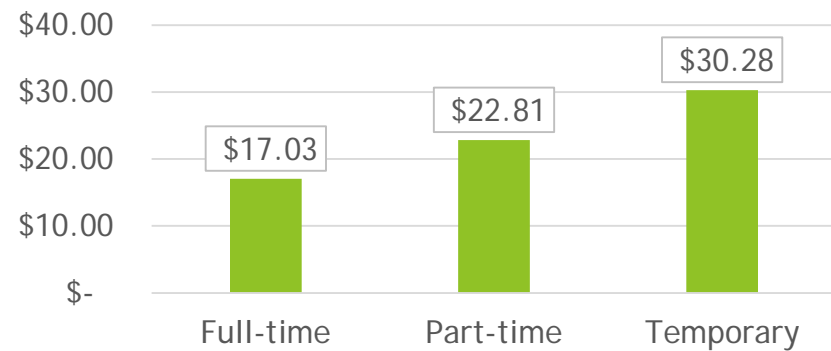
Jobs Created Since Inception of the Act*



Average Annual Compensation Since Inception of the Act*



Average Hourly Wages Since Inception of the Act*



*Information provided is based upon annual reporting submitted in January of 2019.

Performance Measures Related to Business Filings Deliverables

- ▶ Performance Measure No. 2: Provide data for internal and external customers with enhancements to business filings online application.
- ▶ Performance Measure No. 3: Increase the number of business filings submitted online 24/7 with increased filing options.
- ▶ Performance Measure No. 5: Protect data and records and provide staff additional tools to fulfill statutory duties. (Create database and applications for municipal incorporations, railroads, landlord-tenants, business opportunities and special purpose districts.)
- ▶ Performance Measure No. 12: Improve search capabilities for customer inquiries.

Performance Measures Related to Business Filings Deliverables

- ▶ Performance Measure No. 16: Create faster turn-around time for corporate paper filings submitted by mail and walk-in customers with the implementation of an in-house application to more quickly process paper filings.
- ▶ Performance Measure No. 17: Providing public additional online information with the completion of a microfilm conversion project that digitized 1.5 million corporate records to preserve permanent corporate records.
- ▶ Performance Measure No. 18: Increase the number of all online applications.
- ▶ Performance Measure No. 24: Number of small businesses filed for High Growth Small Business Job Creation Act.

Performance Measure Nos. 2, 3, 16 & 18: Provide data for internal and external customers with enhancement to business filings online application; increase number of business filings submitted online 24/7; create faster turn-around time for paper filings; and increase number of all online applications.

Over the past several years, the Secretary of State has initiated and implemented online applications for the Business Filings Division. These applications have included the following:

- ▶ Launch of the corporate online document request application (completed in FY 2015-16).
- ▶ Launch of the Business Entities Online Filing, Search, and Retrieval System, a comprehensive business filing, search, and document retrieval web-based application (Completed in FY 2016-17).
 - ▶ This system also includes an in-house application for agency staff to enter filings received through the mail or submitted at the office.
 - ▶ The implementation and improvements to the online filing system available to users has led to a decrease in the number of walk-in customers, which the agency attributes to the ease and convenience of the Business Entities Online system (FY 2017-18, FY 2018-19).

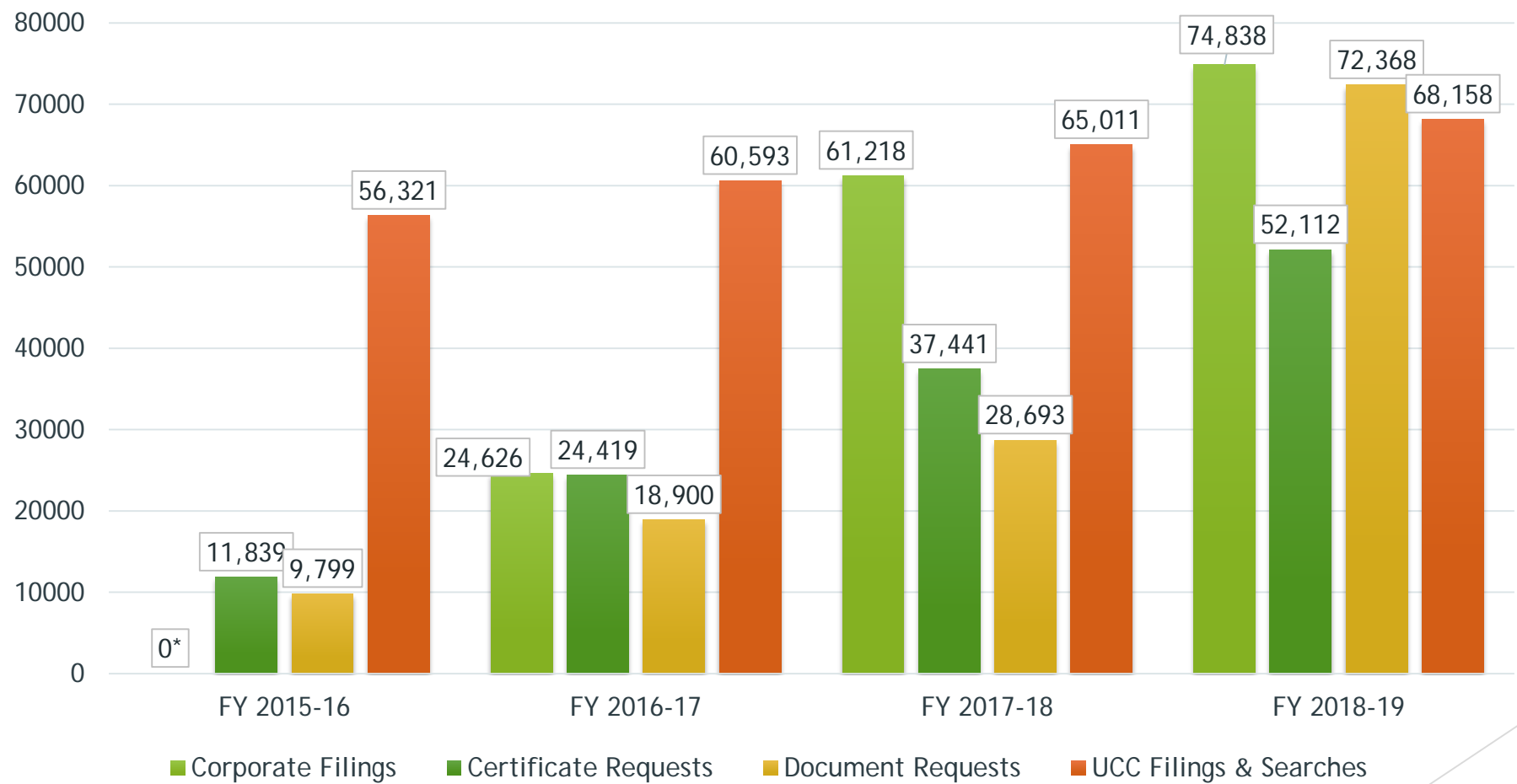
Performance Measure Nos. 2, 3, 16 & 18: Provide data for internal and external customers with enhancement to business filings online application; increase number of business filings submitted online 24/7; create faster turn-around time for paper filings; and increase number of all online applications.

In addition, the Secretary of State has initiated and implemented enhancements to these applications and to processes in the Business Filings Division. These enhancements have included the following:

- ▶ Expansion of functionality of the Business Entities Online application, to specifically include a “Save” functionality that allows users to complete filings at a later time or correct information that caused a filing to be returned (completed FY 2017-18).
- ▶ Increased number of corporate forms available on the online application to ensure all downloadable forms are available 24/7 (completed FY 2017-18).
- ▶ Additional functionality added to the Business Entities Online system, including completed integration of the document/certificate requests component and continued expansion of the number of corporate forms available on the online application (FY 2018-19).

Performance Measure Nos. 2, 3, 16, and 18:

Business Filings Online Transactions



*There were no online corporate filings in FY 2015-16 as this functionality did not launch until FY 2016-17.

Performance Measure No. 5: Protect data and records and provide staff additional tools to fulfill statutory duties. (Create database and applications for municipal incorporations, railroads, landlord-tenants, business opportunities and special purpose districts.)

The Secretary of State's Office will continue to work towards creating applications to assist staff in carrying out the functions of the office, including but not limited to:

- ▶ An application to catalog all railroad, street railway, steamboat, and canal company filings.
- ▶ An application for filing of notices of appointment of a registered agent by nonresident landlords.

Performance Measure No. 12: Improve search capabilities for customer inquiries.

Enhancements to search capabilities in the Business Entities Online Filing, Search, and Retrieval System include the following:

- ▶ The expansion of ways to search for an entity by allowing users to search for an entity using “Begins with,” “Contains,” or “Exact Match” (launched FY 2018-19).
- ▶ Additional functionality that strips “noise words” from an entity search for more comprehensive search results. Noise words include words such as “the,” “a,” “an,” etc. (launched FY 2018-19).

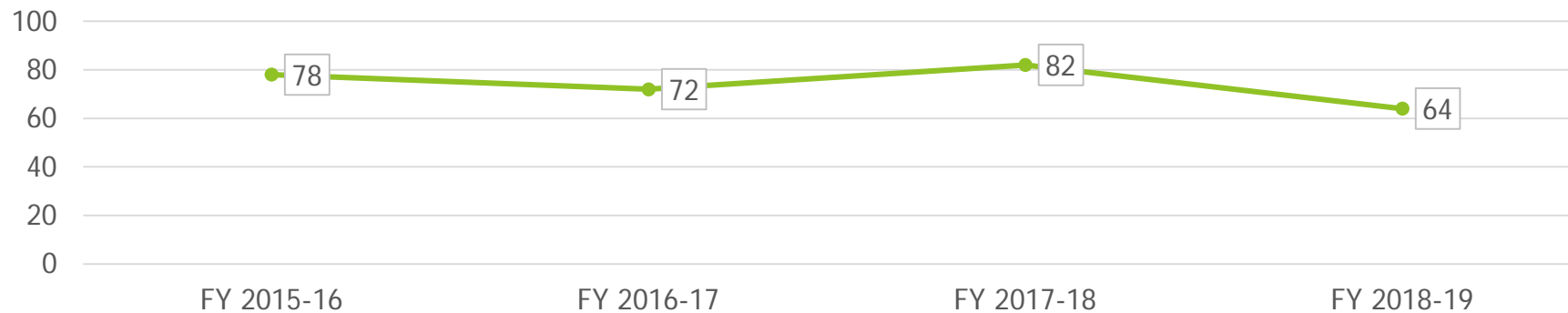
Performance Measure No. 17: Providing public additional online information with the completion of a microfilm conversion project that digitized 1.5 million corporate records to preserve permanent corporate records.

- ▶ Permanent state records of business filings that existed on microfilm were digitized to provide the following:
 - ▶ Preservation of permanent state records converted to a secure digital format.
 - ▶ Enhancement of the business filings database by providing additional records of corporate filings that did not exist on the EDMS legacy system for integration into the comprehensive Business Filings, Search, and Document Retrieval application.
 - ▶ A methodology to search 1.5 million records formerly existing only on microfilm.
 - ▶ The microfilm conversion project began in FY 2013-14 and was completed in FY 2015-16.

Performance Measure No. 24: Number of small businesses filed for High Growth Small Business Job Creation Act.

- ▶ The Secretary of State's Office continues to file new and renewal applications for registration as a qualified business.
- ▶ Currently, the Act is scheduled to be repealed on December 31, 2019.
 - ▶ S. 185 and H. 3210 are currently pending and would reauthorize the Act and continued registration of qualified businesses by the Secretary of State's Office until December 31, 2025.

Number of Registered Qualified Businesses



Revenue & Costs Related to Business Filings Deliverables

The Division of Business Filings collects fee revenue from the following sources:

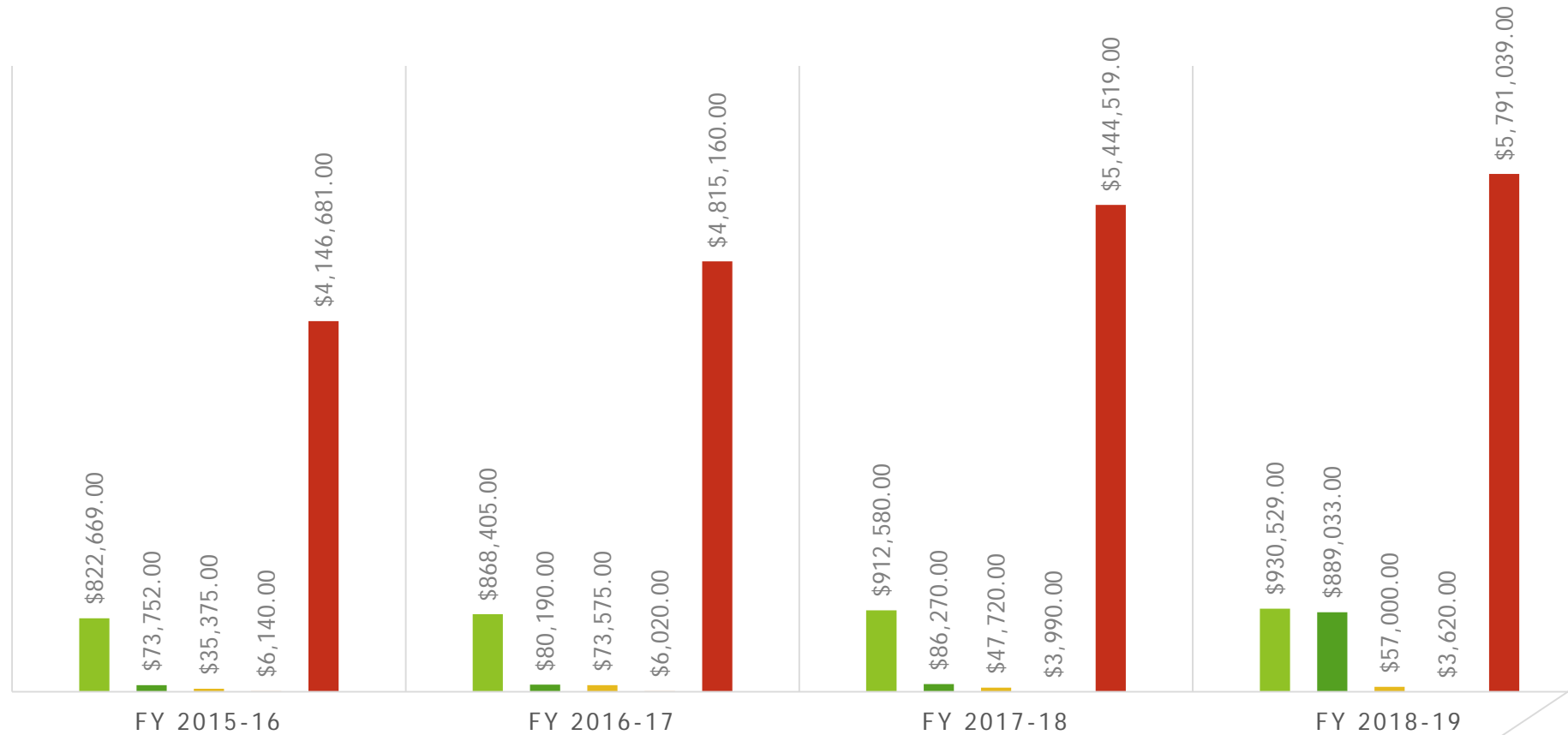
- ▶ Business Filing Fees
- ▶ UCC Filing Fees
- ▶ UCC Search & Copy Fees
- ▶ Certificates of Existence
- ▶ Copy Fees (Regular & Certified Copies)
- ▶ Bulk Data Requests

Filing Fees for Business Filings Division

- ▶ Fees for filings in the Business Filings Division range from no charge up to \$135.00 (including the CL-1 fee).
- ▶ Fees charged by the Business Filings Division for corporate filings are set forth in S.C. Code of Laws Title 33 and vary based upon the type of entity filing and the type of document being filed. For example:
 - ▶ The fee to file Articles of Incorporation for a corporation is \$135.00 (which includes a \$25.00 fee for the CL-1 form submitted with the Articles). However, the cost of filing Articles of Incorporation for a nonprofit corporation is \$25.00.
 - ▶ The fee for Articles of Correction or a Notice of Change of Registered Office or Registered Agent or Both is typically \$10.00.
 - ▶ Articles of Amendment are usually \$100.00 or \$110.00 with the exception of nonprofit corporations and limited partnerships, which pay a fee of \$10.00 for this filing.
 - ▶ A termination, dissolution, or cancellation has a filing fee of \$10.00, regardless of the type of entity filing.
- ▶ Fees for business filings have not been revised in 15 or more years, depending on the entity type.
- ▶ See <https://businessfilings.sc.gov/businessfiling> for a complete list of all business filing fees.

FEE REVENUE COLLECTED FOR BUSINESS FILINGS BY TYPE OF ENTITY

■ Business Corporation Filings ■ Nonprofit Corporation Filings ■ LLP Filings ■ LP Filings ■ LLC Filings



Uniform Commercial Code (UCC) Filing Fees

UCC Payment and Fee Structure

Filing

UCC-1, UCC-3, and UCC-5 Fees

Pages 1 and 2 together:	\$8.00
Page 3:	\$2.00
Pages 4 and beyond:	\$1.00
3rd Debtor and beyond:	\$2.00
Manufactured Home Transaction:	\$20.00
Public Finance Transaction:	\$20.00

Search and Retrieval

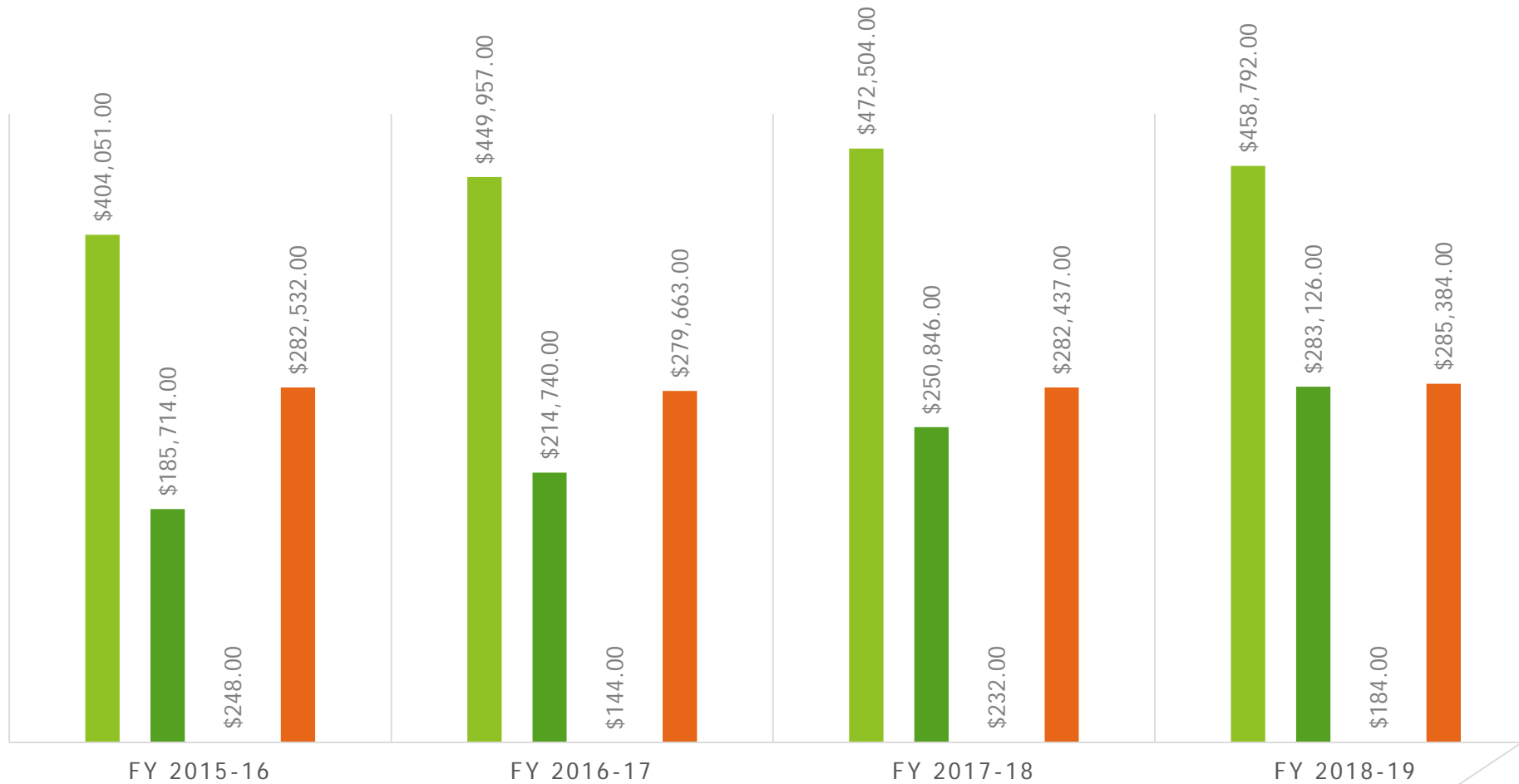
UCC-11 Search Fees (Per Document)

Search Fee:	\$5.00
Document Request	
Each Page:	\$1.00
Certification Fee	
(Per Document):	\$2.00

** UCC fees have not been revised in over sixteen years.*

FEE REVENUE COLLECTED FOR UCC FILINGS, SEARCHES & COPIES

■ UCC-1 Financing Statement ■ UCC-3 Amendment ■ UCC-5 Information Statement ■ UCC-11 Search and Copies

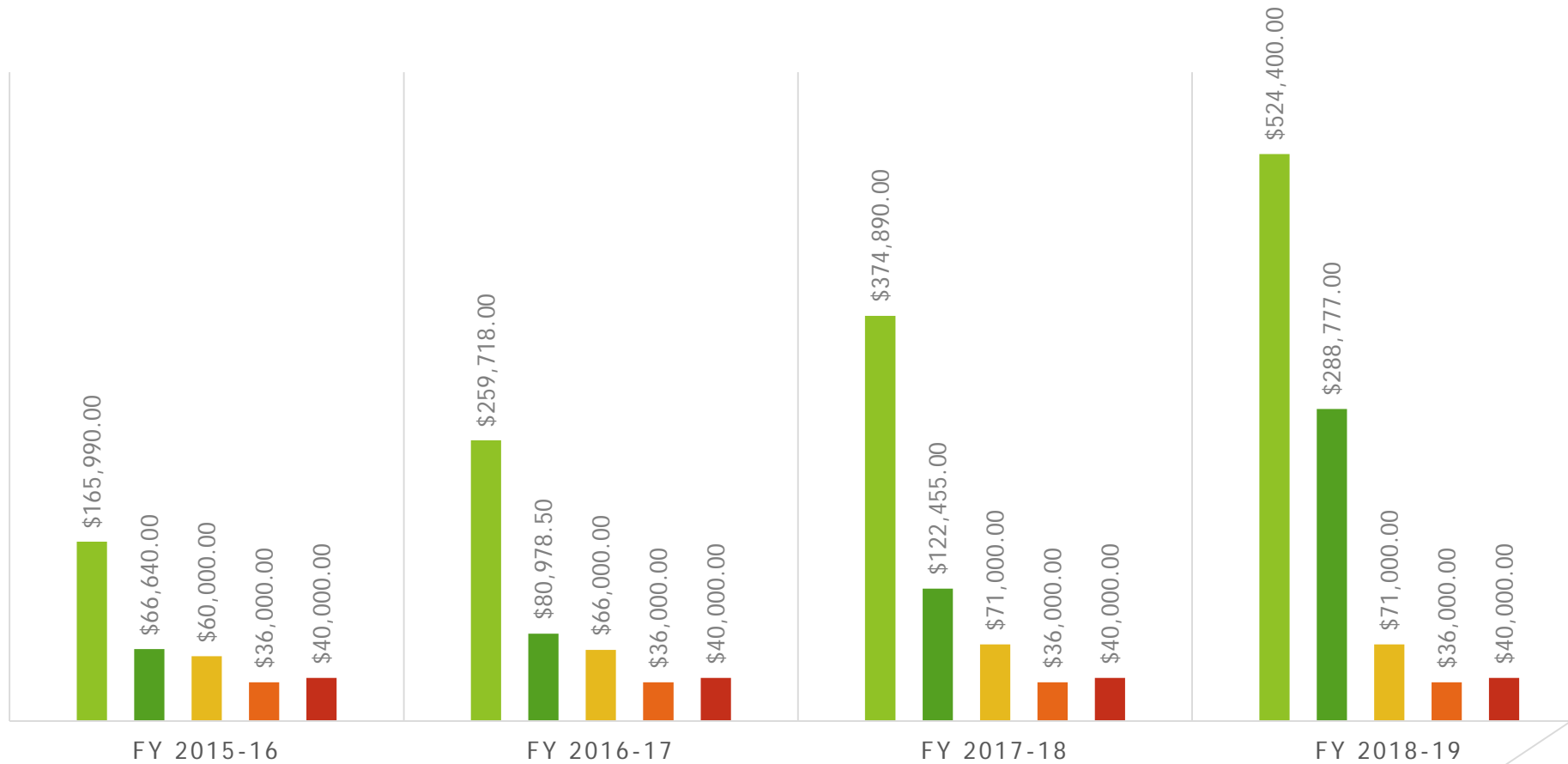


Fees for Certificates of Existence, Copies & Bulk Data Requests

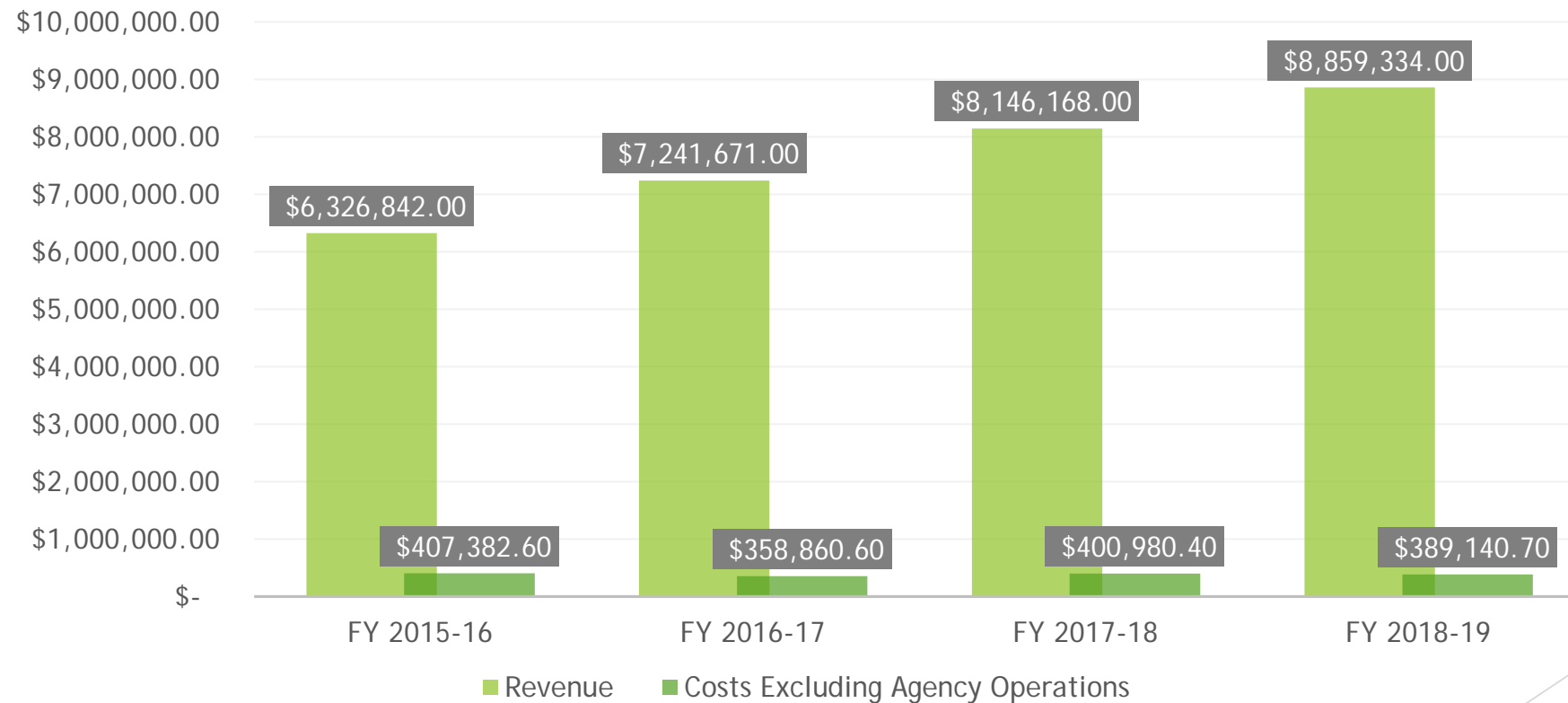
- ▶ Certificates of Existence (\$10.00)
- ▶ Copy Fees
 - ▶ Regular Copies: \$1.00 for first page and \$.50 for each additional page
 - ▶ Certified Copies: \$3.00 for first page and \$.50 for each additional page
- ▶ Bulk Data Subscriptions
 - ▶ UCC Bulk Data & Images (\$4,500.00/month)
 - ▶ Corporations Bulk Data (\$12,000.00/year)
 - ▶ Corporations/UCC Bulk Combo (\$20,000.00/year)

FEE REVENUE COLLECTED FOR CERTIFICATES, COPIES & BULK DATA

■ Certificates of Existence ■ Copies ■ UCC Bulk Data ■ Corporations Bulk Data ■ Corporations/UCC Bulk Combo



Comparison of Fee Revenue Collected by Business Filings Division with Costs (Excluding Agency Operations)



Information Technology Division

- ▶ The Information Technology Division provides support to all divisions of the Secretary of State's Office, as well as develops and maintains agency databases and applications.
- ▶ In addition, the Information Technology Division maintains the agency's website.
- ▶ The Information Technology Division also performs cybersecurity functions along with the Department of Administration's Division of Information Security.



Information Technology Division



The Information Technology Division works closely with all divisions of the office, providing support in day to day operations, and helping develop applications to assist staff in all areas in carrying out their duties.

Secretary of State's Website

Deliverable No. 103

- ▶ The Secretary of State's website provides information to customers of the services provided by the agency; forms for filings submitted to the office as well as online filing portals; searchable databases of records collected by the agency; public education materials on wise charitable giving and counterfeit goods; and statutorily required reports and information.
- ▶ According to Google Analytics, the Secretary of State's website had 2,350,385 unique views in FY 2017-18.
- ▶ The agency's new website was launched in August 2019.



South Carolina

Secretary of State
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Welcome from Secretary Hammond



Thank you for visiting the online office of the South Carolina Secretary of State.

Our goal is to provide you with easy access to information and services from the convenience of your home or office.

Each division of the Secretary of State's Office provides diverse services and information to the citizens of South Carolina. This website is designed to serve as your one-stop portal for accessing general information, completing important tasks online and providing information specifically related to each division.

Whether you're a new user who is visiting to [learn more about this office](#) and what we do here or a returning visitor who simply needs to [complete a filing online](#), I invite you to take advantage of this convenient resource.

Mark Hammond

Recent News

Secretary of State Offers Free Notary Public Seminars Across South Carolina

These seminars will address state laws governing the duties and responsibilities of notaries.

[Read Full Story](#)

Secretary of State Mark Hammond Announces Distribution of Recovered Funds to Cancer Centers

Settlement will benefit legitimate cancer programs

[Read Full Story](#)

Information Technology Plan Workbook

Deliverable No. 104

- ▶ As a state agency, the Secretary of State is required to submit to the Department of Administration an annual information technology plan and information security plan pursuant to Proviso 117.112.
- ▶ Although the Proviso does not express legislative intent, the outcome sought by the agency in providing the deliverable is to provide the Department of Administrative an annual information technology plan and information security plan that includes the following:
 - (1) the information technology objectives of the state agency;
 - (2) an inventory of the state agency's information technology;
 - (3) any performance measures used by the state agency for implementing its information technology objectives;
 - (4) how the state agency's development of information technology coordinates with other governmental entities;
 - (5) the state agency's budget plans for information technology for the coming fiscal year which must include: (a) all fixed, recurring information technology costs, regardless of funding sources; (b) new information technology expenditures for services, hardware upgrades/replacements and software purchases, regardless of funding sources; (c) new information technology projects, regardless of funding sources; and (d) FTE counts, temporary personnel counts, and salary information and position descriptions for all information technology personnel, regardless of funding sources; and
 - (6) the state agency's need for appropriations for information technology.

Required by Proviso
117.112

Customer:
Department of
Administration

Number of Customers
Served in 2017-18: 1

Total Employee
Equivalents in 2017-18:
0.05

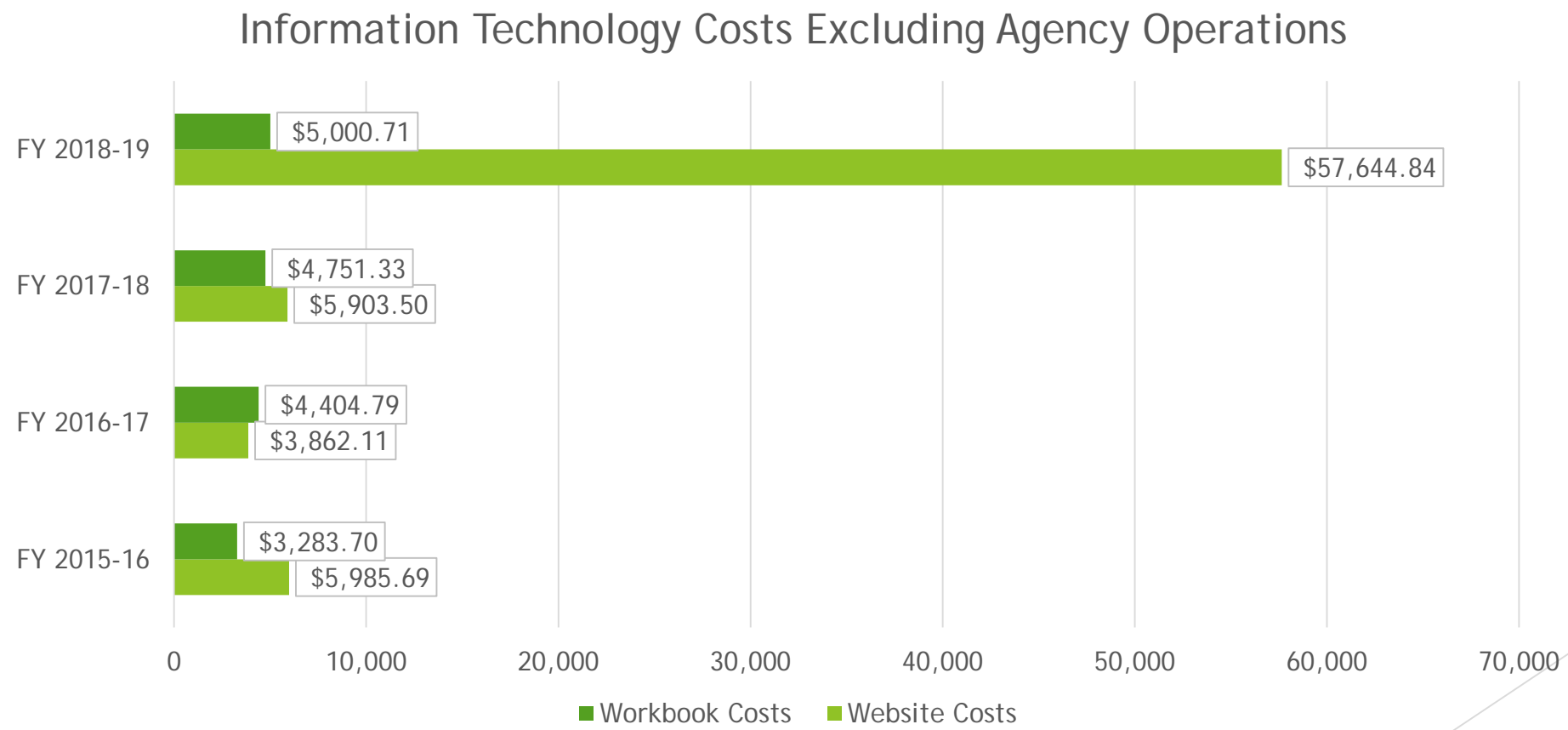
Performance Measures Related to Information Technology Deliverables

- ▶ Performance Measure No. 1: Provide charity customers expanded accessibility 24/7 on mobile devices and upgraded online capabilities.
- ▶ Performance Measure No. 2: Provide data for internal and external customers with enhancements to business filings online application.
- ▶ Performance Measure No. 3: Increase the number of business filings submitted online 24/7 with increased filing options.
- ▶ Performance Measure No. 9: Develop educational material for target areas concerning charitable solicitation.

Performance Measures Related to Information Technology Deliverables

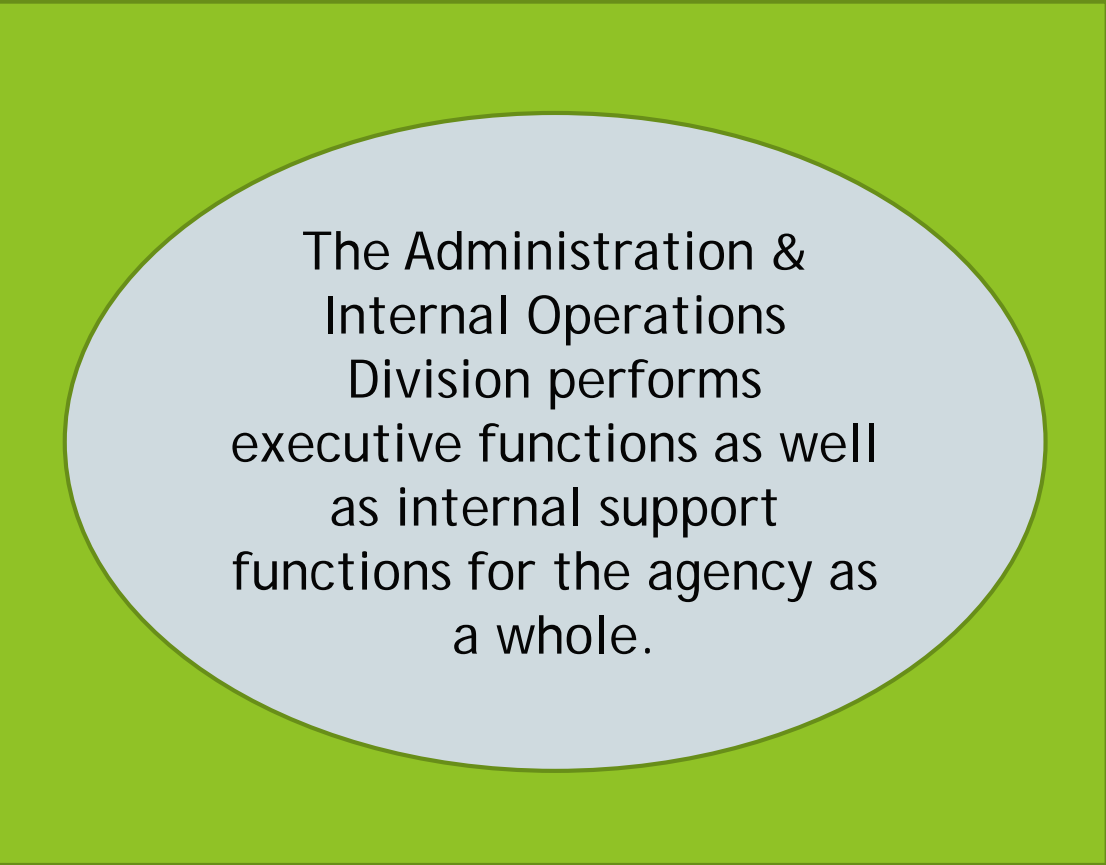
- ▶ Performance Measure No. 12: Improve search capabilities for customer inquiries.
- ▶ Performance Measure No. 16: Create faster turn-around time for corporate paper filings submitted by mail and walk-in customers with the implementation of an in-house application to more quickly process paper filings.
- ▶ Performance Measure No. 17: Providing public additional online information with the completion of a microfilm conversion project that digitized 1.5 million corporate records to preserve permanent corporate records.
- ▶ Performance Measure No. 18: Increase the number of all online applications.

Revenue & Costs Related to Information Technology Deliverables



**There is no revenue associated with the Information Technology Deliverables.*

Administrative & Internal Operations



The Administration & Internal Operations Division performs executive functions as well as internal support functions for the agency as a whole.

- ▶ Members of this unit include:
 - ▶ Secretary of State
 - ▶ Deputy Secretary of State & Chief Legal Counsel
 - ▶ Director of Administration
 - ▶ Fiscal Analyst
 - ▶ Human Resources Director

Agency Operations

Deliverable No. 105

- ▶ All deliverables for external customers are supported by internal operations, including supervision of staff; development of policies and procedures; legal counsel; and development and implementation of information technology systems.
- ▶ Staff resources for some customer service activities did not result in a quantifiable deliverable. Many deliverables for external customers only included staff time for the primary staff member(s) who were responsible to executing the deliverable, and did not include support activities or assistance from administrative, legal, and executive staff members.
- ▶ Additionally, agency operations includes the cost of rent, all leases (including computer leases), postage, and all salary and fringe for employee time spent on internal matters not for an external deliverable.

Customer:
Secretary of State's Office

Number of Customers
Served in 2017-18: 1

Total Employee Equivalents
in 2017-18: 14.13



Accountability Report

Deliverable No. 106

- ▶ As a state agency, the Secretary of State must send to the Governor and the General Assembly an annual accountability report that contains the agency's mission, objectives to accomplish the mission, and performance measures that show the degree to which objectives are being met.
- ▶ Proviso 117.29 mandates the following:
 - ▶ Agencies' annual accountability reports for the prior fiscal year, as required in Section 1-1-810, must be accessible to the Governor, Senate Finance Committee, House Ways and Means Committee, and to the public on or before September 15th, for the purpose of a zero-base budget analysis and in order to ensure that the Agency Head Salary Commission has the accountability reports for use in a timely manner.
 - ▶ Accountability Report guidelines shall require agencies to identify key program area descriptions and expenditures and link these to key financial and performance results measures.
 - ▶ The Executive Budget Office is directed to develop a process for training agency leaders on the annual agency accountability report and its use in financial, organizational, and accountability improvement.

Required by S.C. Code
§ 1-1-810, -820;
Proviso 117.29

Customers:
Governor; General
Assembly; General
Public

Number of Customers
Served in 2017-18: 181

Total Employee
Equivalents in 2017-
18: 0.08



Reports to Comptroller General's Office

Deliverable Nos. 107 through 112, 114

As a state agency, the Secretary of State's Office is required to submit several reports to the Comptroller General's Office for fiscal accountability and inclusion in the State's financial statements. These reports include:

- ▶ Master Report
- ▶ Capital Assets Year-End Report
- ▶ Cash and Investments Report
- ▶ Operating Leases Report
- ▶ Litigation Report
- ▶ Fund Balance and Net Assets Report
- ▶ Subsequent Events Report

Provided under S.C.
Code §11-11-40

Customer:
Comptroller General's
Office

Number of Customers
Served in 2017-18:
1 (for each deliverable)

Total Employee
Equivalents in 2017-18:
0.02 (for each
deliverable)

Outcome Sought by Agency*

To provide annual financial reports to the Comptroller General's Office so that the Comptroller General can provide itemized and complete financial statements to the Governor for all state agencies.

**Legislative intent not stated in law.*

Travel Report

Deliverable No. 113

- As a state agency, the Secretary of State's Office is required to submit an annual travel report to the Comptroller General's Office, which in turn is provided to the Senate Finance Committee, the House Ways and Means Committee, and the Statehouse Press Room. The report is also published on the Comptroller General's website.

Required by Proviso
117.26

Customers:
Comptroller General;
Senate Finance
Committee; House Ways
and Means Committee;
Statehouse Press Room;
Media; General Public

Number of Customers
Served in 2017-18:
1

Total Employee
Equivalents in 2017-18:
0.02

Outcome Sought by Agency*
To provide transparency of agency
travel expenses (for Travel Report).

Other Required Reports

Deliverable Nos. 115 through 117

As a state agency, the Secretary of State's Office is required to submit other plans and reports, including:

- ▶ **Minority Business Enterprise (MBE) Utilization Plan; Report of Number and Dollar Value of Contracts Awarded to Minority Vendors**
 - ▶ Customer: SC Division of Small and Minority Business Contracting and Certification
 - ▶ Legislative intent: To award contracts and subcontracts to minority business firms in order to enhance minority capital ownership, overall state economic development and reduce dependency on the part of minorities. (Section 11-35-5210)
- ▶ **Report of Agency Progress on Affirmative Action Plan**
 - ▶ Customer: South Carolina Human Affairs Commission
 - ▶ Legislative Intent: To take affirmative action to remove the disparate effects of past discrimination, if any, because of race, color, sex, national origin, age, religion or physical disability. (Proviso 117.13, 2018-19 General Appropriations Bill H.4950)

Required by S.C. Code
§11-35-5240, -5260;
Proviso 117.13

Number of Customers
Served in 2017-18:
1 (for each
deliverable)

Total Employee
Equivalents in 2017-18:
0.02 (for each
deliverable)

Other Required Reports

Deliverable Nos. 118 through 119

As a state agency, the Secretary of State's Office is required to submit other plans and reports, including:

- ▶ Payroll Report
 - ▶ Customer: South Carolina State Accident Fund
 - ▶ Legislative Intent: To fund the State Accident Fund, consisting of annual premium charges, reveries from the Second Injury Fund, recoveries by subrogation and...of all income or revenue derived from investing these funds..." (Section 42-7-10) The report is used to determine premiums for workers' compensation.
- ▶ Contribution and Wage Report
 - ▶ Customer: South Carolina Department of Employment and Workforce
 - ▶ Legislative Intent: the public good and the general welfare of the citizens of this State require the enactment of this measure, under the police powers of the State, for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own. (Section 41-27-20)

Required by S.C. Code
§ 42-7-75; Regulation
47-15

Number of Customers
Served in 2017-18:
1 (for each
deliverable)

Total Employee
Equivalents in 2017-18:
0.02 (for each
deliverable)

Other Required Reports

Deliverable Nos. 120 through 121

As a state agency, the Secretary of State's Office is required to submit other plans and reports, including:

- ▶ Procurement Records and Reports
 - ▶ Customer: State Fiscal Accountability Authority
 - ▶ Legislative Intent: Increased economy in state procurement activities, competition for public procurement, responding to user needs, modernize the law governing procurement, adoption of competitive procurement laws by units of governments, ensuring fair and equitable treatment of those dealing with the procurement system, increased public confidence in public procurement, safeguards for quality, integrity, and ethical behavior in procurement process, and to develop an efficient and effective means of delegating roles and responsibilities to procurement officers.
- ▶ Bank Account Transparency and Accountability Report
 - ▶ Customer: State Fiscal Accountability Authority
 - ▶ Outcome sought by agency*: To provide transparency and accountability of transactions in state agency composite reservoir bank accounts that are not included in the South Carolina Enterprise Information System.

**Legislative intent not stated in law.*

Required by S.C. Code
§ 11-35-2440, Proviso
117.82

Number of Customers
Served in 2017-18:
1 (for each
deliverable)

Total Employee
Equivalents in 2017-18:
0.02 (for each
deliverable)

Other Required Reports

Deliverable Nos. 122 through 123

As a state agency, the Secretary of State's Office is required to submit other plans and reports, including:

- ▶ Other Funds Survey Report
 - ▶ Customer: Executive Budget Office; Revenue and Fiscal Affairs Office
 - ▶ Outcome sought by agency*: To provide a detailed statement of the sources of other funds in the agency's budget in order to facilitate development of the state budget.
- ▶ Debt Collection Report
 - ▶ Customer: Senate Finance Committee Chair; House Ways and Means Committee Chair; Inspector General
 - ▶ Outcome sought by agency*: To provide the General Assembly data on agency debt collection outcomes.

**Legislative intent not stated in law.*

Required by S.C. Code
§ 2-65-20; Proviso
117.33

Number of Customers
Served in 2017-18:

- No. 122: 2
- No. 123: 3

Total Employee
Equivalents in 2017-18:

- No. 122: 0.01
- No. 123: 0.02

Fines and Fees Report

Deliverable No. 124

- ▶ As a state agency, the Secretary of State's Office must publish on its website a report of all aggregate amounts of fines and fees that were charged and collected by the agency in the prior fiscal year by September 1st.
- ▶ The report must also be delivered to the Chair of the Senate Finance Committee and Chair of the House Ways and Means Committee by September 1st.

Required by Proviso 117.73

Customers:
General Public; Senate Finance Committee Chair; House Ways and Means Committee Chair

Number of Customers Served in 2017-18: 190

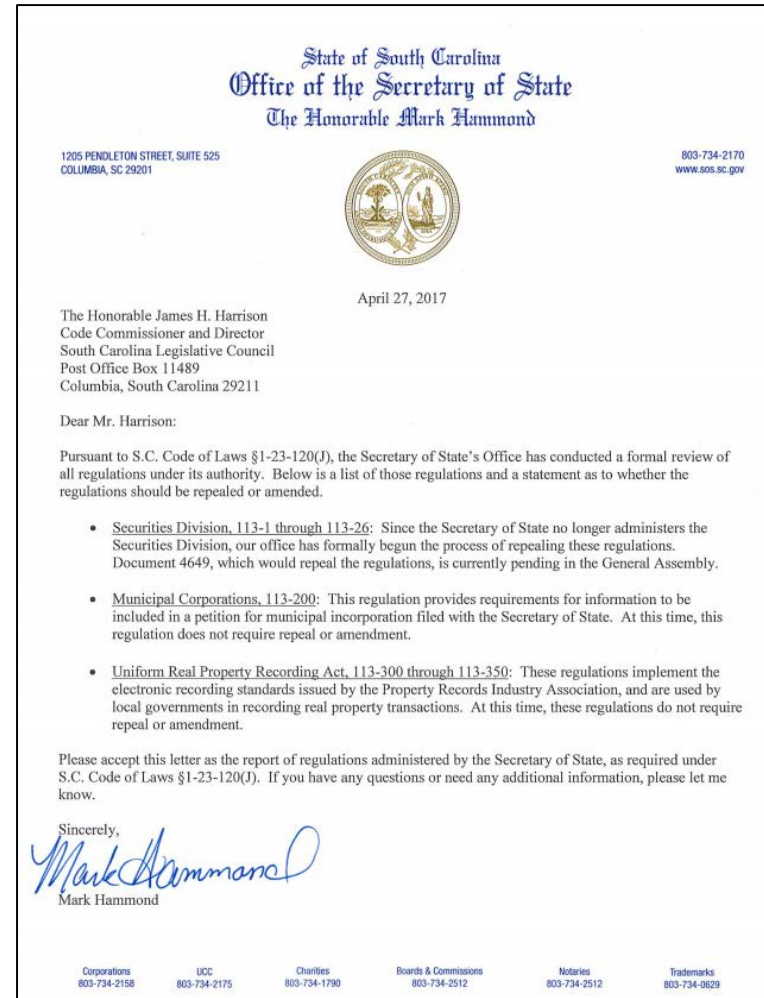
Total Employee Equivalents in 2017-18:
0.01

Legislative Intent:
To promote accountability and transparency. (Proviso 117.73, 2018-19 General Appropriations Bill H.4950)

Regulation Review and Report

Deliverable No. 125

- ▶ As a state agency that promulgates and administers regulations, the Secretary of State's Office must conduct a formal review of all regulations that it has promulgated or administered and submit a report to the Code Commissioner and the Governor regarding whether the regulations should be repealed or amended.
- ▶ The review and report must be completed every five years.
- ▶ The last required review was in 2017.



Required by S.C. Code
§1-23-120; State
Executive Order 2017-09

Customers:
Code Commissioner;
Governor

Number of Customers
Served in 2017-18: 0

Total Employee
Equivalents in 2017-18: 0

Legislative Intent:
To highlight needed regulatory reform to the public, require agencies to critically assess regulations outside of agency personnel, provide appropriate oversight and strengthen agencies' positions in amending and withdrawing regulations. (State Executive Order 2017-09)

Fees for Collection of Dishonored Checks

Deliverable No. 126



- ▶ The Secretary of State may collect fees to recover the costs of collection of dishonored checks and retain the fees to defray collection expenses.
- ▶ The fee charged for a dishonored check is \$35.00.

Provided under S.C. Code
§1-5-60

Customers:
Customers who have paid for services from the Secretary of State's Office and whose checks were returned due to insufficient funds.

Number of Customers Served in 2017-18: 168

Total Employee Equivalents in 2017-18:
0.18

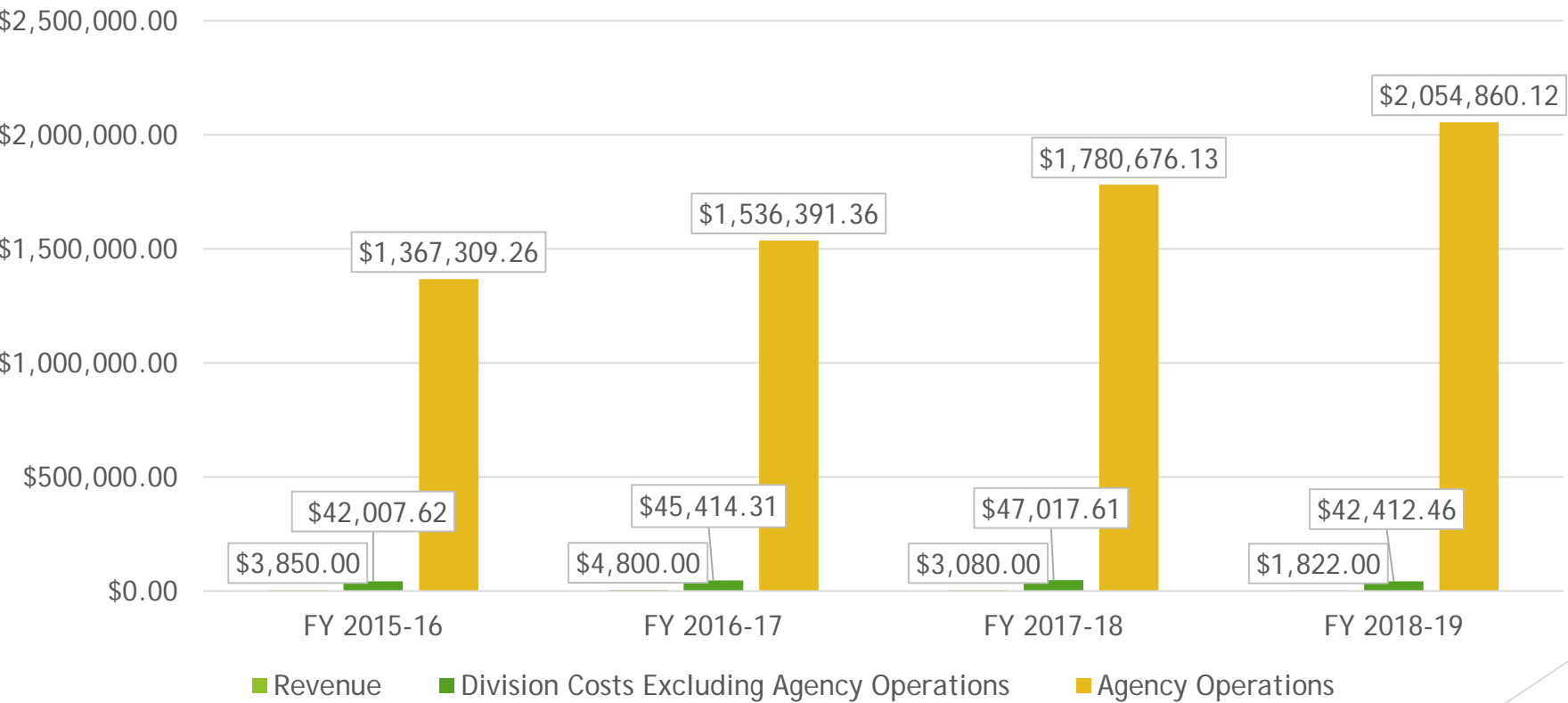
Outcome Sought by Agency*:
To recover the costs associated with the collection of dishonored checks.

**Legislative intent not stated in law.*

Performance Measures Related to Administration & Internal Operations Deliverables

- Because Agency Operations and the Accountability Report fall under the Administration & Internal Operations Division, all performance measures relate to this division's deliverables.

Comparison of Fee and Fine Revenue Collected by Administration & Internal Operations with Costs



*Revenue is solely from Deliverable No. 126 (Fees for Collection of Dishonored Checks).

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