

CATEGORY	PROPOSAL	METHODS	STATUTORY CHANGE NEEDED?	BENEFITS	CONCERNS/ISSUES	PROPOSAL SOURCE
AUTHENTICATION/ VERIFICATION						
	<b>REQUIRE SECURE BUSINESS FILING (SBF) PASSWORD-PROTECTED ACCOUNT SIGNUP BY DEFAULT</b>	<b>REQUIRE SECURE BUSINESS FILING (SBF) PASSWORD-PROTECTED ACCOUNT SIGNUP BY DEFAULT</b>	<p>NO - Existing section 24-21-111(1)(b), C.R.S., provides authority:</p> <p><i>In order to ensure the security of the secretary of state's online business filing system, <u>the secretary shall implement, under such conditions as the secretary may determine, a password-protected system for and take appropriate actions to address fraudulent activities against altering data in any filings, updates, or other filing requirements under title 7, C.R.S., while still allowing for access to and retrieval of publicly available records, including a certificate of good standing, without a password.</u></i></p>	<ul style="list-style-type: none"> <li>Decreases hijacking.</li> <li>SBF system already in place.</li> </ul>	<ul style="list-style-type: none"> <li>Requires additional personnel to respond to calls, etc. for lost passwords.</li> <li>Owners must affirmatively opt-out.</li> <li>Existing business entities would have to be notified and phased in when making a filing.</li> <li>Existing signup for text and email messages when document filed for an entity may be sufficient (Herrick Lidstone - 9/21/22)</li> <li>Note: 2022 fiscal note estimate for SBF amendment to SB 22 –034: <ul style="list-style-type: none"> <li>-- 102 FTE Technicians needed at \$5.5 million.</li> <li>-- 176k costs (paper) for sending out PINs.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Working Group meeting</li> <li>Ralph Gagliardi (written comments dated 12/1/22)</li> </ul>
	<b>AUTHENTICATE REGISTERED AGENT INFORMATION</b>	<b>REQUIRE REGISTERED AGENTS (IF AN INDIVIDUAL) TO BE REGISTERED COLORADO VOTERS</b>	<p>YES:</p> <ul style="list-style-type: none"> <li>Revise section 7-90-701, C.R.S. (registered agent requirements)</li> <li>Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Decreases both hijacking and fraudulent business creation.</li> <li>Verifiable by existing voter database.</li> </ul>	<ul style="list-style-type: none"> <li>What about Colorado residents who opt to not register to vote?</li> <li>Unknown costs to change filing system.</li> </ul>	<ul style="list-style-type: none"> <li>Christopher Beall</li> <li>Herrick Lidstone (written comments dated 11/15/22)</li> </ul>
		<b>REQUIRE REGISTERED AGENTS (BOTH DOMESTIC AND FOREIGN ENTITIES) TO BE IN GOOD STANDING.</b>	<p>YES:</p> <ul style="list-style-type: none"> <li>Revise section 7-90-701, C.R.S. (registered agent requirements)</li> <li>Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Decreases both hijacking and fraudulent business creation.</li> <li>Verifiable by business</li> </ul>	<ul style="list-style-type: none"> <li>Good standing status irrelevant if RA is itself fraudulent.</li> <li>Related: Entity can serve as own RA.</li> <li>Unknown costs to change filing system.</li> </ul>	<ul style="list-style-type: none"> <li>Herrick Lidstone (written comments dated 11/15/22)</li> </ul>

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				database.		
		<b>REDEFINE “USUAL PLACE OF BUSINESS” TO MEAN A PHYSICAL PLACE IN COLORADO OPEN DURING NORMAL BUSINESS HOURS WITH AN INDIVIDUAL PRESENT TO ACCEPT SERVICE.</b>	YES: <ul style="list-style-type: none"> <li>• Revise section 7-90-701, C.R.S. (registered agent requirements)</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases both hijacking and fraudulent business creation.</li> <li>• Helps ensure that service of process (complaint, etc.) can actually be served on entity.</li> </ul>	<ul style="list-style-type: none"> <li>• Must ensure statutory changes are consistent with various existing Title 7 definitions.</li> <li>• Colorado law already provides for alternate service via registered or certified mail to principal office address if registered agent cannot be found. See section 7-90-704(2), C.R.S.</li> <li>• May adversely impact small businesses operating out of their homes who do not maintain "normal business hours".</li> </ul>	<ul style="list-style-type: none"> <li>• Herrick Lidstone (written comments dated 11/15/22)</li> </ul>
		<b>AUTHENTICATE REGISTERED AGENT IDENTITY BY USING COLORADO DRIVER'S LICENSE/IDENTIFICATION.</b>	YES: <ul style="list-style-type: none"> <li>• Revise section 7-90-701, C.R.S. (registered agent requirements).</li> <li>• Revise section 7-90-7-90-306, C.R.S. since SOS only has ministerial filing duties:  <i>(1) If a document delivered to the secretary of state for filing pursuant to this part 3 complies with the requirements of section 7-90-301, the secretary of state shall file it. The secretary of state has no duty to determine whether the document complies with any or all requirements of any law.</i>            * * *  <i>(4) The secretary of state's duty to file documents under this title is ministerial. The filing of or refusal to file a document does not:</i>  <i>(a) Affect the validity or invalidity of the</i> </li> </ul>	<ul style="list-style-type: none"> <li>• Decreases both hijacking and fraudulent business creation.</li> <li>• SOS already has an existing link to DMV database.</li> </ul>	<ul style="list-style-type: none"> <li>• Unknown costs to change filing system.</li> </ul>	<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>

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			<p><i>document in whole or in part;</i>  <i>(b) Relate to the correctness or incorrectness of information contained in the document;</i>  <i>or</i>  <i>(c) Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.</i></p> <ul style="list-style-type: none"> <li>• Other changes may be necessary.</li> </ul>			
		<b>AUTHENTICATE REGISTERED AGENTS AS COLORADO RESIDENTS USING 3RD PARTY SERVICE (EXAMPLE: LEXIS-NEXIS)</b>	<ul style="list-style-type: none"> <li>• Revise section 7-90-7-90-306, C.R.S., since SOS only has ministerial filing duties.</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases both hijacking and fraudulent business creation.</li> </ul>	<ul style="list-style-type: none"> <li>• RAs who are entities verified by some other means?</li> <li>• Lexis example estimate for 120k transactions/year: <ul style="list-style-type: none"> <li>&gt; Lump cost: Between \$190-250K.</li> <li>&gt; Possible one-time implementation investment approx. \$30k.</li> <li>&gt; Per transaction basis: Between from \$1.60 to \$2.29 per transaction.</li> <li>&gt; Real-time phone support is \$250k.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> <li>• Larry Benson (LEXIS-NEXIS presentation given 10/26/2022)</li> </ul>
	<b>AUTHENTICATE PHYSICAL LOCATION OF BUSINESS ENTITY'S PRINCIPAL OFFICE ADDRESS</b>	<b>AUTHENTICATE PHYSICAL LOCATION OF ENTITY'S PRINCIPAL OFFICE ADDRESS BY MAILING A UNIQUE CODE TO THE PRINCIPAL OFFICE ADDRESS.</b>  <b>CODE MUST BE ELECTRONICALLY ENTERED INTO THE CDOS SYSTEM TO REGISTER.</b>	<ul style="list-style-type: none"> <li>• Revise section 7-90-7-90-306, C.R.S., since SOS only has ministerial filing duties.</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases fraudulent business creation.</li> </ul>	<ul style="list-style-type: none"> <li>• Unknown costs to change filing system.</li> <li>• Increased personnel/resources, including mail costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>

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		<p><b>AUTHENTICATE PHYSICAL LOCATION OF ENTITY'S PRINCIPAL OFFICE ADDRESS BY MAILING A UNIQUE CODE TO THE PRINCIPAL OFFICE ADDRESS AT ANY TIME AFTER FULL REGISTRATION.</b></p> <p><b>UNTIL/UNLESS CODE IS ENTERED, FILINGS AND CERTIFICATES OF GOOD STANDING ANNOTATED WITH "PHYSICAL ADDRESS NOT VERIFIED" OR SIMILAR WORDING.</b></p>	<ul style="list-style-type: none"> <li>• Revise section 7-90-7-90-306, C.R.S., since SOS only has ministerial filing duties.</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases fraudulent business creation.</li> <li>• Allows businesses to form instantaneously while also alerting potential victims about need for more due diligence for re: nonverified businesses.</li> </ul>	<ul style="list-style-type: none"> <li>• Unknown costs to change filing system.</li> <li>• Increased personnel/resources, including mail costs.</li> <li>• Mark Certificates with "Address verification pending" or something less offensive [Roger M. Loeb (Written comments dated 12/10/22)].</li> </ul>	<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>
	<p><b>FREEZE SUSPECT ENTITIES PENDING INVESTIGATION</b></p>	<p><b>HALT THE ISSUANCE OF "CERTIFICATES OF GOOD STANDING" AND CHANGE THE BUSINESS STATUS TO "UNDER REVIEW" FOR BUSINESSES UNDER LAW ENFORCEMENT SUSPICION OF USING FALSE INFORMATION IN THEIR BUSINESS FILINGS.</b></p> <p><b>SOS WILL THEN UTILIZE THE CONTACT INFORMATION PROVIDED IN THE BUSINESS FILING TO SEEK ADDITIONAL INFORMATION (SUCH AS A UTILITY BILL FROM THE PRIMARY BUSINESS LOCATION) IN ORDER TO</b></p>	<ul style="list-style-type: none"> <li>• Revise section 7-90-7-90-306, C.R.S., since SOS only has ministerial filing duties.</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases fraudulent business creation.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased personnel/resources, including resources for investigation; mail costs; and SOS call service center who will have to answer additional questions/deal with possible confusion.</li> <li>• May cause national confusion and conflict with other states' standard terms.</li> <li>• Standard of "suspicion" legally sufficient?</li> </ul>	<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>

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		<p><b>REINSTATE ENTITY TO GOOD STANDING.</b></p> <p><b>BROADEN COMPLAINT PROCESS UNDER SECTION 7-90-314, C.R.S. (SB 22-034) FOR SITUATIONS WHERE SOS BECOMES AWARE OF FILINGS THAT OTHERWISE DO NOT SATISFY THE REQUIREMENTS OF COLORADO LAW.</b></p> <ul style="list-style-type: none"> <li>• SOS WOULD REQUEST THAT INFORMATION BE CORRECTED WITHIN CERTAIN AMOUNT OF TIME</li> <li>• IF UNCORRECTED, REFER TO THE AG WHILE FREEZING ADDITIONAL FILINGS FOR THE ENTITY.</li> </ul>	<p>YES:</p> <ul style="list-style-type: none"> <li>• Broaden section 7-90-314, C.R.S.</li> <li>• Revise section 7-90-7-90-306, C.R.S., since SOS only has ministerial filing duties.</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases both hijacking and fraudulent business creation.</li> </ul>	<ul style="list-style-type: none"> <li>• Unknown costs to change filing system.</li> <li>• Increased personnel/resources, including mail costs.</li> <li>• Unclear criteria for SOS to determine legitimacy of corrective filings.</li> </ul>	<ul style="list-style-type: none"> <li>• Herrick Lidstone (written comments dated 11/15/22)</li> </ul>
	<p><b>FREEZE "DORMANT" ENTITIES AND REQUIRE AUTHENTICATION TO "REVIVE"</b></p>	<p><b>BLOCK FILING ABILITY FOR NONCOMPLIANT, DELINQUENT, OR DISSOLVED ENTITIES, I.E., "DORMANT" ENTITIES</b></p> <ul style="list-style-type: none"> <li>• SEND WRITTEN NOTICE TO ENTITY CONTACTS FOR ENTITIES.</li> <li>• REVIEW ANY SUBSEQUENTLY SUBMITTED CORRECTIVE FILINGS.</li> </ul>	<p>YES:</p> <ul style="list-style-type: none"> <li>• Revise section 7-90-7-90-306, C.R.S., since SOS only has ministerial filing duties.</li> <li>• Revise dissolution sections since Title 7 does not authorize administrative dissolution.</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases hijacking.</li> </ul>	<ul style="list-style-type: none"> <li>• Unknown costs to change filing system.</li> <li>• Increased personnel/resources, including mail costs.</li> <li>• Unclear criteria for SOS to determine legitimacy of corrective filings.</li> </ul>	<ul style="list-style-type: none"> <li>• Herrick Lidstone (9/21/22; 11/15/2022)</li> </ul>

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		<ul style="list-style-type: none"> <li>• DISSOLVE DELINQUENT ENTITIES.</li> </ul>				
		<b>REQUIRE AFFIDAVITS AND PHOTO IDS TO REINSTATE BUSINESSES DORMANT FOR CERTAIN PTIME</b>	YES: <ul style="list-style-type: none"> <li>• Revise section 7-90-7-90-306, C.R.S., since SOS only has ministerial filing duties.</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases hijacking.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased personnel/resources required.</li> </ul>	<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>
		<b>REQUIRE MULTI-FACTOR AUTHENTICATION FOR FILING CHANGES, INCLUDING REINSTATEMENT OF DISSOLVED BUSINESSES.</b>	YES: <ul style="list-style-type: none"> <li>• Revise section 7-90-7-90-306, C.R.S., since SOS only has ministerial filing duties.</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases hijacking.</li> </ul>	<ul style="list-style-type: none"> <li>• Unknown costs to change filing system.</li> </ul>	Working Group Meeting (Roger Loomis)
	<b>LIMIT MASS FILINGS</b>	<b>FREEZE OR LIMIT THE NUMBER OF OR AT LEAST FLAG MASS FILINGS USING ALGORITHMS (E.G., SAME IP ADDRESS USED FOR MULTIPLE FILINGS)</b>	YES: <ul style="list-style-type: none"> <li>• Revise section 7-90-7-90-306, C.R.S., since SOS only has ministerial filing duties.</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases fraudulent business creation.</li> </ul>	<ul style="list-style-type: none"> <li>• Unknown costs to change filing system.</li> <li>• Affects on "innocent" businesses?</li> </ul>	<ul style="list-style-type: none"> <li>• Herrick Lidstone (written comments dated 11/15/22)</li> <li>• Gregory Wertsch (written comments dated 12/1/2022)</li> <li>• Ralph Gagliardi (written comments dated 12/1/2022)</li> </ul>

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EDUCATION/ MESSAGING/ CLARIFICATION						
	<b>PUBLICIZE EXISTING SOS TOOLS/RESOURCES</b>	<b>PUBLICIZE MORE BROADLY PASSWORD PROTECTED SECURE BUSINESS FILING (SBF)</b> • Document forms themselves • Part of filing process • Website	NO	• Low to no cost. • Decreases hijacking.		• Roger M. Loeb (Written comments dated 9/15/22) • Herrick Lidstone (written comments dated 9/21/22 and 11/15/22) • Ralph Gagliardi (written comments dated 12/1/22)
		<b>PUT ALL SECURITY FEATURES INTO ONE SINGLE SOS WEBSITE SECTION WITH A BRIEF EXPLANATION OF WHY THE USER SHOULD CARE.</b>	NO	• Low to no cost.		• Roger M. Loeb (Written comments dated 9/15/22)
		<b>PUBLICIZE MORE BROADLY THE BUSINESS IDENTIFY THEFT RESOURCES AVAILABLE ON THE SOS WEBSITE</b>	NO	• Low to no cost. • Decreases both hijacking and fraudulent business creation.		• Herrick Lidstone (written comments 9/21/22 and 11/15/22) • Ralph Gagliardi (written comments dated 12/1/22)
		<b>PUBLICIZE MORE BROADLY THE AVAILABILITY OF NEW COMPLAINT PROCESS ONCE AVAILABLE (SB 22-034)</b>	NO	• Low to no cost. • Decreases both hijacking and fraudulent business creation.		• Herrick Lidstone (written comments dated 9/21/22 and 11/15/22)

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		PUBLICIZE MORE BROADLY ON WEBSITE AND FILING FORMS AVAILABILITY OF RECEIVING EMAIL OR TEXT NOTICES WHEN FILING MADE FOR BUSINESS	NO	<ul style="list-style-type: none"> <li>• Low to no cost.</li> <li>• Decreases hijacking.</li> </ul>		<ul style="list-style-type: none"> <li>• Herrick Lidstone (written comments dated 9/21/22 and 11/15/22)</li> </ul>
	CLARIFY MEANING OF BUSINESS ENTITY'S STATUS	CHANGE THE STATUS OF LEGAL ENTITIES FROM BEING IN "GOOD STANDING" TO "EXISTING" AND CHANGE THE "CERTIFICATE OF GOOD STANDING" TO A "CERTIFICATE OF EXISTING."	<p>YES:</p> <ul style="list-style-type: none"> <li>• Revise section 7-90-309(1), C.R.S., which currently specifically mandates that SOS issue certificates of "good standing":</li> </ul> <p><i>(1) The secretary of state shall issue to any person, upon request, a copy of any document filed by the secretary of state pursuant to this title, a certificate endorsed on or accompanying a copy of any filed document identifying the filed document and certifying that the copy is a true copy of the filed document, and, if appropriate, a certificate of good standing concerning any entity. The secretary of state may issue to any person, upon request, any other certificate as to the records of the secretary of state that the secretary of state deems appropriate.</i></p> <ul style="list-style-type: none"> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides clarification for stakeholders, including financial institutions extending credit to businesses, that business is not vetted.</li> </ul>	<ul style="list-style-type: none"> <li>• Unknown costs to change filing system.</li> <li>• Increased personnel/resources, including resources for investigation; mail costs; and SOS call service center who will have to answer additional questions/deal with possible confusion.</li> <li>• May cause confusion and conflict with other states' standard terms.</li> </ul>	<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>



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	<p><b>ENCOURAGE BUSINESSES TO SELF-PROTECT RE: IP LAW</b></p>	<p><b>EDUCATE/ENCOURAGE BUSINESSES TO:</b></p> <ul style="list-style-type: none"> <li>• <b>FEDERALLY TRADEMARK THEIR BUSINESS NAME TO PROTECT IT FROM COPYCATS</b></li> <li>• <b>RECORD TRADEMARK WITH U.S. CUSTOMS AND BORDER PROTECTION</b></li> </ul>	<p>NO</p>	<ul style="list-style-type: none"> <li>• Assists stakeholders alleging new entities incorporating businesses using names that are very similar to established business entities names.</li> <li>• State trademarks protects a mark only in the registered state, while a federal trademark protects the mark(s) nationwide.</li> <li>• Recording trademark with U.S. Customs and Border Protection allows administrative seizure of violative counterfeit goods on the border.</li> </ul>	<ul style="list-style-type: none"> <li>• Federal trademark costly and complex process for small businesses [Roger M. Loeb (Written comments dated 12/10/22)]</li> </ul>	<ul style="list-style-type: none"> <li>• Working Group Meeting</li> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>
	<p><b>ENCOURAGE SOS DATABASE USERS TO EXERCISE DUE DILIGENCE</b></p>	<p><b>EDUCATE DATABASE USERS TO CAREFULLY REVIEW BUSINESS'S RECORDS SINCE SUMMARY AND FILING DATES MAY REFLECT UNAUTHORIZED OR SUSPICIOUS CHANGES (REGISTERED AGENT, CURED DELINQUENCIES, ETC.)</b></p>	<p>NO</p>	<ul style="list-style-type: none"> <li>• Low to no cost.</li> </ul>		<ul style="list-style-type: none"> <li>• Ralph Gagliardi (written comments dated 12/1/22)</li> </ul>

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ASSIST LAW ENFORCEMENT EFFORTS						
	<b>INCREASE LAW ENFORCEMENT ACCESS TO INFORMATION</b>	<p><b>Require authenticated registered agents to “Know Your Client” by:</b></p> <ul style="list-style-type: none"> <li>• Obtaining full ID of client incl. name, address, phone number, email address, and scan of ID Card or Passport AND client's purpose</li> <li>• Retaining this info for min. 5 years</li> </ul>	<p>YES:</p> <ul style="list-style-type: none"> <li>• Revise section 7-90-701, C.R.S. (registered agent requirements).</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Info can be provided to law enforcement with subpoena or court order.</li> <li>• Provides more datapoints to investigators while still protecting the privacy of the entity from public scrutiny.</li> </ul>	<ul style="list-style-type: none"> <li>• Enforcement mechanism? Obligation to keep information up to date? [Roger M. Loeb (Written comments dated 12/10/22)]</li> <li>• Penalties?</li> </ul>	<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>
		<p><b>Create a public webform that:</b></p> <ul style="list-style-type: none"> <li>• Allows public to file tips about businesses they suspect are using false information in filings.</li> <li>• Directs tips to a CDOS database and appropriate law enforcement agency, e.g., CBI.</li> </ul> <p><b>Create an official mechanism for law enforcement agencies to alert CDOS of businesses that are suspected of utilizing false information in their business filings.</b></p> <p><i>[cross reference to authentication/verification]:</i></p> <ul style="list-style-type: none"> <li>• If law enforcement notifies</li> </ul>	<p>Yes:</p> <ul style="list-style-type: none"> <li>• SOS needs authorization to set up tip database, receive information, and share with law enforcement.</li> <li>• Revise section 7-90-7-90-306, C.R.S., since SOS only has ministerial filing duties.</li> <li>• Revise section 7-90-309(1), C.R.S., which currently specifically mandates that SOS issue certificates of “good standing”; must add two new statuses: "Under Review" and "Inactive status".</li> <li>• Other changes may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease fraudulent business creation.</li> <li>• Law enforcement involvement.</li> <li>• Stakeholders put on notice re: businesses.</li> </ul>	<p>Costs:</p> <ul style="list-style-type: none"> <li>• Set up public tip platform and database.</li> <li>• Increased personnel/resources to send out mail and then verify received info: <ul style="list-style-type: none"> <li>&gt; There is no current automated mailing process;</li> <li>&gt; Currently letters with Secure Business Filing PINs must be physically mailed out by an SOS employee.</li> <li>&gt; Additional employees required to process requests.</li> <li>&gt; What is the standard for employees to verify received info?</li> </ul> </li> <li>• If law enforcement has reasonable suspicion that a business is operating under a false registration, methods already exist</li> </ul>	<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>

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		<p>CDOS that business suspected of using false info, an automated process initiated:</p> <ul style="list-style-type: none"> <li>• Halt the issuance of "Certificates of Good Standing" and change the business status to "Under Review"</li> <li>• Automatically sends mail to the addresses on file for response.</li> <li>• If no response comes back, business placed in an inactive status.</li> </ul> <p>If business responds with evidence (i.e., utility bill from primary business locations) that what they filed is accurate, placed back into Good Standing.</p>			<p>to pursue that information without involving the SOS. [Roger M. Loeb (Written comments dated 12/10/22)]</p>	
		<p><b>Real-Time Data Monitoring:</b> Create and utilize an application programming interface (API) that allows CBI/law enforcement to analyze all business filings in real-time for suspicious activity.</p>	<p>Possibly need authorization for data sharing?</p>	<ul style="list-style-type: none"> <li>• Implement of an API streaming business filing data for law enforcement analysis can stop fraud.</li> </ul>	<ul style="list-style-type: none"> <li>• IT costs.</li> <li>• Privacy concerns.</li> </ul>	<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>

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	<p><b>REVISE COLORADO'S EXISTING CRIMINAL LAWS</b></p>	<p><b>Clarify the existing perjury statement included in each business filing per section 7-90-301.5, "Act of causing document to be delivered for filing":</b>  <i>Causing a document to be delivered to the secretary of state for filing pursuant to this part 3 shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of this part 3, the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of this part 3, the constituent documents, and the organic statutes.</i></p>	<p>YES</p>	<ul style="list-style-type: none"> <li>• Makes it clearer to filer that document being submitted under penalty of perjury.</li> </ul>	<ul style="list-style-type: none"> <li>• May not deter the "anonymous" unauthenticated criminal</li> </ul>	<ul style="list-style-type: none"> <li>• Working Group Meeting</li> </ul>

CATEGORY	PROPOSAL	METHODS	STATUTORY CHANGE NEEDED?	BENEFITS	CONCERNS/ISSUES	PROPOSAL SOURCE
		<p><b>Increase criminal law penalties for perjury.</b></p>	<p>YES - Statutes at issue:</p> <ul style="list-style-type: none"> <li>• Section 7-90-301.5, C.R.S., Act of causing document to be delivered for filing.</li> <li>• Section 18-8-503, C.R.S., Perjury in the second degree.</li> <li>• Section 18-8-504, C.R.S., False swearing.</li> <li>• Section 18-8-114, C.R.S., Abuse of public records.</li> <li>• Section 18-5-114, C.R.S., Offering a false instrument for recording.</li> </ul> <p>• Other changes may be necessary.</p>	<ul style="list-style-type: none"> <li>• Deterrence, particularly for those specific cases where individuals believe they have the right to hijack existing delinquent (dormant) businesses.</li> <li>• Incapacitation (specific criminal ceases activity).</li> </ul>	<ul style="list-style-type: none"> <li>• May not deter the "anonymous" unauthenticated criminal</li> </ul>	<ul style="list-style-type: none"> <li>• Christopher Beall (PowerPoint presented 10/26/2022)</li> </ul>
		<p><b>Make false filings extraditable felony offences + Update business forms to eliminate any ambiguity re: what info is required.</b></p>	<p>YES</p>	<ul style="list-style-type: none"> <li>• Deterrence, particularly for those specific cases where individuals believe they have the right to hijack existing delinquent (dormant) businesses.</li> <li>• Incapacitation (specific criminal ceases activity)</li> </ul>		<ul style="list-style-type: none"> <li>• Gregory Wertsch (written comments dated 12/1/22)</li> </ul>

CATEGORY	PROPOSAL	METHODS	STATUTORY CHANGE NEEDED?	BENEFITS	CONCERNS/ISSUES	PROPOSAL SOURCE
MISCELLANEOUS						
	<p><b>REDUCE STAKEHOLDER CONFUSION CAUSED BY SIMILAR ENTITY NAMES</b></p>	<p>Revise guidance for determining when entity names are “deceptively similar” to make broader.</p>	<p>Unknown.</p> <ul style="list-style-type: none"> <li>Section 7-90-601(2)(a), C.R.S. mandates that “each entity name shall be distinguishable on the records of the secretary of state from every . . . [o]ther entity name[.]”</li> <li>Currently distinguishability depends on filing system programming parameters:  <a href="https://www.sos.state.co.us/pubs/business/FAQs/entityNames.html">https://www.sos.state.co.us/pubs/business/FAQs/entityNames.html</a></li> </ul>	<ul style="list-style-type: none"> <li>Decreases number of fraudulent businesses who benefit from using names similar to other existing entities.</li> </ul>	<ul style="list-style-type: none"> <li>What would be the standards?</li> <li>Disputes concerning similar entity names are generally an intellectual property tort issue.</li> <li>Increased personnel/resources to address customer inquiries: <ul style="list-style-type: none"> <li>&gt; "How different does my name need to be?"</li> <li>&gt; "My entity's name is Colorado Mountain and their entity's name is Colorado Mountain Herbs. That's too close."</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Working Group Meeting.</li> <li>Herrick Lidstone (written comments dated 9/21/22)</li> </ul>