

REPORT OF THE SECTION OF COMMERCIAL LAW TO THE EXECUTIVE COMMITTEE OF THE DELAWARE STATE BAR ASSOCIATION

Dated as of March 17, 2016

PURPOSE

The general purpose of the Section of Commercial Law (the "Section") is the promotion of the objectives of the Delaware State Bar Association (the "Association") within the field of commercial law. In particular, the Section's mission is to provide periodic reports to its membership with respect to matters relating to commercial law, to provide continuing legal education, to review, comment on and recommend, or not, proposed legislation relating to commercial law matters, and to expand and foster interdisciplinary relationships in the commercial area. The Section includes several standing committees which emphasize certain aspects of commercial law, including: the Statutory Trust Committee, the Uniform Commercial Code Committee and the Banking Committee.

ANNUAL REPORT

The Section conducts most of its business through its standing committees, which are generally active throughout the year.

The Statutory Trust Committee is chaired by Eric A. Mazie of Richards, Layton & Finger, P.A. The Statutory Trust Committee met during the year regarding proposed amendments to the Delaware Statutory Trust Act, which amendments were presented to the Section and approved at the Section's annual meeting. The proposed amendments to the Delaware Statutory Trust Act consist in part of changes to conform the Delaware Statutory Trust Act to the other Delaware alternative entity statutes and other changes including a change to allow a Delaware statutory trust to opt out of entity status.

The Uniform Commercial Code Committee (the "UCC Committee") is chaired by William Yenc of Richards, Layton & Finger, P.A. The UCC Committee was active during the past twelve months and continued working with a joint subcommittee with the LLC and Partnership Committee to discuss possible statutory amendments to address issues with respect to security interests granted by "series" limited liability companies and limited partnerships. Such amendments and certain other amendments to the Delaware Uniform Commercial Code may be proposed in the next fiscal year. The active membership of the UCC Committee spans private practice, in-house counsel and academia.

The Banking Committee is chaired by Mark Purpura of Richards, Layton & Finger, P.A. The Banking Committee does not meet regularly, as most banking legislation and recent developments in banking laws are addressed through the Delaware Bankers Association. The Banking Committee was largely dormant this year.

The current officers of the Section are: Chairperson, Stephen Lukes, Richards, Layton & Finger, P.A.; Vice-Chairperson, R. Jason Russell, Morris, Nichols, Arsht & Tunnell

LLP; and Secretary, Amelia Messa, Wilson Sonsini Goodrich & Rosati Professional Corporation. The officers met during the course of the year to consider various issues that were presented to the Section by the Association, by members of the Section and by others. The annual meeting of the Section was held on February 24, 2016, at which the following Section officers were elected for the 2016-2017 year: Chairperson, Stephen Lukes, Richards, Layton & Finger, P.A.; Vice-Chairperson, R. Jason Russell, Morris, Nichols, Arsht & Tunnell LLP; and Secretary, Amelia R. Messa, Wilson Sonsini Goodrich & Rosati Professional Corporation. A copy of the minutes from the annual meeting is attached hereto. As of the date hereof, there are currently 157 members of the Section.

The Section is planning to sponsor a CLE to be held in May of this year. The speakers at the CLE will focus on recent statutory amendments and case law relevant to various commercial law practice areas. R. Jason Russell is also working on an article which will summarize recent case law affecting commercial law issues, with the intent to have it published in the Delaware Law Review.

**SECTION OF COMMERCIAL LAW
DELAWARE STATE BAR ASSOCIATION
MINUTES OF ANNUAL MEETING**

February 24, 2016

[Insert Minutes]

**SECTION OF COMMERCIAL LAW
DELAWARE STATE BAR ASSOCIATION**

**MINUTES OF ANNUAL MEETING
February 24, 2016**

The annual meeting of the Section of Commercial Law of the Delaware State Bar Association (the "Commercial Law Section") was held on February 24, 2016 at the offices of Richards, Layton & Finger, P.A. at One Rodney Square, 920 N. King Street, in Wilmington.

Election of Officers

The first matter of business considered by the Commercial Law Section was the election of officers for the ensuing year. The following slate of officers had previously been nominated for election:

Chairperson: Stephen M. Lukes

Vice-Chairperson: R. Jason Russell

Secretary: Amelia R. Messa

The chairperson asked if there were any other nominations. No additional names were submitted. Upon motion duly made, seconded and unanimously approved, the Commercial Law Section elected the aforementioned slate of officers.

Status Report from UCC Committee of Commercial Law Section

The next matter of business was a status report on the activities of the UCC Committee of the Commercial Law Section. Eric Schwartzman reported that the UCC Committee along with the previously formed joint committee involving the UCC Committee and the LLC and Partnership Committee of the Corporation Section met regularly this year to work on a resolution to certain issues with respect to "series" limited liability companies and limited partnerships granting security interests. Lou Hering then reported on the national considerations and issues concerning the Secretary of State of the State of Delaware with respect to any amendments made concerning the "series" concept. The UCC Committee and the joint committee plan to continue working together on possible amendments to the UCC and alternative entity statutes.

Eric Schwartzman also reported that the UCC Committee is considering amendments to Article 4A of the Delaware UCC. The UCC Committee will continue to meet regularly to work on these and other possible amendments to the Delaware UCC for next year.

Status Report from Banking Law Committee

There were no updates by the Banking Law Committee.

Commercial Law Section Sponsored CLE

The next matter of business discussed was the upcoming CLE to be held in May that will be sponsored by the Commercial Law Section. The speakers at the CLE will focus on recent statutory amendments and case law relevant to various commercial law practice areas.

Commercial Law Section Article

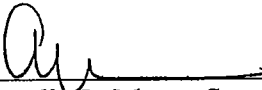
The next matter of business discussed was the request by the Delaware Law Review for an article to publish by a member of the Commercial Law Section. There were no volunteers to author an article, however, Lou Hering proposed that an article could be written summarizing recent case law.

Amendments to the Delaware Statutory Trust Act

Lastly, the members present discussed legislation being proposed by the Statutory Trust Committee to amend the Delaware Statutory Trust Act. Eric Mazie described the amendments being proposed in the legislation. There was some follow up discussion with Norman Powell and others about the proposed amendments. Upon motion duly made, seconded and unanimously approved, the Commercial Law Section approved the proposed legislation.

Adjournment

There being no further business to come before the meeting, the meeting was adjourned.



Amelia R. Messa, Secretary