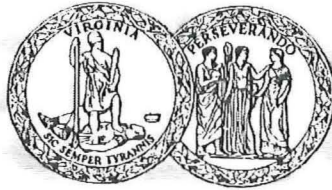


COMMONWEALTH OF VIRGINIA



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STATE CORPORATION COMMISSION Office of the Clerk

December 31, 2013

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable Walter A. Stosch
Chair, Senate Committee on Finance

The Honorable Lacey E. Putney
Chair, House Committee on Appropriations

The Honorable Frank M. Ruff, Jr.
Chair, Senate Committee on General Laws
and Technology

The Honorable Terry C. Kilgore
Chair, House Committee on Commerce
and Labor

The Honorable John C. Watkins
Chair, Senate Committee on Commerce
and Labor

Re: 2013 amendments to § 2.2-904.1 of the Code (SB1137 (2013); HB1760 (2013))

Gentlemen:

The purpose of this letter is to report on immediate and shorter term progress to implement enhancements to the Business One Stop and SCC eFile systems to provide for improved citizen experience as required in Senate Bill 1137 and House Bill 1760 enacted by the 2013 General Assembly. In addition, there is a brief description of the long-term aspects of this effort.

LONG-TERM IMPROVEMENTS

The longer term overall objective of the 2013 legislation is to establish, no later than June 30, 2018, integration of the business entity formation processes of the Clerk's Office of the State Corporation Commission with the Business Permitting Center (popularly known as Business One Stop) developed and operated by the Department of Business Assistance.* In essence, the goal is to enhance the electronic portal - Business One Stop - to enable an individual to form a new Virginia business entity at the Commission and then promptly return to the Business One Stop site to manage via its existing functionality other requirements for new businesses, such as registering with the Internal Revenue Service, the Virginia Department of Taxation and the Virginia Employment Commission. The Commission's longer-term contributions to achieving the overall objective will be made, in large measure, as part of a major Commission initiative to replace the Clerk's Office Information System, including its mainframe computer. Proposals for this initiative are currently being evaluated.

PROGRESS TO DATE ON SHORTER-TERM ENHANCEMENTS

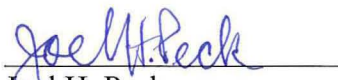
During the 2013 General Assembly session, representatives from various stakeholders met to discuss the feasibility of making relatively quick, short-term changes to SCC eFile and Business One Stop that would result in a better user experience until permanent improvements could be implemented. The initial meeting was held on January 24, 2013, and was attended by one or more representatives from the Office of the Governor, the Office of the Secretary of Technology, the Virginia Information Technology Agency, the office of Delegate David I. Ramadan, the Department of Business Assistance, and the State Corporation Commission.

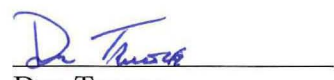
As the result of additional meetings during the past several months, the concept of interim enhancements was agreed upon, a project plan has been prepared and progress has been made on defining the business requirements. It is expected that system development and testing of the enhancements will be completed in the early part of 2014 and that enhancements to both systems will be available for use by the public soon thereafter.

The enhancements under consideration will allow an individual who wants to form a new Virginia stock corporation or limited liability company to more easily move from the Business One Stop site to the SCC eFile Express site. Through eFile Express, a corporation or limited liability company can be formed simply and in real-time. Once the entity is formed, the user can quickly return to the Business One Stop site with relevant Commission-generated data and use its features that assist a new business in registering with other government agencies.

We appreciate the opportunity to report on the progress made to date on this important project. If you have any questions, please do not hesitate to let us know.

Respectfully submitted,


Joel H. Peck
Clerk of the State Corporation
Commission


Duc Truong
Acting Director of the
Department of Business Assistance

* Effective January 1, 2014, the Department of Business of Assistance will be abolished upon its consolidation with the Department of Minority Business Enterprise to create the Department of Small Business and Supplier Diversity. The provisions of § 2.2-904.1, as amended, were repealed and reenacted as § 2.2-1617 as part of the legislation mandating the consolidation. The new Department will assume the responsibility of maintaining the Business Permitting Center (2013 Acts of Assembly, chap. 482 (SB 1350 (2013))).

JHP/tlh