

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

**Dated as of January 29, 2007**

**David A. Harris, Chairperson**

**PURPOSE**

The general purpose of the Section of Commercial Law (the "Section") is the promotion of the objects 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, many of which have been very active over the past year.

The Statutory Trust Committee is chaired by Eric Mazie of Richards, Layton & Finger, P.A. The Statutory Trust Committee continued its work this past year in connection with the preparation of the 2006 amendments to the Delaware Statutory Trust Act (the "DSTA"). The Statutory Trust Committee finalized and obtained approval of the Association of the 2006 amendments with respect to corrections, clarifications and conforming changes to the DSTA, which amendments were enacted by the General Assembly and became effective on August 1, 2006. The REIT Subcommittee met numerous times this past year and further refined the proposed amendments to the DSTA with respect to REITs. The REIT Subcommittee also met with members of State Government and the Corporation Law Section. Based upon such meetings, the Statutory Trust Committee decided not to seek approval of the REIT amendments in 2006. The Statutory Trust Committee intends to further study the REIT amendments and potential changes to the series provisions of the DSTA in 2007.

The Uniform Commercial Code Committee (the "UCC Committee") is chaired by Cindy Kaiser of Richards, Layton & Finger, P.A. The UCC Committee has been very active over the last twelve months. The UCC Committee met regularly throughout the year and the meetings were well attended. The active membership of the UCC Committee spans private practice, in-house counsel, academia and the bench. During the past year, the UCC Committee continued to consider legislation providing for amendments to Article 9 (Secured Transactions) of the Delaware Uniform Commercial Code (the "UCC"). In 2007, the UCC Committee will likely recommend the adoption of Article 9 amendments and will consider proposals for amendments to certain other Articles of the UCC. The UCC Committee also reviewed and commented on legislation proposed by other sections of the Association that impacts the UCC.

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 is in the process of developing a better way to identify and communicate with Section members who are interested in banking related topics. In the coming year, the Banking Committee, working with the Delaware Bankers Association and the Estates and Trusts Section, may consider proposing certain amendments to update Delaware banking laws.

The current officers of the Section are: Chairperson, David A. Harris, Morris, Nichols, Arsht & Tunnell LLP; Vice Chairperson, Emilie R. Ninan, Ballard Spahr Andrews & Ingersoll, LLP; and Secretary, Eric A. Schwartzman, Richards, Layton & Finger, P.A. 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 is scheduled to be held in April, at which Section officers will be elected for the 2007-2008 year. The Section is planning to host a luncheon for members of the Section, either in conjunction with the annual meeting or at a later date, at which representatives of the standing committees will discuss the past and future activities of the standing committees. As of the date hereof, there are currently 154 members of the Section.

508670