

**CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE MARCH 4, 2021 COUNCIL MEETING**

1. Next Scheduled Meeting of the Committee.

No meetings as a full committee are currently scheduled. We will consider possible in-person meetings once circumstances normalize and will also consider virtual meetings.

2. Council Approval.

We do not request council approval of any matters at this meeting.

3. Membership.

The Committee remains open to participation by any interested parties. The Committee has approximately 75 members on its active roster, though many fewer who actively participate.

4. Accomplishments Toward Committee Objectives.

The activity of the Committee is directly related to the Strategic Plan mission of promoting improved legislation and regulation for business and the goal of reviewing Michigan laws affecting business formation, capital raising, corporate governance and related legal matters. The Committee attempts to keep Michigan corporate law current with national trends and competitive with the business law environments of other jurisdictions.

As previously reported, we assembled a study group to examine the oppression provisions of both the Business Corporation Act and the Limited Liability Company Act., to consider whether changes should be recommended to make it easier to understand and apply. The task force has been meeting sporadically for over two years. The task force created subcommittees to study discrete issues arising with regard to the oppression statutes which conferred separately and produced discussion material and recommendations to the larger group. We determined to explore whether the Business Court judges would be interested in amendments giving them expanded abilities to enter preliminary orders in oppression cases and sent a letter to them. We have been in communication with Judge Christopher Yates of the Kent County Circuit Court, and with his help we have contacted several other business court judges for the purpose of convening a discussion of these topics. As of the date of this report, the meeting date has not been set, but we expect it will be set soon.

The Committee continues to monitor legislation that could affect Michigan corporation law. We expect to reconvene soon for the purposes of considering amendments to the Michigan Business Corporation Act.

5. Meetings and Programs.

No programs are currently scheduled.

6. Publications.

The Committee was responsible for the recently-published Fall 2020 edition of the Business Law Journal. Members of the oppression study group contributed a number of articles for this issue related to the topics considered by the study group.

7. Methods of Monitoring Legislative/Judicial/Administrative Developments and Recommended Action.

The Committee monitors bills that would affect corporation statutes that are introduced without its input and considers these together with the Corporations Division of the Bureau of Commercial Services of the Department of Licensing and Regulatory Affairs. The Committee interacts with the Division and the Bureau frequently on matters of legislative interpretation and administrative practice. The Committee also consults with the Division regarding efforts to further streamline corporate filings and information dissemination.

The Committee reviews judicial decisions affecting matters of Michigan corporate law. From time to time the Committee proposes statutory amendments that are intended to address the effects of specific case law. Additionally, the Committee has prepared and filed amicus curiae briefs at the invitation of the Michigan Supreme Court.

The Committee monitors developments and changes in the corporate laws of other states such as Delaware and developments and changes in the Model Business Corporation Act.

8. Miscellaneous.

The Committee will continue to accept ideas for technical and other amendments to the Business Corporation Act, which is amended periodically. Suggestions in this regard may be addressed to me as committee chair.

Any questions regarding this report may be directed to Justin Klimko or Mike Molitor.

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