

CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE OCTOBER 7, 2023 COUNCIL MEETING

1. Next Scheduled Meeting of the Committee.

The Committee most recently met on September 20, 2023, to continue its evaluation of the proposed Business Corporation Act amendments it is developing. We will continue the evaluation process in 2024 and expect to schedule a meeting early in the year.

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.

The Committee continues to monitor legislation that could affect Michigan corporation law. We are assembling material for the next round of amendments to the Michigan Business Corporation Act. We determined to bifurcate that effort and to first focus on preparing proposed draft benefit corporation legislation. Two versions of the legislation have been introduced, one in the House and one in the Senate. The House version is closer to the version we prepared. We will continue to work with Michigan Legislative Consultants once the legislature resumes activity to reconcile and revise the bills that have been introduced. We are separately working on proposed amendments to other provisions of the BCA and hope to have proposed legislation ready to seek sponsorship in early 2024.

Committee members have participated from time to time in preparation of amicus briefs on behalf of the Business Law Section, at the request of both the Michigan Court of Appeals and the Michigan Supreme Court. Examples include Madugula v. Taub, Murphy v. Inman and Soaring Pine v Park.

5. Meetings and Programs.

No programs are currently scheduled, but committee members are involved with presentations at the Business Law Institute and Business Boot Camp.

6. Publications.

The Committee was responsible for the Fall 2023 edition of the Business Law Journal, which was recently published with articles from several contributors.

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, as noted above, the Committee has prepared and filed amicus curiae briefs at the invitation of the Michigan Court of Appeals and 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. Suggestions in this regard may be addressed to either committee co-chair.

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

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