

**STATE BAR OF MICHIGAN
SECTION ANNUAL REPORT**

BAR YEAR:

2013-2014

SECTION NAME:

Business Law Section

SECTION MISSION STATEMENT:

The mission of the Business Law Section is to foster the highest quality of professionalism and practice in business law and to enhance the legislative and regulatory environment for conducting business in Michigan. To fulfill this mission, the Section shall: (1) expand the resources of business lawyers by providing educational, networking and mentoring opportunities; (2) review and promote improvements to Michigan's business legislation and regulations; and (3) provide a forum to facilitate service and commitment and to promote ethical conduct and collegiality within the practice.

OFFICERS AND COUNCIL MEMBERS:

Officer	Name	Address	Telephone	Email
Chair	Jeffrey J. Van Winkle P40894	Clark Hill, PLC 200 Ottawa Street NW, Ste. 500, Grand Rapids, MI 49503	(616) 608-1113	jvanwinkle@clarkhill.com
Vice Chair	James L. Carey P67908	Thomas M. Cooley Law School 2630 Featherstone Rd Auburn Hills, MI 48326	(248) 751-7800 ext. 7758	careyj@cooley.edu
Treasurer	Douglas L. Toering	Toering Law Firm PLLC 888 W. Big Beaver Ste 750 Troy, MI 48084	(248)269-2020	dltoering@aol.com
Secretary	Judy B. Calton	Honigman Miller Schwartz & Cohn, LLP 660 Woodward Ave, Ste 2290 Detroit, MI 48226	(313) 465-7344	jcalton@honigman.com

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Member	Term Expires	Member	Term Expires
Matthew P. Allen P57914	2014	D. Richard McDonald P37220	2015
Jennifer Erin Consiglio P68496	2014	James L. Carey P67908	2015
Christopher C. Maeso P54086	2014	Thomas R. Morris P39141	2015
H. Roger Mali II P64617	2014	Kevin T. Block P56136	2016
Douglas L. Toering P34329	2014	Judy B. Calton P38733	2016
Mark W. Peters P48917	2015	Mark E. Kellogg P38306	2016
Julia Ann Dale P63904	2015	Jeffrey J. VanWinkle P40894	2016
		Gail H. Straith P70952	2016

SECTION COMMITTEES:

Complete contact information for committee chairpersons is available on the Section's website at: <http://www.michbar.org/business/leaders.cfm#council>

Commercial Litigation Committee

The Commercial Litigation Committee assists litigators as well as business and corporate counsel in addressing issues that may lead to or arise in business-related litigation. The Committee sponsors seminars and other programs that address such issues and that are designed to enhance the practice of those involved in commercial litigation.

Corporate Laws Committee

The Corporate Laws Committee monitors and reviews matters relating to corporate law statutes and developments in the law of corporate governance. The committee also works with the Business Corporation Act Revision Subcommittee, which reviews the Michigan Business Corporation Act for the purpose of keeping it current with developments in corporate law and which assists from time to time in drafting and advocating proposed changes to the Act.

Debtor/Creditor Rights Committee

The Debtor/Creditor Rights Committee focuses on issues of insolvency, such as bankruptcy, state law alternatives to bankruptcy, secured lending (Article 9 of the Uniform Commercial Code), and state law exemptions.

Financial Institutions Committee

The Financial Institutions Committee focuses on legislative, regulatory and judicial developments and issues of interest to financial institutions (primarily banks) and their affiliates.

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In-House Counsel Committee

The In-House Counsel Committee is committed to addressing the professional interests of in-house counsel by sponsoring continuing legal education programs, informing members about issues of particular interest to them, and offering social and professional networking opportunities.

Law Schools Committee

The Law Schools Committee is designed to promote an interest in business law among students at each of the law schools located in Michigan. The Committee represents a collaborative effort between the Section and the business law societies at the University of Michigan Law School, Michigan State University College of Law, University of Detroit Mercy School of Law, Wayne State University Law School and Thomas M. Cooley Law School. The Committee supports programs initiated by the business law societies within the law schools and provides a forum for networking among law students and members of the Section.

Nonprofit Corporations Committee

The Nonprofit Corporations Committee's principal responsibility is to review and update laws relating to the organization of nonprofit corporations in Michigan. The principal focus has been on the Nonprofit Corporation Act, but it also reviews other legislation, such as bills regulating the solicitation of contributions by charities. The committee also assists with sponsoring continuing legal education programs directed at nonprofit organization issues.

Regulation of Securities Committee

The Regulation of Securities Committee is concerned with federal and state laws and regulations relating to the offer, sale and trading of securities. The Committee also supplies a liaison to the Securities Law Advisory Committee of the Michigan Corporations, Securities and Commercial Licensing Bureau. Activities are designed to inform members of current developments and issues and provide input to appropriate administrative and legislative bodies.

Uniform Commercial Code Committee

The Uniform Commercial Code Committee monitors developments and issues under all Articles of the UCC and related commercial statutes. In October of each year, the Committee presents a seminar on recent developments in commercial law. Additionally, the Committee prepares an annual survey of case law involving the UCC and commercial law.

Unincorporated Enterprises Committee

The Committee remains active in conducting seminars regarding unincorporated enterprises, focusing principally on limited liability companies. The Committee has also assisted in informing members of the bar from other sections as to legislation affecting unincorporated enterprises. Membership in the Committee is open to all members of the Business Law Section. The focus of the Committee's activities has been to present seminars in conjunction with ICLE and the Business Law Section. Membership and the opportunity to play a significant role in the Committee's activities is and will continue to be open to all members of this Section. As with most other committees, the

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Unincorporated Enterprises Committee schedules meetings primarily in the Western region of the Detroit metropolitan area. It is hoped that continued efforts to attract interest to the Committee will be successful.

Small Business Forum

The Small Business Forum, established by the Business Law Section of the State Bar of Michigan in 2006, specifically caters to business owners, attorneys, accountants, and other professionals who work with closely held businesses. The Forum hosts 3 to 4 highly productive, time efficient and fun educational events throughout the year. Every event includes a networking portion to mingle with other business professionals.

SECTION MEMBERSHIP:

The Section consists of 3,411 members.

SECTION BYLAWS:

The Section's Bylaws were last revised on November 18, 2011. A copy of the Bylaws can be found on the Section's website at <http://www.michbar.org/business/pdfs/bylaws.pdf>.

SECTION PUBLICATIONS:

The *Michigan Business Law Journal* is published three times per year and is sent to members via U.S. mail and electronically. The Journal is posted on the Section's website.

MEETINGS, ACTIVITIES AND SEMINARS:

Council Meeting Schedule:

Meeting Type	Date	Location
Council	December 7, 2013	Detroit, MI
Council	March 6, 2014	Lansing, MI
Council	June 7, 2014	Grand Rapids, MI
Council and Annual	September 11, 2014	Novi, MI

Events and/or Seminars:

Event or Seminar Title	Date	Location
Michigan Business Courts: A View From the Bench	September 26, 2013	Novi
Asset Protection Planning Hot Topics	Recorded October 22, 2013	Webcast
Business Boot Camp I – Basic Training for Every Business Lawyer	November 4-5, 2013 January 23-24, 2014	Grand Rapids Plymouth

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Contract Drafting: Indemnification, Representations, and Warranties	Recorded December 3, 2013	Webcast
LLC and Business Entity Update 2014	Recorded January 21, 2014	Webcast
Crain's General and In-House Counsel Summit	May 13, 2014	Detroit
LPM – Running Your Small Business Law Practice	Recorded May 15, 2014	Webcast
26 th Annual Business Law Institute	To be held June 6, 2014	Grand Rapids
Drafting an LLC Operating Agreement	To be recorded September 30, 2014	Webcast

Information concerning future events and seminars is available on the Section's website at:
<http://www.michbar.org/business/calendar.cfm>

SECTION LEGISLATURE AND POLICY:

The Michigan Supreme Court requested that the Business Law Section submit an amicus brief to address the issues raised by the case of *Madugula v. Taub*. The Section established a process to timely respond. Three issues were raised in the appeal; the Section addressed all three. The positions of the Section in the amicus brief are: (1) claims brought under MCL 450.1489 are equitable claims to be decided by a court of equity; (2) the provisions of a stockholders' agreement can create shareholder interests protected by MCL 450.1489 provided such interests are interests typically associated with being a shareholder and the interference substantially interferes with the total mix of the shareholder's rights; and (3) retention of one's status as a shareholder and director does not preclude a Section 489 action. In the case of *Madugula v. Taub*, the Section asserted that the trial court should have made the determination of whether there was oppression under all of the circumstances, and if oppression were found, devise an appropriate remedy. These errors were upheld by the court of appeals. The Section requested that even though the lower courts failed to properly apply the law in question, the Supreme Court should render a decision consistent with the above positions.

The Section was asked by the Government Relations Office of the State Bar of Michigan to comment on the proposed amendment of Rule 2.112 of the Michigan Court Rules concerning business court litigation practice. The Section has been active in advocating for implementation of business courts. After review, the Section supported the amendment 10-0-0 with additional suggested comments. The position was adopted after discussion and vote at a special meeting on December 2, 2013 with 12 voting for, 0 voting against, 0 abstaining, and 3 did not vote.

The Nonprofit Corporation Committee has reviewed the proposed amendments to the Nonprofit Corporation Act and the amendments to the related statutes. The Section supports the proposed amendments and related states. The Section has engaged Karoub Associates to assist with the amendments for a one year contract in 2014 to have a bill introduced as soon as possible in the

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2013-2014 legislative session that would implement the BLS requested legislative changes regarding amendments to Michigan's Nonprofit Corporation Act.

AWARDS:

Stephen H. Schulman Outstanding Business Lawyer Award

The Section established the Stephen H. Schulman Outstanding Business Lawyer Award in 2006, to be presented annually. The award honors Michigan business lawyers who consistently exemplify the characteristics the Business Law Section seeks to foster and facilitate: the highest quality of professionalism, the highest quality of practice, an unwavering dedication to service, ethical conduct, and collegiality within the practice of law. The Section honored Daniel H. Minkus at its Annual Meeting on September 26, 2013, at the Sheraton Detroit Novi. The Award for 2014 will be presented at the Annual Meeting on September 11, 2014 at the Sheraton Detroit Novi.

FINANCIAL REPORT:

General Budget Information: See the December 2013 Treasurer's Report at:

<http://www.michbar.org/business/pdfs/minutes/treasurer1213.pdf>

SOCIAL MEDIA:

Members can follow the Section on LinkedIn.

FUTURE GOALS AND ACTIVITIES:

See the Section's Strategic Plan revised in June of 2010 at
http://www.michbar.org/business/pdfs/Strategic_Plan.pdf.