

CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE MARCH 22, 2007 COUNCIL MEETING

1. Next Scheduled Meeting of the Committee

The Committee does not hold regular meetings but rather meets when in the process of considering amendments to the Business Corporation Act. The Committee held a meeting in early 2007 to discuss possible additional amendment topics. Another meeting is anticipated for late March or April.

2. Council Approval

The Committee requests no council action at this meeting.

3. Membership

The Committee remains open to participation by any interested parties.

4. Accomplishments Toward Committee Objectives

The Committee continues to monitor developments in corporate laws throughout the country and to consider changes to the Business Corporation Act. This is an ongoing and continuous process.

5. Meetings and Programs

No programs are currently scheduled, though the Committee is open to participation in presentations discussing changes to the Act.

6. Publications

The last issue of the Michigan Business Law Journal sponsored by the Committee was the Summer 2005 issue.

7. Legislative/Judicial/Administrative Developments

The most recent BCA amendments developed by the Committee were passed and became law in March, 2006.

The Committee has begun to study topics for possible additional amendments. Among the topics that have been suggested for consideration include majority voting provisions for director elections; clarifying the effect of independent director approval of an interested director transaction in light of Michigan case law; other items related to director duties, interested director transactions and appraisal rights; the concept of renouncement in advance of a corporate

opportunity; clarification of certain provisions in the indemnification provisions of the BCA; possible repeal of the Control Share Act; and the concept of entity conversion.

8. Analysis of Applicable Strategic Plan Issues.

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.

9. 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 either of the committee co-chairs, Cyril Moscow or Justin G. Klimko. The Committee also will consult with the Department of Labor and Economic Growth regarding efforts to further streamline corporate filings and information dissemination.

Any questions regarding this report may be directed to me.

Justin G. Klimko
Butzel Long
150 West Jefferson, Suite 900
Detroit, Michigan 48226
Telephone: 313-225-7037
Fax: 313-225-7080
e-mail: klimkojg@butzel.com

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