

CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE MARCH 19, 2009 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 monitors issues relating to Michigan corporation statutes and meets when necessary to discuss developments.

2. Council Approval

The Committee does not request Council approval of any items 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 committee is sponsored the fall 2008 issue of the Michigan Business Law Journal. That issue was published and distributed in late 2008 and is also available through the Section's web site. It included seven articles on corporate law topics that were created through the efforts of committee members and their firms.

The winter 2009 issue of the Business Law Journal will include an article describing the changes to the Business Corporation Act discussed below.

7. Legislative/Judicial/Administrative Developments

The Committee drafted proposed amendments to the BCA as well as the PSCA (and one conforming amendment to the Limited Liability Company Act). The bills were introduced in the Michigan House of Representatives as HB 5356, 5357 and 5358 and passed by the House in December, 2007. Certain insurance and other groups expressed opposition to the portions of the bills designed to address the Court of Appeals' decision in Miller v Allstate. Consideration of the bills was deferred in the Senate pending the Supreme Court's decision in Miller. That decision was issued in July, 2008. Although the decision left open the most significant corporate law question raised in the Miller case, by vacating the Court of Appeals' holding, it eliminated the urgency of a statutory resolution. Subsequently,

the Miller-related provisions in the amendments were eliminated (thus eliminating the need for amendment to the PSCA and LLC Act) and the balance of HB 5356 ultimately became PA 402 of 2008, effective January 6, 2009. As noted above, an article describing the amendments will be included in the winter, 2009 issue of the Michigan Business Law Journal.

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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