

**CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE JUNE 1, 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 has held several meetings in 2007 to discuss possible additional amendment topics.

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 continues to study topics for possible additional amendments. Among the topics currently under consideration are clarifying the effect of independent director approval of an interested director transaction in light of Michigan case law; other items related to director duties; clarification of certain provisions in the indemnification provisions of the BCA; possible repeal of the Control Share Act; codification of the internal affairs doctrine; the concept of entity

conversion; adding LLCs as permitted registered agents; and revising the scheme for franchise fees for admitted foreign corporations in light of changes to Michigan tax law.

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.

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