

**CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE JUNE 13, 2008 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 multiple meetings in 2007 to develop the currently proposed amendments to the Business Corporation Act and Professional Service Corporation Act.

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 last issue of the Michigan Business Law Journal sponsored by the Committee was the Summer 2005 issue. The Committee will be responsible for an issue in 2008.

7. Legislative/Judicial/Administrative Developments

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

The Committee drafted additional amendments to the BCA as well as the PSCA (and one conforming amendment to the Limited Liability Company Act), the purposes of which we explained in an earlier report. The bills were adopted by the Michigan House of Representatives as HB 5356, 5357 and 5358, but incorporated changes of which the Committee is not in favor. 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, and as a result changes were made that would require certain types of professions (including chiropractors and physical therapists) to incorporate exclusively under the PSCA. The bills have been stalled in committee in the Senate as the sponsors have tried to work out differences between the insurance groups, trade groups and other parties. As of this writing, it appears that there will be no further progress on the bills until after the Michigan Supreme Court renders its decision in the appeal of the Court of Appeals' decision in Miller v Allstate. The Supreme Court held hearings on that appeal on April 10, 2008.

In connection with the Supreme Court's hearing in Miller v Allstate, the Business Law Section accepted the Supreme Court's invitation to submit an amicus brief. James Carey, Assistant Professor of Law at Thomas M. Cooley Law School and the reporter to the Committee, Cyril Moscow and the undersigned developed a brief that was filed and can be viewed at <http://courts.michigan.gov/supremecourt/Clerk/04-08/134393-134406/134393-BLS-SBMAmicus.pdf>.

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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