

.CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE SEPTEMBER 25, 2008 COUNCIL MEETING

1. 2008-2009 Budget Request and Anticipated Use of Funds.

The Committee requests \$500.00 for the purpose of paying meeting costs, costs and expenses related to supporting amendments to the Business Corporation Act and Professional Services Corporation Act (such as travel to testify at legislative hearings, etc.) and miscellaneous costs.

2. Use of Budgeted Funds During 2007-2008.

The Committee used funds during 2007-2008 to pay meeting costs, support costs relating to statutory amendments and to pay the reporter for assistance in developing the statutory amendments described in this report, as indicated in our previous request for funds.

3. 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 and has been monitoring the progress of those amendments in the state legislature, where they were approved by the House but remain under consideration by in committee in the Senate.

4. Council Approval

The Committee does not request Council approval of any items at this meeting.

5. Membership

The Committee remains open to participation by any interested parties.

6. 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.

The Committee also spearheaded the writing of the amicus brief submitted on behalf of the Section in March, 2008 in the case of Miller v Allstate. The Section had been invited to submit an amicus brief in the Supreme Court's order granting leave to appeal of that case.

7. Meetings and Programs

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

8. Publications

The committee is sponsoring the fall 2008 issue of the Michigan Business Law Journal, which it expects to be issued in the fourth quarter of 2008. Several articles have been submitted.

9. Legislative/Judicial/Administrative Developments

The Committee drafted 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, but there has been no additional activity on the bills as of this writing. The Committee is attempting to work through outstanding issues with the legislative sponsors.

10. 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.

11. 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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