

CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE DECEMBER 1, 2007 COUNCIL MEETING

1. 2007-2008 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 the 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 2006-2007.

The Committee used funds during 2006-2007 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 has held multiple meetings in 2007 to develop the currently proposed amendments to the Business Corporation Act and Professional Service Corporation Act.

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.

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

9. Legislative/Judicial/Administrative Developments

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

The Committee has drafted additional amendments to the BCA as well as the PSCA (and one conforming amendment to the Limited Liability Company Act). We explained the purpose of these bills in our previous report. The bills have been introduced in the Michigan House of Representatives as HB 5356, 5357 and 5358. Certain insurance and other groups have expressed opposition to the portions of the bills designed to address the Court of Appeals' decision in Miller v Allstate. The Committee is attempting to work through these 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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