

**CORPORATE LAWS COMMITTEE
ANNUAL REPORT PREPARED FOR THE
DECEMBER 1, 2012 ANNUAL MEETING**

Please describe your committee's activities during the 2011-2012 year toward achievement of the goals outlined in the Section's Strategic Plan. Each question below corresponds to a specific Section of the Plan, a copy of which is attached and to which reference may be made for further guidance in providing responses. If the question is not applicable to your particular committee or directorship, please note as such.

1. Sponsorship of programs for Continuing Legal Education via a means accessible to Section Members, including holding at least one program yearly (Article I, 3, of the Strategic Plan).

We have not yet held a program but anticipate doing after the proposed amendments to the Business Corporation Act are passed. Passage may happen by the time of the annual meeting. Program would likely be in the form of a webinar.

2. Addressing substantive legal issues for committee members, including holding regular committee meetings (at least once a year) and reporting on the meetings to the Council (Article I, 4).

We met in early 2012 to discuss proposed amendments to the Business Corporation Act. Meetings are held in person with provisions for telephone participation. The committee's work on the amendments was completed in the late spring, and we have spent the balance of the year working with the Legislative Service Bureau to format the proposed amendments and working with Karoub and Associates to find a sponsor and get the amendments introduced. The bills were introduced in the Senate in the fall and reported out of the Senate Judiciary Committee after its hearing on October 17, which Jim Carey and I attended and at which I testified briefly. Further action is scheduled for November 8, at which time the bills will likely be approved by the Senate, sent to the House and assigned to a House committee. We expect that there will be a hearing of that committee which Jim and I will attend; more information on this should be available at the time of the Council meeting. We remain hopeful that the amendments will be approved prior to the adjournment of the legislative session.

3. Promoting involvement in the committee and making the committee more responsive to members including the designation of a contact person (Article I, 5).

We have promoted committee involvement and have added several new members to the committee in the course of the year. Requests for participation generally are forwarded to me.

4. (A) monitoring and raising awareness of laws or developments in laws that affect Michigan businesses and, when appropriate, making recommendations for updates and improvements;

Monitoring matters relating to the Michigan Business Corporation Act is a core function of the Corporate Laws Committee, as is drafting proposed amendments. As noted above, the committee prepared proposed amendments that have been introduced in the legislature.

(B) providing assistance to appropriate state government personnel with respect to business-related legislation and rule making;

The committee interacts with the Corporations Division of the Department of Licensing and Regulatory Affairs and with members of the legislature in terms of interpreting existing provisions of the Business Corporation Act and introducing new amendments. The Committee has been working with Sen. Mike Kowall and his staff on the amendments.

(C) as appropriate, providing amicus curiae briefs related to business-related issues being addressed by the courts, and

In the past decade the committee has twice taken the lead in preparing amicus briefs on behalf of the Business Law Section, once at the request of the Michigan Court of Appeals and once at the request of the Michigan Supreme Court.

(D) educating Michigan businesses, their owners and employees about changes to Michigan's laws in order to maintain Michigan's ability to attract and retain new business enterprises and enable existing businesses to remain competitive. (Article II, 1).

The Committee publishes articles regarding changes in law and also works at the request of business owners on issues that may require amendment of the Business Corporation Act.

5. Please comment on your plan regarding succession (Article III, 5).

We do not presently have a specific succession plan. However, given the composition and size of the committee, I am confident that we will have no issues with leadership succession.

6. Please list your Committee's goals and objectives for the next 12 to 24 months and whether you will require additional support from the Section to achieve these goals (Article III, 5).

Our first goal is to see passage of the proposed BCA amendments. We anticipate that this will be accomplished in calendar 2012. The Council previously approved funding to pay the fees of Karoub and Associates for assisting in the legislative process. Thereafter we will focus on education and on continuing to monitor corporate law developments in Michigan and elsewhere and periodically proposing amendments to the BCA.

Justin G. Klimko, Chair
Butzel Long
150 W. Jefferson, Suite 150
Detroit, MI 48226
313-225-7037
klimkojg@butzel.com

November 3, 2012