Chair’s Letter from Michael S. Khoury
Join other Section members at the Section Annual Meeting on September 25 at the Sheraton Novi. The Section will hold its business meeting and election of council members and officers, followed by the Stephen H. Schulman Outstanding Business Lawyer Award. This year’s recipient is G. Ann Baker with the Michigan Department of Labor and Economic Growth. All Michigan business lawyers have benefited from the great job done by Ann and the Corporations Division over the years.

The two articles below address different topics of interest to members. The first comes via Sarida Scott, the director of Legal Services for CLR. James Breay, the chair of the Financial Institutions Committee, also reports on the developing topic of the usury savings clause.

Pro Bono Opportunities for Business Lawyers with Community Legal Resources
For ten years Detroit-based Community Legal Resources (CLR) has provided hundreds of community-based development organizations in Detroit and southeast Michigan with access to free or affordable legal assistance. Modeled on successful programs throughout the country, CLR matches nonprofit organizations with attorneys who work directly with the organization, providing his/her services free of charge. Community Legal Resources is also engaged in educational programming and policy advocacy activities on behalf of our nonprofit client organizations.

Opportunities for business lawyers include individual representation for clients with common issues related to operating a nonprofit corporation, such as compliance with federal and state laws. Additionally, volunteers can participate with a CLR legal team, assist with a workshop/seminar or prepare a short publication. CLR legal teams allow for greater impact and service to nonprofits. The team addresses a relevant issue and their work results in a tangible product for clients. Recent legal teams have addressed historic preservation, vacant property, employment law, and foreclosure.
prevention. CLR regularly holds workshops for clients and produces publications addressing topics of interest to the nonprofit industry.

**Is A Usury Savings Clause Valid?**

Often the documentation for an extension of credit provides that it will bear interest at the lesser of a specified rate or the highest rate permitted by applicable law. A "highest permissible rate" limitation is generally called a "usury savings clause." There are no published Michigan cases considering the validity of such a clause. The courts in the eight other states that have addressed the issue have taken different approaches, with some holding that such a clause is always invalid, others holding that it is always valid, and others holding that it is enforceable in certain circumstances. Given the absence of Michigan case law and the different approaches that courts in other states have taken, a creditor should not assume that a Michigan court would enforce a usury savings clause and should make sure that the interest rate is lawful without regard to such a clause.