Chair's Letter from Robert T. (Bob) Wilson

As I write this letter, voters throughout Michigan have just been to the polls to make decisions that will have far-reaching consequences for the future of our state. For a variety of reasons, including term limits, substantial changes in the leadership of Michigan are about to occur. Regardless of the outcomes at the polls, one expects that our elected leaders will find productive means of working together with the citizens of Michigan to chart a more prosperous way forward for our businesses, workers, and their families. The Business Law Section will continue to pursue its mission: to “Foster the highest quality of professionalism and practice in business law and to enhance the legislative and regulatory environment for conducting business in Michigan.”

Report of the Michigan Ad Hoc Committee on Legal Opinions

In September of this year, the Business Law Section's Michigan Ad Hoc Committee on Legal Opinions completed and formally issued its Report of the Michigan Ad Hoc Committee on Legal Opinions. This important contribution to the literature on legal opinions updates and supplements the Committee's 1991 Report and is an invaluable resource for attorneys called upon to deliver legal opinion letters in connection with the closing of loans, mergers and acquisitions, and other forms of business transactions. The Report has already attracted widespread interest and favorable recognition at the national level. On behalf of the Section, I'd like to thank the members of the Committee for their hard work and dedication in putting it together. Printed copies will also be sent to all Section members with the next issue of the Michigan Business Law Journal.

Financing Availability

Many clients inquire about the availability of financing in today’s market. For the past months, most of us have had little helpful information. Even though some lenders actually have surplus liquidity, many would-be borrowers have been declined. Banks have cited concerns about the value of collateral or simply that the borrower has inadequate financial performance. As a result of recent changes to the definition of a "small business
company” in the Small Business Jobs Act of 2010, borrowers and projects once considered too large will fit nicely in the program. Specifically, any business having tangible net worth not more than $15 million and annual profits of not more than $5 million satisfies the size requirements for a borrower under the SBA programs. While the borrower and project also must meet other program requirements, these substantial increases allow many more businesses to be eligible for these loans. Interested businesses should discuss these issues with a lender.