

**STATE BAR OF MICHIGAN
BUSINESS LAW SECTION
COUNCIL MINUTES**

DECEMBER 6, 2003

This meeting of the Council of the Business Law Section of the State Bar of Michigan was held at the offices of Bodman, Longley & Dahling, LLP in Ann Arbor, Michigan on Saturday, December 6, 2003 at 10:00 a.m., pursuant to notice duly given. Council members present: Diane Akers, G. Ann Baker, John Cook, John Dresser, Dee Dee Fuller, Mark High, Michael Khoury, Eric Lark, Paul Rentenbach, Richard Sundquist, and Stephen Waterbury. Committee members present: Jeffrey Ammon, Judy Calton, Timothy Damschroder, Agnes Hagerty, Justin Klimko, Patrick Mears, Daniel Minkus, and Cyril Moscow. Others present: Terri Shoop, Section Administrator.

1. Call to Order and Determination of Quorum. The Section Chairperson, G. Ann Baker, called the meeting to order at approximately 10:00 a.m. and determined with the other officers present that a quorum existed.

2. Approval of Minutes of September 11, 2003 Council Meeting. Ms. Baker called for a motion to approve the Minutes of the Meeting of the Council from September 11, 2003. Pursuant to motion duly made and seconded, the Minutes were unanimously approved.

3. Treasurer's Report.

a. Budget. A written Treasurer's Report is attached to these Minutes. Michael Khoury gave a presentation regarding the budget and explained the written report distributed to the Council and committee members. Mr. Khoury stated that the Section currently has a balance of approximately \$107,000, which is down from the \$220,000 balance the Section had a few years ago. He stated that if the Section continues to spend as it has in the past, there will only be a \$40,000 surplus by the end of the year. He reported on expenses from 2002-2003 and presented a year-to-year comparison since 2000-2001. Mr. Khoury indicated that expenses have been difficult to follow in the past, but that he will now break down and separately track expenses to more accurately reflect the Section's expenditures. Mr. Khoury reported that expenses have increased dramatically as a result of the 2000-2001 and 2001-2002 Strategic Plan activities. In addition, Business Law Journal expenses and Mid-Year Meeting expenses have increased. He stated that the surplus the Section once had has been spent down and that the Section must be more prudent.

b. Dues Increase. Mr. Khoury believes that the Section needs to increase its dues in order to keep its balance in the \$70,000 - \$80,000 range. He stated that the Council can set dues for the Section subject to approval of the Board of Commissioners. Mr. Khoury would like to take a 2004-2005 dues increase proposal to the Board of Commissions meeting in January for approval. Most sections currently set their dues between \$20 and \$60. Mr. Khoury proposed raising the dues to \$30, which will increase revenue by \$35,000. Further discussion ensued regarding how the dues would be increased, the services the Section provides, what other Sections are providing, making sure our members are receiving quality services for the price of their dues, and developing policies regarding how Section funds are spent. Other sources of revenue were discussed, such as Mid-Year Meeting sponsorship and advertisements in the Business Law Journal.

Mr. Lark suggested that the Section consider raising its dues to \$35 so that it would not have to seek another increase a few years from now. The Council and committee members tabled the discussion until the end of the meeting. Near the end of the meeting more discussion took place regarding increasing dues. Pursuant to motion duly made and seconded, the 2004-2005 Section dues will increase to \$30.

4. Chairperson's Report.

a. Annual Meeting. Ms. Baker reported that the State Bar's Annual Meeting dates are September 30-October 1 in Lansing. Ms. Baker stated that Mark Hoffman is chairing a committee which will assess the Annual Meeting and she needs to respond to him with the Section's comments. She asked the Council and committee members to email her with their comments on the event. Based on feedback she has received to date, the comments regarding the Annual Meeting are as follows: (a) disappointment with the event, (b) low attendance, (c) inappropriate timing, and (d) the 2003 event is not one that should be repeated. A discussion ensued regarding different concepts, locations, and timing. The Executive Committee will work with the Programs Directors to prepare a proposal for the Council to act on at the March meeting. The meeting will take place somewhere in Southeast Michigan and will be separate from the State Bar event in Lansing. The proposed date for the meeting is September 23.

b. Mid-Year Meeting/Agreement with ICLE. Ms. Baker discussed Sheldon Stark's October 2, 2003 letter regarding revising the ICLE-Business Law Section financial arrangement (copy attached). The Council and committee members discussed in detail the financial arrangement proposed by ICLE. The responsibilities of ICLE were discussed, as well as alternative ways to administer the program. It was decided that for 2004 no changes would occur and that the Section would evaluate the event next year. Mark High reported that the Section was trying to get two or three main sponsors to cover the costs of printing, dinner, and the reception. Mr. High and Mr. Waterbury are contacting potential sponsors. Advertising in the Business Law Journal was discussed as a way to defer the cost of the meeting. Mr. High will contact Bob Wilson to discuss this subject.

c. Updated Strategic Plan. Ms. Baker posed the question of whether or not the Updated Strategic Plan was adopted. Daniel Minkus believes it was adopted in March of 2001. It was agreed that the Plan was approved in March of 2001 and the Plan was ratified. A committee consisting of Ann Baker, Judy Calton, Tim Damschroder, John Dresser, Justin Klimko, Paul Marcela, and Paul Rentenbach was established to review the Plan, and a conference call will take place in January on the subject.

d. Article IX. Ms. Baker reported that Article VIII has been revised and Article IX has been repealed. A discussion ensued regarding policy. Eric Lark agreed to be the contact person on taking policy positions and he will conduct further research regarding changes in the Articles. Ms. Baker will contact the committee chairs soon advising them to contact her or Mr. Lark in the event a position needs to be taken. If the Section needs to take a position on any issue, the State Bar must be notified. Mr. Lark will deal directly with the State Bar on issues of this type. Ms. Baker reported that changes have been made to the State Bar Bylaws. Ms. Baker and Mr. Lark will review the changes.

e. Annual Section Award. Mr. Damschroder will discuss the award later in the meeting.

f. BLS Calendar. Ms. Baker reminded the Council and committee members to forward information regarding Section events to Terri Shoop for posting on the Section calendar on the website.

g. State Bar Forms and Procedures. Ms. Baker advised the Council and committee members that State Bar forms are available on the website.

5. Committee/Directorship Reports.

A. Standing Committees.

(i) Agricultural Committee. A written report of the Agricultural Committee is attached to these Minutes.

(ii) Commercial Litigation Committee. A written report of the Commercial Litigation Committee is attached to these Minutes. Diane Akers reported that the pilot program in Oakland County is not going as well as expected. The administrative staff is very busy and are not happy with the additional work. Oakland County believes that the program is creating more work and they need more money. Ms. Akers stated that new judges may be willing to help with the program as they are being assigned to the family court for six year terms.

(iii) Corporate Laws Committee. A written report of the Corporate Laws Committee is attached to these Minutes. Cyril Moscow reported that it is now time to begin with amendments, but that lobbyists may be needed to do the job effectively. Mr. Moscow stated that the Real Property Section uses lobbyists on retainer, and that the Section should think about getting professional help.

(iv) Debtor/Creditor Rights Committee. A written report of the Debtor/Creditor Rights Committee is attached to these Minutes.

(v) Financial Institutions Committee. A written report of the Financial Institutions Committee is attached to these Minutes.

(vi) In-House Counsel Committee. A written report of the In-House Counsel Committee is attached to these Minutes.

(vii) Nonprofit Corporations Committee. A written report of the Nonprofit Corporations Committee is attached to these Minutes.

(viii) Regulation of Securities Committee. A written report of the Regulation of Securities Committee is attached to these Minutes.

(ix) Uniform Commercial Code Committee. A written report of the Uniform Commercial Code Committee is attached to these Minutes. Patrick Mears stated that he is having difficulty getting people interested in joining the committee. He suggested that the Annual Meeting might be a good place to introduce the committee and hopefully find participants.

(x) Unincorporated Enterprises Committee. A written report of the Unincorporated Enterprises Committee is attached to these Minutes.

B. Ad Hoc Committees. The written report of the Regulation of Securities Committee also serves as the report of the Uniform Securities Act of 2002 and is attached to these Minutes.

C. Directorship Reports.

(i) Legislative Review Directorship. A written report of the Legislative Review Director is attached to these Minutes.

(ii) Nominating Directorship. A written report of the Nominating Director is attached to these Minutes.

(iii) Programs Directorship. A written report of the Programs Director is attached to these Minutes. Mark High stated that the Mid-Year Meeting is scheduled for May 21-22 at Soaring Eagle. Mr. High mentioned that several speakers at the Mid-Year Meeting last year had trouble getting lunch, and suggested that lunch be arranged for the speakers before the program.

(iv) Publications Directorship. A written report of the Publications Director is attached to these Minutes.

(v) Section Development. A written report of the Section Development Director is attached to these Minutes. Mr. Damschroder reported that the Section has established its Annual Award with the help of Goldie Adele. We expect to receive approximately 500 submissions and we will need volunteers to read them.

(vi) Technology. A written report of the Technology Director is attached to these Minutes.

6. Liaison Reports. No reports.

7. Other Business and Announcements.

Committees. Ms. Baker stated that Terri Shoop is available to help with committee work and encouraged the committee members to send her their committee rosters and to call her for assistance.

Listserv. A discussion ensued regarding the listserv and its intended use. It was suggested that the Section Listserv not be used as a vehicle that generates 20-30 emails per week, and that a second listserv be created to be used for questions or chats with an “opt in” or “opt out” feature.

Access to Justice. The Council and committee members were reminded to donate to Access to Justice.

Cost Saving Suggestion. It was suggested that the Business Law Journal be distributed electronically to save on printing costs. A discussion ensued on this subject with the general consensus being that the subscriber should receive a hard copy.

8. Announcement of March 4, 2004 Meeting. The next meeting of the Business Law Section Council will be held on Thursday, March 4, 2004 at 4:00 p.m. at the State Bar of Michigan in Lansing.

9. Adjournment. There being no further business to come before the Council of the Business Law Section, upon motion duly made, seconded, and unanimously approved, the meeting was adjourned at approximately 12:15 p.m.

Respectfully submitted,

By _____
Eric I. Lark
Secretary