

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

December 4, 2004

This meeting of the Council of the Business Law Section of the State Bar of Michigan was held at Clark Hill PLC in Birmingham, Michigan on Saturday, December 4, 2004 at 10:00 a.m., pursuant to notice duly given. Council members present: Diane Akers, John Dresser, David Foltyn, Dee Dee Fuller, Mark High, Michael Khoury, Eric Lark, Paul Marcela (via telephone), Paul Rentenbach, Richard Sundquist, and Stephen Waterbury. Committee members present: Judy Calton, Timothy Damschroder, Jane Forbes, Daniel Minkus, Cy Moscow, and Mark Peters. Others present: G. Ann Baker, Yashmyn Jackson, Edwin Lukas, Roger Mali, and Terri Shoop, Section Administrator.

1. Call to Order and Determination of Quorum. The Section Chairperson, David Foltyn, called the meeting to order at approximately 10:15 a.m. and determined that a quorum existed.

2. Approval of Minutes of September 23, 2004 Council Meeting. Mr. Foltyn called for a motion to approve the Minutes of the Meeting of the Council from September 23, 2004. Pursuant to motion duly made and seconded, the Minutes were unanimously approved.

3. Treasurer's Report. A written Treasurer's Report is attached to these Minutes. Mark High explained the Treasurer's Report and its attachments in detail. He stated that the Section barely broke even and the account was \$2,000 ahead at the end of the fiscal year. He reported that Committees spent less than anticipated during the preceding fiscal year. He stated that dues have been raised and therefore income is up quite a bit, however we will need to watch expenses closely. Mr. High will meet with Bob Wilson regarding the Business Law Journal (the "Journal") because it is such a big expense. Ms. Baker stated that the Journal contract runs for three years. Michael Khoury commented that the money we spend on the Journal is money well spent as it is a very important outreach tool for the Section. A discussion arose regarding different distribution options and money savings ideas for the Journal. Mr. High asked that outstanding budget requests be forwarded either to him or Terri Shoop as soon as possible.

4. Chairperson's Report.

a. Introduction of Roger Mali, Edwin Lewis, and Yashmyn Jackson. All of the meeting participants introduced themselves. Mr. Foltyn reported that Mr. Mali will participate in Section outreach efforts.

b. ICLE Coordinator. Mr. Khoury reported that the Section needs regular communications with ICLE. In that regard, he has contacted Marguerite Donahue of the Business Law Advisory Committee. Ms. Donahue has agreed to serve as the Section's ICLE Coordinator and will be responsible for the coordination of the Section's sponsorships with ICLE.

c. Co-Sponsorship Approval Process. Mr. Foltyn reported that the Executive Committee has concluded that Section events and sponsorships should be approved in advance by the Executive Committee. All requests should be directed to the Section Treasurer.

d. Mid-Year Meeting/Annual Meeting. Mr. Foltyn reported that the September Annual Meeting event will not include a program. The Section will hold one program this year at the Mid-Year Meeting event on June 3 and 4 at Soaring Eagle Casino & Resort in Mt. Pleasant. It is hoped that by holding only one program, it will receive more attention and focus.

e. Quarterly Council Meetings. Mr. Foltyn reported that 2005 Council meetings will be held as follows:

- i. March 3, 2005 at the State Bar in Lansing
- ii. June 4, 2005 at Soaring Eagle Casino & Resort in Mt. Pleasant
- iii. September 2005 (date and place to be determined)
- iv. December 2005 (date and place to be determined)

f. Endorsement of Uniform Securities Act. Mr. Moscow reported that the Uniform Securities Act was approved in 1956 and an updated version is moving through the legislature. A bill was introduced at the last legislative session and passed the House last week. It is largely uncontroversial except that banks and insurance companies do not support portions of the bill. The Section's position is that we support the bill. Mr. Moscow testified in favor of the bill and wants Council approval to endorse it. He anticipates that the bill will likely die and have to be reintroduced in January. Pursuant to motion duly made and seconded, the Section unanimously approved endorsement of the bill.

g. Outreach. Mr. Foltyn reported that the Section continues to work on outreach and ways to diversify in areas such as age and location. If anyone is interested in working on outreach efforts they should contact Mr. Foltyn.

h. Strategic Plan. Mr. Foltyn reported that the Section will continue to work on its Strategic Plan. An ad hoc committee consisting of Ann Baker, Tim Damscroder, David Foltyn, Mike Khoury, Roger Mali, Paul Marcela, and Paul Rentenbach will address the Strategic Plan.

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.

(iii) Corporate Laws Committee. A written report of the Corporate Laws Committee is attached to these Minutes. Mr. Moscow reported that the Corporate Laws Committee is working on an Amendment to the Business Corporation Act. Mr. Moscow wants the Section to approve the Amendment. An in depth discussion ensued regarding the Committee and its processes

and the particulars of the Amendment. Mr. Moscow requested that Council approve the draft as it sits with leeway to the Committee for revisions. A motion was brought to this effect but did not pass. A motion was made to approve the proposal without any changes and this motion did not pass. A motion was brought to support the proposal without Section 131, and this motion passed unanimously. Mr. Foltyn stated that he is disappointed with Council's lack of support for the Committee's recommendation and feels Council should back the work of Section Committees. Ms. Baker and Ms. Fuller pointed out that the issues of concern had been raised before, so that they were not a surprise to the committee. Mr. Moscow asked the meeting participants for their suggestions and ideas as to what will work in connection with the Amendment and further discussion ensued on the topic.

(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. Mr. Marcela reported that the Committee is working with Bob Wilson on an article for the Journal.

(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.

(x) Unincorporated Enterprises Committee. A written report of the Unincorporated Enterprises Committee is attached to these Minutes. Mr. Minkus reported that he was contacted by the National Conference on Uniform State Laws regarding the Uniform Partnership Act and the Uniform Limited Partnership Act. Mr. Minkus explained the Acts and stated that the national group believes Michigan should adopt both Acts as they work hand in hand. The Unincorporated Enterprises Committee will take on the project and report back to Council. Anyone interested in participating on the project should let Mr. Minkus know.

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. Mr. Waterbury reported that the program for the Mid-Year Meeting is being finalized and work is being done to solicit sponsors.

(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.

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

6. Liaison Reports. No reports.

7. Other Business and Announcements. A discussion ensued regarding the Mid-Year Meeting event. Particular areas of discussion included: (a) locations, (b) goals of the event such as networking and education, (c) ways to achieve maximum outreach including attracting younger lawyers, (d) focuses of the event such as greater interaction and family participation, (e) timing and different formats, and (f) what other sections do.

8. Announcement of March 3, 2005 Meeting. The next meeting of the Business Law Section Council will be held on Thursday, March 3, 2005 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 _____
Michael S. Khoury
Secretary