

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

**March 19, 2009**

This meeting of the Council of the Business Law Section of the State Bar of Michigan was held at the State Bar of Michigan in Lansing, Michigan, on Thursday, March 19, 2009, pursuant to notice duly given. Council members present: Diane Akers, Judy Calton, Matthew Case, Marguerite Donahue, David Eberhard, Dee Dee Fuller, Edwin Lukas, Christopher Maeso, D. Richard McDonald, and Douglas Toering. Committee members present: Michael Khoury, Daniel Minkus (via telephone), Mark High, Mark Peters, and Jerome Schwartz. Others present: Ann Baker, Erica Bell, Dan Kopka, and Terri Shoop (via telephone).

1. Call to Order and Determination of Quorum. Section Chairperson, Diane Akers, called the meeting to order at approximately 3:05 p.m. and determined with the other officers present that a quorum existed.

2. Approval of Minutes of December 6, 2008 Council Meeting. Ms. Akers called for a motion to approve the Minutes of the Council Meeting from December 6, 2008. Pursuant to motion duly made and seconded, the Minutes were unanimously approved 8-0-0.

3. Treasurer's Report. A written Treasurer's Report is attached to these minutes. Mr. Lukas reported that the Section's finances are in fine shape. Revenues are down slightly due to a decrease in membership dues income. The Section has significant expenses which have not yet been paid. Mr. Lukas reminded the group to be mindful of expenses.

4. Chairperson's Report.

Ms. Akers reported that the chair and chair-elect of the various sections of the SBM are invited to a section leadership conference hosted by the SBM on Mackinac Island in May. The Section's past practice has been for officers to pay their own way. This burden falls differently on Section leaders who are not from large firms. Ms. Akers asked the group two questions (1) should the Chair and Chair-Elect attend the SBM leadership conference, and (2) should the Section pay for this expense which would be approximately \$500-\$600 per person? Ms. Akers reported that other sections pay this expense for their leadership. After discussion, a motion was made to allow the Section to pay the expenses of the Chair-Elect to attend the SBM's annual leadership conference. The motion was seconded and the motion was unanimously approved 8-0-0.

A lengthy discussion ensued regarding the current economic crisis and BLS taking a leadership role. Ms. Akers recently wrote a paragraph for the newsletter with the message that things would get better. Detroit Renaissance did a study to assess the competitiveness of Southeastern Michigan (also Chicago, Seattle, the Tennessee Valley, Raleigh, and Houston). The study compared these cities as if they were businesses. The study discussed if Michigan were a green enterprise zone, how could the state maintain and attract capital without public funds and tax incentives. A system would be designed from scratch and would include risk,

management, labor management relations, and sovereignty. Michigan would be advertised in a way which would bring businesses here to invest. The study by Detroit Renaissance came up with real business advantages available in Michigan which are not recognized around the country and around the world. An alternative to getting out of governmental red tape is to partner with Indian tribes. The group discussed what the Section can do. Ann Baker spoke about the State's database which is being created.

5. Committee/Directorship Reports.

a. Standing Committees.

(i) Commercial Litigation Committee. A written report of the Commercial Litigation Committee is attached to these minutes. Many members of the Commercial Litigation Committee are very busy because their clients are either facing bankruptcy, have customers facing bankruptcy, or are in litigation. It has been difficult to plan seminars based on the schedules of the Committee members. The Committee will most likely hold a seminar in the Fall. There will be a Committee meeting on May 2.

(ii) Corporate Laws Committee. A written report of the Corporate Laws Committee is attached to these Minutes. The Business Corporation Act was amended as of January 6.

(iii) Debtor/Creditor Rights Committee. A written report of the Corporate Laws Committee is attached to these Minutes. The Committee is working with Karoub & Associates on amending the Michigan exemptions.

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

(v) In-House Counsel Committee. No report.

(vi) Law Schools Committee. A written report of the Law Schools Committee is attached to these Minutes. The Committee offered a program at Cooley Law School in February. The 2<sup>nd</sup> Annual Spring Fling is expected to be held in April. Participation is underwhelming this year.

(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. No report.

(x) Unincorporated Enterprises Committee. A written report of the Unincorporated Enterprises Committee is attached to these Minutes. An Amendment to the LLC Act passed regarding low profit LLCs. Changes are

expected this year and hopefully will go through without much opposition to the Act generally.

b. Ad Hoc Committees.

(i) Uniform Securities Act (2002). No written report.

(ii) Ad Hoc Committee on Climate Change and Sustainability. A written report of the Ad Hoc Committee on Climate Change and Sustainability is attached to these Minutes. Ms. Akers reported that the initial goal of the Committee was to assess businesses as to climate change and sustainability. At its first meeting, the group decided we are way behind and very quickly decided to do something about it. A program will take place on April 22. A final budget has not yet been worked out. The morning program will include speakers from Lansing and Washington DC and a moderator with the subject being both the state and national perspective on what's going on with respect to regulations. The keynote speaker is Skip Pruss who will speak regarding the Governor's action plan on climate change. There will be a lunch presentation and the afternoon will include four breakout sessions. The Environmental Law Section is co-sponsoring the seminar. The Tax and Real Estate Sections are providing speakers and publicity and sending out notices to their members. The Environmental Law Section has really grabbed on to this idea and they want to hold the event in Grand Rapids because it is greener. However, we are planning to hold the seminar at the Inn at St. John's in Plymouth. The group also discussed the cost of the seminar and the proposed charge.

(iii) Michigan Ad Hoc Committee on Legal Opinions. A written report of the Michigan Ad Hoc Committee on Legal Opinions is attached to this report. The first meeting of the Committee was held in February. The group was divided into subgroups to attack specific issues. The goal is to have a report to issue in 2010.

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. The Directorship is getting ready for the Business Law Institute in May. The Annual Meeting will be held on September 24 in Novi. There will be a program before the meeting on an upbeat topic. The program will begin at 3:00 p.m. and be followed by the annual meeting, Schulman Award presentation and reception.

a. Small Business Forum. A written report of the Small Business Forum is attached to these Minutes.

b. ICLE Liaison. A written report of the ICLE Liaison is attached to these Minutes. ICLE is asking for co-sponsorship from the Section on 11 seminars. One of the seminars is on September 24, the date of the Section's Annual Meeting. The Section does not want to co-sponsor a seminar on the same date as the Annual Meeting unless it is a half day seminar to be held in the morning. Ms. Donahue will check on the September 24 seminar to see if it is a half day and at what time. A motion was made to approve the co-sponsorship of 10 seminars ICLE has asked for co-sponsorship on, but not to approve co-sponsorship of the September 24 seminar unless it is a half day seminar scheduled in the morning. The motion was seconded and unanimously approved 8-0-0.

(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. *Closing the Deal: How to Successfully Conclude the M&A Transaction* was held on February 18 in Traverse City. Approximately 20 people attended and were appreciative of the seminar. A social event was held at Vicente's on March 11. It was well-received with approximately 60 people attending. A discussion ensued regarding whether or not the Section should hold more social events. The cost per event is about \$1,400 and there is no cost to Section members to attend.

(vi) Technology. A written report of the Technology Director is attached to these Minutes. Michael Khoury reported on transitions. He stated that Jeff Van Winkle is splitting the tasks with him on the e-newsletter. Erica Bell will become involved with technology and Mr. Khoury would like her to move at some point into the Technology Director position and he will transition out. Mr. Khoury will open the Technology Corner column up to others.

6. Other Business and Announcements. None.

7. Announcement of May 8, 2009 Council Meeting. The next meeting of the Business Law Section Council will take place at 11:00 a.m. at the Amway Grand Hotel in Grand Rapids.

8. Meeting Adjournment. There being no further business to come before the Council of the Business Law Section, upon motion duly made, seconded, and unanimously approved (8-0-0), the meeting was adjourned at approximately 4:25 p.m.

Respectfully submitted,

By: \_\_\_\_\_  
Robert Wilson, Secretary