

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

**March 7, 2013**

Pursuant to notice duly given, a 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 7, 2013. Council members present were Kevin Block, James Carey, Matthew Case, Jennifer Consiglio, Julia Dale, Marguerite Donahue, Richard McDonald, Thomas Morris, Douglas Toering, and Jeffrey Van Winkle. Committee members and Directors present were Dee Dee Fuller, Agnes Hagerty, Justin Klimko, and Mark Peters. Others present were Jennifer Greico (via telephone), Patrick Haddad, Dan Kopka, Zan Nicolli, and Terri Shoop (via telephone).

1. Call to Order and Determination of Quorum. Section Chairperson, Marguerite Donahue, called the meeting to order at approximately 3:00 p.m. and determined that a quorum was present.

2. Approval of Minutes of December 1, 2012 Council Meeting. Ms. Donahue called for a motion to approve the Minutes of the meeting of the Council from December 1, 2012. Pursuant to motion duly made and seconded, the Minutes were unanimously approved 10-0-0.

3. Treasurer's Report. A written Treasurer's Report is attached to these Minutes. Mr. Carey reported that revenue is as expected with the dues increase, and that raising dues did not cause people to leave the Section. Mr. Carey asked the attendees to review the chart of accounts. Some of the accounts the Section is using are outdated. Mr. Carey will go to the SBM with a proposed updated list of accounts.

4. Chairperson's Report.

A. Appointment of Patrick Haddad to Chair Regulation of Securities Committee. Ms. Donahue fondly remembered Jerry Schwartz and his contributions to the Section. Mr. Schwartz did a great job as Chair of the Regulation of Securities Committee for many years. Upon investigation, Ms. Donahue learned that Mr. Schwartz did not designate a successor. Ms. Donahue approached Diane Bissell who suggested Patrick Haddad. After discussion, the officers all agreed that Mr. Haddad is an excellent choice to Chair the Committee. A motion was made to approve the appointment of Patrick Haddad as Chair of the Regulation of Securities Committee. The motion was seconded and unanimously approved 10-0-0.

B. Memorial Contribution in Honor of Jerome Schwartz, Former Chair of Regulation of Securities Committee. Ms. Donahue remembered Jerry Schwartz and his contributions to the Section. She reported that several Section members have suggested doing something in memory of Jerry. A motion was made for the Section to make a \$250 contribution to Access to Justice in memory of Jerome Schwartz. The motion was seconded and unanimously approved 10-0-0.

C. BLS Support of Proposed Amendment to Rule 2.112 of the Michigan Court Rules, and Proposed Administrative Order 2013-X, with suggested comments (see attachment). Ms. Donahue reported that the Government Relations office of the SBM identified these matters as being of interest to the Section, and had requested the Section's comment and input. These items come from the Michigan Supreme Court and are intended to implement management practices of the court and practice in the litigation realm with respect to how business courts are handling litigation. Ms. Donahue asked Mr. Toering as Chair of the Commercial Litigation Committee to look into these rules. The Committee supports Rule 2.112 and Administrative Order 2013-X, but suggests the following comments be made:

Rule 2.112: (a) Re subsection (1) - We recommend that the notice be placed on page 1 of the complaint or pleading that alleges a business or commercial dispute, and (b) Re subsection (2) – Restate as follows: “If a party files a pleading alleging a business or commercial dispute as defined in MCL 600.3801 but fails within 14 days of the filing of such pleading to provide written notice as required in subsection (1) of this subrule, any party to the action may thereafter file a motion for determination that the case is eligible for assignment to the business court”.

Administrative Order 2013-X: Re subsection (4): Restate sentence 2 to read: “These practices shall reflect the specialized pretrial requirements for business court cases and shall include provisions relating to scheduling conferences, disclosure of lay witnesses, disclosure of expert witnesses, discovery tailored to the specific requirements of the case, alternative dispute resolution (with an emphasis on mediation scheduled early in the proceedings), discovery cutoff dates, case evaluation, and final settlement conferences.

After discussion, Mr. Carey made a motion to support the Proposed Amendment to Rule 2.112 of the Michigan Court Rules, and Proposed Administrative Order 2013-X consistent with the comments of the Commercial Litigation Committee and submit them to the Government Relations Office of the State Bar of Michigan. The motion was seconded and passed unanimously 10-0-0.

D. Co-Sponsorship of Solo and Small Firm Institute with State Bar of Michigan/ICLE. Ms. Donahue reported that we have supported the Solo and Small Firm Institute in past years, specifically in the amount of \$2,500 in 2012 and in the amount of \$2,000 in 2011. In 2012, the Section specified how the monies would be used, being allocated first to business lawyer scholarships, second to other scholarships, and third to the event in general. Ms. Donahue indicated that the Section will be listed as a co-sponsor of the event. The budget supports the sponsorship of this event. A discussion ensued regarding the event and the use of funds. A motion was made to sponsor the Solo and Small Firm Institute at the \$2,500 level with monies being allocated first to business lawyer scholarships, second to other scholarships, and third to the event in general. The motion was seconded and passed unanimously 10-0-0.

E. Expression of Interest by International Law Section in Co-Sponsored Event With BLS. Ms. Donahue was contacted by Aaron Ogletree of the International Law Section about co-sponsoring an event with the ILS. After discussion, a motion was made for the Executive Committee to approve the Section's involvement in a seminar with the ILS on

arbitration and dispute resolution, international trade practice and immigration at Wayne State University on May 22, 2013 at a cost not to exceed \$500, subject to input from the Programs Directorship. The motion was seconded and passed unanimously 10-0-0.

F. Business Courts Ad Hoc Committee – Disbandment. Ms. Donahue reported that Diane Akers was pleased with her role in supporting legislation for specialized business court dockets in Michigan, but that the mission of the Business Courts Ad Hoc Committee has been fulfilled following passage of this legislation. A motion was made to disband the Business Courts Ad Hoc Committee. The motion was seconded and passed unanimously 10-0-0. Ms. Donahue extended great thanks to Ms. Akers and Mr. Toering. Any continued work regarding business courts will be handled by the Commercial Litigation Committee (either as committee of the whole or as a subcommittee).

5. Committee/Directorship Reports.

A. Standing Committees.

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

(ii) Corporate Laws Committee. A written report of the Corporate Laws Committee is attached to these Minutes. The Michigan Business Corporation Act has been amended. Professional corporations and professional service corporations are now included in the Business Corporation Act.

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

(iv) Financial Institutions Committee. No report.

(v) In-House Counsel Committee. A written report of the In-House Counsel Committee is attached to these Minutes. The Crain's In-House Counsel event will be held on April 16, 2013.

(vi) Law Schools. A written reports of the Law Schools Committee is attached to these Minutes. A seminar on entrepreneurship will be presented by UDM at the Atheneum Hotel on March 23, 2013. Flyers were distributed.

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

(viii) Regulation of Securities Committee. No report.

(ix) Uniform Commercial Code Committee. A written report of the Uniform Commercial Code Committee is attached to these Minutes. The Committee and the Small Business Forum will host a seminar in Troy on May 2, 2013 regarding the recent amendments to the UCC. Flyers were distributed.

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

B. Ad Hoc Committees.

(i) Business Courts. No report.

(ii) Diversity. A written report of the Diversity Ad Hoc Committee is attached to these Minutes. Mr. Carey suggested that Diversity Committee be a standing committee. Ms. Fuller suggested that the diversity committee be a directorship. A discussion ensued regarding other options for the Committee.

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. If anyone has recommendations, please contact Ms. Baker.

(iii) Programs Directorship. A written report of the Programs Director is attached to these Minutes. The format for the BLI has changed to a one full day event which includes a cocktail hour and dinner. We should try to survey people at the event to see which format is preferred. The council meeting will take place on Saturday morning.

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.

(iv) Public Relations and Social Media. A written report of the Public Relations and Social Media Director is attached to these Minutes. Ms. Consiglio has met with Mike Scott and other marketing professionals to determine the right fit for the Section. Proposals will be arriving in short order. Please notify Ms. Consiglio if you need marketing assistance. A discussion ensued regarding Facebook and LinkedIn. We will leave Facebook inactive at this time.

(v) Publications Directorship. A written report of the Publications Director is attached to these Minutes. The *Journal* has publication guidelines which are sent to people when they write articles. Generally articles are written by lawyers, however there was a misunderstanding in a committee email with respect to the last issue of the *Journal*. A non-lawyer received the email request and wrote an article responding to the committee's request. Articles for the *Journal* should be written by lawyers only. If you send out broad emails for articles, please clarify that they should be authored by lawyers.

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

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

D. Liaisons.

(i) Probate Section. No report.

6. Other Business and Announcements.

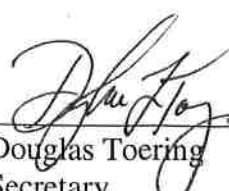
(a) Renewal of Michigan Business Law Journal Contract with ICLE. The Section is coming to the end of a three year contract with ICLE for production of the *Journal* which expires in June. ICLE provides copying and editing services at a cost of \$28,000 per year. The other cost of producing the *Journal* is mailing which is approximately \$8,000 per issue. The total cost is approximately \$52,000 per year. Mary Hiniker of ICLE called Ms. Donahue regarding the renewal and indicated that the Section may renew for a one, two or three year term on substantially similar terms. A discussion ensued regarding various options for the *Journal*. The Executive Committee, Mr. McDonald and Mr. Kopka will work to gather more information and the ICLE contract will be addressed at the June Council meeting.

(b) Reports for June Meeting. Please submit your reports for the June meeting to Ms. Shoop by May 24, 2013.

Announcement of June 8, 2013 Council Meeting. The next meeting of the Business Law Section Council will take place on Saturday, June 8, 2013 at 9:00 a.m. at the JW Marriott 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 10-0-0, the meeting was adjourned at approximately 5:00 p.m.

Respectfully submitted,

By:   
Douglas Toering  
Secretary