

STATE BAR OF MICHIGAN - BUSINESS LAW SECTION
COUNCIL MINUTES

March 1, 2018

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 March 1, 2018. Council members present were Kevin Block (via telephone), Brendan Cahill (via telephone), Jennifer Consiglio, Julia Dale, Bruce Haffey (via telephone), Shane Hansen (via telephone) Mark Kellogg, Mark Peters, John Schuring (via telephone), James Waggoner (via telephone), Ian Williamson (via telephone), and Christopher Yates (via telephone). In addition, Committee Chairs, Directors and Liaisons present were Judy Calton (via telephone), James Carey (via telephone), Daniel Minkus (via telephone), and Douglas Toering (via telephone). Others present were Malachi Alston (via telephone) and Terri Shoop (via telephone).

1. Call to Order and Determination of Quorum. Section Chair Mark Peters called the meeting to order at approximately 3:35 p.m. and determined that a quorum was present.

2. Approval of Minutes of December 2, 2017 Council Meetings. Mr. Peters called for a motion to approve the Minutes of the December 2, 2017 Council meeting. A motion was made to approve the Minutes. The motion was seconded and unanimously approved, 12-0-0.

3. Treasurer's Report. A written Treasurer's Report was provided to Council. Ms. Consiglio reported that the Section is in a good financial position with a fund balance of approximately \$305,000. The Section's financials are tracking well when compared to budget.

4. Chair's Report.

A. Update on Michigan Law Schools Initiative. Mr. Peters reported that over the last quarter, a fair amount of activity has transpired regarding the law schools initiative. Mr. Peters, Mr. Kellogg and Mr. Block have talked to both students and faculty.

Mr. Peters and Mr. Kellogg attended a meeting at MSU with Professor Spoon and group of law students. The meeting was positive and productive and similar to the WSU meeting with respect to the sharing of ideas and offering of services. Mr. Peters will be in contact with Professor Spoon regarding moving forward.

Mr. Peters reported that the Section will participate in the Detroit Mercy Law Bar Association Fair on March 6. This is a one hour event which includes lunch and an exhibition table. Mr. Peters and Mr. Block will attend this event.

Mr. Peters reported that WSU contacted the Section regarding a lunch panel discussion with first year law students focusing on year careers and business law in general. The panel discussion took place in February. The panel consisted of Celeste Arduino, Kevin Block, Mark Kellogg, and Mark Peters. 30-40 students attended and were very engaged and interested in the Section and the practice of business law. A number of students talked to the panel after lunch.

Mr. Block stated that the Section should make this an annual event with first year law students at WSU.

A discussion ensued regarding a scholarship award, including recent discussions with Mr. Zacks. Mr. Zacks suggested team events for second and third year students. This could mean prizes for up to four people. Mr. Zacks also suggested free admission to Boot Camp for winners. For now this event would be at WSU, but we could branch out to other schools. Mr. Peters and Mr. Zacks will propose a program at the June 5 Council meeting.

B. Women Lawyers Association of Michigan Centennial Gala Sponsorship. Mr. Peters reported that he was contacted by Donna Mackenzie on behalf of the Women Lawyers Association of Michigan regarding a \$250 sponsorship of the Women Lawyers Association of Michigan 100th anniversary event on April 27. A discussion ensued on this topic and it was agreed that this event could help with diversity in the Section. A motion was made for the Section to sponsor the Women Lawyers Association of Michigan Centennial Gala in the amount of \$250. The motion was seconded and passed unanimously, 12-0-0.

C. SCAO ADR Summit (May 11). Mr. Peters reported on the SCAO ADR Summit being held on May 11. The Summit will focus on changes in practices and attitudes since the last comprehensive study. All sections were asked if they want to send a participant. Mr. Toering reported that he attended the Summit several years ago and found it helpful and instructive. He stated that it helped to crystalize the role of ADR in litigation and mechanisms which are effective and ineffective. The Section will defer to the Commercial Litigation Committee to identify whom from Section should participate. The Section must respond by March 26. Mr. Toering will let Mr. Peters know who will be attending on behalf of the Section.

5. Committee/Directorship Reports.

A. Standing Committees.

(i) Business Courts Committee. A written report has been provided by the Business Courts Committee.

(ii) Commercial Litigation Committee. A written report has been provided by the Commercial Litigation Committee.

(iii) Corporate Laws Committee. A written report has been provided by the Corporate Laws Committee. Mr. Klimko reported that the Amendment Bill was approved by the Senate.

(iv) Debtor/Creditor Rights Committee. A written report has been provided by the Debtor/Creditor Rights Committee. Ms. Calton reported that a subcommittee has been working with the Real Property Section to prepare proposed amendment to the Uniform Assignment of Rents Act. A draft of the proposed amendment is attached to the written report. It is expected to be nearly identical to the draft upon completion. Ms. Calton believes the Executive Council of the Real Property Section approved the draft, but Ms. Calton will verify their approval. A motion was made granting authority to the Committee to

advocate with the State of Michigan to adopt a variation of the amendment as attached to the Committee Report of the Uniform Assignment of Rents Act. A motion was made, seconded and passed unanimously, 12-0-0. The Committee will hold a seminar March 14 on fraudulent transfers. The Committee has submitted articles for the next issue of the *Business Law Journal*.

(v) Financial Institutions Committee. A written report has been provided by the Financial Institutions Committee. Mr. Peters reported that he has spoken with Dave Barton. Mr. Barton has been unable to find a Co-Chair for the Committee. Please contact Mr. Peters or Mr. Barton if you know of a candidate.

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

(vii) Law Schools Committee. A written report has been provided by the Law Schools Committee.

(viii) LLC & Partnership Committee. A written report has been provided by the LLC & Partnership Committee. Mr. Carey reported that he has had conversations with Jim Cambridge and they will be working together to review the LLC Act.

(ix) Nonprofit Corporations Committee. No report.

(x) Regulation of Securities Committee. A written report has been provided by the Regulation of Securities Committee. Mr. Hansen reported on the status of the securities rules and interactions with LARA. He stated that there are areas of interest in the rule set which are available online. Mr. Haddad will send an email with more information and a link to that website. The public comment period is open from March 15-April 3. A public hearing is scheduled in Lansing on March 27. Ms. Dale stated that it has been a productive year working with Committee on a mutually beneficial process.

(xi) Small Business Forum. A written report has been provided by the Small Business Forum. The Committee is currently planning a program for the Spring which will likely occur in mid-May. The Committee would like to host seminars in both the Detroit area and Grand Rapids and is currently looking for assistance in Grand Rapids.

(xii) Uniform Commercial Code Committee. A written report has been provided by the Uniform Commercial Code Committee.

B. Directorship Reports.

(i) Communication & Development Directorship. A written report has been provided by the Communication & Development Directorship.

(ii) Legislative Review Directorship. A written report has been provided by the Legislative Review Director.

(iii) Nominating Directorship. A written report has been provided by the Nominating Director.

(iv) Programs Directorship. A written report has been provided by the Programs Directorship. Mr. Minkus reported that planning has begun for the 2018 BLI scheduled for October 5 at J.W. Marriott. Catherine Ferguson, a third year law student at WSU, has been included in the Directorship.

a. ICLE Liaison. A written report has been provided by the ICLE Liaison. Mr. Peters reported that ICLE would like the Section to co-sponsor the seminars below for 2018-2019 at no cost to the Section:

Contract Drafting, Negotiating and Litigation (working title);

The Lifecycle of a Loan; and

2019 Business Entity Update.

A motion was made to approve sponsorship upon confirmation that the events do not conflict with Section events. The motion was seconded and passed unanimously, 12-0-0.

(v) Publications Directorship. A written report has been provided by the Publications Director. Mr. Cahill reported on noticeable increased publication costs with respect to the *Business Law Journal*. He stated that we can continue to do what we are doing or we could impose a page limit on articles to keep costs down. We have not historically edited articles for length or rejected articles. A discussion ensued. It was decided that as the *Business Law Journal* is the Section's most valued item according to surveys, we will continue with publication as in the past.

D. Liaisons.

(i) Probate Section. No written report.

(ii) Young Lawyers Section. No written report.

6. Other Business and Announcements. Ms. Dale gave an update on the new filing system at LARA.

Judge Yates discussed HB 4470 and 4471. The bills have passed the Senate and are expected to become law. Judge Yates reported on HB 5073 regarding facilitory mediation. He reported that the judges are against this bill. A discussion ensued regarding MCR 2.622.

Mr. Klimko report that he was appointed to the Tri-Bar Association.

7. Announcement of June 5, 2018 Council Meeting. The next Council meeting will take place on June 5, 2018 at 3:30 p.m. at Butzel in Bloomfield Hills.

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 12-0-0, the meeting was adjourned at approximately 4:35 p.m.

Respectfully submitted,

By: _____
Julia Dale
Secretary