

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

June 1, 2007

This meeting of the Council of the Business Law Section of the State Bar of Michigan was held at the Mountain Grand Lodge in Boyne Falls, Michigan, on June 1, 2007, pursuant to notice duly given. Council members present: Mark Aiello, Diane Akers, Judy Calton, Dee Dee Fuller, Mark High, Michael Khoury, Edwin Lukas, Paul Marcela, Paul Rentenbach, Richard Sundquist, and Stephen Waterbury. Committee members present: Ann Baker, Timothy Damschroder, David Foltyn, Judith Greenstone Miller (via telephone), Daniel Minkus, Justin Peruski, Ashish Joshi, Justin Klimko, Mark Peters, and Jerome Schwartz (via telephone). Others present: Laura Freeman (ICLE), Jeff Kirkey (ICLE), and Terri Shoop (Section Administrator).

1. Call to Order and Determination of Quorum. Section Chairperson, Mark R. High, called the meeting to order at approximately 10:15 a.m. and determined with the other officers present that a quorum existed.

2. Approval of Minutes of March 22, 2007 Council Meeting. Mr. High called for a motion to approve the Minutes of the Meeting of the Council from March 22, 2007. 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.

4. ICLE. Mr. High introduced Laura Freeman and Jeff Kirkey of ICLE. Mr. Kirkey reported that 72 people registered for the Business Law Institute ("BLI"), 48 people registered for dinner, and 52 people registered for the family lunch. With respect to Business Boot Camp, Mr. Kirkey stated that the east side participants did not like the Plymouth location and that the Birmingham location was preferred.

5. Chairperson's Report. Mr. High reported that he has submitted his Annual Report to the SBM. The report is in the meeting materials and is also posted on the Section's website.

(a) Update on Initiatives. Mr. High stated that he is continuing to work on his three initiatives: (i) outreach, (ii) raising the visibility of the Section, and (iii) energizing the Section's committees, and that we are making progress.

(b) Dues Increase for Law Students. The \$35 dues amount for Section members is satisfactory. However, the dues for law students are low at \$1. Mr. High reported that we would like to bump the dues to \$10. A discussion ensued regarding specific reasons for the dues increase including the cost of roughly \$20 per person for publications and that the \$1 fee looks out of place. Section Development stated that they would like law students to be able to be members of the Section at no cost. A motion to raise the dues for law students to \$10 annually was made and seconded. The motion passed, with Paul Rentenbach opposing the dues increase.

(c) Reimbursement Policy. Mr. High stated that some Council and committee members are turning in reimbursements for attending Council meetings. However, the usual policy is for people to absorb most if not all of these expenses. Mr. High stated that a budget surplus no longer exists, so expenses should be absorbed by individuals and firms whenever possible.

(d) Estes v Titus. Information on the Estes v Titus case has been passed on to the Debtor Creditor Rights Committee ("DCRC") and Judy Calton and Judy Miller have distributed information to the Debtor Creditor Rights Committee members. Lisa Gretchko of Howard and Howard is interested in leading the work on this matter. Julie Tisher was also recommended, but it has not yet been determined if she has time to work on this project. The DCRC reported that the Section has 56 days to determine its position and file an amicus brief. The DCRC will look at the case and see if it can determine a clear position. After an email to the DCRC, it appears that 80% of the respondents are in support of the creditor and all want to do an amicus brief. Any position taken will be in the name of the Section, not the DCRC.

(e) Others. State Representative Andy Meisner, a new lawyer who passed the February 2007 bar, wants to push through an entrepreneurial bill. The Section will look at the bill.

Mr. High reported that he received a nice letter from Kim Cahill, Chair of the SBM thanking the Section for its Access to Justice contribution.

Mr. High reported that the new Executive Director of the SBM is Janet Welch.

Mr. High reported that Susan McMann wants to update the economics of law practices survey and she is convening a meeting of the Section chairs on this subject.

Mr. High was approached by Elliott Spoon regarding the Annual Securities Conference. Mr. High will work with Mr. Schwarz about getting the Section involved.

Mr. High was contacted by WSU regarding the Schulman Lecture Series. At this time the event is the same date as the Section's annual meeting. WSU will change their date and the Section will participate in the event in any way possible.

6. Committee/Directorship Reports.

a. Standing Committees.

(i) Agricultural Committee. No report.

(ii) Commercial Litigation Committee. A written report of the Commercial Litigation Committee is attached to these minutes. The Committee is working on a newsletter which will be short and to the point and no more than one page. It will be in a format that will catch a person's attention and let them know they can get through it quickly. The goal is to select topics that are interesting to all Section members and to be sure readers know this is a newsletter regarding litigation for business lawyers. Ms. Akers solicited comments regarding whether

or not the newsletter is worthwhile and interesting to Section members. A discussion ensued and the response to the newsletter was favorable. The plan is to send out the newsletter next week. Ms. Akers solicited help with the newsletter with respect to the website. Mr. Khoury will speak with Nancy Brown at the SBM.

(iii) Corporate Laws Committee. A written report of the Corporate Laws Committee is attached to these Minutes.

(iv) Debtor/Creditor Rights Committee. A written report of the DCRC is attached to these Minutes. The DCRC is seeking approval to send out its newsletter to the listserv for the entire Section to enhance DCRC participation and because issues that affect the DCRC affect others in the Section. The DCRC would like to send out a newsletter six times per year, however three to four times is more realistic. A motion was made and seconded to send the next DCRC newsletter to the listserv for the entire Section and to evaluate sending further DCRC newsletters to the entire Section as we move forward. The motion passed unanimously.

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

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

(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. The next meeting of the Committee is scheduled for June 18.

(ix) Uniform Commercial Code Committee. No report.

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

b. Ad Hoc Committees.

(i) Uniform Securities Act (2002). No written report. The Committee continues to make progress in the legislature.

(ii) Task Force on Attorney-Client Privilege/Business Court. No written report. The Committee continues to go out and meet with local bar groups.

(iii) Schulman Award. Verne Hampton and Charlie McCallum both know they will be recipients of the Schulman Award for 2007.

(iv) Lobbyist Issues. The Committee has concluded it needs the help of a lobbyist. Mr. High and Mr. Moscow met with Karoub Associates. Karoub put forth a flexible proposal and the Committee believes the Section should move forward with retaining Karoub hourly on a project by project basis. Jim Cambridge met with other firms, however they expressed little interest in the Section. A motion was made to authorize the Section to retain Karoub Associates to act as its lobbyist to move the Uniform Securities Act through the legislature. The cost for these services is \$5,000. The motion passed unanimously. Mr. High will complete the initial contract with Karoub.

(v) PR Developments. The Committee still needs to put together materials for the Solo & Small Firm Institute on October 18, 2007. The Section is a sponsor of the event and needs people to staff the booth. Mr. High will work with Mr. Lark on this matter.

(vi) UPA and ULPA. See Unincorporated Enterprises Committee written report. Mr. High attended the May 29 Committee meeting. The Committee is close to finalizing the amendments to the partnership acts. The Committee is working first on the UPA and will follow with the ULPA. Elliott Spoon is the reporter.

c. Directorship Reports.

(i) Legislative Review Directorship. A written report of the Legislative Review Director is attached to these Minutes. Ms. Baker reported that at the present time, the budget at the State is of great concern. The State is talking about a possible shut down on the last two days of June and the first two days of July. Ms. Baker also reported that the Michigan business tax agreement fell apart on Wednesday night.

(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. Peters thanked ICLE for its work on the BLI. Next year's BLI will be held at the Dearborn Inn on June 13-14, 2008. Planning has begun and Mr. Peters is the primary liaison. There is a planning meeting on Wednesday and the Directorship is looking for new speakers. Please let anyone on the Programs Directorship know if you are aware of any interested parties. The directorship has prepared non-controversial guidelines regarding Section programs. Ms. Fuller has a draft of the directorship's ideas and will circulate these ideas electronically and ask for comments. A formal proposal will be presented to Council in September.

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

(iv) Publications Directorship. A written report of the Publications Director is attached to these Minutes. The Section has renewed its contract with ICLE regarding the *Business Law Journal*.

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

A. Announcement of Scholarship Award Winner – Cristina Walters. Cristina Walters of Wayne State University Law School is the winner of the Fourth Annual Award Scholarship contest. Cristina won with her article entitled *Cross-Cultural Negotiations: A Role Evaluation of Four Cultural Dimensions & Two Cultural Components*. Cristina will attend the BLI and the dinner. The Section will present her with the \$2,500 prize at the dinner and publish her article in an upcoming edition of the *Journal*.

(vi) Technology. A written report of the Technology Director is attached to these Minutes. Mr. Khoury stated that the Section is at risk of burying its members with too many emails. He proposes a single electronic newsletter with links to committee newsletters, meeting dates and other items our groups want to distribute to the membership. This newsletter would be distributed once each month.

7. Liaison Reports.

(i) Law Schools. A written report of the Law Schools Liaison is attached to these Minutes. Mr. Lukas reported that the number of entries in the Scholarship Award contest (nine) was disappointing. He stated that the Section has met with approximately 250 law students, however only seven to eight law students are Section members, only nine law students submitted entries for the Scholarship Award contest. A discussion ensued regarding whether or not the Scholarship Award contest is the right way to reach law students or if we should take another approach. Mr. Lukas will work with the Section Development Directors on this topic.

8. Other Business and Announcements.

(a) Liaison to ABA Opinions Working Group. The ABA working group is asking for an appointment from the Business Law Sections in each state to be an advising board member to the group to identify issues of national interest and consensus and develop discussions about national practices and regional differences. Justin Klimko volunteered to take on this role and Mr. Khoury will submit Mr. Klimko's name to the ABA.

9. Announcement of September 20, 2007 Meeting. The next meeting of the Business Law Section Council will take place at 5:00 p.m. at the Sheraton Detroit Novi.

10. 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, the meeting was adjourned at approximately 12:30 p.m.

Respectfully submitted,

By: _____
Diane L. Akers, Secretary