

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

**June 13, 2008**

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 Friday, June 13, 2008, pursuant to notice duly given. Council members present: David Eberhard, Dee Dee Fuller, Michael Khoury, Edwin Lukas, Christopher Maeso, Paul Rentenbach, Cynthia Umphrey, Jeffrey Van Winkle, and Robert Wilson. Committee Chairs present: Jeffrey Ammon, Matthew Case, Justin Klimko, Eric Lark, Hugh Makens, Roger Mali, Mark Peters, and Jerome Schwartz. Liaisons present: Margaurite Donahue. Others present: Ann Baker, Ryan Bailey, Chuck Bullock, James Carey, Tiffany Daughtery, Mark High, Mark Kellog, Dan Kopka, Thomas Morris, Terri Shoop, and Douglas Toering.

1. Call to Order and Determination of Quorum. Section Chairperson, Michael Khoury, called the meeting to order at approximately 11:05 a.m. and determined with the other officers present that a quorum existed.

2. Approval of Minutes of March 6, 2008 Council Meeting. Mr. Khoury called for a motion to approve the Minutes of the Meeting of the Council from March 6, 2008. Pursuant to motion duly made and seconded, the Minutes were unanimously approved 9-0-0.

3. Treasurer's Report. A written Treasurer's Report is attached to these minutes. Mr. Wilson reported that the Section is in a healthy financial condition and that we carry a large balance. He reported that the money cannot collect interest and questioned whether the Section should be doing something with the money. Mr. Khoury stated that the Section usually breaks even and we would not want a long term commitment that could take us into a negative position. The Section's yearly spend is approximately \$139,000 and the Section recently raised dues because there was not a big enough balance. Enough cash for a one year cushion is optimal. The Section wants to make wise spends using dollars for development, increasing membership, and services to members. Value must be provided to ensure membership renewals. Ms. Fuller stated that the Business Law Institute was formerly the Section's biggest dollar commitment; however sponsorships now allow it to break even. Pursuant to motion duly made and seconded, the Treasurer's Report was unanimously approved 9-0-0.

4. Chairperson's Report. Mr. Khoury reported that it has been an active year. Jerry Schwartz took over the Regulation of Securities Committee and they have had several meetings. Mr. Khoury reminded the Committee Chairs of the importance of notifying himself, Jeff Van Winkle, and Terri Shoop of upcoming meetings so that Section members can be made aware of these meetings by way of the e-newsletter and website.

(a) Update on Initiatives.

(i) E-Newsletter. Mr. Khoury reported that the goal of the e-newsletter is to keep the publication brief, while letting members know what is happening. Mr.

Khoury thanked Jeff Van Winkle for his help with the e-newsletter over the last year. The Section has received valuable feedback with respect to the e-newsletter.

(ii) Outreach. Mr. Khoury reported that the Section has had activities with other groups. Last fall, the Section sponsored a joint event with the D. Augustus Straker Bar Association, Young Lawyers Section, and the Hispanic Bar Association regarding intellectual property management. The Section needs to work to institutionalize these relationships. The Young Lawyers Section had a program approximately three weeks ago and asked for our help. Jeff Ammon participated by speaking on choice of entity. Mr. Ammon stated that the event was well attended and a good event.

(iii) Historian Project. Mr. Khoury reported that the cost of the historian project has put it on hold. He discussed the Section history with the individuals who maintain our website at the SBM and was told we can put the history on our website. Approximately 10 people have volunteered to assist with the project, however no one has elected to lead it. Mr. Khoury has interviewed a number of people to write the history. He recently received a proposal for a first round draft from an Ann Arbor author who writes histories and children's books. She worked on the recently published history of Jiffy Corporation. The author told Mr. Khoury that it usually costs \$40,000 to complete a history. The author will start the project and we can add to it over time. The goal is to obtain sponsorships to cover the cost and we already have a sponsor for the website. The Business Law Institute sponsors will be asked to participate.

Mr. Khoury stated that the history project would be ongoing. Each year the Chair typically introduces something to the Section which is always a value add. The subsequent Chair continues the good work for the former Chair and then introduces new initiatives.

(iv) Schulman Award. Mr. Khoury stated that 2008 will be the third year for the Schulman Award which is given to an attorney demonstrating leadership and substantial contributions to the practice of business law. Mr. Lark nominated G. Ann Baker as the 2008 recipient of the Schulman Award. A motion was made to approve G. Ann Baker as the 2008 recipient of the Schulman Award. Pursuant to motion duly made and seconded, the motion was unanimously approved 9-0-0.

(v) Resignations. Michael Kennedy and Pat Mears have resigned from the Council. We now have two spots to consider before the September meeting.

(vi) Amicus Briefs. Mr. Khoury stated that during most of his time on Council that the Section was not asked by the Supreme Court to do amicus briefs. However, we have been asked twice in the last year to prepare briefs. Some Sections have people who regularly prepare amicus briefs. We may have to change our ad hoc approach and appoint a committee to do this work. A discussion ensued regarding institutionalization and the approach the Section should take to answering these requests.

5. Committee/Directorship Reports.

a. Standing Committees.

(i) Commercial Litigation Committee. A written report of the Commercial Litigation Committee is attached to these minutes. Mr. Khoury stated that Diane Akers is presently in Mackinac Island at the Section Leadership Meeting. The Committee sponsored a program on April 30 entitled *What Commercial Litigators Need to Know about Bankruptcy*. While it was a great program, attendance was low. The publicity on the event was provided by the SBM and their services were lacking. Ms. Umphrey reported that she also experienced disappointing service when using the SBM publicity services for a Small Business Forum event. Lots of lead time is needed when using the SBM for PR.

(ii) Corporate Laws Committee. A written report of the Corporate Laws Committee is attached to these Minutes. Mr. Klimko reported that nothing further has happened on *Miller*.

(iii) Debtor/Creditor Rights Committee. A written report of the Debtor/Creditor Rights Committee is attached to these Minutes. Tom Morris and Chuck Bullock are working on behalf of the Committee with Karoub & Associates to lobby for the amendment to MCL 600.603 and MCL 660.5451. Mr. Morris and Mr. Bullock discussed the history and recent happenings surrounding MCL 600.6023 and 600.5451.

Mr. Khoury commented that the Committee has been one of the most active groups in the Section. 15-60 people attend the Committee's meetings several times each year.

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

(v) In-House Counsel Committee. No report. Mr. Khoury stated that 20% of our membership is in-house counsel and we need to work to get more of these people involved.

(vi) Law Schools. A written report of the Law Schools Committee is attached to these Minutes. Mr. Lukas reported that the Spring Fling social function was held on April 10 at the Dirty Martini in Novi. Approximately 40 people attended. The event went well and good ideas were discussed. The Committee recently held its second organizational meeting. Law School leadership will transition in the fall. Several Section members are taking the lead to be liaisons with the different law schools. Mr. Lukas thanked Mark Peters for helping to get reduced pricing for law students at the Business Law Institute.

(vii) Nonprofit Corporations Committee. A written report of the Nonprofit Corporations Committee is attached to these Minutes. Ms. Baker reported that a bill was introduced that increases the number of mandatory directors to three. It will probably pass today or tomorrow. Corporations will have 180 days to add directors to their boards.

(viii) Regulation of Securities Committee. A written report of the Regulation of Securities Committee is attached to these Minutes. A Committee meeting was held on June 10 at Dickinson Wright regarding changes in securities law. The meeting was well attended.

(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.

b. Ad Hoc Committees.

(i) Uniform Securities Act (2002). No written report. Mr. Makens reported that the USA blew successfully through the House. He is hopeful that a date will be set in June or July for the first hearing on the USA in the Senate. The Michigan Bankers Association is supporting the bill. We will have to move quickly on the drafting process and the Regulation of Securities Committee will help. Jerry Schwartz and Hugh Makens will work together on this project.

(ii) Lobbyist Issues. Tom Morris reported that Karoub and Associates are knowledgeable. Mr. Morris is comfortable with them; they have lots of energy, and seem to care.

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. There are two vacancies on council. This is the time of year when officers, past Chairs, and others talk about officers. If you have suggestions for officers, please get them to Jeff Ammon and the current officers. Ann Baker will be transitioning to take over as Nominating Director in the fall. Mr. Khoury stated that we are looking for people to take over roles that others have done for a number of years (i.e. Publications Director).

(iii) Programs Directorship. A written report of the Programs Director is attached to these Minutes. The Section thanked ICLE for putting the Business Law Institute together. 88 people have registered for the event which is 12-13 over last year's numbers. 45-50 have registered for dinner. There will be an announcement at the Institute that there is still room for lunch and dinner. Many sponsors are back from last year. Next year's Institute will be held on May 8 and 9 at the Amway Grand in Grand Rapids. The leadership of the Institute will transition from Mark Peters to Dan Minkus for the next two years. Mr. Peters will still work on sponsorships.

a. Small Business Forum. A written report of the Small Business Forum is attached to these Minutes. Ms. Umphrey reported that Forum is doing well. Doug Toering and David Eberhard are key people in the East Forum. The rest of the events for 2008 are being planned. We are still looking for new leaders. The West Forum is having difficulty getting off the ground.

b. ICLE Liaison. A written report of the ICLE Liaison is attached to these Minutes.

(iv) Publications Directorship. A written report of the Publications Director is attached to these Minutes. Mr. Wilson reported that we are having difficulty with timing with our currently printer and the Section may look for a new vendor.

(v) Section Development. A written report of the Section Development Director is attached to these Minutes. A social/networking event in Detroit in the fall is being considered.

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

6. Other Business and Announcements. A discussion ensued regarding the Business Law Institute and its history, format, timing, location, draws, and possible institutionalization. The group concluded that a May date is optimal and that our members do not want a family event. Many possible scenarios and ideas were discussed.

7. Announcement of September 25, 2008 Council Meeting. The next meeting of the Business Law Section Council will take place on Thursday, September 25 at 4:00 p.m. at the Sheraton Detroit Novi.

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 (9-0-0), the meeting was adjourned at approximately 12:45 p.m.

Respectfully submitted,

By: \_\_\_\_\_  
Dee Dee Fuller, Secretary