

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

MAY 17, 2003

This meeting of the Council of the Business Law Section of the State Bar of Michigan was held in the Mackinac A Room at the Grand Traverse Resort in Acme, Michigan on Saturday, May 17, 2003 at 7:30 a.m., pursuant to notice duly given. Council members present: G. Ann Baker, Timothy Damschroder, David Folytn, Mark High, David Joswick, Michael Khoury, Paul Rentenbach, Richard Sundquist, Stephen Waterbury, and Robert Wilson. Committee members present: Diane Akers, Jeffrey Ammon, Arthur Dudley, Justin Klimko, Mark Lezotte, Paul Marcela, Patrick Mears, and Daniel Minkus. Others present: Lynn Chard, Terri Shoop, Sheldon Stark, and Steve Tupper.

1. Call to Order and Determination of Quorum. Section Chairperson Timothy Damschroder called the meeting to order at approximately 7:40 a.m. and determined with the other officers present that a quorum existed.

2. Approval of Minutes of Meeting of March 6, 2003. Mr. Damschroder called for a motion to approve the Minutes of the Meeting of the Council from March 6, 2003. Pursuant to motion duly made and seconded, the Minutes were unanimously approved.

3. Treasurer's Report. Mr. Damschroder reported that the Section continues to be financially sound, that there is a current cash balance in the amount of \$178,795.90, and that the Section is spending money in positive ways. A written report of the Treasurer is attached to these Minutes.

4. Chairperson's Report.

A. Database. Mr. Damschroder presented statistics regarding the database obtained through the Section's survey (copies of the statistics are attached to these Minutes). A discussion ensued regarding the survey's findings and uses for the database. Mr. Damschroder encouraged Section members to use the database as it provides a wealth of information about its members. In an effort to increase participation, Mr. Damschroder asked the committee chairs to use the database to send two notices per year to members who practice in the committee's area of law.

B. Proposed Article VIII of the State Bar Bylaws. Mr. Damschroder reported that proposed Article VIII of the State Bar Bylaws, dealing with Section and Committee Activity and Public Policy, has been pushed back several times.

C. Uniform Securities Law. Mr. Damschroder stated that he has spoken with Hugh Makens who reported that Linda Waters was appointed as the new director of the Office of Financial and Insurance Services (OFIS) at the Michigan Department of Consumer and Industry Services. The drafting committee is waiting to meet with her to establish a process for adopting the new legislation.

D. Listserv/Website. A discussion ensued regarding a State Bar chat room where visitors to our site could ask questions. Mr. Damschroder asked Mr. Khoury if a chat room was possible and what would be necessary to make it work. Mr. Khoury responded that it is something we could do, however it would take a lot of administration. It was noted that the ABA has something of this type. The value of a project of this sort was discussed. It was suggested that each committee could appoint a moderator who would review questions. It was suggested that a survey be sent to determine whether a project of this type is worthwhile.

The fact that the website is not up to date was discussed. Mr. Khoury commented that currently there is very little content on the website and Mr. Damschroder stated that he would like to see more content. A discussion ensued regarding the need for a webmaster. [It was decided after the meeting that Terri Shoop would assume Margery Klausner's responsibilities.]

E. Annual Award. Mr. Damschroder suggested the establishment of an annual civic award for business lawyers as a way to gain identity for the Section. He suggested that such an award could potentially coincide with the Mid-Year Meeting or the Annual Meeting and could include a dinner. Having the award ceremony as a separate event was discussed as an option. Potential locations and a keynote speaker to draw interest in the event were discussed. It was noted that other state bars, Washtenaw County, and the Labor Section of the State Bar have awards of this type.

5. Committee/Directorship Reports.

A. Standing Committees.

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

(ii) Commercial Litigation Committee. A written report of the Commercial Litigation Committee is attached to these Minutes. Diane Akers reported that after discussions with several counties, Oakland County and Kent County are interested in the possibility of establishing a business court. Ms. Akers asked the Section to provide funding for the court to look at how many business cases they have and to pay an administrator to work on the project. This should get the courts to take ownership of the issue and prompt them to get more involved. Ms. Akers asked for \$5,000 for each of Oakland and Kent Counties. Mr. Damschroder noted that the funding can come from the Business Litigation Committee's budget. Ms. Akers stated that a reporter from the Detroit News would like to do a story on this issue.

(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 Debtor/Creditor Rights Committee is attached to these Minutes.

(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. No report.

(ix) Uniform Commercial Code Committee. A written report of the Uniform Commercial Code Committee is attached to these Minutes. Patrick Mears indicated that revisions to Articles 2, 2A and 7 of the Uniform Commercial Code were adopted by voice vote at the 2003 Annual Meeting of the American Law Institute. The Articles will now go to the states for adoption.

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

B. Ad Hoc Committees. A written report of the Uniform Securities Act of 2002 Subcommittee is attached to these minutes.

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. Mark High reported that Dennis Archer will be the keynote speaker at next year's Mid-Year Meeting, which will be held at the Soaring Eagle Casino in Mt. Pleasant. A discussion ensued regarding the Mid-Year Meeting and suggestions were made regarding ways to make the event more appealing and to draw new people to the event. Different levels and tracks for the program, a flat fee per firm, and making the breaks an integral part of the program were discussed.

(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.

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

6. Liaison Reports. No reports.

7. Other Business and Announcements. Ms. Baker introduced the topic of perfecting security interests in mobile homes and the issues raised by the recent Sixth Circuit decision deciding that a mortgage was not sufficient to perfect a security interest in a mobile home. Ms. Baker stated that the Michigan legislature is trying to resolve the issue with Senate Bill 425 which adds a new

Section 30(i) to the Mobile Home Act. The Bill has passed the Senate and is on its way to the House. Ms. Baker elaborated on the Bill and a discussion ensued regarding the matter.

A discussion ensued regarding the LLC Act and new requirements regarding tax clearance provisions.

8. Announcement of September Meeting. The next meeting of the Business Law Section Council will be held on Thursday, September 11, 2003 at 1:00 p.m. in conjunction with the Annual Meeting of the Section.

9. 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 8:55 a.m.

Respectfully submitted,

By _____
Terri A. Shoop
Secretary of the Meeting