STATE BAR OF MICHIGAN
BUSINESS LAW SECTION
COUNCIL MEETING MINUTES

December 2, 2000

This meeting of the Council of the Business Law Section of the State Bar of Michigan was held at the Livonia Marriott at Laurel Park Place in Livonia, Michigan, on December 2, 2000 at 10:00 a.m., pursuant to notice duly given.

Present: Daniel H. Minkus, Tracy T. Larsen, Timothy R. Damschroder, G. Ann Baker, David D. Joswick, Patrick Daugherty, Mark R. Lezotte, John R. Dresser, Diane L. Akers, Michael S. Khoury, Judith Greenstone Miller, Vicki Martin-Anderson, Judy Calton, David Foltyn, Fred Miller, Justin G. Klimko, Martin C. Oetting, Eric I. Lark, Mark A. Aiello, and Laura Jones.

1. Call to Order and Determination of Quorum. Section Chairperson, Daniel H. Minkus, called the meeting to order at 10:00 a.m., and determined with the other officers present that a quorum existed.

2. Approval of Minutes of Meeting of September 20, 2000. Mr. Minkus called for a motion to approve the Minutes of the Council Meeting held on September 20, 2000. Pursuant to motion duly made and seconded, the Minutes were unanimously approved.

3. Treasurer's Report. Ms. Baker reported that the Section continues to be financially sound and has a surplus of $201,457.79. A report is attached.

A discussion regarding proposed Committee/Directorship Budgets for Fiscal Year - October 2000 - September 2001 ensued. Ms. Baker noted that she used the same numbers as last year and simply rolled them over unless she was told otherwise. Ms. Baker received requests from Mark Lezotte (Corporate Laws), Michael Khoury (Technology) and Timothy Damschroder (Section Development) for increases to their budgets. These requests were noted and will be discussed at the March meeting when new budgets are adopted.

4. Chairperson's Report.

a. Section Resource Manual. A new Section Resource Manual was distributed. Mr. Minkus indicated that Section Administrator Laura Jones compiled the new Manual. Council was requested to review the new Manual and let Mr. Minkus of Ms. Jones know of any comments/suggestions.

b. Stephen H. Schulman Memorial. There will be a Memorial Service for the late Professor Emeritus Stephen H. Schulman on December 3, 2000. WSU Law School is creating a Schulman Memorial Fund. The Memorial Fund will support periodic lecture series/symposiums in conjunction with Wayne Law Review. WSULS has solicited a $10,000 contribution from the Business Law Section. Several alternatives to the $10,000 endowment were discussed, such as: a room at WSU Law School; naming the Mid-Year Meeting in Professor Schulman's honor; dedicating the next BLJ issue in his honor. A motion was duly made authorizing the expenditure of $10,000 by way of an appropriate vehicle to be

determined by the Section officers which could be re-visited and/or modified by future administrations, recognizing that the Section may still do something else in Professor Schulman's memory. This motion was duly seconded and unanimously carried.

c. Strategic Plan. Mr. Minkus requested that a group of four volunteers convene to revisit and update the Strategic Plan. He will await volunteers.

d. Multi-Disciplinary Practices. The issue of MDPs is to be discussed at the next meeting of the SBM Representative Assembly. The Section is requested to take a position on the MDP Committee Report. Mr. Minkus solicited comments from the Council and discussion ensued. Generally, the Council supports the MDP Committee Report, but there are issues which remain to be included and further discussed, i.e. attorney-client privilege. Generally support MDP Committee's work and conclusions. Motion made for Mr. Minkus to report that Section generally supports but call attention to absence of a discussion regarding attorney-client privilege issue, seconded, and carried. Mr. Minkus will report back

e. Access to Justice. Mr. Minkus encouraged Council members, Committee chairs and Directors to make individual contributions to ATJ. Attendees were encouraged to indicate on contributions to ATJ that you are with the BLS. Mr. Dresser gave an example of how contributions are helping ATJ: The Membership Services Committee of the SBM now offers electronic statewide filing of pleadings. This gives anyone with a computer, access to justice. Mr. Khoury mentioned that ATJ works with and supports Community Legal Services.

f. Senate Bill No. 1345. This Bill will be considered at the January 15, 2001 meeting. It is the Chairman's understanding that the Section will pass the Bill on to the Legislative Review Committee. If the proposed Bill were directly related to a Committee, the legislation would be passed on to such Committee chairperson, but this Bill does not. Mr. Minkus just wanted Committee Chairs to see that the Section is often called upon to review Bills.

g. SBM Bylaw Article IX - Public Statements. The SBM believes Article IX (Public Statements - coordinating notice when more than one section, committee or other entity of the State Bar may have an interest in legislation) is flawed and should be amended. SBM has requested a policy position from Sections. Ann Baker is participating in this process. A lengthy discussion ensued regarding: 1. Business Law Section Bylaws must be amended to set forth process that committees should follow when approached to make comment, take a position and/or testify on that position, when the SBM has not taken a public stance. 2. Mandating a duty upon a section and/or committee to notify other interested sections and/or committees of proposed legislation is burdensome. A reasonable standard is acceptable but would want to avoid any mandates. As a result of the discussion, Ms. Baker will re-draft Section's policy position.

h. Committee Chairs. Mr. Minkus asked that each Committee chair sponsor at least one activity/event before the end of the year that will benefit its members.

5. Committee Reports.

a. Agricultural - A written report of this Committee is attached to these Minutes.

b. Commercial Litigation - A written report of this Committee is attached to these Minutes.

c. Corporate Laws - A written report of this Committee is attached to these Minutes.

d. Debtor/Creditor Rights - A written report of this Committee is attached to these Minutes. Section Administrator will get a copy of the Section's Roster to Ms. Miller prior to committee's 1/17/01 meeting to prevent any non-Section members from appearing at the meeting in an attempt to vote on proposed motions.

e. Financial Institutions - No report.

f. In-House Counsel - No report.

g. Nonprofit Corporations - No report.

h. Regulation of Securities - No report.

i. UCC - A written report of this Committee is attached to these Minutes.

j. Unincorporated Enterprises - A written report of this Committee is attached to these Minutes.

6. Directorship Reports.

a. Legislative Review - A written report is attached to these Minutes. Ann Baker noted two bills introduced, i.e. HB 6140 which amends the *General Corporation Act*, and SB 1425 which amends the *Business Corporation Act*.

b. Nominating - No report.

c. Program - A written report is attached to these Minutes. Eric Lark is working with ICLE regarding the Mid-Year Meeting. A program outline is attached to his report.

d. Publications - A written report is attached to these Minutes.

e. Section Development - No written report. Tim Damschroder commented that we need vehicle to determine what our members want. Would like to create a Section listserv and circulate via that listserv a simple, quick response questionnaire. We need to get our members active at the committee level.

f. Technology - Report appears behind Tab 10 of Resource Manual distributed at meeting. Mr. Khoury reports that there has been tremendous

turnover at SBM and those responsible for listserv have been out. The Leadership Roster, Memo from the Chair, and future events calendar have been updated on the Section's webpage. Will get Section-wide listserv in place.

7. Section Bylaws. Officers will comprise a subcommittee to review Bylaws and have amendments/suggestions for March meeting.

8. Other Business and Announcements. Mr. Oetting reported that a Model Acquisition Agreement will be published by the ABA and will be available next spring. Ms. Baker announced that the Corporations Bureau's offices will be moving to Okemos. Mr. Khoury reported that under the new UCC Article 9, filings are to be made in the state of registration. Mr. Dresser reported that the Living Care Disclosure Act of 1976 needs major modifications.

9. Announcement of March Meeting. The March meeting is tentatively scheduled for March 3, 2001 at the SBM offices in Lansing.

10. Meeting Adjournment. There being no further business to come before this meeting of the Council of the Business Law Section of the State Bar of Michigan, upon a motion duly made and seconded, and unanimously approved, the meeting was adjourned.

Respectfully submitted,

By:_____
Timothy R. Damschroder
Secretary of the Business Law Section