

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

May 21, 2010

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 Amway Grand Plaza Hotel in Grand Rapids, Michigan on Friday, May 21, 2010. Council members present were Judy Calton, James Carey, Matthew Case, Marguerite Donahue, David Eberhard, Dee Dee Fuller, Edwin Lukas, Christopher Maeso, D. Richard McDonald, Judy Miller (via telephone), Thomas Morris, Douglas Toering, Jeffrey Van Winkle and Robert Wilson. Committee members present were Ann Baker, James Brey, Timothy Damschroder, Mark High, Justin Klimko, Eric Lark, Daniel Minkus, Mark Peters, and Jerome Schwartz. Others present were Jeffrey Ammon, Ryan Bailey, Jon Berg, Kevin Block, Donna Glass, Michael Khoury, Terri Shoop, Phil Stenger, and Doug Van Essen.

1. Call to Order and Determination of Quorum. Section Chairperson, Dee Dee Fuller, called the meeting to order at approximately 11:06 a.m. and determined that a quorum was present.

2. Approval of Minutes of March 18, 2010 Council Meeting. Ms. Donahue requested two changes to the March 18, 2010 Minutes. Specifically, Ms. Donahue requested that (1) page 3, second paragraph, seventh line, the word "creditors" should be replaced with "debtors"; and (2) page 4, paragraph c.(iii)a., fifth line, the word "initiate" should be replaced with the word "initiative". Ms. Fuller called for a motion to approve the Minutes of the Meeting of the Council from March 18, 2010 with the two changes identified above. Pursuant to motion duly made and seconded, the Minutes were unanimously approved 14-0-0.

3. Treasurer's Report. A written Treasurer's Report is attached to these Minutes. Ms. Donahue reported that expenses are higher than last year, but that the Section is doing well financially.

(A) The annual \$5,000 contribution to Access to Justice was discussed. Ms. Donahue stated that the Section may have overlooked making a contribution in 2009 and that she will check into that issue. A motion was brought to make a \$5,000 contribution to Access to Justice for 2009 if a contribution for 2009 was not made. The motion was seconded and unanimously approved 14-0-0.

4. Chairperson's Report.

(A) Strategic Plan.

(i) Ms. Fuller asked for questions and comments regarding the Strategic Plan. After discussion, a motion was made to adopt the Strategic Plan as presented. The motion was seconded and unanimously approved 14-0-0. Ms. Fuller thanked the Strategic Plan Committee for their time and effort on the project.

(ii) Ms. Fuller noted that the Strategic Plan includes responsibilities for Committee Chairs and Directors and lists goals and objectives that should be followed.

(iii) Ms. Fuller suggested that a committee be developed to look at Committee Chair and Directorship succession. Judy Calton, Ed Lukas, Ann Baker and Marguerite Donahue will make up this Committee. It was suggested that Ann Baker would work with the Executive Committee and Committee Chairs and Directors would be nominated.

(iv) Ms. Fuller indicated that an annual report would be requested from Committee Chairs and Directors in December. This enhanced report would be submitted in December with the budget request.

(B) Conflict Resolution Within Section. Ms. Fuller commented that requests for the Section to support or oppose proposed legislation is one of the few items that periodically creates conflict within the Section. After discussion, it was decided that the decision whether or not to support or oppose proposed legislation will be determined by a majority of the members of Council voting at a meeting at which a quorum is present.

(C) Section Interest Coordination Update. Ms. Donahue indicated that there are no formal procedures established for members to get involved in the Section's activities. Ms. Donahue made suggestions for additions to the e-newsletter and website to make procedures clear to those who want to become involved in Section activities. Ms. Donahue will continue to work on this initiative.

(D) State Bar Dues Increase. An increase in dues was discussed. It was decided that dues would remain the same.

(E) Listserv. A discussion ensued regarding using the listserv as a bulletin board or discussion page to share information. It was suggested that this would be a great service for smaller firms. Kevin Block, Ed Lukas and Jeff Van Winkle will look into this issue further.

(F) We have been contacted by the State Bar Administrative Services. If anyone is interested in serving on the State Court Administrative Office's Case Evaluation and Mediation Study Advisory Committee, please let Ms. Fuller know.

(G) Business Boot Camp. Mr. Minkus stated that Business Boot Camp traditionally has been geared toward young lawyers and getting them involved and educating them. It is proposed that Boot Camp be not only for young lawyers, but also for new business lawyers. Boot Camp began as a program for firms to outsource associate training. It was a two year program which met once per month for two hours from 7:30 a.m. – 9:30 a.m. The program would start out strong but attendance would decrease as the year progressed so by April or May, only one-half of registrants would attend. The proposed new program would showcase all of the sessions in a two-day seminar which would occur in November in Grand Rapids and in January in Plymouth. ICLE cannot manage the seminars as it is too late in the season and they are short on staffing. Dan Minkus, Tim Damschroder, and Jeff Ammon would attend the sessions. To keep costs down, speakers for Grand Rapids would be solicited from the west side of the State, and speakers for Plymouth would be solicited from the east side of the State. Attorneys at the

big firms will be approached to seek firm sponsorships at \$1,000 allowing firms to send unlimited participants. The cost to attend would be approximately \$200 per person and would include breakfast and lunch. We anticipate 80 attendees in Plymouth and 50 attendees in Grand Rapids. Marketing the seminar could potentially cost a lot of money. Emailing a marketing piece in July and August is proposed. If registrations are light, a marketing piece would be mailed. We could consider sponsors of the event. Next year ICLE will take the program back. The anticipated spend this year is \$7,000. If registrations are low, we can cancel the seminars. A motion was made to approve conducting the Business Boot Camp I seminar in November 2010 in Grand Rapids and in January 2011 in Plymouth. The motion was seconded and passed unanimously 14-0-0.1

5. Committee/Directorship Reports.

A. Standing Committees.

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

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

(iii) Debtor/Creditor Rights Committee. A written report of the Debtor/Creditor Rights Committee is attached to these Minutes. The Committee is asking the Council to lift the Section's stay and to again support the Committee's initiative to amend Michigan's exemption statutes, MCLA 600.5451 and MCLA 600.6023. A discussion ensued and the Council voted 9 to 5 in favor of lifting the stay of support. The Committee has a \$5,000 budget with respect to lobbying on this issue. \$4,000 has been spent with Karoub & Associates. A motion was made to discontinue on working with Karoub & Associates regarding the exemption statutes at this time, and not to spend the budgeted \$1,000. The motion was seconded and passed.

(iv) Financial Institutions Committee. A written report of the Financial Institutions Committee is attached to these Minutes. Mr. Breay, chief of the Committee, described the Tus v Hurt case, which is now pending in the Michigan Supreme Court. He noted that, in its order granting leave to appeal, the Court invited a number of organizations to submit amicus curiae briefs. Mr. Breay is representing several trade associations, including the Michigan Bankers Association, on whose behalf his firm, Warner Norcross & Judd LLP, will file an amicus brief in support of the opinion of the Court of Appeals and defendant Sterling Mortgage. He agreed to send Ms. Fuller a description of the case, which she might distribute to Council members as a basis for the Council to decide whether it would file an amicus brief in the case.

(v) In-House Counsel Committee. No report. A discussion ensued about what the Committee would do on an ongoing basis. Mr. Case stated that he views the Committee as a liaison to the Association for Corporate Counsel. Ms.

Fuller discussed the results of the recent survey to in-house council Section members. 68 members responded and 36 were members of the ACC. Mark High and Roger Mali will help with outreach to these members.

(vi) Law Schools. A written report of the Law Schools Committee is attached to these Minutes.

(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.

(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) Ad Hoc Committee on Climate Change and Sustainability. No report.

(ii) Michigan Ad Hoc Committee on Legal Opinions. A written report of the Michigan Ad Hoc Committee on Legal Opinions is attached to these Minutes.

(iii) Schulman Award. Alex DeYonker will receive the Schulman Award this year. Eric Lark will contact Mr. DeYonker and facilitate his receipt of the award at the Annual Meeting.

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. The Annual Meeting will be held on September 23, 2010.

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

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. McDonald will talk with sponsors of the Business Law Institute to see if they are interested in advertising in the *Business Law Journal*.

(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. Other Business and Announcements. Doug Toering stated that the Section should strive to find opportunities for women and minorities to become more active and involved in the Section. Mr. Toering suggested that the Section develop an Ad Hoc Committee to consider diversity issues and examine ways to achieve these objectives.

7. Announcement of September 23, 2010 Council Meeting and Annual Meeting. The next meeting of the Council of the Business Law Section and the Section's Annual Meeting will take place on Thursday, September 23, 2010 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 14-0-0, the meeting was adjourned at approximately 12:45 p.m.

Respectfully submitted,

By: _____
Edwin J. Lukas, Secretary