

**CORPORATE LAWS COMMITTEE
REPORT PREPARED FOR THE JUNE 4, 2005 COUNCIL MEETING**

1. Next Scheduled Meeting of the Committee

The Committee does not hold regular meetings but rather meets when in the process of considering amendments to the Business Corporation Act. Throughout 2004 and early 2005 the Committee was working on the next round of amendments. Meetings were held on February 17, March 23 and July 29, 2004 and January 13, 2005.

2. Council Approval

At its meeting of March 3, 2005, the Council approved the submission of the proposed amendment for legislative action and the participation by the Committee in testifying with regard to the amendment, assisting the legislative effort or otherwise advocating adoption of the amendment. The Committee requests no council action at this meeting.

3. Membership

The Committee remains open to participation by any interested parties. The lack of regular meetings tends to limit interaction with Committee members.

4. Accomplishments Toward Committee Objectives

The Committee continues to monitor developments in corporate laws throughout the country and to consider changes to the Business Corporation Act. This is an ongoing and continuous process.

5. Meetings and Programs

No programs are currently scheduled, though the Committee is open to participation in presentations discussing changes to the Act once passed.

6. Publications

The Committee sponsored an issue of the Michigan Business Law Journal in 2002 and is sponsoring the issue currently in process. An article on the proposed BCA amendments has been submitted for inclusion in this issue by one of the Committee co-chairs.

7. Legislative/Judicial/Administrative Developments

In anticipation of introduction in the state legislature, a draft of the BCA amendments was forwarded to the Legislative Service Bureau for bill drafting. The Bureau's draft contained certain omissions and the Committee co-chairs along with the reporters have been working with the Bureau to correct these. Introduction of the bill is expected soon.

The proposed amendment of Section 131 would make filings under the BCA effective, once endorsed, on the date they are received. The Department of Labor & Economic Growth previously expressed its reservations about this proposal. The Department declined to suggest an alternative approach but indicated that it would react once a bill was introduced. We expect further dialogue on this approach as the amendments move through the legislative process.

8. Miscellaneous

The Committee will continue to accept ideas for technical and other amendments to the Business Corporation Act, which is amended periodically. Suggestions in this regard may be addressed to either of the committee co-chairs, Cyril Moscow or Justin G. Klimko. The Committee also will consult with the Department of Labor and Economic Growth regarding efforts to further streamline corporate filings and information dissemination.

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