

OREGON STATE BAR BUSINESS LAW SECTION

EXECUTIVE COMMITTEE

MINUTES OF MEETING

April 17, 2009

4:00 PM

A regular meeting of the Executive Committee of the Oregon State Bar Business Law Section (the "Section") was held at 4:00 pm on Friday, April 17, 2009 at Foster Pepper LLP, 601 SW 2nd Ave. Suite 1800, Portland, 97204 pursuant to notice duly given. A quorum was present.

The following members of the Executive Committee attended the meeting either in person or by telephone:

Andrew Ognall, Candice Carr, Sara Gray, Andrew Morrow, Sally Anderson-Hansell, Jason Dalton, Abe Cable, Paul Taylor, Chris Hall, Pat Chapman

Other attendees: Tom Wrosch (Corporation Division), Paul Neese (OSB), Carole Barkley

Chair Andrew Ognall called the meeting to order and served as chair. Andrew Morrow kept the minutes.

1. Approval of February Minutes. The minutes for the February 20, 2009 meeting of the Executive Committee were approved.

2. Oregon Minority Lawyers Association. Andrew Ognall reported that the Section had received a request from the Oregon Minority Lawyers Association for a contribution. The budget includes a provision for a \$1000 contribution and the contribution was approved.

3. Treasurer's Report/Budget. Sally Anderson-Hansell reported. There are 1,160 total Section members as of the most recent report. Of those, 14 are complimentary memberships. The budgeted membership is 1,225 and Sally was confident that number would be reached by the end of the fiscal year.

4. Reports

- a. Corporation Division. Tom Wrosch reported that the Corporation Division had experienced a period during which the number of filings declined, but activity has picked up again. He also discussed several Legislative proposals of interest to the Division. These include HB 2084 which would have eliminated the requirement for the Secretary of State to issue renewal notices in connection with UCC filings, and HB 3472 introduced by Representative Holvey which would increase filing fees for business registry filings, among other revenue related changes.

Tom was asked about the status of the project to again make available image files for UCC financing statements. He responded that the funding originally intended for that project had been shifted to other, higher priority Secretary of State projects and no funding was available. The Division has a vendor lined up to perform the necessary work, but whether the project moves forward will depend on the State budget.

- b. Legislative Committee. Chris Hall reported on legislative developments.

HB 2886 proposes to create an entity known as a low profit limited liability company. The stated purpose is to create an entity that has similar objectives as a nonprofit corporation, but profits would not be prohibited. Creating a new form of entity would involve significant expenses to the Corporation Division both in terms of initial programming and ongoing maintenance.

HB 2829 changes the other constituency provisions in ORS 60.357, although the primary focus of its proponents is sustainability. Current law allows Boards of Directors to consider other constituencies in change of control situations. The bill would add environmental considerations to the factors that could be considered and make it clear that consideration of other constituencies was appropriate in business decision making beyond a change of control. The bill raised concerns with the governmental relations department of one major Oregon corporation, although it is not clear how much the objections relate to timing and how much to substance. The bill is unlikely to be approved in this legislative session.

Tom Wrosch commented that SB 636, which revises Oregon trademark law, had been the subject of a hearing earlier in the week. It includes changes that would approve electronic filing. Chris Hall reported the bill had been sent to the Legislative Committee but was referred to the Intellectual Property Section.

Chris reported that SB 2305, which deals with shareholder voting by class and was proposed by the Section, had passed and been signed by the Governor. He also reported that SB 2304, which changes the notice requirements in short form mergers and was also a Section proposal, had raised a number of questions in the House committee, but had passed the House and was in the Senate Judiciary Committee. HB 2353, which deals with the authority to call a special meeting of shareholders of a public company, had passed the house and had been the subject of a hearing in the Senate Judiciary committee, but had not moved out of the committee.

- c. Bar Liaison. Paul Neese reported that Sally LaJoie had left the Bar Public Affairs Department and Matt Fields was the new person in her position. He also reported that the Board of Governors was working on budgeting, which works in a three year budget cycle.
- d. CLE/Annual Meeting. No report.

- e. Financial Institutions. No report.
- f. Website. Carole Barkley was present, but had nothing to report.
- g. *Oregon Business Lawyer*. Candice Carr reported that she had followed up on the proposal made at the February meeting and had met with Lisa LeSage and two students at Lewis & Clark Law School. The first newsletter working with the students would be produced. How sustainability issues were addressed in the legislature would be a point of focus. Candice asked for two volunteers to assist in working with her as an editorial board to review articles. Abe Cable and Sara Gray both volunteered.

Candice also discussed the Sustainability Conference to be held at Lewis & Clark in early May. The Executive Committee approved sponsoring fees for two students to attend.

- h. Regional Outreach. No report.
- i. Castles Award. Pat Chapman reported. A committee of past chairs, including Pat, Don Krahmer, Tim O'Hanlon, and Brent Bullock is overseeing selecting a proposed recipient. The committee has developed a nomination form and will request nominations by circulating an e-mail and a notice in the bar bulletin. Some section members do not accept e-mail. Paul Neese suggested that Sarah Hackbart would be the appropriate contact at the Bar to assist with identifying and mailing to those members.

The committee expects to make the solicitation of nominations by the end of April, with the target of making a recommendation by mid-summer. The Executive Committee approved expending funds necessary to complete the mailing and a notice in the Bar Bulletin.

- 5. New Business/Good of the Order. No report.
- 6. Adjourn. There being no further business, the meeting adjourned.