

OREGON STATE BAR BUSINESS LAW SECTION  
EXECUTIVE COMMITTEE

MINUTES OF MEETING  
MARCH 21, 2008  
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, March 21, 2008, 2007 at Stoel Rives LLP, 900 SW 5<sup>th</sup> Ave., Suite 2600, 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:

Pat Chapman	Gustavo Cruz	Abe Cable
Andy Morrow	Jason Dalton	Paul Taylor
Andrew Ognall	Michelle Druce	Tim Jackle
Chris Hall	Kevin Thomas	

Attendees: Paul Neese (OSB), Peter Threlkel (UCC Division), Candice Brown
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Pat Chapman called the meeting to order and served as chair. Michelle Druce kept the minutes.

1. Approval of January Minutes. The minutes for the January 17, 2008 meeting of the Executive Committee were approved with the following corrections: 33 responses to the closing opinions survey was changed to 22 responses and Regional Outlook was changed to Regional Outreach.
2. Treasurer's Report/Budget. A report covering the twelve-month period ending December 31, 2007 was provided. There was no formal report.
3. a. Bar Liaison Report.

Paul Neese reported:  
Paul will check with Nena Cook regarding coming to a future meeting to discuss the Bar Leadership College. Paul reported that if there is co-sponsorship of a CLE, there will not be a separate CLE fee.
- b. Corporation Division Report. Peter Threlkel reported. There are 379,000 total business registrations (4% growth per year). There are over 100,000 LLCs in Oregon. Peter discussed the business registration fee rule. This rule has not been revised since 1995. They are looking at an effective date of May 1<sup>st</sup>. Most fees stay the same and some fees will go down. The search fee dropped to \$5 per name. The zip code search cost will go down.. A copy of the database will be \$500 (was \$300). Most states charge more than 4500. There are no proposed changes to filing fees. The Division is still working on the RFP to address UCC images. Target date to have a vendor is July and project finished by end of year.
- c. ABA Model Act Liaison. No report.
- d. Financial Institutions/Commercial Finance Financial Institutions. No report.
- e. CLE/Annual Meeting. Pat Chapman reported. The OSB asked about co-sponsoring a Drafting LLC and LLP Agreements CLE. The CLE will be in the October timeframe. The Section will move ahead with this opportunity.
- f. Legal Opinion Committee. Pat Chapman reported. Jeff Cronn will talk with the Executive Committee in May. The proposed language was just made available.

g. Oregon Business Lawyer. Andrew Ognall reported. Materials were provided and the publication will include legislative information. Andrew requested that additional ideas be forwarded.

h. Regional Outreach. Pat Chapman reported. Pat drafted nominating guidelines. Pat requested that Executive Committee review for discussion at May meeting.

i. Website/Business Practice Tools/Business Lawyer University. No report.

j. Legislative Committee Report. Chris Hall reported. The Oregon State Bar-Article 12 Legislation & Public Policy was handed out and discussed. One of the guidelines in the policy provides for law improvement in Oregon which is broad. The OSB agrees that all proposals on the list for discussion are appropriate for the Section to be involved in. A majority of the Executive Committee is required to approve to move forward. Chris provided a tabbed binder containing all proposals to be discussed. Chris requested Executive Committee approval of Tabs #1 and #2. Tabs #3, #4, #5, #6 are not at the approval stage. Tabs #7 & #8 are items that the Section will be asked to oppose or support. Tab #9 is a large project and is in the preliminary stage.

Tab #1 – the Executive Committee discussed the proposal for separate class voting under ORS 60.441. The proposal follows the model act. Andy Morrow motioned that the Section ask the OSB to sponsor the legislation. Pat Chapman seconded the motion and it was approved.

Tab #2 -- the Executive Committee discussed the proposal for 30-day waiting period to effect short term merger under ORS 60.491. The current statute requires 30-day notice of merger. This requirement is not in place in Delaware and is not in the model act. Two statutes are impacted – 60.491 and 60.554. Difficult to determine the value in the current 30-day notice--only the threat of injunction. Gustavo Cruz motioned that the Section ask the OSB to sponsor the proposal. Michelle Druce seconded the motion and the motion was approved.

Tab #3 –Chris Hall provided an overview of this proposal addressing majority voting in the election of directors under ORS 60.251. This proposal has not generated a lot of interest. Chris reached out to companies and did not get much response. Chris recommends that the Section not spend time on this proposal.

Tab #4 – This proposal addresses naming of limited liability partnerships under ORS 67.625. Chris reported that the Legislative Committee is not interested in this proposal and this does not seem to be a problem.

Tab #5 –This proposal addresses the creation of series limited liability companies. This proposal was brought to the Legislative Committee by the Real Estate Committee; Delaware and Illinois and some other states have this. The Legislative Committee is not interested in pursuing this proposal. The IRS has not clearly approved this proposal (Legislative Committee reached out to the Tax Section).

Tab #6 – This proposal addresses modification of the LLC fiduciary duty standard. Delaware allows getting rid of fiduciary duties. There was not much interest in working on this proposal. It may also be divisive issue.

Tab #7 – This proposal addresses Oregon law’s treatment of corporation and other entities established by American Indian Tribal governments. The Executive Committee discussed the definitions and concerns regarding “other than the laws of this state” language. Peter Threlkel reported that an issue can arise for tribes related to non-profits and professional corporations. Proposal appears to be asking for consistency in definitions. There is no bill yet to track.. Chris will report back the comments of the Section.

Tab #8 –This proposal addresses litigating workers’ compensation disputes. One comment was whether this would make workers compensation in Oregon more expensive. The Section is only looking at feedback on this issue.

Tab #9 – This proposal addresses adoption of the Uniform Limited Liability Company Act. The Uniform Law Commission is asking Oregon to adopt the Uniform LLC Act. Chris discussed with Justice Martha Walters who is on the Uniform Law Committee. They would like the Section to have input on this Uniform Law. Other sections would be involved as well (Tax, Real Estate, Estate Planning, etc.) There is not a rush timeline. This proposal won't be going through the OSB. It is not clear what the Commission is asking for. Only one or two states have adopted (ID). Pat Chapman suggested there be input from stakeholders such as Real Estate, Tax, Estate Planning, and Business Law Sections. It is not likely this will be ready for the next legislative session. It is not known whether anyone has reviewed current Oregon law and compared to the model. Chris will work on this proposal further. The Commission offered to have someone come to Oregon and speak about this proposal. The Executive Committee will consider this offer.

4. New Business. No new business.
5. Adjourn. There being no further business, the meeting adjourned at 5:20 pm.

Respectfully submitted,

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Michelle Druce, Secretary