

Oregon State Bar
Business Law Section Executive Committee
Meeting Minutes

March 16, 2016

Meeting Location: Barran Liebman (601 SW 2nd Avenue, Suite 2300, Portland, Oregon)

Present in the room:

Dani Edwards, Justin Denton, David Post, Tyler Volm, Jeff Tarr, Kenny Haglund

Present on Call:

Kyle Wuepper, Doug Lindgren, John Thomas, Tom Tongue, Lorie Hancock, Genny Kylie, Valerie Sasaki, Chris Hall

A quorum was present. The meeting was called to order at 12 pm

1. Prior Minutes

Although minutes have been presented, Kenny requested additional time to provide substantive feedback. The committee agreed to wait for Kenny's feedback to the meeting minutes.

2. Bar Liaison Report (Dani Edwards)

Nothing to report.

3. Treasurer's Report (David Ludwig assigned, Kenny reported)

David is waiting on monthly financial statements for January/February. Financial statement for end of year was forwarded to Kenny. \$60,000 ending fund balance, which is close to where we want to be. Balance is starting to get into target range.

4. Update re: HB 4058 (John Thomas and Kenny Haglund)

Bar approved our opposition to this house bill. John and Kenny went to Salem and outlined reasons why bill shouldn't pass. Committee passed the bill. Senate passed with only one no vote. Signed by the governor (deemed emergency, so effective on signature).

5. Subcommittee Reports & Discussion

- a. CLE Subcommittee (Justin Denton): The committee did not meet last month, but Lorie emailed that she and Kyle set up an event in June 10 re Indemnification. Breakfast CLE, Tyler is putting it together for May.
- b. Outreach Subcommittee (David Ludwig assigned, David P. reported): David Ludwig was not attending. David Post reported for the committee on issues that the committee has been examining including different events and ways to connect. More will be presented at the next meeting.

- c. Communications Subcommittee (Valerie Sasaki): Committee agreed to move forward with publication. Taxation section budgeted \$1,250, as of December actual was \$250. They put out 2 issues in 2015. Bar printing office does formatting for that section. Article on HB 4058 likely to be requested. Valerie will send out an email to the section to gauge interest in participating as a volunteer editorial board.
- d. New Business Lawyers Subcommittee (Tyler Volm): Committee met to brainstorm ideas. Question was whether it makes sense to take an informal or formal approach to mentoring. The Bar has identified a significant lack of transactional business attorneys in the population of volunteer formal mentors. Requirements to participate: Practice 3 years, watch a video. Dani will put Tyler in contact with Kateri Walsh. Still may do stand alone lunch for new lawyers or CLE.
- e. Legislative Subcommittee (Chris Hall): The EC voted to approve the first three proposals outlined below. Separate motion to approve the fourth proposal outlined below with the caveat that if someone has concerns, committee agreed to revisit the fourth proposal before April 1. [NOTE: No objects were presented in the week following the meeting, so all proposals were approved.] All motions were duly made, seconded, and unanimously approved.
 - i. Ratification of Defective Corporate Actions Proposal: Modeled on Model Business Corporation Act. Substantively 90% in line with what the MBC says. Will give corporations a way to correct corporate actions that are void or voidable. E.G., less than unanimous consent provisions not in organization documents. If anyone has questions or comments, please send to John with CC to Kenny.
 - ii. Holding Companies and Back-End Mergers Proposal: Chris commented on proposal circulated on legislation based on Delaware law. Back End Merger: tender offer, Buyer gets 51% of shares and then would have to go through shareholder meeting on approval of merger adopted by 51%. Very little changed relative to Delaware law, stylistic changes primarily.
 - iii. Incorporation of Electronic Technology Proposal: Kenny commented on this proposal. Based on Model business corporation act of 2009. Idea is to plug in “esign” concept into Oregon corporations code. Where model act allows shareholder consent to electronic notice, the re-arranged section will permit board and shareholder meeting and make consent the default rule (this may be limited in bylaws or articles). Shareholders would opt out by delivering a revocation. Also, if you know electronic transmittal doesn’t go through, have to affirmatively drop notice in the mail. If happens 2 times, it is a deemed revocation. Other edits are proposed to Business Corporations code to make language consistent.
 - iv. Architect Entity Proposal: Committee is also reviewing situation where: if an Architect forms as a corporation, liability protection that extends to a shareholder in a PC does not apply. The question discussed was whether Architects are aware of liability risk. The Model proposal limits liability to make consistent between

PC and Corporate organizational structure. There was a question as to whether the bar limits us to 3 legislative proposals. Proposal will be circulated to EC by email.

6. Other Business: (none)

The meeting adjourned at 12:48 pm

Next meeting:

April 20	Emerge Law Group 805 SW Broadway, Ste 2400, PDX, OR
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