

OREGON STATE BAR BUSINESS LAW SECTION
EXECUTIVE COMMITTEE

MINUTES OF MEETING
NOVEMBER 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, November 21, 2008, 2008 at Stoel Rives LLP, 900 SW 5th 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	Jason Brauser
Michelle Druce	Jason Dalton	Sally Anderson-Hansell
Andrew Ognall	Dean Alterman	
Chris Hall	Kevin Thomas	

Attendees: Peter Threlkel (UCC Division), Paul Neese (OSB), Carole Barkley, Jim Kennedy, Dick Roy, Jeff Wolfstone, Judd Sneirson,

Pat Chapman called the meeting to order and served as chair. Michelle Druce kept the minutes.

1. Approval of September Minutes The minutes for the September 19, 2008 meeting of the Executive Committee were approved with the following corrections: Jason Brauser was added to the list of attendees, and Sara Gray was included in the slate of names of member nominees.

2. Treasurer's Report/Budget Sally Anderson-Hansell reported. The 2008 budget included \$250 for Registrations – Conferences/Seminars. The 2009 budget amount for this line item is \$500 in revenue. On the expense side, (Conferences/Seminars) the actual 2007 amount was \$492 (bar expenses for registration services). The actual 2008 amount for this expense is unknown. No dollars have been spent for the newsletter or caselaw summaries this year (\$1,500 was budgeted in 2008). Pat Chapman reported that RELU puts out 6-8 newsletter issues a year and spends approximately \$9,000 - \$10,000 a year for electronic newsletters. The 2009 budget will combine the caselaw summaries and newsletters in one line item. \$12,000 will be the budgeted amount for both. Pat Chapman proposed \$25,000 as the targeted cushion amount to the OSB. Dean Alterman made a motion to approve the proposed budget and Jason Brauser seconded the motion. The motion was approved.

3. a. Bar Liaison Report

Teresa Schmid, the new Executive Director is now on board at the OSB.

b. Corporation Division Report Peter Threlkel reported. New business registrations fell 6% in October which is unusual. There was 2% more business this year than last year. There are 384,000 total business registrations. 50% of new business filings are on-line. UCC filings – there are 180,000 active UCCs dropping, 1 ½ % this year. The Agency hired a contractor to support the UCC system. They are working to redact UCC SSNs. The Agency is looking at budget cuts of up to 20% in July 2009 and possibly up to 5% in 2008.

- c. Legislative Committee Report Chris Hall reported. The OSB Public Affairs Committee turned down the proposal the Section approved via the telephone conference. The proposed legislation may still be introduced and the Section can take this matter up again.
- d. ABA Model Act Liaison – no new report.
- e. Financial Institutions/Commercial Finance Financial Institutions – Michelle Druce reported that she is discussing the future of this Committee with the Chair, Clifton Molatore
- f. CLE/Annual Meeting Dean Alterman reported the recent CLE generated positive feedback and had good attendance.
- g. Regional Outreach/Nominating guidelines – no report.
- h. Oregon Business Lawyer – Andrew Ognall reported. He is working with the Associate Dean at Lewis & Clark Law School and there are two groups that may be interested in the project. An editor and editorial board are still needed.
- i. Website – No report.

4. Old Business

a. Nomination/election of Michelle Druce as Secretary – ratify implied waiver of 1 year term limit in OSB Model Section Bylaw VI.7. -- The committee noted that Michelle Druce had been nominated and elected to a second term as Secretary of the Section notwithstanding that Article VI, Section 7 of the by-laws prohibits officers other than the Treasurer from serving two consecutive terms in the same office. After discussion, the committee unanimously adopted the following resolution, Michelle Druce abstaining:

RESOLVED, that in view of the members of the Section having elected Michelle Druce as Secretary at the Annual Meeting of the Section, and no other person having been proposed for that office, the members of the Section have waived the application of Article VI, Section 7 of the by-laws and the election of Michelle Druce is confirmed.

b. New Subcommittee – RULLCA Task Force -- The co-chairs of the Business Law Section's RULLCA Task Force are David Culpepper and John Draneas, with Chris Hall serving as the Task Force liaison to the Executive Committee. The proposed slate of other members are:

Kevin Brannon
William Caffee
Patricia Chapman
David Connell(
Gustavo Cruz
Justin Denton
David Forman
Mark Golding
Jim Kennedy
Margaret Kushner
Bob McGaughey
Matt Newell
Bob Winger
Tom Wrosch (Secretary of State liaison)

Dean Alterman motioned to approve the Task Force members and Andrew Ognall seconded the motion. The motion was approved.

c. New Subcommittee – Sustainability Liaison -- The Executive Committee discussed but left open for decision in 2009 two different committees or task forces. 1) establishing for the Business Law Section either a new standing subcommittee on Sustainability (and the practice of business law) or 2) a task force on the same issue. Will follow up with Oregon Lawyers for a Sustainable Future to see if that group had a business lawyer who would serve either as chair of or as a liaison to the Business Law Section's effort. The Section received advance word that the OSB was considering setting up its own Sustainability Task Force and that it would likely seek a liaison from the Section to serve on that Task Force. Action on these two fronts was tabled pending word from the Board of Governors regarding their (the OSB's) proposed Sustainability Task Force so that the Executive Committee can make a coordinated decision regarding Sustainability committees and task forces.

5. New Business/Good of the Order

a. OLSF Legislative Proposal – Dick Roy, Jim Kennedy, Jeff Wolfshine and Judd Sneirson presented proposed changes to ORS 60.357(5). They are looking at ways to bring corporate social responsibility into the statute. Jason Brauser and others at Stoel Rives met with Dick Roy prior to the Executive Committee meeting to discuss. The language presented at the Executive Committee meeting incorporates feedback from the prior meeting. In the proposed language, "a" and "b" are new. Oregon does not have much caselaw on the business judgment rule and the little out there is misapplied. Discussion took place regarding the preamble language. Jim Kennedy advised that there have been further revisions to the language since the draft was provided to the Section. Pat Chapman suggested adding a period in the preamble language to separate the best interests language and the optional consideration of factors language. Jason Brauser recommended separating the language using a "1 and 2" approach. Judd Sneirson advised this type of change may encourage businesses to incorporate in Oregon. Jim Kennedy advised this provision will help the business judgment rule and encourages businesses to come and stay in Oregon. The Executive Committee was encouraged to pass along any other comments. A memo will be posted on the Section website and will ask for comments.

b. Campaign for Equal Justice Contribution -- \$2,000 has been budgeted for contribution to the Campaign for Equal Justice (\$1,000 for 2007 and \$1,000 for 2008). The Executive Committee discussed looking at other organizations to contribute to in the future such as the Lewis & Clark Small Business Clinic. Dean Alterman motioned to approve contributing \$1,000 to the Campaign for Equal Justice. Andrew Ognall seconded the motion and the motion was approved.

c. 2009 Meeting Schedule -- The Executive Committee meetings for 2009 will be held the same day of the week (third Friday) at 4:00 pm, January, February, March, May, July, September and November. A calendar for the year will be sent out as well as Outlook appointments.

6. Adjourn -- There being no further business, the meeting adjourned at 5:45 pm.

Respectfully submitted,

Michelle Druce, Secretary