



**DELBERT HOSEMANN**  
*Secretary of State*

**2010 Business Reform Study Groups**  
**Minutes of the Nonprofit Corporation Laws Study Group, Meeting #2**  
**July 14, 2010**

The second meeting of the Nonprofit Corporation Laws Study Group (the “Study Group”) was called to order on Wednesday, July 14, 2010, at 11:00 A.M. at the Office of the Secretary of State, 401 Mississippi Street, Ladner Office Building, Jackson, Mississippi. A list of the persons in attendance is attached as Exhibit A.

**Introductions and preliminary remarks**

Cheryn Baker, Assistant Secretary of State for the Division of Policy & Research, and Chairman Barry Jones thanked the members for their attendance. Thereafter, the members introduced themselves.

**Approval of minutes from prior meeting**

The members voted to approve the minutes of the study group meeting held on June 29.

**Update on nonprofit corporations**

Tom Riley, Assistant Secretary of State for the Business Services Division, reported that as part of the Office’s plans to request that all nonprofit corporations in the state submit a status report, his division’s employees had been diligently searching for contact information on nonprofit corporations incorporated in Mississippi in the mid-1800s to early 1900s. Riley said that information on many of the organizations was difficult to find, but that efforts were still ongoing.

Riley stated that the goal of the project was to clean up the Secretary of State’s records by removing the thousands of nonprofit corporations still on the books but not actually in operation. Ultimately, Riley said, these older nonprofit corporations that cannot be found will be administratively dissolved. Riley assured the members that this process would be conducted carefully to make certain that entities still in operation would not be administratively dissolved.

## **Model Nonprofit Corporation Act**

William H. Clark, Jr., a partner at the Philadelphia (PA) law firm of Drinker Biddle and reporter for the subcommittee that drafted the most recent version of the Model Nonprofit Corporation Act, 3<sup>rd</sup> Ed., gave the group a brief presentation on the features of the revised Act. Clark said that the Act had been unchanged since 1987 and that the time had become ripe to address a number of issues that have arisen in the interim.

Clark stated that the previous version of the model Act separated nonprofit corporations into three distinct categories – mutual benefit, public benefit, and religious – and that this scheme was not met with wide acceptance. The revised Act, Clark said, does not adopt these categories and is much less confusing as a result. Clark pointed out that the revised Act still draws a distinction between charitable corporations and other types of nonprofit corporations, however.

Other changes to the Act, according to Clark, include:

- Allowing nonprofit corporations to adopt alternative governance arrangements, allowing them to designate a person or group of people to exercise powers that would otherwise be held only by the board;
- Director duties and liabilities;
- Removing cumulative voting; and
- Authorizing the use of electronic technology in nearly all contexts.

### **Subgroup assignments**

Ms. Baker announced that the group would be splitting into three subgroups: Subgroup 1 (definitions), Subgroup 2 (amendments), Subgroup 3 (forms, filings, website, etc.), and asked the members to volunteer for a subgroup or subgroups as soon as possible.

### **Closing**

With no further business, the meeting was concluded at 12:05 P.M.

Respectfully submitted,



Cheryn Baker  
Assistant Secretary of State, Division of Policy & Research  
Mississippi Secretary of State

## **EXHIBIT A**

### **Minutes of the Nonprofit Corporation Laws Study Group, Meeting #2 July 14, 2010**

#### **Members and Guests in Attendance:**

1. Douglas Boone
2. Tom Byrne
3. Larry Christian
4. Jim Greenlee
5. Barry Jones
6. Mark Leggett
7. Mark McCrary
8. Matthew McLaughlin
9. Kendall Moore
10. Chris Savell
11. Deanne Tanksley
12. Genie Thomas
13. Karen Wagner
14. Amy Wilson
15. Warren Yoder

#### **Members Attending by Telephone:**

1. Joe Akanji
2. Ivey Allen
3. Julia Daily
4. Darrell Galey
5. Marty Milstead
6. Susan Riley
7. Bettie Ross
8. Primus Wheeler

#### **Secretary of State's Staff:**

1. Cheryn Baker, Assistant Secretary of State, Division of Policy & Research
2. Tom Riley, Assistant Secretary of State, Division of Business Services
3. Justin Fitch, Staff Attorney, Division of Elections