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Edward N. Chacker
Chancellor
Philadelphia Bar Association
1101 Market Street, 10th Floor
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Dear Ed:

Thank you for the invitation to report to members of the Association on the activities and plans of the Business Law Section. With nearly 1,400 members, the Business Law Section is one of the largest and most active segments of the Bar. The Section is governed through four officers who serve as part of a twelve person executive committee which meets monthly. The Section has sixteen standing committees addressing major areas of interest to our members. Attached is a list of all our committees and the more than thirty individuals who lead them. In recent years, the Business Law Section has evolved to become more reflective of the diversity of our membership, more responsive to the needs and interests of today's business lawyers who practice in a variety of settings, and more connected with the Association as a whole.

Diversity

Not so many years ago, our Section was led primarily by men from a small number of law firms. Now three of our four officers are women as are a third of the members of our executive committee. People of color serve on the executive committee and lead two of our committees. In house counsel, government attorneys, and small firm practitioners have brought new perspectives and energy to our Section. As a Section we have been greatly enriched by these changes. While we must continue to improve in order to be fully representative of this community, already we are better able to understand and address the issues we face as Philadelphia business lawyers.

Fiscal Reforms

After several years of deficit spending, last year the Section increased its annual dues to \$20 effective January 1, 1999. At the same time, Audrey Talley, then Section treasurer, brought us more realistic budget plans. The combined result is that through June 30, 1999, our expenses are in line with our budget. Revenues are more than 10% ahead of our budgeted income for the year. We have taken steps to institutionalize fiscal responsibility at both the executive committee and committee levels.

New Committees

In 1998, at Len Bernstein's suggestion, we launched a new Business Litigation Committee. With strong leadership and creative programming, this committee has grown to almost 200 members many of whom were not previously members of our Section. This committee has quickly become a major contributor to our Section by, among other things, bringing important insights to our Business Court Initiative, networking with other parts of the Association, and presenting programs that help inspire other committees of our Section. This year, we have launched two more new committees. The new Cyberspace and E-Commerce Committee is chaired by Steve Foxman. Our new Small Business Committee is chaired by Blonde Grayson Hall. Hopefully, these newest committees will be able to duplicate some of the success achieved by the Business Litigation Committee.

Newsletter

Six years ago, the Business Law Section began publishing The Business Law Report as a periodic newsletter for our members. For 1999, we plan to double the number of issues of the newsletter from two to four. We also are seeking to enhance the content, emphasizing short, substantive articles rather than merely reporting on the activities and plans of our committees. The attached summer issue of The Business Law Report illustrates this shift, containing pieces on the July 21st decision of the New Jersey Supreme Court modifying controversial Opinion 33 on the unauthorized practice of law as well as a timely review on the emerging split among the circuits over requirements for pleading securities fraud. The attached issue was published by a local printer in a new saddle stitched, 12 page format.

SEC Rulemaking Proceedings

The biggest single project of our Section this year has been its participation in a public rulemaking proceeding of the U.S. Securities and Exchange Commission intended to fundamentally revise the rules governing mergers and acquisitions ("M&A proposals") and the stock registration and offering process (the "Aircraft Carrier proposals"). Our Securities Regulation Committee formed an ad hoc committee to prepare comments on the proposed rules. John Wright chaired this committee which consisted of approximately forty securities law specialists. Analysis of the 900-page document

containing the SEC proposals was divided among a number of work groups. Draft comments were assembled and edited by the ad hoc committee then approved by the Section's executive committee. In April, we submitted a ten-page comment letter on the M & A proposals and at the end of June we submitted a 34-page comment letter on the Aircraft Carrier proposals. The quality of these submissions to the SEC is a tribute to John Wright and the talented securities lawyers who contributed to the undertaking.

Legal Education Programs and Transact 1999

Nearly all our committees plan and present CLE programs in conjunction with PBI or shorter non-credit luncheon programs on topics of interest to members. Through June, our committees had presented or planned more than ten CLE programs. In addition, committees have presented a wide variety of luncheon enrichment programs. For example, the Business Litigation Committee attracted more than 75 members to hear judges and lawyers discuss "Depositions in the Post-Lewinsky Era."

This will be the fourth year of the Transact Conference, an all day CLE program co-sponsored with other Sections of the Bar Association. This year's conference will take place on September 30, 1999 under the theme of e-commerce. The attached issue of the newsletter contains a detailed description of the program. The explosive growth of e-commerce along with a concomitant host of novel legal issues should make Transact 1999 of broad appeal to members of the Association.

Business Court Initiative

As you know a representative of our Section serves as co-chair of the Chancellor's Business Courts Task Force. This year our immediate past chair Len Bernstein is serving as co-chair. Other leaders in our Section serve on the task force which continues to actively promote the establishment of a business court or track within the Court of Common Pleas in Philadelphia. Among other upcoming activities, in October the Chamber of Commerce and the Task Force will jointly sponsor a program highlighting the value of business courts and discussing strategies to establish one here. Participants will include business leaders, lawyers, association executives, and state legislators.

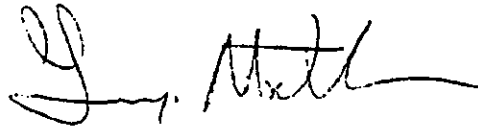
Internet Based Member Services

Our sense is that increasingly business lawyers and commercial litigators are using the Internet as an important platform from which to work. As we look to the Internet for information and communication, our Section is committed to upgrading our Web site, which is part of Philabar.com. We are encouraging the Bar Association staff as it contracts with an outside vendor to redesign and maintain the Bar's Web site beginning in September. Our new Cyberspace and E-Commerce Committee is acting as liaison with the Bar staff on this project and will, among other things, help identify legal issues to be addressed. We also are urging new proposed formats and capabilities for our Web site, including better email communications, the ability to register online for CLE and

committee programs, easy posting of information to committee sites and building links to other sites organized by area of practice and by committee. The Association's commitment to this upgrade is greatly appreciated. We think it is a key to making our Section more relevant to our members.

For the future we hope to continue to strengthen our ties with the rest of the Association, to constantly enhance the practical benefits of membership in our Section and to contribute to assuring equal access to our system of justice. We are grateful for your personal interest in our Section which has repeatedly helped us generate fresh ideas, resources and connections to advance our goals and objectives. Please do not hesitate of call on me if we can be of further assistance to the Association at any time.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Greg. Mathews", with a long horizontal flourish extending to the right.

Gregory H. Mathews

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Attachments

cc: Executive Committee Members