

HOW MICHIGAN BUSINESS COURTS ARE DRIVING CHANGE: A Status Report

Five years ago Michigan established a statewide network of 16 business courts as part of a strategy to facilitate timely, efficient and consistent resolution of complex business cases. From the outset, systems were put in place to measure and publish the court's performance, implement the necessary technology, and reengineer the court operations. This included the collection and ready availability of all business court opinions (now over 1,800) through one website (<https://tinyurl.com/y9svc9Oa>)

Past Accomplishments

Since their adoption by the Michigan Legislature in 2012, business courts – have helped many Michigan businesses cut legal dispute resolution time by years, saving businesses time and money, and helping to clear court dockets. A 2012 study found that business courts handled:

- Complex contract claims an average of 1,138 days faster than regular civil courts; and
- Complex tort-based claims an average of 718 days faster than civil courts.

<https://tinyurl.com/ycxna4jn>

The Michigan Legislature has now refined the business court's jurisdiction "to include more cases that can benefit from this specialized process and to remove others that don't fit" (The Michigan Supreme Court's report: Michigan's Judiciary Success Stories, How Michigan Business Courts Are Driving Change) ("Report") by 1) eliminating the jurisdictional amount when equitable or declaratory relief is sought and 2) broadening the definition of a covered "business or commercial dispute" to now expressly include disputes with guarantors of commercial loans and members of limited liability companies.

Justice McCormack commented in the Report:

Just as a patient might turn to a medical specialist for a specific health concern, litigants turn to business courts to help resolve complicated disputes so that companies can make decisions and plan for the future based on a clear and timely interpretation of the law. Business court judges do this using a variety of methods, including alternative dispute resolution.

The report also profiles the background and approach of four of the State's Business Court Judges.

<https://tinyurl.com/y8zrv9e>

HOW MICHIGAN BUSINESS COURTS ARE DRIVING CHANGE: A Status Report

Future Enhancements

The success of the Business Courts can be improved through a broader awareness and understanding of this valuable asset by the public and the bar. Accordingly, regular seminars are being conducted for both the judges and the attorneys that address recurring issues that come before the Court.

The Oakland County Business Court has taken additional steps to achieve the goals of the business courts. Working with an assembled group of stakeholders, including litigators (both plaintiff and defendant), neutrals and court staff, the Court has adopted standardized case management orders, a model protective order and a facilitative discovery dispute resolution process.

While additional changes may be warranted, both practitioners and the public are now witnessing the benefits of the State's efforts to improve the process of litigating and resolving business disputes.

Mark L. Kowalsky is a member of the Firm's Litigation, Securities and Privacy and Data Security Practice Groups, specializing in general civil litigation with concentrations in securities law, commercial disputes and franchise litigation. He is routinely involved in handling disputes that relate to securities investments and brokerage industry employment. In general litigation matters he assists clients in disputes regarding contracts, non-competition agreements, trade secrets, employment, shareholders, partnerships and dissolutions. He also represents clients in securities enforcement and regulatory matters.

Any questions contact Mark at mkowalsky@jaffelaw.com or 248.351.3000



This summary is provided as an information service to our clients and friends. This summary is not intended and should not be used as legal advice or opinion.