

# Corporate minute books: A case study from McMillan LLP



**mcmillan**

The response from our clients to using Firmex has been extremely positive. The product is very intuitive to use and once they see how organized their corporate record books can be, they want to use it for everything! Firmex's 24/7 support is also something our clients feel good about.

— Janette Nicholson, Manager,  
Online Content and  
Collaboration, McMillan LLP

## ABOUT MCMILLAN LLP

McMillan is a modern and ambitious business law firm serving public, private and not-for-profit clients across key industries in Canada, the United States and internationally. With recognized expertise and acknowledged leadership in major business sectors, we provide solutions-oriented legal advice through

our offices in Vancouver, Calgary, Toronto, Ottawa, Montréal and Hong Kong.

McMillan has been a client of Firmex since September 2011, using our platform to securely share documents relating to M&A, litigation, labour & employment and, more recently, manage corporate minute books.

## THE CORPORATE MINUTE BOOK CHALLENGE

A minute book is a convenient repository for the organization and storage of critical corporate documents, including articles of incorporation, by-laws, minutes of meetings, written resolutions, ledgers/registers and the actual issued share certificates.

Maintaining a corporate minute book involves recording at least annually (or in some cases more frequently) the following events:

- appointment of the directors and officers for the ensuing year;
- appointment of the accountants for the ensuing year;
- approval of the financial statements for the prior year;
- recording all shareholder loans made to/paid by the corporation for the prior year;

- recording all declared dividends (either taxable or capital dividends) for the prior year;
- recording all management bonuses paid by the corporation during the prior year
- recording all share transfers, changes in fiscal year end, or other key circumstances which
- did not get recorded at the appropriate time during the prior year.

Corporate lawyers often assist in organizing and preparing the corporate minute book on behalf of their client. However, many law firms struggle with managing the process. Locating and sharing all necessary documents can be labor intensive, and document storage can often be unsecure.



### 3 reasons to maintain corporate minute books in the cloud

1. It's the law. Many state, provincial and federal corporate statutes impose legal obligations to maintain minute books in the manner described above. Although rare, statutory penalties may apply for failure to attend to these matters.
2. Various third parties may need to examine your clients' corporate minute books from time to time, including their accountants, bankers or other revenue agencies.
3. If your client ever sells their business, the purchaser may want legal opinions relating to various corporate matters, so maintaining up-to-date minute books online will make the selling process easier (and likely less expensive).

### HOW MCMILLAN TRANSFORMED THE PROCESS

As a value-added service for their clients, McMillan now maintains and manages access to corporate minute books through Firmex. Retaining corporate record books within the cloud allows McMillan to maintain client contact on a continuous basis, not just during renewal periods.

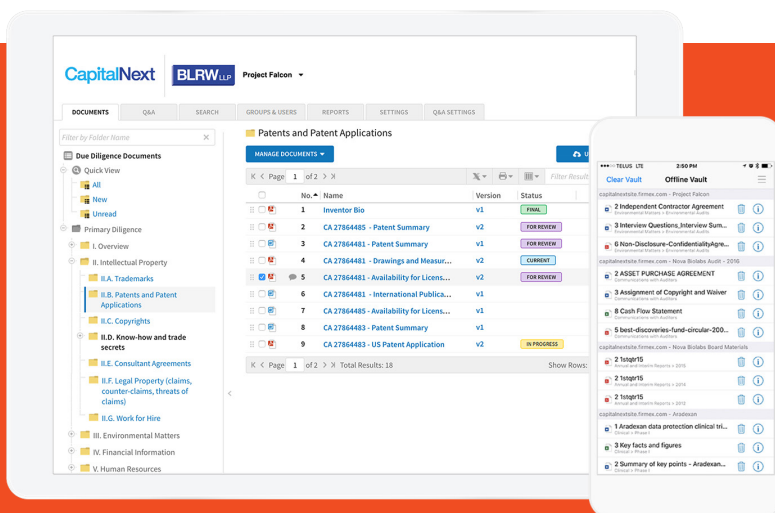
McMillan's in-house business centre scans and uploads corporate record books, along with any updates, into Firmex. Each client's minute book is maintained in a separate, secure online project. Documents are imported using a simple drag and drop. Granular user permissions, folder level security, and Digital Rights Management on documents ensure that each client's confidential information remains secure.

Clients can login and view their corporate documents, and upload new versions where appropriate. In some cases, organizations comprised of multiple companies keep all of their record books together in Firmex, organized into different project folders.

External third parties, such as accountants, bankers and revenue agents, can login to review information, but will only see the documents they are granted access to. Automatic email notifications get sent to clients when documents are added or updated, allowing McMillan to be responsive and transparent in how they communicate with each client. Clients have unlimited access to their corporate documents from anywhere, any time.

With an annual subscription, we've been able to move more processes online without incurring the huge costs often required to do so. We get unlimited data, storage and users for one fixed price.

— Janette Nicholson, Manager, Online Content and Collaboration, McMillan LLP



### The world's most trusted virtual data room.

As one of the most widely used virtual data rooms, Firmex supports complex processes for organizations of all sizes including diligence, compliance, and litigation. Since 2006, Firmex has helped professionals take control of their confidential documents.

**FIRMEX**

110 Spadina Avenue, Suite 700  
Toronto, Ontario M5V 2K4

North America  
+1.888.688.4042

Europe  
+44 (0)20.3371.8476

International  
+1.416.840.4241

firmex.com