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A Tribute to Professor Stephen H. Schulman

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A TRIBUTE TO PROFESSOR STEPHEN H. SCHULMAN

ALAN S. SCHENK¹

I am honored to have this opportunity to write the tribute for this issue of *The Wayne Law Review*, dedicated to my dear friend and colleague, Stephen H. Schulman. This teacher, scholar, law reformer, and consultant blended his substantive knowledge, analytical expertise, and remarkable communication skills in the classroom, in his articles and his treatise, in his work with the bar, and in his representation of private litigants. In 1994, upon the recommendation of the faculty, the university appointed Stephen H. Schulman as Professor Emeritus. In many ways, the change in title was a formality. Stephen remained very much a part of the life of the law school. In retirement, he continued to co-teach Business Planning and teach a Securities Law Seminar, until he was hampered by a stroke in 1999. His office still exhibited the sign "Yes, I mind your not smoking," although the law school building had become a no smoking zone.

Stephen Schulman's legal career started with three years in private practice followed by five years with the New York State Attorney General's Office. He received his J.D. from Columbia University School of Law in 1956, and an LL.M. in Corporations from New York University School of Law in 1966. In 1966, Wayne State University Law School expanded its enrollment in anticipation of the opening of its new building, with Stephen and

¹Professor of Law, Wayne State University. Thanks to Professor Janet Findlater for her contributions to this tribute.

This tribute is based in part on *A Tribute to Professor Stephen Schulman*, published in 42 WAYNE LAW REVIEW 1805 (1996).

five others hired that year.¹ He started as an Associate Professor, and was promoted to full Professor and granted tenure in 1969. He visited at the University of Michigan Law School twice, once in 1972 and again in 1985.

In his early years on the faculty, Stephen taught Corporations, Administrative Law, and Antitrust. He later concentrated on corporate and securities laws, teaching Corporations, Business Planning, and a Securities Law Seminar.

Stephen Schulman had more than 5,500 students in his classes over the past 28 years, accounting for about forty percent² of the law school's over 9,000 graduates by 1994. He probably taught more students than any other professor in the history of the law school. Stephen Schulman was recognized by his students, alumni, and the university community as one of Wayne's premiere teachers. Before his retirement, he received every teaching award he was eligible for at the law school and the university. In 1979, one of the first years that the university recognized faculty for the President's Award for Excellence in Teaching, Stephen was singled out as one of the university's outstanding teachers. He was honored by the alumni with the 1982 Donald H. Gordon Award for Excellence in Teaching. He also amassed a number of plaques for the years in which he was selected by the student body as the Professor of the Year.

Stephen's accomplishments in the classroom were equaled by his contributions to the reform of Michigan corporate law through his work on the Michigan Bar Association's Business Law Section. Stephen served as co-reporter for the Michigan State Bar Business Law Section Subcommittee on the Revision of the Michigan Business Corporation Act (MBCA). His treatise on the MBCA, *Michigan Corporation Law & Practice*,³ which he most recently co-

1. The law school moved into its new building in the summer of 1966. Chief Justice Earl Warren dedicated the building that fall.

2. This takes into account students who have taken two or more courses from Stephen during their tenure at the law school.

3. This book, with annual supplements, is part of the National Corporation Law Series published by Prentice Hall Law & Business.

authored with Cyril Moscow and Margo Rogers Lesser, is an indispensable guide to practitioners in this state and elsewhere. Stephen also wrote many highly-respected articles on various aspects of corporate and securities law. He lectured to practicing lawyers on Michigan's corporate law, and he served as consultant to lawyers in Michigan on the state's corporate law. In May 1994, the council of the Business Law Section of the State Bar of Michigan recognized Stephen Schulman as the leading authority on the Michigan Business Corporation Act. In a formal resolution, it recognized "with appreciation the many valuable contributions of Professor Stephen H. Schulman to teaching, scholarship and legislation in the area of business law and commend[ed] him for his devotion to legal education and the improvement of the law."

Stephen served as faculty advisor to the law review for 27 years, and was a loyal contributor to *The Wayne Law Review*. He published nine of his articles (a few with co-authors) in the *Review*. In 1995, the Law Review presented Stephen with a certificate of recognition and appreciation. The plaque reads in part: "He has been dedicated to the improvement of the law, has devoted himself to his students, and to the highest principles of legal scholarship."

An avid reader of history and fiction, Stephen took care to parse each sentence he wrote and hone every turn of phrase. His impressive list of articles covers a wide spectrum of corporate law issues, but they are bound by some common threads. In a principled way, Stephen worked through his writing and his bar activity to provide a better system of corporate governance, attempting to strike a balance between the rights of shareholders and creditors with the responsibilities of management. Stephen's writing is characterized by the fluidity of his prose and his meticulous devotion to details evidenced by his textual footnotes. He was relentless in his attention to detail. Every fine point had to be researched and debated, every footnote had to be re-written and fine tuned. The reader willing to mine his legendary, lengthy footnotes will find in them seeds for many other articles yet to be written.

A couple of Stephen's articles dealt with successor liability—the

liability of a purchaser or a successor corporation for the liabilities of the seller or predecessor corporation. One of the articles, *Assets Sales and Products Liability*⁴ was co-authored with Professor Friedrich Juenger. Professor Juenger relied on the theories developed in this article when he participated in a spirited American Law Institute debate on successor liability. Stephen's scholarship does not go out of style. Another article, co-authored with Alan Schenk, analyzes shareholder rights in triangular acquisition transactions. A significant part of that article is reproduced in David Herwitz's classic Business Planning text.

The summer 1996 issue of the Wayne Law Review was a symposium on corporate law dedicated to Stephen Schulman. The authors in that Symposium, by their contributions, paid tribute to Stephen. Stanley Siegel, the reporter for the 1973 revision of the Michigan Business Corporation Act (MBCA), co-authored with Stephen and Cy Moscow *Michigan Business Corporations*, the predecessor to the *Michigan Corporation Law & Practice* treatise. Cyril Moscow and Hugh Makens are among the leaders of the Michigan bar in the fields of corporation and securities law. Stephen and Cy led efforts to reform the state's corporation law, as has Hugh Makens with respect to the state's securities laws.

Stephen was an important part of the professional and personal lives of many of us on the faculty. He always had the time and the interest to discuss professional or personal issues with us. Stephen gave endlessly of his time, reviewing drafts of articles and discussing professional ideas with his colleagues at Wayne and elsewhere. He was especially generous in mentoring colleagues new to teaching. Stephen will be remembered for his rare wit, good nature, and decency. He was a wonderful colleague, scholar and teacher, and a faithful friend.

4. The article originally appeared at 22 WAYNE L. REV. 39 (1975).

PROFESSOR STEPHEN H. SCHULMAN

PETER J. HENNING[†]

ERIC KADES[‡]

Steve Schulman was a legend, at least in Michigan legal circles, when we arrived at Wayne State in the mid-1990's as his erstwhile successors as Corporations teachers. Clearly no one could succeed Steve, and all the teaching awards, legislative drafting, and scholarly work were intimidating—until you'd spent your first five minutes with him. Steve maintained something that most accomplished academics lose regarding their work: humility, perspective, and a sense of humor. While work mattered to him, he knew that many other things mattered more. In his honor, we offer brief vignettes from our too-brief friendship with one of Wayne State University Law School's brightest gems.

- With almost alarming regularity, Steve would burst into one of our offices—sometimes shouting for the other to join in—and decry the latest failure of the law, a court, or the SEC. Without the slightest warning, beyond a deafening clearing of his throat, Steve would intone, “Section 489 is all screwed up!” It was a testament to how comfortable he made us feel that we never shied away from sounding dumb and asking, “*What is § 489?*”¹
- Food, especially sweets, was never safe around Steve. The

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1. Section 489 of the Michigan corporate code deals with oppression in close corporations. MICH. COMP. LAWS ANN. § 450.1489 (West 1990). While Steve thought it was a mess until the day he died, its clarity is a fine example of his approach to corporate statutes that emphasized simplicity and completeness over the convoluted approach of other jurisdictions, like Delaware, that he frequently decried.

arrival of a teaching candidate for a campus interview meant that doughnuts were available in the faculty lounge, and there were never any leftovers. To meet Steve's insatiable demand, eventually we took to maintaining a stock of candy and cookies for him, although he complained about how undependable we were when he found the office doors locked.

- Steve was truly the last of the great smokers. He was a far more creative and convincing advocate for cigarettes than all the tobacco companies' Madison Avenue talent combined, for he truly believed in his cause. It always mystified him that the stock of Philip Morris and other tobacco companies languished when he contributed so much to their bottom line every year. At the same time, Steve willingly traipsed outside (no mean feat for a man who had been smoking four packs a day for decades) to accommodate the sensitivities of a new colleague.
- A child of the 1960's, bachelor Steven in his 60's led a much more exciting life than either of us. He would come for advice on exactly how much he should disclose to each of two women he was dating. We didn't have much to offer in the way of counsel, but did appreciate the vicarious thrills.
- Steve rooted for us and sincerely hoped that we would succeed in academia. He offered to serve as a whip with the faculty, measuring sentiment as the vote on tenure approached. Steve never showed a trace of haughtiness, condescension, or dismissiveness to the junior faculty. He was an ideal senior colleague.
- With Steve, the glass was definitely half-empty, and the half that was left was usually substandard. Who else could have spent all of the 1990's, the greatest bull market in American history, nervously waiting for the market to crash and

proclaiming each 100 point drop in the Dow as the day of reckoning;² Steve's political antenna was equally sensitive as he worried incessantly about Clinton's chances against Dole throughout the campaign of 1996, seeing danger in every poll and predicting a surprise far greater than Truman's in 1948.

Steve made our lives better as scholars, teachers, and colleagues. Corporate law—to say nothing of the next presidential campaign—will be less interesting without him.

2. Then again, with the collapse of the NASDAQ in 2000-2001, maybe we should have listened more closely.