

Uniform Securities Act of 2002 Subcommittee of the Michigan Bar
Association, Business Law Section

**REPORT PREPARED FOR THE STATE BAR OF MICHIGAN
BUSINESS LAW SECTION COUNCIL MEETING
June 4, 2005**

1. Next Scheduled Meeting of the Committee

To be determined after discussion of the Uniform Securities Act with state officials.

2. Council Approval

None.

3. Membership

We last corresponded with our members on April 2, 2003 and on July 24, 2003 to provide status reports. We currently have 45 members, including the co-chairs. No targeted diversity effort has been made to date. We are presently unaware of the diversity composition of our membership which will change after our first meeting, which is anticipated after a new Uniform Securities Act bill progresses.

4. Accomplishments Toward Committee Objectives

The proposed Michigan version of the Uniform Securities Act of 2002 was resubmitted as HB 5746 by Rep. James Koetje of the 86th District. The bill again passed the House last year, but did not pass the Senate before the session ended. We are meeting with representatives of the Office of Financial and Insurance Services on June 7 to discuss the legislation.

5. Meetings and Programs

None at present time, but OFIS has asked our committee to assist with rule drafting as adoption of the bill nears fruition.

6. Publications

None.

7. Legislative/Judicial/Administrative Developments

House Bill 5746 failed to pass the legislature before the session ended. There are two controversial matters relating to the bill. OFIS said that they won't

support the bill unless variable annuities are included within the definition of security. Also, the banking exclusion from the present Michigan Uniform Securities Act was continued in HB 5746, despite the changes made at the federal level as the result of Gramm Leach Bliley. OFIS has taken no position on that issue, but the Securities Industry Association opposes the bill if the functional regulation concept is not adopted.

8. Miscellaneous

None.

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Respectfully submitted,

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