

Uniform Securities Act (2002) Subcommittee of the Michigan Bar
Association, Business law Section

**REPORT PREPARED FOR THE STATE BAR OF MICHIGAN BUSINESS LAW
SECTION COUNCIL MEETING**

1. Next Scheduled Meeting of the Committee

To be determined after introduction of legislation.

2. Council Approval

No additional bills required.

3. Membership

We last corresponded with our members in 2003. We then had 45 members, including the co-chairs. We have been waiting for legislative action before communicating again. No targeted diversity effort has been made to date. We are presently unaware of the diversity composition of our membership.

4. Accomplishments Toward Committee Objectives

The proposed Michigan version of Uniform Securities Act (2002) was resubmitted as HB 5746 in 2004. We have discussed the proposed legislation with the Office of Financial and Insurance Services, located a sponsor in the House of Representatives and again have obtained a draft bill from the Legislative Service Bureau.

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

In 2004, House Bill 5746 was voted out of the Commerce Committee and sent to the full House for consideration, but did not progress before the session ended. There were two controversial matters relating to the bill. OFIS insisted that variable annuities be included within the definition of security, which created insurance industry opposition. OFIS continues to object to the bill. Also, the Securities Industry Association wants banks regulated under the bill.

The proposed sponsor, Representative Bill Huizenga, has withheld bill introduction in the current session pending assurances that there would be sufficient support to obtain passage. We have tried to stimulate support from the local private equity industry. Passage of the bill is unlikely this year.

8. Miscellaneous

None.

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Respectfully submitted,

Hugh H. Makens
Warner, Norcross & Judd LLP
900 Fifth Third Center
111 Lyon Street NW
Grand Rapids, Michigan 49503-3487
616-752-2117

Cyril Moscow
Honigman Miller Schwartz and Cohn LLP
2290 First National Building
Detroit, Michigan 48226
313-465-7486

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