

**REGULATION OF SECURITIES COMMITTEE
REPORT PREPARED FOR THE MARCH 10, 2011 COUNCIL MEETING**

1. Next Scheduled Meeting of the Committee

Next scheduled meeting of the Committee: To be scheduled.

2. Council Approval

No approvals are being requested.

3. Membership

We have been providing our Committee members with proposed rules and transition orders relating to the new Michigan Uniform Securities Act. We continue to add new members to our Committee.

4. Accomplishments Toward Committee Objectives

Members of our Committee have been assisting the Michigan Office of Financial and Insurance Regulation ("OFIR") with issues under consideration for transition orders relating to the new Michigan Uniform Securities Act. Members of our Committee have most recently provided assistance to OFIR regarding investment adviser issues. Specific matters addressed have included performance fees, custody of client funds and securities, and advisers to private funds.

5. Meetings and Programs

We intend to meet in the next few months when additional rules or transition orders are made available to consider and comment on under the new Michigan Uniform Securities Act.

6. Publications

Nothing new to report on this topic since my report for the December 4, 2010 Council meeting.

7. Methods of Monitoring Legislative/Judicial/Administrative Developments and Recommended Action

The new Michigan Uniform Securities Act (designated Act No. 551 of the Public Acts of 2008) became effective October 1, 2009. OFIR has issued five transition orders to address issues that are expected to arise under the new Act between when it became effective and when rules are

promulgated to implement the new Act. OFIR has also issued drafts of some of the rules for the new Act. Diane Bissell of OFIR has been doing an excellent job keeping us up to date on drafts of the transition orders and rules as they become available, and on the transition orders as they are issued. A sixth transition order relating to investment advisers, which the Chairman of our Committee helped draft, is expected to be issued in the next few months.

8. Miscellaneous

Nothing to report.

If I can be of help to you, please let me know. My contact information is Jerry Schwartz, Dickinson Wright PLLC, 500 Woodward Avenue, Suite 4000, Detroit, Michigan 48226. Phone: 313-223-3628. Email: jschwartz@dickinsonwright.com.

Date: March 4, 2011