

**REGULATION OF SECURITIES COMMITTEE
REPORT PREPARED FOR THE MAY 6, 2011 COUNCIL MEETING**

1. Next Scheduled Meeting of the Committee

Next scheduled meeting of the Committee: a meeting is being planned for June.

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. On March 11, 2011, we provided each member of our Committee, by email, a copy of the Sixth Transition Order, which had been finalized and issued by the State of Michigan earlier that day.

We continue to add new members to our Committee, and have recently added two women members, one of whom is a member of a minority group.

4. Accomplishments Toward Committee Objectives

Members of our Committee have been assisting the Michigan Office of Financial and Insurance Regulation ("OFIR") with issues relating to the new Michigan Uniform Securities Act. We most recently assisted OFIR with investment adviser issues, including issues relating to performance fees, custody of client funds and securities, and advisers to private funds. The Sixth Transition Order, which addressed these issues, was finalized and issued by the State of Michigan on March 11, 2011.

5. Meetings and Programs

We are currently planning a meeting for June, and are now lining up Committee members to provide updates at the meeting on recent securities developments, and other matters.

6. Publications

Two securities articles were included in the Spring 2011 edition of The Michigan Business Law Journal:

- *A Brief Overview of Michigan Securities Regulation*, by Diane L. Bissell, and
- *The New Form ADV Part 2 and the "Plain English" Movement of the SEC, FINRA, and Michigan's OFIR*, by Michael B. Coakley and Matthew P. Allen.

Also, Brad Wyatt is working on an article for a future edition of The Michigan Business Law Journal, which is expected to be titled *Michigan Opens Doors to Venture Capital and Private Equity Funds*.

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 six 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.

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.

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