

## **Regulation of Securities**

### **Report Prepared for the September 25, 2008 Council Meeting**

By Jerry Schwartz

**1. 2008-2009 Budget Request and Anticipated Use of Funds.**

\$1,000, for meetings of the Committee and related expenses.

**2. Use of Budgeted Funds 2007-2008.**

Used a portion of the requested funds for committee meeting refreshments and other meeting expenses. The remainder was not used.

**3. Next Scheduled Meeting of the Committee.**

Most recent meeting held June 10, 2008. The date of the next meeting will depend in part on the progress of the proposed new Uniform Securities Act (2002) in the Michigan legislature, and when the Committee can be helpful in reviewing and commenting on proposed rules for the Act.

**4. Council Approval.**

No approvals are being requested.

**5. Membership.**

During the past two years, we have created a current Committee membership of about 70 persons, including men and women with experience ranging from very little to extensive, members of law firms of all sizes, attorneys from private and public companies, an attorney from the Michigan securities office, and from a law school.

**6. Accomplishments Toward Committee Objectives.**

The Committee was successfully organized. Its members wrote articles for the securities law edition of *The Michigan Business Law Journal* published for the Fall of 2007. The Committee meets periodically, and has established communications with the staff of the Michigan securities office.

## **7. Meetings and Programs.**

The Committee met Tuesday, June 10, 2008. The following presentations were made at the meeting:

- Stuart Sinai—"Stoneridge: Escape from Securities Liability Notwithstanding Active, Intentional, Deceptive Conduct" (re Rule 10b-5)
- Patrick Haddad—Recent Amendments to Regulation D
- Christopher Persaud—"Carbon Offsets and Their Relevance for the Securities Lawyer"
- Linda Cena (Securities Director of the Michigan Office of Financial and Insurance Regulation)—Proposed New Uniform Securities Act

## **8. Publications.**

The following members of the Committee wrote articles for the Fall 2007 issue of *The Michigan Business Law Journal*, that included securities related topics: (i) Ed Lucas, "Internet Delivery of Proxy Materials: SEC Adopts New E-Proxy Rules", (ii) Mark Metz, "Checking the Bush While Keeping the Bird in Hand – The Advent of the 'Go Shop' Provision in Acquisition Agreements", and (iii) Shane Hansen, "Application of Federal Privacy Laws and Regulations to Changing Employment Relationships in the Securities Industry."

## **9. Legislative/Judicial/Administrative Developments.**

The Uniform Securities Act (2002) was introduced in the Michigan legislature on July 10, 2007 as House Bill 5008 (primary sponsor: Bill Huizenga). The Bill passed the House on April 30, 2008 by a vote of 106 to 0. On May 1, 2008, it was assigned to the Senate Committee on Banking and Financial Services. Predictions have been made that the Bill will continue its progress through the legislature.

## **10. 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](mailto:jschwartz@dickinsonwright.com).

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