

Regulation of Securities

Report Prepared for the December 5, 2009 Council Meeting

By Jerry Schwartz

1. 2009-2010 Budget Request and Anticipated Use of Funds.

\$1,500 for refreshments for committee meetings, for lunch or dinner meetings, and for conference calling expenses.

2. Use of Budgeted Funds During 2008-2009.

Budgeted funds were used for refreshments for meetings, and conference calling expenses for meetings. During the past several years, we have used less than half of the \$1,000 annually budgeted amount.

3. Next Scheduled Meeting of the Committee.

Our most recent meeting was held on August 24, 2009. We expect to schedule another meeting in a few months, when the next draft of the rules for the new Michigan Uniform Securities Act (2002) has been completed and is available from the Michigan Office of Financial and Insurance Regulation ("OFIR") for our Committee's review.

4. Council Approval.

No approvals are being requested.

5. Membership.

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, attorneys from the Michigan Securities Division, and from a law school. The Committee has some diversity, and we are looking for opportunities to expand the Committee's diversity.

6. Accomplishments Toward Committee Objectives.

During the past few months, members of our Committee have reviewed and provided comments to OFIR on its drafts of transition orders relating to Michigan's new Uniform Securities Act. The new Act became effective October 1, 2009. On October 1, 2009, several members of our Committee were speakers at a seminar on the new Act that was jointly sponsored by ICLE and the Business Law Section.

7. Meetings and Programs.

OFIR is working on a revised draft of the proposed rules for the new Michigan Uniform Securities Act. We expect to schedule meetings to review the revised draft later this year when it is available.

8. Publications.

Transition orders issued by OFIR that relate to the new Michigan Uniform Securities Act have been provided to members of the Committee.

9. Legislative/Judicial/Administrative Developments.

The Uniform Securities Act (2002), designated Act No. 551 of the Public Acts of 2008, became effective October 1, 2009. OFIR has issued transition orders to address issues that are expected to arise under the new Act between when it became effective on October 1, and when rules are promulgated to implement the new Act.

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.

Date: November 29, 2009