

STATE OF MICHIGAN
DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU

In the Matter of:

Securities Issued by Public Utilities

GENERAL EXEMPTION ORDER

WHEREAS, Section 402(a)(6)(B) of the Michigan Uniform Securities Act, 1964 PA 265, as amended (the "Act"), provides a securities exemption for any security issued or guaranteed by any public utility "regulated in respect of the issuance or guarantee of the security by...any state...."; and

WHEREAS, the Michigan Public Service Commission's statutory authority over a public utility's securities has been repealed by P.A. 246 of 1995; and

WHEREAS, Section 412(a) of the Act provides in part that "the administrator may from time to time make, amend, and rescind...orders as are necessary to carry out the provisions of this Act...."; and

WHEREAS, public utilities continue to be regulated in respect to their rates and changes by the Michigan Public Service Commission; and

WHEREAS, the Bureau finds that the issuance of this Order is necessary and appropriate in the public interest and for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Section 412(a), that the securities of public utilities whose rates and charges are regulated by the Michigan Public Service Commission shall be exempt pursuant to Section 402(a)(6)(B) of the Act.

IT IS FURTHER ORDERED, that unless the securities of said public utility are sold through a registered broker-dealer, the individuals offering and selling said securities must request an agent exclusion order from the Bureau pursuant to Section 401(b) of the Act.

IT IS HEREBY FURTHER ORDERED, that the antifraud provisions contained in Section 101 of the Act, shall be applicable to the public utilities falling within this order.

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

Signed by Carl L. Tyson, Director
Corporation, Securities and Land Development Bureau
6546 Mercantile Way
P.O. Box 30222
Lansing, Michigan 48909

Dated: July 17, 1996
Lansing, Michigan