

Effective January 1, 2011
Notice of Charitable Bond/Non-Profit Exemption Rescinded

On November 1, 2010, the Office of Financial and Insurance Regulation (OFIR) issued the Fifth Transition Order Administering the Michigan Uniform Securities Act, Order No. 10-097-M (Order). The Order identifies the self-executing charitable bond/non-profit exemption that is provided under MCL 451.2201(g) which states in part:

“1. Beginning January 1, 2011, pursuant to Section 201(g) of the Act, MCL 451.2201(g):

(a) With respect to the offer or sale of a note, bond, debenture, or other evidence of indebtedness by a person described in Section 201(g) of the Act, MCL 451.2201(g), the self-executing exemption from the registration requirements of the Act set forth in Section 201(g) of the Act, MCL 451.2201(g), shall be available only for an offer or sale of a security that is part of an issue having an aggregate sales price of \$500,000 or less and sold to a bona fide member of the issuing organization without payment of a commission or consulting fee.

(b) The offer or sale of a note, bond, debenture, or other evidence of indebtedness by a person described in section 201(g) of the Act, MCL 451.2201(g), who does not qualify for the self-executing exemption under section (a) above, shall register the securities under section 304 of the Act by:

(i) Filing with the Administrator, at least 20 days before the offer or sale of the security, an offering circular or prospectus specifying the material terms of the proposed offer or sale and copies of any proposed sales and advertising literature to be used, and

(ii) Paying to the Administrator a registration fee of \$250.00 dollars.

(c) Unless the Administrator notifies the issuer in writing within 20 business days that the registration is disallowed, the securities shall be deemed approved registered under section 304 of the Act.”

Therefore, please note that the self-executing exemption that was applicable from October 1, 2009, when the new Michigan Uniform Securities Act, Public Act 551 of 2008 became effective, through January 1, 2011 no longer exists.

Charitable Bond/Non-Profit Filings can be mailed to:

Office of Financial and Insurance Regulation
Securities Division
Attn: Anne Brown
611 W. Ottawa Street, 3rd Floor
Lansing, MI 48933

OFIR's Toll-Free Hotline 1-877-999-6442

Please see the [Fifth Transition Order Administering Michigan Uniform Securities Act](#) for further information.