

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU¹

ANNUAL REPORT FOR FISCAL YEAR 2013

This annual report of the Corporations, Securities & Commercial Licensing Bureau (the Bureau) for the period beginning October 1, 2012 and ending September 30, 2013 is submitted in accordance with Section 212 of the Michigan Occupational Code, PA 299 of 1980, being MCL 339.101 et seq., and on behalf of each of the statutory boards in accordance with Section 306(3) of the Code, supra.

The Bureau, with a staff of 149, performs the public facing duties of helping to grow business activity in Michigan through the Corporations Division, and by protecting the health, welfare, and safety of Michigan citizens through regulatory and licensing functions of the Audit and Examination, Licensing, and Enforcement divisions. The Bureau oversees three major programs: the licensing and regulation of occupations and professions, the licensing and regulation of persons registered under the Uniform Securities Act (2002), 2008 PA 551, and the filing of business entities including corporations, limited liability companies, limited liability partnerships, and partnerships. Overall, the Bureau provides services allowing for the economic mobility of individuals, and the formation of business organizations within the state, while protecting the Michigan consumer.

The Bureau is organized by six major areas of responsibility: Bureau Administration & Administrative Services; Corporations Division; Enforcement Division; Licensing Division; Audit and Examination Division; and Regulatory Compliance Division. Bureau Administration & Administrative Services include: Overall Bureau policy direction; Informational Sales Program; Testing, Education, and Information Management Services; Administration of Cemetery Regulation within the State; and other Bureau-level services or functions. The Corporations Division is divided into three sections: Document Review; Marks and Annual Filings; and Business Services. The Enforcement Division is divided into three functional units: Technical; Investigative Services; and Ski Area & Amusement Safety Unit. The Licensing Division is organized into five sections that administer applications and regulatory requirements for 35 occupations or professions and their various license types. The Regulatory Compliance Division is responsible for: drafting formal complaints and other orders or legal pleadings; conducting compliance and settlement conferences; coordination of legal representation at administrative hearings; represent the Bureau at select administrative hearings; final order compliance monitoring; reviewing and issuing of subpoenas; reviewing securities product and living care facility orders; and the review and response to Freedom of Information Act (FOIA) requests for Bureau records. The Audit & Examination Division is divided into two sections; occupational audits and securities examinations, while also being responsible for the Living Care Disclosure Act and certain components of Securities Product Registration.

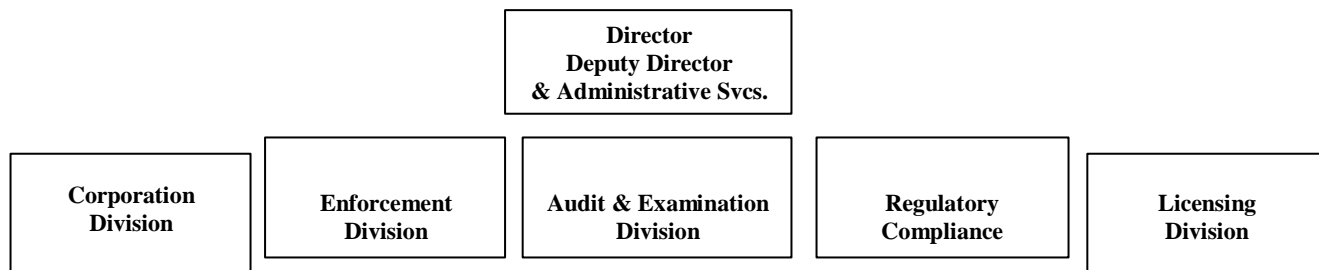
During FY 2013, the Bureau went through some additions and changes that affected the roles of the Bureau. Executive Order 2012-13, effective November 5, 2012, transferred the Securities Division to LARA from the Office of Financial and Insurance Regulation and LARA assigned administration of the Uniform Securities Act (2002) and the Living Care Disclosure Act to the Bureau. However, the staff in that Securities Division did not move to the Bureau offices until April of 2013. Tasks of the Securities Division were integrated into like areas of the Bureau. Enforcement of all statutes administered by the Bureau is centralized in the Enforcement Division. Licensing Division handles registration of broker-dealers, agents, investment advisers and investment adviser representatives, and Regulation D and mutual fund filings. Audit & Examinations Division handles examination of firms and product exemption and registration filings. Regulatory Compliance Division handles final orders, hearing requests and final order monitoring. Investor Education is handled by Testing, Education & Program Services.

¹ “The Bureau of Commercial Services” was renamed the “Corporations, Securities & Commercial Licensing Bureau” effective on February 1, 2013.

On April 23, 2013, the Bureau Director was designated as the Cemetery Commissioner, after the former Cemetery Commissioner accepted a position with another Bureau.

The following organizational chart provides a pictorial representation of the Bureau's offices. In the pages that follow, the role of each Division is discussed relative to the three major programs administered by the Corporations, Securities & Commercial Licensing Bureau. A breakdown of appropriations follows; it should be emphasized that user fees fund both parts of the Bureau, or revenue generated by the Bureau's role as a licensing agency for commercial activity.

**CORPORATIONS, SECURITIES & COMMERCIAL LICENSING
BUREAU**



CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

FISCAL YEAR 2013 APPROPRIATION

Appropriated F.T.E.'s	192.0
Licensing & Regulation Fees	\$11,998,200
Real Estate Education Fund	\$338,100
Real Estate Enforcement Fund	\$694,300
Real Estate Appraiser Continuing Education Fund	\$47,000
Residential Builder Enforcement Fund	\$450,800
Private Occupational School	\$832,200
GF/GP	0
Corporation Fees	\$6,728,000
Unarmed Combat Fund	\$124,700
Security Business Fund	\$340,100
Accountancy Enforcement Fund	\$404,800
Security Fees	\$5,080,200
Securities Investor Education and Training Fund	\$1,000,000
GROSS APPROPRIATIONS	<u>\$28,038,400.00</u>

Corporations, Securities & Commercial Licensing Bureau

Legislative Summary

From October 1 to December 31, 2012, there were 49 Senate bills and 135 House bills introduced, of which, 25 bills pertained to the Bureau. The Bureau completed 25 reviews and 23 bill analyses; 19 of which were analyses completed on bills introduced earlier in the 2011-2012 legislative session.

From January 1 to September 30, 2013, there were 559 Senate bills and 1,019 House bills introduced, of which, the Bureau reviewed 120 bills and completed 45 bill analyses. Additionally, the Bureau completed 16 analyses on draft bills, not yet introduced.

These numbers do not reflect the numerous drafts and substitutes the Bureau reviewed.

Below is a summary of the legislation that passed during Fiscal Year 2013.

2013 PA 307 (SB 1258 of 2012), effective October 1, 2012, amends the Uniform Securities Act to maintain the 2011-2012 FY fees that would otherwise expire (sunset) on September 30, 2012 through September 30, 2015.

2012 PA 308 (SB 1259 of 2012), effective October 1, 2012, amends the State License Fee Act to maintain the 2011-2012 FY fees that would otherwise expire (sunset) on September 30, 2012 through September 30, 2015.

2012 PA 309 (HB 5819 of 2012), effective October 1, 2012, amends the Nonprofit Corporation Act to maintain the 2011-2012 FY annual report filing fees that would otherwise expire (sunset) on September 30, 2012 through September 30, 2015. The legislation also waives all fees collected under the section for nonprofit entities with a majority of members or directors who are honorably discharged veterans.

2012 PA 310 (HB 5820 of 2012), effective October 1, 2012, amends the Michigan Limited Liability Company Act to maintain the 2011-2012 FY annual statement filing fees that would otherwise expire (sunset) on September 30, 2012 through September 30, 2015. The legislation also waives all fees collected under the section for nonprofit entities with a majority of members or directors who are honorably discharged veterans.

2012 PA 315 (HB 5893 of 2012), effective October 1, 2012, amends the Business Corporation Act to maintain the 2011-2012 FY annual report filing fees that would otherwise expire (sunset) on September 30, 2012 through September 30, 2015. The legislation also waives

all fees collected under the section for nonprofit entities with a majority of members or directors who are honorably discharged veterans.

2012 PA 358 (SB 1108 of 2012), effective December 13, 2012, amends the Michigan BIDCO Act to include a business development enterprise as a BIDCO if it meets certain criteria, authorize the board of the Michigan Strategic Fund to designate a Michigan corporation or limited liability company as a qualified business development enterprise, provides that a business development enterprise may not be licensed under the Act unless it receives that designation, requires a business development enterprise to have a minimum net worth and firm financing commitments of at least \$25 million, requires the business plan of a business development enterprise to include the objective of providing “public benefit”, requires the board of a business development enterprise to have at least three members, and require one-third to be designated by the Michigan Strategic Fund, and establishes reporting requirements.

2012 PA 419 (HB 5590 of 2011), effective December 21, 2012, amends the Private Security Business and Security Alarm Act to allow certain experience a person gained as a military police officer while serving in the Armed Forces to meet the experience qualifications for licensure as a private security guard or agency.

2012 PA 426 (HB 5271 of 2012), effective April 1, 2014, amends the State License Fee Act to establish a \$500 application processing fee and a \$250 annual registration fee for a person

registered or seeking registration as an appraisal management company.

2012 PA 468 (HB 5466 of 2012), effective March 1, 2013, amends the Void Construction Contracts Act, 1966 PA 165, to extend the Act to the design of a building, and include infrastructure and any improvement to real property, prohibits a public entity from requiring an architect, engineer, landscape architect, surveyor, or contractor to defend the public entity or any other party from liability claims or to indemnify the public entity or other party for an amount greater than the degree of fault of the architect, engineer, landscape architect, surveyor, or contractor, and specifies that the Act would not affect the application of the governmental immunity law.

2012 PA 505 (HB 4975 of 2011), effective April 1, 2014, amends the Occupational Code to add Article 26A. Article 26A prohibits a person from engaging in business as an appraisal management company, or performing appraisal management services, without registering with LARA, prohibits an appraisal management company from entering into a contract with an independent contractor who was not a licensed real estate appraiser, requires a company to ensure that its employees who selected independent appraisers were appropriately trained, requires a company to ensure that employees and contractors were licensed appraisers if they performed Standard 3 appraisal reviews meeting the requirements of the uniform standards of professional appraisal practice, requires a company to certify to LARA that it had certain verification systems in place, establishes criteria for a person who owned more than 10% of an applicant, requires an applicant to designate a licensed attorney or a controlling person to act as a primary contact with LARA, allows LARA to require an applicant to provide a surety bond if the person's registration has been previously denied, suspended, or revoked as a result of disciplinary action for violating Article 26A or the rules promulgated under it, prohibits a company from changing a completed appraisal report, prohibits an employee, officer, director, or agent from influencing or attempting to influence the development, reporting, or review of an appraiser, and establishes procedures for a company to remove an appraiser from its appraiser panel and allows the appraiser to file a complaint with LARA.

2012 PA 530 (HB 5805 of 2012), effective January 1, 2013, creates the Health Care Sharing Ministries Freedom to Share Act to allow eligible entities (a faith-based, nonprofit entity with tax-exempt status under the Internal Revenue Code) to establish a health care sharing ministry through which participants could share finances and health care. An eligible entity that established and operated a ministry in compliance with the Act would not be engaged in the business of insurance in Michigan, and the entity and ministry would not be subject to the State's insurance laws.

2012 PA 546 (SB 577 of 2011), effective January 2, 2013, amends the Michigan Unarmed Combat Regulatory Act to establish a ceiling of \$50,000 on the amount of the bond a promoter must file with LARA, reduces a mixed martial arts promoter's event fee from \$2,000 to \$125, exempts a promoter from the requirement to submit a contract stating the probable total gross receipts from broadcasting, television, and motion picture rights, if the promoter pays a \$25,000 regulatory and enforcement fee, allows the commission or LARA to perform drug testing on a professional before or after a contest and subjects that professional to disciplinary action if the drug test is positive, removed the provision that requires the promoter to escrow a certain amount of the purse until drug tests are received by LARA and surrenders the funds to LARA if drug test is positive, specifies what information considered to be a trade secret, or commercial, financial, or proprietary is not subject to FOIA, revised the eligibility requirements for certain members of the commission, and revised the identifying information that must be included in an application for a promoter's license.

2012 PA 566 (SB 1317 of 2012), effective January 2, 2013, amends the Occupational Code to delete references to businesses incorporated under the Professional Service Corporation Act and to refer instead to businesses incorporated under Chapter 2A of the Business Corporation Act.

2012 PA 567 (SB 1318 of 2012), effective January 2, 2013, amends 1907 PA 101, which regulates the carrying on of business under an assumed or fictitious name, to delete a reference to the Professional Service Corporation Act.

2012 PA 568 (SB 1319 of 2012), effective January 2, 2013, amends the Michigan Limited

Liability Company Act to delete references to businesses incorporated under the Professional Service Corporation Act and to refer instead to businesses incorporated under chapter 2A of the Business Corporation Act.

2012 PA 569 (SB 1320 of 2012), effective January 2, 2013, repealed the Professional Service Corporation Act and essentially recodifies it as Chapter 2A (Professional Corporations) of the Business Corporation Act. In addition to recodifying the repealed Act, the Act would require a corporation to incorporate as a professional corporation under Chapter 2A if it were to provide one or more services in a learned professional. It amends the Business Corporation Act in other ways to bring the Act up-to-date.

2012 PA 580 (SB 1291 of 2012), effective January 2, 2013, created the Security Alarm Systems Act to prohibit a person from acting as a system provider without filing a registration statement with LARA, allows LARA to charge a fee for filing a registration statement, requires LARA to accept a registration statement if the person meets the Act's requirements, requires a person to provide a bond and insurance policy to LARA to act as a system provider, requires a person or an affiliate of the person to be a basic local exchange provider under the Michigan Telecommunications Act, requires a registration statement to include an affidavit that affirms certain information about the person's business operation, including a description of the training that will be provided to employees or independent contractors to install or monitor security alarm systems, requires a person to conduct criminal background checks of each employee or independent contractor who will be entering a customer's premises to sell, lease, maintain, repair, install, or otherwise provide a security alarm system, prohibits a person from employing or engaging individuals if the background check discloses certain information, specifies the scope of LARA's authority under the Act, specifies that the Act preempts local ordinances or regulations relating to the authorization or registration of system providers and their employees or independent contractors, establishes a misdemeanor penalty for a violation of the Act.

2012 PA 581 (SB 1292 of 2012), effective January 2, 2013, amends the Private Security Business and Security Alarm Act to exclude from

regulation under the Act a system provider registered under the Security Alarm Systems Act.

2012 PA 591 (SB 1321 of 2012), effective March 28, 2013, amends the Private Security Business and Security Alarm Act to require private security guard, private security police officer, or private college security force officer to notify a law enforcement agency immediately, if while acting in the course of his or her employment, the guard or officer reasonably suspected certain crimes had occurred.

2013 PA 42 (SB 51 of 2013), effective June 6, 2013, amends the General Property Tax Act regarding qualified forest property and sets forth certain tasks and duties a qualified foresters must do for the applicant to qualify for the exemption.

2013 PA 45 (SB 56 of 2013, effective June 6, 2013, amends the Natural Resources and Environmental Protection Act by including a definition for qualified foresters.

2013 PA 69 (HB 4591 of 2013), effective June 25, 2013, amends the Electrical Administrative Act to prohibit a local ordinance regulating electricians from doing either of the following: requiring a provider to procure a permit to install, maintain, replace, or service any electrical wiring, equipment, or devices associated with a home monitoring system, or requiring a provider to procure a license or permit to install, maintain, replace, or service a security alarm system.

2013 PA 77 (HB 4303 of 2013), effective September 26, 2013, amends Article 18 of the Occupational Code to authorize LARA to issue a courtesy license to practice mortuary science to a person licensed in that profession, funeral directing, or an equivalent occupation in Indiana, Ohio, or Wisconsin, if that state has a reciprocal opportunity for Michigan licensees.

2013 PA 78 (HB 4329 of 2013), effective September 26, 2013, amends the State License Fee Act to establish an application processing fee of \$135 and an annual license fee of \$135 for a courtesy mortuary science license.

2013 PA 79 (HB 4330 of 2013), effective September 26, 2013, amends Part 28 of the Public Health Code to authorize the holder of a courtesy mortuary science license to certify a death record and file it with the local registrar. Part 28 requires

a licensed funeral director to certify a death record and file it with the local registrar of the district where the death occurred within 72 hours after the death. Under the Act, a death record would have to be certified and filed by a licensed funeral director or by an individual who held a courtesy mortuary science license.

2013 PA 80 (HB 4574 of 2013), effective September 26, 2013, amends Article 18 of the Occupational Code to prohibit LARA from issuing or renewing a funeral establishment license unless the applicant were registered under the Prepaid Funeral and Cemetery Sales Act or had a contract with a registrant under that Act to provide prepaid service and merchandise and prohibit LARA from granting a new funeral establishment license, if a license were canceled because of a change of ownership, unless the applicant assumed the former owner's prepaid contract obligations or certified that those contracts had been assigned to either another funeral establishment or a person that had a contract with a funeral establishment that agreed to act as the provider.

Corporations, Securities & Commercial Licensing Bureau

Bureau Administration & Administrative Services

Bureau Administration and Administrative Services has sixteen FTE's and includes: Informational Sales Program; Testing, Education and Information Management; Cemetery Regulation and Human Resources. This area performs services benefiting the operations of other offices within the Bureau. These services included document imaging, computer support services, web design, cashiering, budget and financial monitoring, and human resources.

Testing & Education Services

The Testing and Education Services Unit serves as the governing body covering testing and education needs for 16 professions which consists of overseeing, developing and reviewing of 29 examinations under contracts with third party vendors for the Corporations, Securities and Commercial Licensing Bureau. Another function handled by the unit is the review and approval of grant requests for Investor Education for securities. The unit also provided centralized support to the entire bureau by providing the following services: document imaging, computer support services and web design.

The licensure examinations are designed to measure an individual's entry-level competency to protect the public's health, safety and welfare. The examinations are developed and administered by either national organizations or external vendors. The Unit is the Contract Administrator for all contracts related to licensure or registration testing.

Testing and Education Services also approves course work for schools providing pre-licensure courses to candidates applying for a real estate salesperson, real estate broker, real estate appraiser and residential builder and maintenance and alteration contractor's licensure.

This unit provides the review and approval of the sponsors and courses for the continuing education of real estate salespersons, real estate brokers and real estate appraisers. This unit also maintains and updates listings of the continuing education hours for the same licenses.

For the past fiscal year, Investor Education contractors made presentation at 64 locations throughout the state which included 14 presentations during Money Smart Week in April 2013.

Informational Sales Program

Per statute, the Bureau is allowed to sell licensing data. During Fiscal Year 2013 the Informational Sales Program received 467 inquiries and made 220 sales, totaling \$32,736.91 in revenue. Corporation data was also sold by subscription. This brought in \$344,000 in revenue.

Cemetery Regulation

The Cemetery Commissioner within the Department of Licensing and Regulatory Affairs registers and regulates cemeteries owned and operated in Michigan. Statutory authority for the regulation of cemeteries is in the Cemetery Regulation Act ("Act"), 1968 PA 251, MCL 456.521 et seq. The Act requires the Cemetery Commissioner to audit cemetery trust funds, approve cemetery ownership changes, investigate applications for new cemeteries, and investigate complaints from the public regarding cemeteries. Cemeteries owned and operated by a municipality, church or religious institutions are exempt from the Act.

Corporations, Securities & Commercial Licensing Bureau

Corporations Division

The Corporations Division promotes economic development and growth by facilitating the formation and development of business entities in the State of Michigan. Further, the division enables domestic and foreign corporations, limited partnerships, limited liability partnerships and limited liability companies to transact business in the State. The Corporate Services program consists of thirty-eight full time positions. Within the Corporations Division, the program is divided into the Document Review Section, the Marks and Annual Filings Unit, and the Business Services Section. During fiscal year 2013, this program generated \$22,473,553 in revenue.

The Document Review Section provides services that enable domestic corporations, limited partnerships, limited liability partnerships and limited liability companies to be formed and foreign entities to qualify to transact business in the State. Articles of Incorporation, Certificates of Limited Partnership and Articles of Organization are reviewed and filed by this Section. Review requires extensive knowledge of corporation and partnership law and a thorough knowledge of the Bureau's policies, guidelines, and procedures. During fiscal year 2013, 16,057 new corporations, 59,668 limited liability companies, 187 limited partnerships and 174 limited liability partnerships were qualified to transact business in the State.

The Marks and Annual Filing Unit is responsible for the review and filing of annual reports and annual statements, as well as registrations for trademarks, service marks and insignias. Each corporation and limited liability company is required to file an annual report or annual statement. The Marks and Annual Filing unit reviewed 452,986 annual reports and 142,556 were filed online in fiscal year 2013. During the fiscal year 465 marks and insignias were registered.

The Business Services Section responded to 156,057 telephone inquiries regarding name availability and general information on corporations, limited partnerships and limited liability companies in fiscal year 2013. In addition, the Unit received 8,064 requests for information. The Section also received 27,368 requests for copies of documents. Records for corporation documents, partnership documents, limited liability company documents and annual reports are maintained digitally and each transaction represents one or more computer entries. All documents and annual reports are stored on microfilm and an image system. Presently, records are maintained for 696,625 active corporations, limited partnerships and limited liability companies.

Corporations, Securities & Commercial Licensing Bureau

Enforcement Division

The Enforcement Division is responsible for the investigation of allegations of violations of various licensing laws. If an investigation discloses that a violation of law has occurred, the Enforcement Division prepares a decision report with appropriate recommendation for formal action against the respondent. Alternately, if the investigation does not disclose a violation of law, the investigation concludes without administrative sanctions and the parties are notified.

The Enforcement Division draws its authority from the Occupational Code, 1980 PA 299, as amended and other licensing laws. Because violations of law occur in a variety of ways with different degrees of severity, each investigation having its own measure of complexity, the Enforcement Division works with gubernatorial appointed occupational and professional licensing boards, commissions, and/or experts, as appropriate, to ensure suitable administrative actions are taken under the circumstance.

The Enforcement Division, with a staff of thirty-one, investigates consumer complaints in over 35 different commercial occupational and professional areas of law. It also performs inspections in six areas of the program: barber establishments and schools, cosmetology establishments and schools, funeral establishments, ski area safety, carnival amusement rides, and proprietary schools.

Violations of law are subject to enforcement actions that are prescribed by the licensing laws. Contested case hearings are sometimes necessary to determine if a respondent is responsible for allegations contained in a formal complaint. [A formal complaint is a document that states the charges of each alleged violation and is prepared by the department after an investigation.] All contested case hearings are required to proceed under the Administrative Procedures Act.

Whether it is conducting investigations into consumers' complaints or performing inspections of regulated facilities, the Enforcement Division's purpose and mission in the administration of its regulatory program, remains two-fold: to ensure compliance with the various licensing laws and to protect the health, safety and welfare of Michigan citizens.

To fulfill its regulatory duties and responsibility, the Enforcement Division organizes into 6 work units: "*Intake*" that reviews all complaints for jurisdiction; "*Preliminary Review*" that performs desk reviews and desk investigations; "*Investigation*" that primarily conducts field investigations; "*Ski Area and Carnival-Amusement Safety*," handling inspections of ski areas and inspections of carnival-amusement rides, "*Unarmed Combat*" handling program responsibility for boxing and mixed martial arts events, and a small "*Administrative Unit*," for handling routine office duties.

Extension Report

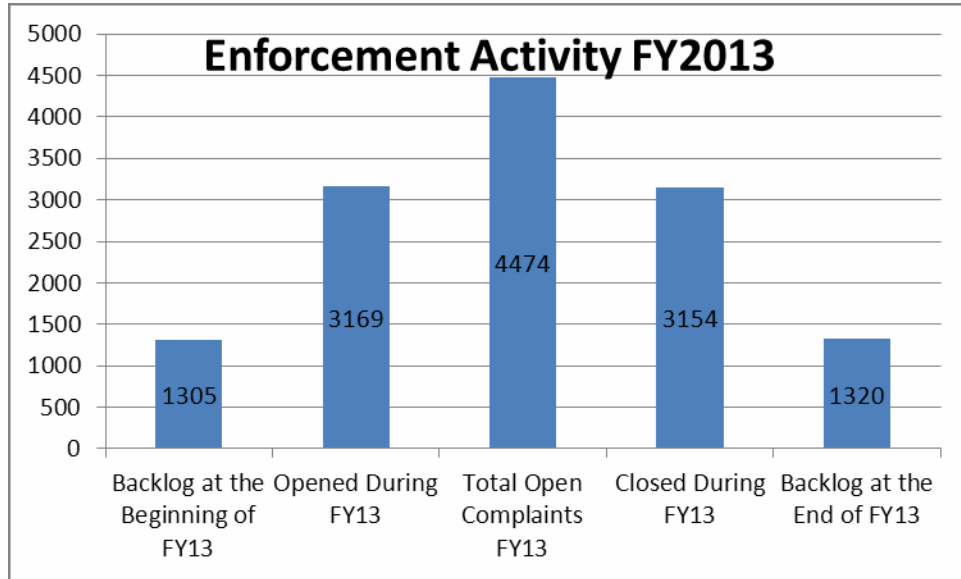
Pursuant to Section 504(1) of the Occupational Code, Public Act 299 of 1980 and Section 41(3) of the Unarmed Combat Regulatory Act, Public Act 403 of 2004, the Director may extend the time in which the report may be filed for all complaints not completed, within 30 days of the date of receipt. During fiscal year 2013, the Enforcement Division requested extensions for 1,293 complaints.

**Corporations, Securities & Commercial Licensing Bureau
Enforcement Statistics FY 2013**

Occupation and Professions	Open Complaints at Beginning of FY2013	Opened During FY2013	Total Open Complaints FY2013	Closed During FY 2013	Open Complaints at End of FY 2013
Accountancy	76	59	135	94	41
Appraisers	133	150	283	196	87
Architects	2	5	7	7	0
Auctioneers	0	6	6	4	2
Barber	30	122	152	107	45
Builders	273	649	922	625	297
Carnival/Amusement	0	2	2	2	0
Cemetery	59	18	77	23	54
Collection Practices	48	87	135	114	21
Community Planners	0	0	0	0	0
Cosmetology	171	387	558	411	147
Engineers	9	16	25	19	6
Exams- CSCLB		106	106	38	68
Foresters	0	1	1	1	0
Hearing Aid	2	2	4	3	
Immigration Clerical	0	0	0	0	0
Investment & Securities		221	221	81	140
Landscape Architects	0	0	0	0	0
Mortuary Science	73	47	120	95	25
Non-Jurisdiction- General	0	47	47	47	0
Personnel Agency	0	5	5	5	0
Polygraph Examiners	0	0	0	0	0
Prepaid Funeral	95	35	130	74	56
Private Investigators	3	9	12	10	2
Proprietary Schools	35	90	125	91	34
Real Estate	270	1,009	1,279	1,020	259
Security Alarm	2	2	4	3	1
Security Guard	2	6	8	7	1
SkiSafety	0	0	0	0	0
Surveyors	5	14	19	12	7
Unarmed Combat	17	72	89	63	26

Totals

Enforcement Division
Inspection Statistics FY 2013



Inspections by Occupation

Board	Inspections Requested	Inspections Completed
Barbers	141	151
Carnival/Amusement	1107	1013
Cosmetology	1518	1271
Mortuary Science	31	36
Ski Areas	356	357
Total	3153	2828

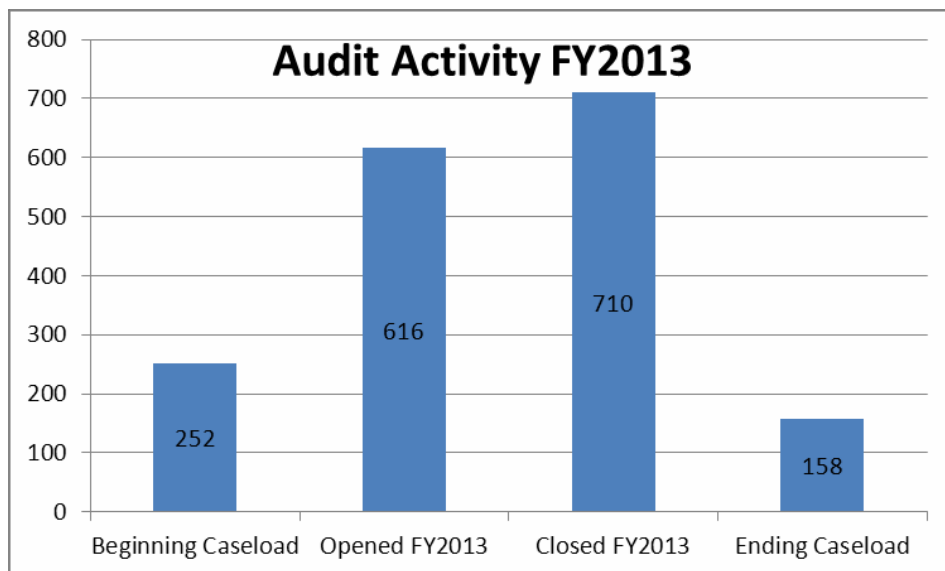
Corporations, Securities & Commercial Licensing Bureau Audit and Examination Division

The Audit and Examination Division consist of thirteen full time staff members that perform the duties below.

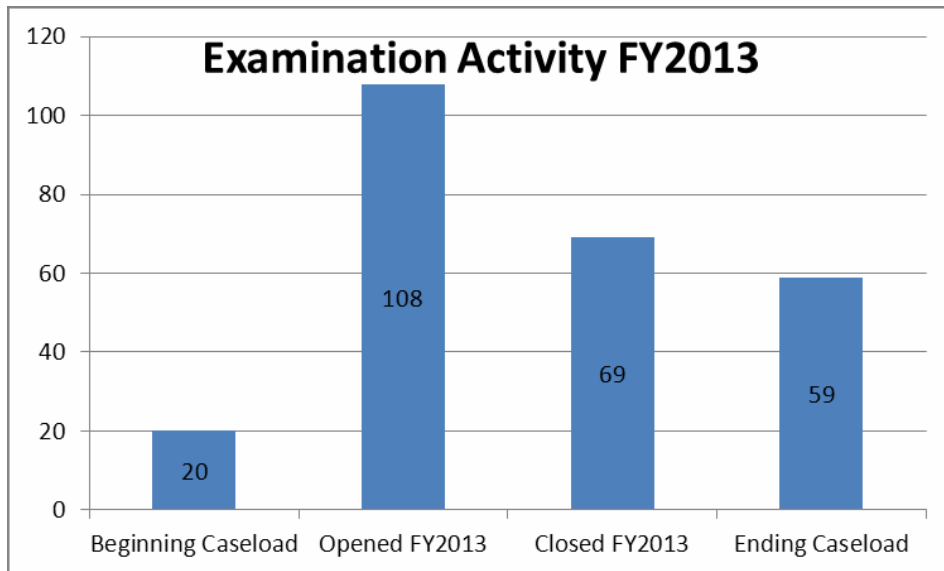
The Living Care Disclosure Act requires senior citizen facilities offering life care programs to register with the Bureau. Living care facilities are reviewed for the adequacy of their disclosures, fairness of advertising and financial viability. Registrants are required to renew annually. This year, the Audit and Examination Division had 24 living care registrants.

The Uniform Securities Act requires that all securities sold in Michigan must be registered with the Bureau unless exempt from the Act's registration requirements. Under the Act, certain securities and transactions fall within the Act's self-executing exemptions. Those products and transactions that do not fall within a self-executing exemption under the Act, must register with the Bureau by a Notice Filing Federal covered securities, Regulation D, coordination filing (filed in Michigan and other states and with the Securities and Exchange Commission), or qualification filing (usually only filed in Michigan). Additionally, the Act authorizes the Bureau to review and respond to requests for exemption from the Act's registration requirements. The Audit and Examination Division administers coordination filing, qualification filings, and requests for exemption. During fiscal year 2013, the Audit and Examination Division's product registration area received and processed 104 product registrations by coordination (REITs, Oil & Gas partnerships, etc.) and 59 exempt product registrations (Church Bonds/Church Extension Funds).

The Audit Section conducts audits of the financial records of licensees who maintain trust or escrow accounts on behalf of the public in professions under our jurisdiction. These professions include real estate brokers, residential builders, prepaid funeral contracts, collection agencies, and privately owned cemeteries. The audits are conducted on a complaint, routine, or random basis. During fiscal year 2013, the Audit Section opened 616 audit files and completed 710 audits. They also reviewed 109 annual reports of cemeteries, 66 annual reports of crematories, 670 prepaid funeral and cemetery sales act annual reports and 740 collection agency annual reports. During the period covered by this annual report the Section discovered \$1,367,922 of monies not escrowed as required and other regulatory violations.



The Examination Section conducts examinations of Investment Advisors and Broker Dealers to ensure compliance with the Uniform Securities Act. The examinations are conducted on a routine basis. During fiscal year 2013, the Examination Section opened 108 examination files and completed 69.



Corporations, Securities & Commercial Licensing Bureau

Regulatory Compliance Division

The Division, comprised of nine staff members, administers compliance and hearing proceedings, Freedom of Information Act requirements, monitors final order compliance, court appeals & litigation support, and agency representation, including services provided by the Department of Attorney General. The Division works closely with all Bureau areas to provide assistance on legal matters, including the review and issuance of subpoenas, and to prosecute agency cases; it also coordinates activities with the Michigan Administrative Hearing System (MAHS) for the scheduling of contested case, due process hearings. Beginning in February 2013 the Division also began reviewing and/or drafting all orders issued under the Uniform Securities Act (2002), 2008 PA 551, and the Living Care Disclosure Act, 1976 PA 440.

HEARINGS

Hearings Held	165
New Hearings Opened	193
Hearings Closed	218
Other Hearings actions	325

COMPLIANCE CONFERENCES

Scheduled	196
FOIA Requests	477
Billing Amount	\$11,658.79

<u>Final Orders Served</u>	375
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<u>Formal Complaints</u>	314
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<u>Summary Suspension Orders</u>	74
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<u>Cease and Desist Orders</u>	34
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<u>Securities Registration Denial Orders</u>	5
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<u>Securities Registrations Suspended</u>	1
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<u>Securities Registrations Revoked</u>	0
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<u>Bars from Securities Industry</u>	1
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<u>Securities Conditional Registrations</u>	1
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<u>Securities Product Orders</u>	124 ²
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<u>Living Care Orders</u>	18 ³
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² Orders issued by the Bureau, since February 18, 2013.

³ Orders issued by the Bureau, since February 26, 2013.

The licensing boards and the Bureau Director can impose through a Final Order (FO) both financial (fines) and non-financial penalties on persons violating the statutes governing a licensed profession. These non-financial penalties may include the prescription of continuing education to remedy shortcomings in professional conduct, a period of conditional registration under the Uniform Securities Act, CPA attested Financial Reports, or restitution to injured parties. The affected licensee/registrant has to reach compliance with all terms of a final order to continue to be eligible to practice the occupation or profession.

During fiscal year 2013, the Bureau issued 375 final orders that included \$4,745,362 in fines. Normally, the licensee/registrant operates under a set timeframe to reach compliance. After the passage of six months, unpaid fines are referred to the Department of Treasury for collection. By the end of the fiscal year 2013, the Department collected \$188,782 in fine payments. The chart below summarizes this information: 48% of the licensees/registrants complied with the fine penalty imposed by the Bureau. Licensees/Registrants not paying the fines are suspended or revoked or additional disciplinary action is taken against them, and they are not able to practice their respective professions, until the outstanding fine amounts are paid, and the person complies with any other board-established penalties and requirements.

OCCUPATION	# FY13 FOs	Assessed Fines FY13	#FY13 FOs with Fines Collected	FY13 FOs Paid	\$ Collected from Pre FY13 FOs	Pre FY13 Orders Paid	FY13 Outstanding Fines	% FY13 Fines paid	%FY13 Money Collected
11-Accountancy	23	\$116,750	10	\$33,750	\$32,500	10	\$83,000	0%	29%
12-Appraisers	35	\$77,250	20	\$22,250	\$18,750	6	\$55,000	57%	29%
15-UCC	15	\$5,380	3	\$750	\$2,900	8	\$4,630	20%	14%
17-Barbers	16	\$12,950	14	\$10,950	\$2,250	3	\$2,000	88%	85%
21-Builders	116	\$241,882	53	\$45,132	\$112,400	42	\$196,750	46%	19%
24-Collection	12	\$17,000	3	\$2,000	\$27,000	7	\$15,000	25%	12%
27-Cosmetology	107	\$96,650	68	\$51,950	\$33,950	42	\$44,700	64%	54%
34-PrePaid Funeral	3	\$30,000	0	\$0	\$0	0	\$30,000	0%	0%
37- Professional Investigator	1	\$0	0	\$0	\$0	0	\$0	0%	0%
45-Mortuary Science	9	\$31,500	2	\$1,000	\$1,000	1	\$30,500	22%	3%
65-Real Estate	29	\$106,000	8	\$21,000	\$2,500	3	\$85,000	28%	20%
Proprietary Schools	2	\$6,000	0	\$0	\$0	0	\$6,000	0%	0%
Securities	7	\$4,004,000	0	\$0	\$0	0	\$4,004,000	0%	0%
TOTALS	375	\$4,745,362	181	\$188,782	\$233,250	122	\$4,556,580	48%	4%

Amount of FO fines collected through Treasury for FY 12/13:

Collected: \$246,015.21

Net: \$195,822.25

*Note: The Access program used for tracking payments does not differentiate between the fine payments that are received in-house and those collected through Treasury. When a treasury collection is completed (could take years), the "Fine Collected" amount is recorded only once, during the month that the final payment was received, satisfying the whole fine amount. Thus, columns 5 & 6 may reflect more money than was actually collected during FY 12/13.

Corporations, Securities & Commercial Licensing Bureau

Licensing Division

The Licensing Division, with a full time staff of forty-two, is responsible for administering the statewide licensing, registration, listing or permitting programs for thirty-five occupations and professions.

The division reviews applications, investigates qualifications, issues licenses, processes renewal applications and maintains license, registration, listing and permit records for almost 500,000 individuals and businesses regulated by the Bureau. The division maintains information about its programs on the department's website, addresses telephone inquiries and correspondence from licensees, agencies and the general public.

The division provides administrative support to fourteen advisory boards, one commission and one ad-hoc committee including assistance in conducting meetings, preparation of minutes and documents, record keeping, issue research, and promulgation of rules. Division staff also provides board member training, policy guidance and other assistance to enable the board members to meet their statutory responsibilities.

The division is also responsible to determine eligibility for licensure, registration, listing and permits by focusing on the evaluation of credentials to ensure applicants meet current entry-level requirements to enter an occupation as required by applicable law and rules. Applicants may be responsible to verify completion of education and experience, be of good moral character, demonstrate financial stability, provide proof of insurance or bonding, and successfully complete an examination.

The Licensing Division is responsible for the establishment and maintenance of licenses, registrations, lists and permit files. Records are maintained electronically and/or on microfilm in accordance with current retention and disposal schedules.

The professions and occupations that the Bureau licenses or registers are listed on the following pages in detail.

License Activity FY 12/13 10/1/12 through 9/30/13	Licenses/Registrations Issued	Examinations Administered	Verifications/ Certifications	Renewals	Total Number Licensees
Accountancy	1,133		343	2	19,998
Securities Agents	31,457			137,689	146,753
Architects	254		45	2,235	7,005
Auctioneers	0	0	0	9	55
Barbers	577	288	83	5,009	7,689
Broker Dealers	84			1825	1863
Carnival-Amusement Safety	375		0	1,509	2,146
Cemetery Regulation	5		0	279	280
Collection Practices	180	156	37	1,051	1,176
Cosmetology	7250	8,334	1,258	54,854	110,022
Educational Corporations	46				88
Forensic Polygraph Examiners	9	6	0	108	117
Foresters	7		0	0	206
Hearing Aid Dealers	102	114	4	101	532
Immigration Clerical Assistants	1		0	0	7
Interior Designers	0		0	0	1,295
Investment Advisers	60			1876	2008
Investment Adviser Representatives	2,039			10,802	11,208
Landscape Architects	36		19	0	579
Mortuary Science	134	47	30	971	2,987
Mutual Fund Filings (Blue Express)	25,957				25,957
Mutual Fund Filings (paper)	8,000				8,000
Ocularists	0		0	14	14
Personnel Agencies	1	3	3	57	58
Prepaid Funeral Contracts	23		1	114	580
Professional Community Planners	1	0	0	12	75
Professional Employer Organizations	40			63	68
Professional Engineers	1,077		1,083	8,522	21,562
Professional Investigators	96		9	376	1,094
Professional Surveyors	10	22	28	423	1,037
Proprietary Schools	302			346	434
Real Estate Appraisers	329	69	113	1,461	3,276
Real Estate Brokers & Salespersons	6,277	5,720	379	36,978	51,089
Regulation D-Filings	1,095				1,095
Residential Builders and Maintenance & Alteration Contractors	2,271	3,970	289	973	65,824
Security Alarm Contractors	40	9	1	158	400
Security Alarm Systems	8	0	0	0	8
Security Guard Agencies	5		10	115	358
Ski Area Safety	2		0	359	350
Solicitors for Private Postsecondary Schools	229				229
Unarmed Combat	280		18	269	688
Vehicle Protection Product Warrantors	6		0	31	35
TOTAL	89,798	18,738	3,753	268,591	498,245

Note:

1. Certified Public Accountants, Architects, Landscape Architects, Professional Engineers and Professional Surveyors candidates take National examinations. Data on the number of Michigan candidates who sit for these National examinations is not available.
2. Examinations Administered includes only the number of exams actually administered. The number of exams scheduled is higher.
3. Examinations include both first time and repeat candidates and each section is counted as an examination. Example: Builders exam consists of two sections - the law and the practical. It is computed as two separate examinations administered.

Accountancy

Article 7 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate the practice of public accounting in Michigan. Article 7 defines public accounting to include rendering or offering to render an opinion on or attesting to or offering to attest to the reliability of a representation or estimate, including, but not limited to, the giving of an opinion in substance that financial information as set forth presents fairly the condition of the entity received or audited, in regard to an entity embracing financial information, facts respecting compliance with conditions established by law or contract, including, but not limited to, a statute, ordinance, regulation, grant, loan, or appropriation and/or the scope of the accounting procedures rendered in connection with the presentation of a financial statement.

Administrative rules for the practice of certified public accountancy became effective in October 1979. These rules were subsequently amended. The rules are found in the Michigan Administrative Code, Sections R338.5101 - R338.5503.

The Michigan Board of Accountancy consists of 9 voting members: 6 certified public accountants and 3 public members, including 1 attorney.

Board Member

Term Expires

Professional

Bayson, James	6-30-16
David, Richard	6-30-17
Howell, Matthew	6-30-14
Post, Kathleen	6-30-15
Smith, Dr. Ola	6-30-17
Swartz, Michael	6-30-14

Public

Homier, Barbra	6-30-16
Kluge, Jennifer	6-30-17
Seibold, Anna	6-30-15

Board Meetings Schedule Fiscal Year 2013

November 9, 2012
January Cancelled
May 10, 2013
August 16, 2013

Licensing Activity

Licenses Issued	1,133
Examination Sections Administered	4,843
Number of Licensees	19,998

Real Estate Appraisers

Article 26 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate the services of real estate appraisers in Michigan.

Article 26 defines a real estate appraiser as an individual engaged in or offering to engage in the development and communication of appraisals or real property. An appraisal is defined as an opinion, conclusion, or analysis relating to the value of real property.

Administrative rules for the practice of real estate appraisal became effective in June 1996. These rules were subsequently amended. The current rules may be found in the Michigan Administrative Code: Sections R339.23101 - R339.23405.

The Michigan Board of Real Estate Appraisers consists of 9 voting members: 6 real estate appraisers and 3 public members.

Board Members

Term Expires

Professional

Kirksey, Brian	6-30-14
Meyer, Diana	6-30-16
Myers, Karen	6-30-16
Snyder, John	6-30-14
Thomas, Norman	6-30-17
Wheeler, Ronald	6-30-17

Public

Burroughs, Lisa	6-30-16
Dynkowski, Darius	6-30-13
Kelly, Patricia	6-30-14

Board Meetings Schedule Fiscal Year 2013

December 4, 2012
March 19, 2013
June 11, 2013
September 4, 2013

Licensing Activity

Licenses Issued	329
Examinations Administered	69
Number of Licensees	3,276

Architects

Article 20 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate the practice of architecture, which is defined as professional services, such as consultation, investigation, evaluation, planning, design, review of materials, and completed phases of work in construction, alteration or repair in connection with a public or private structure, building, equipment, works or project, when the professional service requires the application of a principle of architecture or architectural design.

Administrative rules for the practice of architecture became effective September 1985. These rules were subsequently amended. The current rules may be found in the Michigan Administrative Code, Sections R339.15101 - R339.15507.

The Michigan Board of Architects consists of 9 voting members: 5 architects, 1 engineer, 1 surveyor and 2 public members.

Board Members

Term Expires

Professional

Baris, Gilbert	3-31-17
Barry, Patrick	3-31-17
Lamble, Dan	3-31-16
Naperala, Troy	3-31-15
Sherman, Randall	3-31-17
VanTine, Kenneth	3-31-15
VanValkenburgh, Paula	3-31-14

Public

Larson, Jay	3-31-17
Wilkerson, Jeffrey	3-31-14

Board Meetings Schedule Fiscal Year 2013

October 18, 2012
February 7, 2013
April 18, 2013 Joint Board

Licensing Activity

Licenses Issued	254
Examinations Administered	0*
Number of Licensees	7,005

*National Exam, no data available.

Auctioneers

Public Act 489 passed December 28, 2006 to implement a voluntary registration program for auctioneers effective on October 1, 2007. The voluntary registration of auctioneers is regulated under Article 29 of the Occupational Code, 1980 PA 299, as amended. Article 29 requires a person or company to become registered in order to use the title "Registered Auctioneer." An auctioneer is defined as a person who is, for compensation, engaged in the business of, the conduct of, or offers to engage in the conduct of an auction. Auction is defined as the sale, or offer for sale, by bidding, of real or personal property at a public or private location.

The Michigan Board of Auctioneers consists of 9 voting members: 6 registered professionals and 3 public members.

Board Members

Term Expires

Professional

Besner, Gwyneth	10-1-14
Narhi, Timothy	10-1-15
Rairigh, Glen	10-1-16
Sheridan, William	10-1-16
Smittendorf, Lee	10-1-15
Stoecker, Bradley	10-1-13

Public

Ferency, Michael	10-1-14
Novak, Marian	10-1-13
Tagg, Nathan	10-1-15

Board Meetings Schedule Fiscal Year 2013

November 7, 2012
May 8, 2013

Registration Activity

Registrations Issued	0
Number of Registrants	55

Barbers

Article 11 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate the service of barbers, barber colleges, barber instructors, barber students, barber student instructors and barbershops in Michigan. Article 11 defines a barber as a person who shaves or trims the beard of a person; cuts, trims, shampoos, relaxes, curls, permanently waves, dresses, tints, bleaches, colors, arranges, or styles the hair of a person; massages the face and head of a person; or renders personal services of a similar nature customarily done by a barber.

Administrative rules governing practice as a barber became effective in April 1982. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R339.6001 - R339.6051.

The Michigan Board of Barber Examiners consists of 9 voting members: 6 barbers and 3 public members.

Board Members

Term Expires

Professional

Data, Paul	9-30-14
Glasscoe, Michael	9-30-12
Grover, Marlene	9-30-14
Morey, Robert	9-30-14
Pappas, George	9-30-15
Sullivan, Dennis	9-30-13

Public

Lakkidas, Brian	9-30-12
VanDyken, James	9-30-13
Marketti, Tanwya	9-30-11

Board Meetings Schedule Fiscal Year 2013

October 15, 2012
January 7, 2013
May 6, 2013

Licensing Activity

Examinations Administered	288
New Licenses	577
Number of Licensees	7,689

Unarmed Combat

Public Act 403 of 2004, as amended, the Michigan Unarmed Combat Regulatory Act provides for the licensing and regulation of promoters and professional boxing or mixed martial arts participants.

Administrative rules governing unarmed combat became effective on May 13, 2005. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R339.101 - R339.403.

The Michigan Unarmed Combat Commission consists of 11 voting members: 4 boxing licensees, 4 mixed martial arts licensees and 3 public members.

Members

Term Expires

Professional

Benson, Fritz	6-5-16
Byrd, Joe	6-5-14
Kenty, Hilmer	6-5-17
Mueller, Wolfgang	6-5-16
Styers, Jeff	6-5-17
Thibault, John	6-5-16
Viviano, Vincent	6-5-16
Weber, James	6-5-16

Public

Hanselman, Jason	6-5-17
Martin, Michael	6-5-15
Moore, Kevin	6-5-16

Commission Meetings Fiscal Year 2013

December 6, 2012
March 14, 2013
June 20, 2013
September 5, 2013

Licensing Activity

Licenses Issued	280
Number of Licensees	688

**Residential Builders and Maintenance
& Alteration Contractors**

Article 24 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate persons engaged in the construction of a residential structure, or combination residential and commercial structure, or persons who undertake the repair, alteration, addition, subtraction, improvement or demolition of a residential structure, or combination residential and commercial structure for compensation other than wages for personal labor.

Administrative rules for the practice of residential building and maintenance and alteration contracting became effective in October 1979. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R338.1511 - R338.1566.

The Michigan Board of Residential Builders and Maintenance and Alteration Contractors consists of 9 voting members: 4 builders, 2 contractors and 3 public members.

Board Members

Term Expires

Professional

Agnew, Jeff	3-31-17
Haeussler, James	3-31-14
Kelly, John	3-31-16
Powell, Greg	3-31-15
Thelen, Thomas	3-31-17
Wahl, Mark	3-31-17

Public

Agostinelli, Joe	3-31-15
August, Gary	3-31-16
Brown Jr, Sidney	3-31-16

**Board Meetings Schedule
Fiscal Year 2013**

November 13, 2012
February 12, 2013
May 14, 2013
August 13, 2013

Licensing Activity

Licenses Issued	2,271
Examinations Administered	3,970
Number of Licensees	65,824

Carnival-Amusement Safety

Public Act 225 of 1966, as amended, the Carnival-Amusement Safety Act, was enacted to provide for the inspection, licensing, and regulation of carnival and amusement rides. The department performs inspections of traveling shows that operate in Michigan and amusement parks and other fixed locations with rides, to assure compliance with the act and the rules promulgated. Michigan has approximately 100 permanent locations of amusement rides and approximately 600 locations where transient carnivals operate.

Administrative rules governing the operation of carnival and amusement rides became effective in April 1983. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R408.801 - R408.898.

The Michigan Carnival-Amusement Safety Board consists of 7 members: 1 representative of the amusement park operators, 1 representative of the carnival ride operators, 1 representative of the retail merchants association, 1 licensed professional engineer, 1 director of Licensing and Regulatory Affairs and 2 public members.

Board Members

Term Expires

Professional

Burrows, John	7-10-17
Elhenicky, Robert	7-10-14
Ledy, Jeffrey	7-10-12
Mark, John	7-10-16

Public

Kipling, Kurt	7-10-14
McLonis, Richard	7-10-16
Towne, Karen	N/A

Board Meetings Schedule Fiscal Year 2013

October 26, 2012
March 22, 2013

Licensing Activity

Permits Issued	375
Number of Permits	2,146

Cemetery Regulation

The Cemetery Regulation Act 251 of 1968 provides authority to audit various cemetery trust funds, approve cemetery ownership changes, investigate new, proposed cemeteries, and investigate complaints of the public regarding cemeteries.

Administrative rules governing the operation of cemeteries became effective in 1974. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R456.101 - R456.196.

The Commissioner, who is the Director of the Department of Licensing and Regulatory Affairs or a designee, governs the Cemetery Commission. On June 2, 2008, Stephen Gobbo, Director of the Regulatory Compliance Division was appointed Cemetery Commissioner. In April of 2013, Al Schefke, Director of the Bureau, was appointed as the Cemetery Commissioner.

Registration Activity

Registrations Issued	5
Number of Registrants	280

Collection Practices

Article 9 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate collection agencies in Michigan. Article 9 defines a collection agency as a person directly or indirectly engaged in soliciting a claim for collection, or collecting or attempting to collect a claim owed or due, or asserted to be owed or due another, or repossessing or attempting to repossess a thing of value owed or due, or asserted to be owed or due another arising out of an expressed or implied agreement made primarily for personal or household purposes. A collection agency includes a person representing him or herself as a collection or repossession agency, or a person performing the activities of a collection agency, on behalf of another.

Administrative rules for collection practices became effective on July 18, 1997. These rules are found in the Michigan Administrative Code Sections R339.4001-R339.4011.

The Michigan Collection Practices Board consists of 9 voting members: 6 collection agency licensees and 3 public members.

Board Members

Term Expires

Professional

Angelo, Thomas	6-30-14
Dietrich, Jennifer	6-30-15
Matonican, Thomas	6-30-17
Oldani, Thomas	6-30-17
Prince, Scott	6-30-14
Rowe, Beth	6-30-16

Public

Hoff, Rackeline	6-30-17
MacGuidwin, Stephen	6-30-16
Roth, Jeanne	6-30-15

Board Meetings Schedule Fiscal Year 2013

January 17, 2013
August 15, 2013

Licensing Activity

Licenses Issued	180
Examinations Administered	156
Number of Licensees	1,176

Professional Community Planners

Article 23 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to register professional community planners. Article 23 defines a community planner as a person qualified to prepare comprehensive community plans designed to portray general long-range proposals for the arrangement of land uses and which is intended primarily to guide government policy toward achieving orderly and coordinated development of the entire community. Only a person registered under this article may use the title "Community Planner."

Administrative rules for the practice of Professional Community Planners were effective in 1996. These are found in the Michigan Administrative Code, Sections R339.20001 - R339.20037.

Executive Order 1996-2 abolished the Michigan Board of Professional Community Planners.

Registration Activity

Registrations Issued	1
Examinations Administered	0
Number of Registrants	75

Cosmetology

Article 12 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate the service of cosmetologists, manicurists, estheticians, electrologists, natural hair culturists and cosmetology shops, schools, and instructors in Michigan. Article 12 defines cosmetology as one of the following services or a combination of the following services: Hair care services (arranging, cutting, dressing, curling, waving, cleansing, singeing, bleaching, coloring, tinting, trimming, styling, relaxing, perming, straightening, or similar work upon the hair of the head); Manicuring services (cleansing, filing, shaping, buffing, polishing, or beautifying of the nails of the hands or feet); Electrology (permanent removal of hair from the body by the use of electricity); and Skin care services (beautifying the skin of the body by the use of cosmetic preparations, antiseptics, tonics, lotions, or creams, including body wrapping; cleansing or stimulating the skin of the body by the use of the hands, devices, apparatus, or appliances, with or without the use of cosmetic preparations, antiseptics, tonics, lotions or creams; temporary removal of hair from the body by the use of depilatories, waxes, razors, scissors, clippers, or tweezers; giving facials, applying removable makeup, applying eyelashes, or any other application of a preparation or beauty enhancement to the body).

Administrative rules governing the practice of cosmetology became effective in October, 1981. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R338.2101 - R338.2195.

The Michigan Board of Cosmetology consists of 9 voting members: 6 cosmetologists and 3 public members.

Board Members

Term Expires

Professional

Blankenship, Andrea	12-31-13
DeYoung, Helena	12-31-15
Haley, Angela	12-31-16
Marshall, Edith	12-31-13
River, Angela	12-31-14
Sneller, Danielle	12-31-16

Public

Otteman, Marcie	12-31-16
Schroeder, Andrea	12-31-14
Skipper-Stong, Kathleen	12-31-15

Board Meetings Schedule

Fiscal Year 2013

December 10, 2012
February 4, 2013
May 13, 2013
September 9, 2013

Licensing Activity

Licenses Issued	7,250
Examinations Administered	8,334
Number of Licensees	110,022

Professional Engineers

Article 20 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate the practice of professional engineering in Michigan. Article 20 defines professional engineering as professional services, such as consultation, investigation, evaluation, planning, design or review of material and completed phases of work in construction, alteration or repair in connection with a public or private utility, structure, building, machine, equipment, process, work or project when the professional service requires the application of engineering principles or data.

Administrative rules for the practice of professional engineering became effective in September 1985. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R339.16001 - R339.16044.

The Michigan Board of Professional Engineers consists of 9 voting members: 5 professional engineers, 1 architect, 1 professional surveyor, and 2 public members.

Board Members

Term Expires

Professional

Drewyor, Michael	3-31-16
Fobes, Lori	3-31-17
Karmo, George	3-31-14
Naperala, Troy	3-31-15
Sherman, Randall	3-31-17
Fedele, Kelly	3-31-17
Stevens, James	3-31-16

Public

Acciavatti, Daniel	3-31-17
Junior, Cary	3-31-14

Board Meetings Schedule Fiscal Year 2013

January 24, 2013
April 18, 2013
September 19, 2013

Licensing Activity

Licenses Issued	1,077
Examinations Administered	0*
Number of Licensees	21,562

*National Examination, no data available.

Foresters

Article 21 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to register foresters. Article 21 defines a forester as a person who by reason of his or her knowledge of the natural sciences, mathematics and principles of forestry, acquired by forestry education and practical experience, is qualified to engage in the practice of professional forestry.

Administrative rules for the practice of forestry became effective in February 1984. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R339.18001 - R339.18035.

Executive Order 1996-2 abolished the Michigan Board of Foresters.

Registration Activity

Registrations Issued	7
Number of Registrants	206

Hearing Aid Dealers

Article 13 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate hearing aid dealers. Article 13 defines a hearing aid dealer to be a person who engages in the sale or offering for sale at retail of a hearing aid.

Administrative rules for hearing aid dealers became effective in November 1970. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R338.1901 - R338.1943.

Executive Order 1996-2 abolished the Michigan Board of Hearing Aid Dealers.

Licensing Activity

Licenses Issued	102
Examinations Administered	114
Number of Licensees	532

Immigration Clerical Assistants

The Immigration Clerical Assistant Act, Public Act 161 of 2004, effective October 1, 2004, was enacted to create a list of qualified individuals that are authorized to assist individuals with certain immigration matters. An immigration clerical assistant is an individual providing or offering to provide services, for compensation, relating to any immigration matter. An immigration matter is any matter affecting the immigrant status, nonimmigrant status, or citizenship status of any individual and includes, but is not limited to, federal or state administrative or court proceedings or the filing of accompanying documents in those proceedings or both.

Listing Activity

New Immigration Clerical Assistants	1
Number of ICA's Listed	7

Interior Designer

Listing of Interior Designers was established by an amendment to the Occupational Code, 1980 PA 299, effective October 1, 1998. An interior designer is currently exempt from licensure or registration in Michigan; however, an individual may elect to be added to a list maintained by the state if they have successfully completed the National Council of Interior Design Qualification (NCIDQ) Examination or qualified by experience (prior to April 8, 2000). The listing is posted electronically and includes the names of interior designers who have filed an application with the Department to be added to the list and have successfully completed the NCIDQ Examination or have qualified for listing by experience (prior to April 8, 2000). A person need not be listed to practice interior design.

Listing Activity

New Interior Designers	0
Number of Interior Designers Listed	1,295

Landscape Architects

Article 22 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license landscape architects in Michigan. Article 22 defines a landscape architect as a person qualified to practice landscape architecture as provided in the article. Only a person licensed under this article may use the title "Landscape Architect."

Administrative rules for the practice of landscape architecture became effective in April 1983. These rules were subsequently amended. These are found in the Michigan Administrative Code, Sections R339.19001 - R339.19049.

Executive Order 2007-23 abolished the Michigan Board of Landscape Architects effective May 3, 2007.

Registration Activity

Licenses Issued	36
Examinations Administered	0*
Number of Licenses	579

*National Examination, no data available.

Mortuary Science

Article 18 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate the practice of mortuary science and funeral establishments in Michigan. Article 18 defines the practice of mortuary science as the practice of embalming or the practice of funeral directing, or both. A funeral establishment is defined as a place of business used in the care and preparation for burial or transportation of a dead human body or a place where a person represents that the person is engaged in the profession of undertaking or the practice of mortuary science.

Administrative rules for the practice of mortuary science became effective in April 1991. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R339.18901 - R339.18947.

The Michigan Board of Examiners in Mortuary Science consists of 9 voting members: 6 licensees and 3 public members.

Board Member

Term Expires

Professional

Canale, Mark	6-30-17
Daggett, Christine	6-30-14
Desmond, John	6-30-13
Ransford, Mark	6-30-16
Starks, Thomas	6-30-14
Wakeman, Rodney	6-30-15

Public

Kohler, Mgsr. Russell	6-30-17
Linder, Stephen	6-30-15
Miller, Patrick	6-30-16

Schedule of Board Meetings Fiscal Year 2013

October 4, 2012
March 7, 2013

Licensing Activity

Licenses Issued	134
Examinations Administered	47
Number of Licensees	2,987

*Mortuary Science applicants take a national examination and a state examination. No data is available for the National examination. This figure represents the number of state examinations administered.

Ocularists

Article 27 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to register the practice of ocularism in Michigan. Article 27 defines ocularism as the design, fabrication, and fitting of ocular prosthetic appliances. Only a person certified under the article may use the title "Ocularist" or advertise that he or she is certified.

Registration Activity

Registrations Issued	0
Number of Registrants	14

Personnel Agencies

Article 10 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate personnel agencies and agents in Michigan. Article 10 defines a personnel agency as a person engaged in the business or profession of serving, assisting, or aiding a client seeking employment, or making basic career decisions and who receives a fee from the client. A personnel agent is defined as the individual designated by the personnel agency who is responsible for the general management of the office.

Administrative rules governing the operation of personnel agencies became effective in 1996. These rules are found in the Michigan Administrative Code, Sections R339.5001 - R339.5039.

Executive Order 2007-22 abolished the Michigan Personnel Agency Board effective May 3, 2007.

Licensing Activity

Licenses Issued	1
Examinations Administered	3
Number of Licensees	58

Prepaid Funeral Contracts

Public Act 255 of 1986, as amended, the Prepaid Funeral and Cemetery Sales Act, was enacted to regulate the sale and provision of certain funeral goods and funeral services and the use of funds received by sellers and providers of these goods and services. The act defines a provider as any person who furnishes or agrees to furnish merchandise or funeral or cemetery services pursuant to a prepaid contract, whether or not that person is the contract seller. In the case of merchandise, provider means the person who arranges for delivery of the merchandise at the time of the death of the contract beneficiary and not the manufacturer of the merchandise. In the case of funeral services, provider means a person who possesses all licenses necessary to perform the funeral services specified in the prepaid contract. In the case of cemetery services, provider means a person who possesses all licenses and registrations necessary to provide the cemetery services specified in the prepaid contract.

Administrative rules governing prepaid funeral contract sales became effective June 2006. These rules are found in the Michigan Administrative Code, Sections R339.11-R339.47.

Registration Activity

Registrations Issued	23
Number of Registrants	580

Forensic Polygraph Examiners

Public Act 295 of 1972, as amended, the Forensic Polygraph Examiners Act, was enacted to license and regulate the practice of forensic polygraph examiners in Michigan. The act defines examiners as any person other than an intern who purports to detect deception, verify truthfulness or provide a diagnostic opinion of either of these through instrumentation of the use of a mechanical device; represents that this person can or does offer the service of detecting deception, verifying truthfulness or providing a diagnostic opinion of either of these through instrumentation of the use of a mechanical device; or uses instrumentation or a mechanical device to measure or record an individual's bodily responses or psycho-physiological activities or enable or assist the detection of deception, the verification of truthfulness or the reporting of a diagnostic opinion regarding either of these.

Administrative rules for forensic polygraph examiners became effective in March 1983. These rules are found in the Michigan Administrative Code, Sections R338.9001 - R338.9013.

Executive Order 2007-24 abolished the Board of Forensic Polygraph Examiners effective May 3, 2007.

Licensing Activity

Licenses Issued	9
Examinations Administered	6
Number of Licensees	117

Professional Investigators

Public Act 285 of 1965, as amended, the Professional Investigator Licensure Act, provides for the licensing and regulation of professional investigators in Michigan. The act defines a professional investigator as a person, other than an insurance adjuster who is on salary and employed by an insurance company, who for a fee, reward, or other consideration engages in the investigation business. The act defines the investigation business as business that, for a fee, reward, or other consideration, engages in business or accepts employment to furnish, or subcontracts or agrees to make, or makes an investigation for the purpose of obtaining information with reference to any of the following: crimes or wrongs done or threatened against the United States or a state or territory of the United States, or any other person or legal entity; the identity, habits, conduct, business, occupation, honesty, integrity, credibility, trustworthiness, efficiency, loyalty, activity, movement, whereabouts, affiliations, associations, transactions, acts, reputation, or character of a person; the location, disposition, or recovery of lost or stolen property; the cause or responsibility for fires, libels, losses, accidents, or damage or injury to persons or property; securing evidence to be used before a court, board, officer, or investigating committee; the prevention, detection, and removal of surreptitiously installed devices designed for eavesdropping or observation, or both; the electronic tracking of the location of an individual or motor vehicle for purposes of detection or investigation; computer forensics to be used as evidence before a court, board, officer, or investigating committee.

No rules have been promulgated to govern the practice of professional investigators.

Licensing Activity

Licenses Issued	96
Number of Licensees	1,094

**Michigan Board of Real Estate
Brokers and Salespersons**

Real Estate Brokers and Salespersons

Article 25 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate the practice of real estate brokers and salespersons in Michigan. Article 25 defines real estate broker as an entity, who with intent to collect or receive a fee, compensation, or valuable consideration, sells or offers for sale, buys or offers to buy, provides or offers to provide market analyses, lists or offers or attempts to list, or negotiates the purchase or sale or exchange or mortgage of real estate, or negotiates for the construction of a building on real estate; who leases or offers or rents or offers for rent real estate or the improvements on the real estate for others, as a whole or partial vocation; who engages in property management as a whole or partial vocation; who sells or offers for sale, buys or offers to buy, leases or offers to lease, or negotiates the purchase or sale or exchange of a business, business opportunity, or the good will of an existing business for others; or who, as owner or otherwise, engages in the sale of real estate as a principle vocation.

Real estate salesperson is defined as a person who for compensation or valuable consideration is employed either directly or indirectly by a licensed real estate broker to sell or offer to sell, to buy or offer to buy, to provide or offer to provide market analyses, to list or offer to attempt to list, or to negotiate the purchase or sale or exchange or mortgage of real estate, or to negotiate for the construction of a building on real estate, or to lease, or offer to lease, rent or offer for rent real estate, who is employed by a real estate broker to engage in property management, or who sells or offers for sale, buys or offers to buy, leases or offers to lease, or negotiates the purchase or sale or exchange of a business, business opportunity, or the good will of an existing

business for others, as a whole or partial vocation.

Administrative Rules for real estate brokers and salespersons became effective May 4, 1991. These rules were subsequently amended. The rules are found in the Michigan Administrative Code, Sections R339-22101 - R339.22667.

The Michigan Board of Real Estate Brokers and Salespersons consists of 9 voting members: 6 real estate licensees and 3 public members.

<u>Board Members</u>	<u>Term Expires</u>
Professional	
Aulu, Lola	6-30-17
Davis, Matthew	6-30-15
Huston, Shawn	6-30-16
Sellman, James	6-30-14
Sutherby-Fricke, Sheri	6-30-14
Zupko, Ronald	6-30-17
Public	
Beaulieu, Deborah	6-30-17
Craig, Robert	6-30-16
Lance, James	6-30-15

**Board Meetings Schedule
Fiscal Year 2013**

December 3, 2012
March 4, 2013
July 15, 2013

Licensing Activity

Licenses Issued	6,277
Examinations Administered	5,720
Number of Licensees	51,089

Security Alarm Contractors

Public Act 330 of 1968, as amended, the Private Security Business and Security Alarm Act, provides for the licensing and regulation of security alarm contractors in Michigan. The act defines a security alarm system contractor as a business engaged in the installation, maintenance, alteration, monitoring or servicing of security alarm systems or a company that responds to a security alarm system.

Administrative Rules for security alarm contractors became effective May 1969. These rules were subsequently amended. The current rules are found in the Michigan Administrative Code, Sections R28.4001 - 28.4007.

Licensing Activity

Licenses Issued	40
Examinations Administered	9
Number of Licensees	400

Security Guard Agencies

Public Act 330 of 1968, as amended, the Private Security Business and Security Alarm Act, provides for the licensing and regulation of security guard agencies in Michigan. The act defines a private security guard as an individual or employee of a business who offers for hire to provide protection of property on the premises of another.

Administrative Rules for security alarm contractors became effective May 1969. These rules were subsequently amended. The current rules are found in the Michigan Administrative Code, Sections R28.4001 - 28.4007.

Licensing Activity

Licenses Issued	5
Number of Licensees	358

Ski Area Safety

Public Act 199 of 1962, as amended, the Ski Area Safety Act of 1962, was enacted to issue permits to operate and regulate ski lifts in Michigan. The act defines ski area as an area used for skiing and served by one or more lift. Ski lifts are defined as a device for transporting persons uphill on skis, or in cars on tracks, or suspended in the air by the use of cables, belts, or ropes, and usually supported by trestles or towers with one or more spans.

Administrative rules governing the operation of ski areas became effective in May 1979. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R408.61 - R408.95.

The Michigan Ski Area Safety Board consists of 7 members: 3 ski area managers, 1 engineer, 1 member of the Central United States Ski Association, and 2 public members.

Board Members

Term Expires

Professional

Bartlet, Jim	6-8-17
Edwards, Ronald	6-8-15
Gano, Charles	6-8-16
Meyer, Timothy	6-8-17
Sirdenis, Nick	6-8-16

Public

Kubiske, David	6-8-14
Vander Spoel, James	6-8-14

Board Meetings Schedule Fiscal Year 2013

October 3, 2012
June 5, 2013

Licensing Activity

Permits Issued	42
Number of Permits	350

Professional Surveyors

Article 20 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate the practice of land surveying in Michigan. Article 20 defines a professional surveyor as a person who by reason of knowledge of law, mathematics, physical sciences, and techniques of measuring acquired by professional education and practical experience is qualified to engage in the practice of professional surveying.

Administrative rules for the practice of professional surveying became effective in September 1985. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R339.17101 - R399.17509.

The Michigan Board of Professional Surveyors consists of 9 voting members: 5 professional surveyors, 1 architect, 1 engineer, and 2 public members.

Board Members

Term Expires

Professional

Barish, Gilbert	3-31-17
Bartlett, Jeff	3-31-17
Brand, Ronald	3-31-15
Drewyor, Michael	3-31-16
Gravlin, Steven	3-31-14
Michalski-Wallace, Ginger	3-31-16
Van Tine, Kenneth	3-31-15

Public

Darin, Nick	3-31-17
Whitley, Donnie	3-31-14

Board Meetings Schedule Fiscal Year 2013

January, 23, 201, 2013
April 18, 2013
April 18, 2013 Joint Boards
September 18, 2013

Licensing Activity

Licenses Issued	10
Examinations Administered	22*
Number of Licensees	1,037

* Professional Surveyors take a national examination and a state examination. No data is available for the national examinations. This figure represents the number of state examinations administered.

**Vehicle Protection Product
Warrantors**

Listing Activity

The Vehicle Protection Product Act, Public Act 263 of 2005, effective June 14, 2006, was enacted to create a list of warrantors to protect the public by insuring that the warrantor will be responsible for the claims made regarding the product. The act defines a vehicles protection product as a vehicle protection device, system, or service that is installed on or applied to a vehicle and is designed to prevent loss or damage to a vehicle from a specific cause. Except as provided in this subdivision, the term includes, but is not limited to, alarm systems, body part marking products, steering locks, window etch products, pedal and ignition locks, fuel and ignition kill switches, and electronic, radio, and satellite tracking devices. The term does not include a vehicle protection device, system, or service that is installed on or applied to a vehicle by the vehicle manufacturer at the vehicle assembly facility.

Applications Received	6
Number Listed	35

Educational Corporations (Private Colleges or Universities)

If an organization desires to operate a private college or university, they must organize as an educational corporation under Public Act 327 of 1931 as amended, the Michigan General Corporation Act, or receive approval as a foreign corporation (out-of-state institution) under Act 284 of 1972, The Business Corporation Act, which provides the authority to conduct business in Michigan. The proposed private college or university must demonstrate it meets the five areas of adequacy required under Section 170-177 of the Michigan General Corporation Act prior to operating in the state. An on-site inspection is conducted to verify the findings in the application. The proposed institution must meet minimum standards to demonstrate adequacy of resources in the following areas:

- a. the housing space and administration facilities which it possesses or proposes to provide for its declared field or fields of education are adequate;
- b. its proposed educational program leading to the diplomas or degrees which it proposes to offer is adequate;
- c. its laboratory, library, and other teaching facilities which it possesses or proposes to provide are adequate;
- d. it has or proposes to employ an adequate staff, fully trained for the instruction proposed, and;
- e. at least 50% of its capital, whether of stock or in gifts, devises, legacies, bequests or other contributions of money or property, has been paid in or reduced to possession.

An existing private college or university is required to obtain approval prior to expanding program offerings. An educational corporation may grant diplomas, certificates, and degrees. Use of the words, "college, or university" is permitted under the provisions of the General Corporation Act.

Application Activity

Applications Received	52*
Total Number of Licenses	88

* Private colleges and universities are approved to operate but not licensed. Figure includes requests for new programs and other change requests.

Professional Employer Organizations

Public Act 370 of 2010, the Michigan Professional Employer Organization Regulatory, provides for the licensing of professional employer organizations. The act defines a "professional employer organization" or "PEO" as any person engaged in the business of providing professional employer services regardless of its use of a descriptive term other than "professional employer organization" or "PEO". A PEO is a service provider that allows businesses to outsource such administrative functions as payroll, workers' compensation, human resources, and employee benefits. Reportedly, there are about 700 PEOs operating in all 50 states, covering as many as 3 million workers. According to the National Association of Professional Employer Organizations website, the PEO industry, which is about 30 years old, is growing rapidly.

Licensing Activity

Licenses Issued	40
Number of Licensees	68

Proprietary Schools

Career focused postsecondary schools must be licensed to offer instruction under the Proprietary Schools Act (PA 148 of 1943, as amended). These schools may be incorporated as a for-profit or non-profit corporation or may be unincorporated. The school must adequately complete a new school permit application. The application addresses the criteria in the Act regarding the method and content of the advertising, the standards and the methods of instruction, the personnel, health and safety standards and the operating and instructional practices of the school. An on-site inspection is conducted to verify the findings in the application. The use of the terms “college or university” cannot be used nor can degrees be granted under this license. The school may grant certificates of participation and completion and/or diplomas to students. An existing school is required to obtain approval prior to expanding program offerings. A school that closes must provide this office with Student Transcripts for archiving. Students that need an official transcript for a closed school can request a copy from this offer. There is a nominal fee for this service.

Administrative rules for proprietary schools became effective in 1979. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R390.561 - R390.569.

Licensing Activity

Licenses Issued/Approvals Granted	348*
Number of Licensees	434

* Figure includes requests for new programs and other change requests.

Solicitors for Private Postsecondary Schools

Permit Activity

Student recruiters that work in the state must hold a valid solicitor permit pursuant to Public Act 40 of 1963, as amended, the Private Trade Schools, Business Schools, Correspondence Schools, and Institutes Act. Solicitor permits are required for student recruiters representing out-of-state institutions without bachelor degree granting authority. These schools must have a valid State of Michigan certificate of compliance to solicit students in Michigan. Solicitor permits are required for student recruiters representing schools or institutes domiciled in Michigan that are licensed under Public Act 148 of 1943, as amended, the Proprietary Schools Act, or incorporated under Public Act 327 of 1931, as amended, the Michigan General Corporation Act.

Permits Issued	229
Total Registrants	229

Administrative rules for solicitors for private schools became effective on August 15, 1967. These rules were subsequently amended. These rules are found in the Michigan Administrative Code, Sections R340.471 - R340.479.

Administrative rules for solicitors for private trade schools or institutes became effective in 1979. These rules are found in the Michigan Administrative Code, Section R390.671.

Securities

The Michigan Uniform Securities Act (MUSA), 2008 PA 551, as amended, provides for the registration of all aspects of the securities industry under state authority. The Securities Section oversees the registration of individuals and entities that provide investment-related advice to Michigan residents. Securities sold in Michigan must be registered or exempted from registration under the MUSA. All persons or businesses that offer or sell securities in this state, or advise (for a fee) on what securities should be bought or sold, must be registered under the MUSA. It also partners with the audit & examination and enforcement divisions to present seminars for industry to assist it with complying with the Act.

The following six Transition Orders administer the Michigan Uniform Securities Act, 2008 PA 551, as amended. Transition Order Nos. 09-049-M effective September 1, 2009; 09-055-M effective September 30, 2009; 09-049-M, Bulletin 2009-14-SEC, effective September 1, 2009; 10-026-M, effective March 11, 2010; 10-097-M, effective November 1, 2010; and 2011-009-M, effective March 11, 2011.

The authority to promulgate Administrative rules, R. 451.601.1- R. 451.818.1, for the Michigan Uniform Securities Act, 2008 PA 551, as amended, was granted by 1964 PA 265. The authority to promulgate Procedural rules, R. 451.2101 – R.451.3503, for the Michigan Uniform Securities Act, 2008 PA 551, as amended, was granted by Executive Reorganization Order No. 1996-2.

Registration Activity

Registrations issued	33,640
Product Filings	35,052
Number of Registrants	161,832

Security Alarm System Providers

Effective January 2, 2013, the Security Alarm Systems Act prohibits a person from acting as a system provider without filing a registration statement with LARA, allows LARA to charge a fee for filing a registration statement, requires LARA to accept a registration statement if the person meets the Act's requirements, requires a person to provide a bond and insurance policy to LARA to act as a system provider, requires a person or an affiliate of the person to be a basic local exchange provider under the Michigan Telecommunications Act, requires a registration statement to include an affidavit that affirms certain information about the person's business operation, including a description of the training that will be provided to employees or independent contractors to install or monitor security alarm systems, requires a person to conduct criminal background checks of each employee or independent contractor who will be entering a customer's premises to sell, lease, maintain, repair, install, or otherwise provide a security alarm system, prohibits a person from employing or engaging individuals if the background check discloses certain information, specifies the scope of LARA's authority under the Act, specifies that the Act preempts local ordinances or regulations relating to the authorization or registration of system providers and their employees or independent contractors, and establishes a misdemeanor penalty for a violation of the Act.

There are nine Security Alarm System Providers.