

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

**Order administering the
Michigan Uniform Securities Act**

Order No. 2019-1

Issued and entered
on this 3rd day of July, 2019

ORDER ADMINISTERING THE MICHIGAN UNIFORM SECURITIES ACT (2002), 2008 PA 551

I. FACTUAL BACKGROUND AND STATUTORY AUTHORITY

1. The Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.* (the “Act”), took effect on October 1, 2009.
2. Section 102(a) of the Act, MCL 451.2102(a), designates the Office of Financial and Insurance Regulation as the Administrator of the Act.
3. Executive Reorganization Order No. 2012-6, MCL 445.2034, transferred the Securities Division of the Office of Financial and Insurance Regulation to the Department of Licensing and Regulatory Affairs (the “Department”), and designated the Department director as the Act’s Administrator, effective on November 6, 2012. The Department Director then delegated authority as Administrator under the Act to the Corporations, Securities & Commercial Licensing Bureau’s director (the “Administrator”).
4. The Administrator is authorized under section 605 of the Act, MCL 451.2605, to issue orders as are necessary or appropriate in the public interest or that are for the protection of investors and consistent with the purposes intended by the Act.
5. The former Administrator issued the following orders (collectively, “the Transition Orders”) administering the Act:
 - a. Transition Order No. 1 (Order No. 09-049-M);
 - b. Transition Order No. 2 (Order No. 09-055-M);
 - c. Transition Order No. 3 (Order No. 09-070-M);
 - d. Transition Order No. 4 (Order No. 10-026-M);
 - e. Transition Order No. 5 (Order No. 10-097-M); and
 - f. Transition Order No. 6 (Order No. 2011-009-M).
6. The Transition Orders were necessary, appropriate, and in the public interest for the protection of investors to administer the Act until the Administrator was able to promulgate administrative rules under the Act pursuant to the Administrative Procedures Act, 1969 PA 306, MCL 24.201 *et seq.*

7. On or around January 3, 2019, administrative rules under the Act were filed with the Office of the Great Seal (“the Securities Rules”). The Securities Rules become effective today, July 3, 2019, except for Rule 451.4.5, which becomes effective on January 3, 2020.
8. Except with respect to Transition Order 6, Order No. 2011-009-M, paragraph 3, governing the investment adviser exemption provided for at section 403(2)(c) of the Act, MCL 451.2403(2)(c), the Transition Orders are no longer necessary or appropriate for the administration of the Act.
9. The Administrator determines that it is appropriate and in the public interest for the protection of investors that, with the exception of Transition Order 6, Order No. 2011-009-M, paragraph 3, the Transition Orders be rescinded concurrently with the effectiveness of the Securities Rules.

II. ORDER

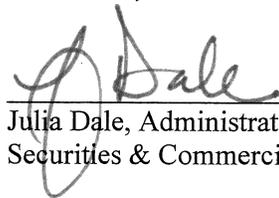
THEREFORE, IT IS ORDERED THAT:

1. Transition Order 1, Order No. 09-049-M; Transition Order 2, Order No. 09-055-M; Transition Order 3, Order No. 09-070-M; Transition Order 4, Order No. 10-026-M; Transition Order 5, Order No. 10-097-M are rescinded, effective on today’s date, July 3, 2019.
2. Transition Order 6, Order No. 2011-009-M is rescinded, except paragraph 3, which remains effective as follows:
 3. For purposes of the exemption from registration contained in Section 403(2)(c) of the Act, MCL 451.2403(2)(c), the term “Institutional Investor” as defined in Section 102a(a) of the Act, MCL 451.2102a(a), includes a “private fund”, as defined in Section 402(a) of the Dodd-Frank Act; provided that the equity holders of such private fund are comprised exclusively of persons who are:
 - (a) “qualified clients” as defined in Rule 205-3(d)(1) promulgated under the Advisers Act, 17 CFR 257.205-3(d)(1)¹; or
 - (b) “accredited investors” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended.
3. Upon effectiveness of Rule 451.4.5 on January 3, 2020, Transition Order 6, Order No. 2011-009-M, paragraph 3, is rescinded without further order of the Administrator.

IT IS SO ORDERED.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU

By:



Julia Dale, Administrator and Director, Corporations,
Securities & Commercial Licensing Bureau Director

July 3, 2019

Date

¹ The citation should read “17 CFR 275.205-3(d)(1)” instead of “17 CFR 257.205-3(d)(1). The error appears in the original text of Transition Order 6, Order No. 2011-009-M, paragraph 3.