

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU
ANNUAL REPORT FOR FISCAL YEAR 2014

This annual report of the Corporations, Securities & Commercial Licensing Bureau (the Bureau) for the period beginning October 1, 2013 and ending September 30, 2014 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 161, 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 Michigan Uniform Securities Act (2002), PA 551 of 2008, and the filing of business entity documents, 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 30 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; coordinating of legal representation at administrative hearings; representing 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 reviewing and responding 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.

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

BUREAU ADMINISTRATION & ADMINISTRATIVE SERVICES

Alan J. Schefke, Director
G. Ann Baker, Deputy Director (517) 241-9223

Office of the Cemetery Commissioner (517) 241-8070

CORPORATIONS DIVISION

Julia Dale, Director (517) 241-3838

ENFORCEMENT DIVISION

Barrington Carr, Director (517) 241-9218
Lansing/Grand Rapids Regional Office (517) 241-9202
Detroit Regional Office (313) 456-0310

AUDIT & EXAMINATION DIVISION

Timothy Teague, Director (517) 335-3056
Detroit Regional Office (313) 456-0310

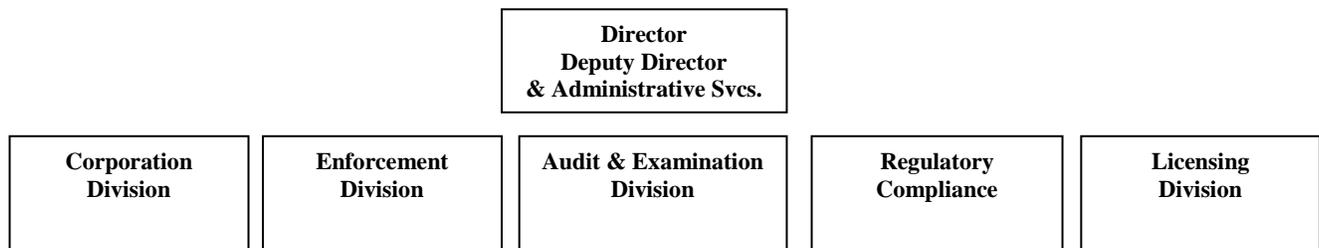
REGULATORY COMPLIANCE DIVISION

Kimberly Breitmeyer, Director (517) 241-9267

LICENSING DIVISION

Andrew Brisbo, Director (517) 241-9288

**CORPORATIONS, SECURITIES & COMMERCIAL LICENSING
BUREAU**



CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

FISCAL YEAR 2014 APPROPRIATION

Appropriated F.T.E.'s	192.0
Licensing & Regulation Fees	\$11,268,800
Real Estate Education Fund	\$338,100
Real Estate Enforcement Fund	\$694,300
Real Estate Appraiser Continuing Education Fund	\$57,200
Residential Builder Enforcement Fund	\$461,000
Private Occupational School	\$809,400
GF/GP	0
Corporation Fees	\$6,171,200
Unarmed Combat Fund	\$134,900
Security Business Fund	\$340,100
Accountancy Enforcement Fund	\$404,800
Security Fees	\$4,881,000
Securities Investor Education and Training Fund	\$1,000,000
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GROSS APPROPRIATIONS	<u>\$26,560,800.00</u>

Corporations, Securities & Commercial Licensing Bureau

Legislative Summary

From October 1 to December 31, 2013, there were 164 Senate bills and 185 House bills introduced, of which, 19 bills pertained to the Bureau. The Bureau completed 11 bill analyses.

From January 1 to September 30, 2014, there were 367 Senate bills and 662 House bills introduced, of which, 43 bills pertained to the Bureau. The Bureau completed 19 bill analyses.

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

Below is a summary of the legislation that passed during Fiscal Year 2014.

2013 PA 123 (SB 357 of 2013), effective October 1, 2013, amends Chapter 7A of the Business Corporation Act to narrow the definition of “interested shareholder” for purposes of a shareholder vote on a business combination.

2013 PA 131 (HB 4334 of 2013), effective October 15, 2013, amends the Michigan Limited Liability Company Act to permit a professional limited liability company to practice public accounting if more than 50% of the professional limited liability company’s equity and voter rights were held directly or beneficially by individuals licensed or otherwise authorized to practice public accounting under Article 7 of the Occupational Code.

2013 PA 132 (HB 4654 of 2013), effective October 15, 2012, amends the Business Corporation Act to permit a professional corporation to practice public accounting if more than 50% of the professional corporation’s equity and voter rights were held directly or beneficially by individuals licensed or otherwise authorized to practice public accounting under Article 7 of the Occupational Code.

2013 PA 169 (HB 4756 of 2013), effective February 12, 2014, amends Article 24 of the Occupational Code to exempt an applicant from initial licensure as a residential builder or residential maintenance and alteration contractor, from prelicensure requirements if he or she met certain criteria.

2013 PA 178 (HB 4585 of 2013), effective February 25, 2014, amends Article 20 of the Occupational Code to allow a licensed architect’s, professional engineer’s, or professional surveyor’s seal and signature to be affixed to documents electronically.

2013 PA 200 (HB 4242 of 2013), effective March 19, 2014, amends the Administrative Procedures Act to require an agency’s regulatory impact statement to demonstrate that a proposed rule was necessary and suitable to achieve its purpose in proportion to the burden it would impose.

2013 PA 264 (HB 4996 of 2013), effective December 30, 2013, amends the Uniform Securities Act to provide an exemption for a Regulation A offering under the Federal Securities Act, provides an exemption for a sale or offer that would qualify as an intrastate offering under Federal law, if the offering met certain criteria, revises an existing exemption for transactions in which there are no more than 25 purchasers in Michigan in a 12-month period, and revises the definition of “institutional investor”.

2014 PA 106 (SB 641 of 2013), effective January 1, 2015, amends Article 25 of the Occupational Code to require LARA to renew a real estate broker, associate real estate broker, or real estate salesperson license if it receives an application for renewal within 60 days after the license’s expiration date, allows LARA to relicense without examination a person who fails to renew a license within that 60-day period, if he or she meets certain requirements, revises requirements for LARA to relicense a person who fails to renew a real estate broker or real estate salesperson license within 3 years after the last license expires, deletes provisions that allow LARA to relicense a real estate broker or real estate salesperson whose license has been lapsed for 3 or more years, deletes, recodifies, and revises continuing education requirements, requires a licensee to retain evidence they met continuing education requirements, allows LARA to audit for compliance continuing education requirements and authorizes LARA to allow an applicant to

renew a license by completing additional continuing education if the audit determines the applicant did not comply, requires LARA to allow a reasonable period of transition if the revocation of affiliated licenses results from the death or disability of a sole principal associate broker, and adds a limited liability company to the list of entities to which LARA may issue a real estate broker's license.

2014 PA 127 (SB 671 of 2013), effective August 20, 2014, amends the State License Fee Act to require LARA to waive the fee for an initial license or initial registration, or an application processing fee charged for an initial license or initial registration, if the applicant had serviced in the armed forces and provides LARA with a form that demonstrates that the applicant was separated from that service with an honorable character of service or under honorable conditions (general) character of service.

2014 PA 128 (SB 672 of 2013), effective August, 20, 2014, amends the Private Security Business and Security Alarm Act to require LARA and MSP to waive initial licensing fees for an applicant who was an honorably discharged military veteran.

2014 PA 136 (SB 612 of 2013), effective May 27, 2014, amends Article 11 of the Occupational Code to reduce the number of hours of study in the educational requirement for licensure as a barber and revises the provision allowing substitution of experience for instruction to address a situation in which a person's experience was acquired in a country where records were not generally available.

2014 PA 137 (HB 5396 of 2014), effective May 27, 2014, amends Article 11 of the Occupational Code to reduce the number of hours that a barber college must offer in its educational program from 250 hours to 225 hours of classroom study, demonstrations, and recitations; and from 1,750 hours to 1,575 hours of practical barber training.

2014 PA 149 (SB 742 of 2014), effective June 11, 2014, amends the Occupational Code to require LARA to grant a temporary occupational license or registration to a person licensed or registered in good standing in another jurisdiction who is married to an active duty member of the armed forces assigned to a duty station in Michigan.

2014 PA 151 (SB 476 of 2013), effective June 24, 2014, repealed Article 29 of the Occupational Code, which regulated and provided for the registration of auctioneers.

2014 PA 152 (SB 477 of 2013), effective June 24, 2014, repealed Section 28 of the State License Fee Act, which specified various fees for registration as an auctioneer.

2014 PA 153 (SB 494 of 2013), effective June 11, 2014, repealed Section 23 of the State License Fee Act, which had set fees for a person registered or seeking registration as a professional community planner under Article 23 of the Occupational Code.

2014 PA 154 (HB 4377 of 2013), effective June 11, 2014, repealed Article 23 of the Occupational Code, which regulated professional community planners.

2014 PA 155 (SB 607 of 2013), effective June 11, 2014, repealed Section 62 of the State License Fee Act, which specified various fees for registration as an ophthalmologist.

2014 PA 156 (HB 4392 of 2013), effective June 11, 2014, repealed Article 27 of the Occupational Code, which regulated and provided for the registration of ophthalmologists.

2014 PA 157 (HB 4376 of 2013), effective June 11, 2014, repealed 1963 PA 40, which regulates solicitors representing certain private schools. The bill also amended the Proprietary Schools Act to delete a reference to solicitors for proprietary schools.

2014 PA 163 (HB 4691 of 2013), effective June 11, 2014, repealed sections of the Carnival-Amusement Safety Act that deal with the Carnival-amusement Safety Board, and transferred the Board's responsibilities to LARA.

2014 PA 174 (HB 4528 of 2013), effective June 17, 2014, eliminated the immigration clerical assistant list and the requirement that immigration clerical assistants maintain a \$50,000 corporate surety or cash bond.

2014 PA 175 (HB 4582 of 2013), effective September 16, 2014, amends Article 24 of the Occupational Code to allow certain additional individuals to obtain a license as a residential

builder, or residential maintenance and alteration contractor, without completing the pre-licensure educational courses that are usually required. The new exemption applies to an individual who held a license at any time within the previous nine years, so long as that individual applies before January 16, 2016, which is 18 months after the effective date of the law.

2014 PA 176 (HB 5284 of 2014), effective June 17, 2014, amends Article 24 of the Occupational Code by modifying the requirements and process for certain individuals applying for licensure or re-licensure as residential builders or maintenance and alteration contractors.

2014 PA 177 (HB 5220 of 2014), effective June 17, 2014, amends Article 7 of the Occupational Code to delete a requirement that certain officers of an accounting firm applying for licensure under Article 7 be licensed as a certified public accountant, require that certain services provided by an accounting firm be performed under the supervision of a certified public accountant, and delete a requirement that a firm applying for licensure under Article 7 have filed a certificate of

authority under the Business Corporation Act, if applicable.

2014 PA 193 (HB 4378 of 2013), effective June 24, 2014, repealed Section 601a of the Occupational Code, which provided for an advisory subcommittee on interior design and allowed LARA to promulgate rules to administer it, including rules for reasonable fees charged to people seeking qualification for performing interior design services, and procedures for adding and removing individuals from the list of qualified interior designers.

2014 PA 194 (HB 4683 of 2013), effective June 24, 2014, amended the Michigan Liquor Control Code to delete a reference to the registration requirements for auctioneers in Article 29 of the Occupational Code.

2014 PA 195 (HB 4684 of 2013), effective June 24, 2014, amended Part 821 of the Natural Resources and Environmental Protection Act to delete a reference to an auctioneer as defined in Article 29 of the Occupational Code, and add definitions of “auctioneer” and “auction”.

Corporations, Securities & Commercial Licensing Bureau

Bureau Administration & Administrative Services

Bureau Administration and Administrative Services has seventeen 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 divisions 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 for testing and education needs covering 18 professions by overseeing, developing and reviewing 29 examinations provided under contracts with third party vendors for the Corporations, Securities & 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 provides centralized support to the entire bureau for 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 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.

Informational Sales Program

Per statute, the Bureau is allowed to sell licensing data. During Fiscal Year 2014 the Informational Sales Program received 608 inquiries and made 279 sales, totaling \$41,074.00 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 certain 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 regulated 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 forty-two 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 2014, this program generated \$23,125,615 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 2014, 16,216 new corporations, 62,158 limited liability companies, 166 limited partnerships and 181 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 447,747 annual reports and 164,785 were filed online in fiscal year 2014. During the fiscal year 540 marks and insignias were registered.

The Business Services Section responded to 163,895 telephone inquiries regarding name availability and general information on corporations, limited partnerships and limited liability companies in fiscal year 2014. In addition, the Unit received 8,168 order requests via fax. The Section also received 27,037 requests for copies of documents and/or certificates. 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 729,257 active corporations, limited partnerships and limited liability companies that are either in good standing or not cancelled

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-five, 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 7 work units: "*Intake*" that reviews all complaints for jurisdiction; "*Preliminary Review*" that performs desk reviews and desk investigations; "*Investigation*" that primarily conducts field investigations; "*Investments & Securities*" that handle regulatory issues in those specific areas; "*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.

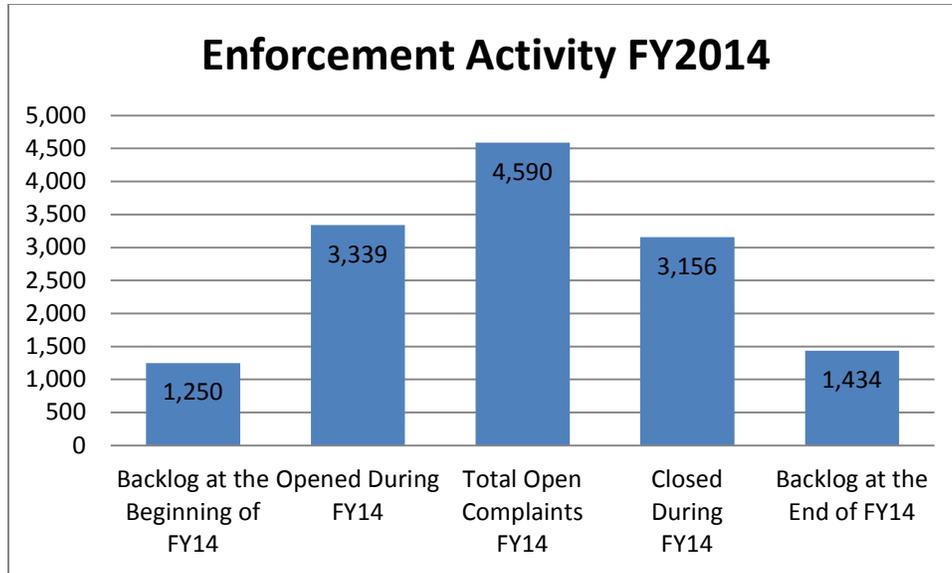
Extension Report

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 2014, the Enforcement Division requested extensions for 1,848 complaints.

**Corporations, Securities & Commercial Licensing Bureau
Enforcement Statistics FY 2014**

Profession	Adj. Total Complaints Beginning FY 2014	Opened During FY 2014	Total Open Complaints FY 2014	Closed During FY 2014	Open Complaints At End Of FY 2014
Accountancy	40	291	331	265	66
Appraisers	81	80	161	98	63
Architects	0	5	5	4	1
Auctioneers	2	4	6	6	0
Barber	45	130	175	139	36
Builders	281	1,046	1,327	943	384
Carnival/Amusement	0	2	2	2	0
Cemetery	38	27	65	25	40
Collection Practices	21	100	121	94	27
Community Planners	0	0	0	0	0
Cosmetology	141	465	606	432	174
Engineers	5	8	13	10	3
Exams - CSCL	65	112	177	141	36
Foresters	0	3	3	3	0
Hearing Aid	1	15	16	14	2
Immigration Clerical	0	0	0	0	0
Investment & Securities	143	289	432	209	223
Landscape Architects	0	5	5	5	0
Mortuary Science	23	79	102	64	38
Non-Jurisdiction/General	0	57	57	57	0
Non-Jurisdiction/Living Care	0	1	1	0	1
Personnel Agency	0	4	4	3	1
Polygraph Examiners	0	1	1	1	0
Prepaid Funeral	55	41	96	29	67
Private Investigators	2	13	15	13	2
Professional Employer Orgs	0	2	2	2	0
Proprietary Schools	34	60	94	78	16
Real Estate	238	397	635	406	229
Security Alarm	1	8	9	4	5
Security Guard	1	17	18	12	6
Ski Safety	0	0	0	0	0
Surveyors	7	1	9	7	2
Unarmed Combat	26	74	100	88	12
Vehicle Protection Warrantor	0	2	2	2	0
Totals	<u>1,250</u>	<u>3,339</u>	<u>4,590</u>	<u>3,156</u>	<u>1,434</u>

Enforcement Division
Inspection Statistics FY 2014



Inspections by Occupation

Board	Inspections Requested	Inspections Completed
Barbers	173	170
Carnival/Amusement	1095	1032
Cosmetology	1373	1350
Mortuary Science	29	32
Ski Areas	356	325
Total	3026	2909

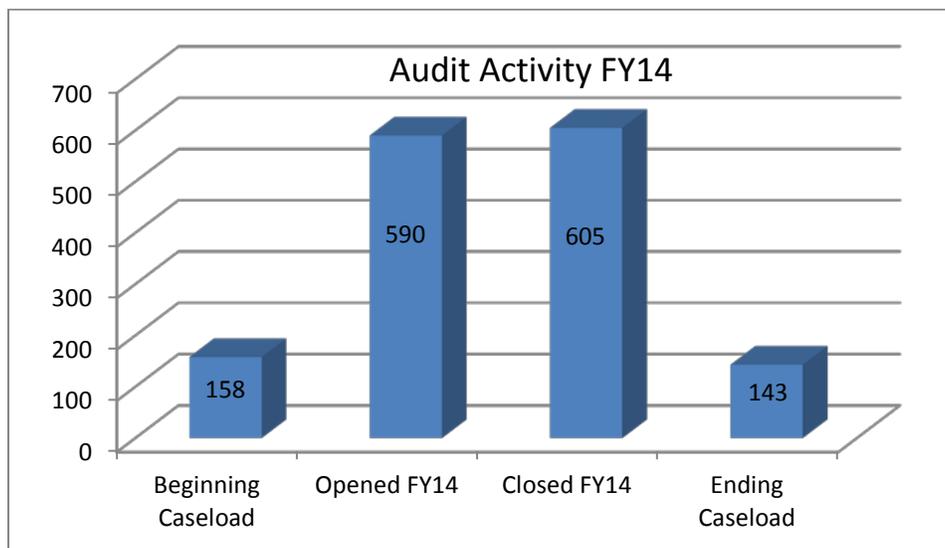
Corporations, Securities & Commercial Licensing Bureau Audit and Examination Division

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

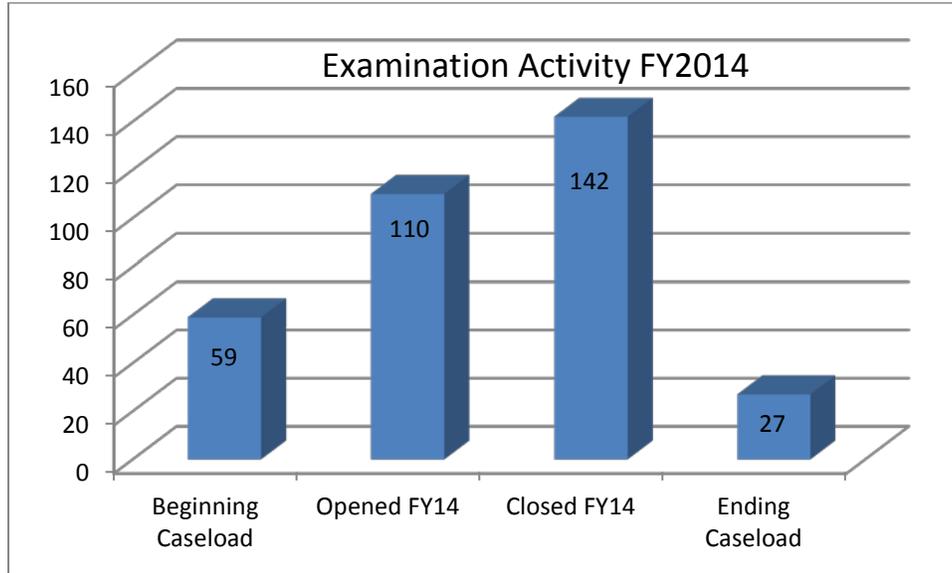
The Living Care Disclosure Act, PA 440 of 1976, requires senior citizen facilities offering life care programs to register with the Bureau. Living care facilities are reviewed for the adequacy of their disclosures, fairness of advertising and financial viability. Registrants are required to renew annually. This year, the Audit and Examination Division had 26 living care registrants.

The Uniform Securities Act, PA 551 of 2008, 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 of/for 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 2014, the Audit and Examination Division's product registration area received and processed 110 product registrations by coordination (REITs, Oil & Gas partnerships, etc.) and 45 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 2014, the Audit Section opened 590 audit files and completed 605 audits. They also reviewed 123 annual reports of cemeteries, 69 annual reports of crematories, 682 prepaid funeral and cemetery sales act annual reports and 820 collection agency annual reports. During the period covered by this annual report the Audit Section discovered \$2,228,314 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	87
New Hearings Opened	151
Hearings Closed	153
Other Hearings actions	218

<u>Final Orders Served</u>	304
<u>Formal Complaints</u>	309
<u>Summary Suspension Orders</u>	80
<u>Cease and Desist Orders</u>	42
<u>Securities Registration Denial Orders</u>	12
<u>Securities Registrations Suspended</u>	0

COMPLIANCE CONFERENCES

Scheduled	239
FOIA Requests	638
Billing Amount	\$3,953.80

<u>Securities Registrations Revoked</u>	0
<u>Bars from Securities Industry</u>	0
<u>Securities Conditional Registrations</u>	6
<u>Securities Product Orders</u>	157
<u>Living Care Orders</u>	58

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 2014, the Bureau issued 320 final orders that included \$791,240 in fines. Normally, the licensee/registrant operates under a set timeframe to reach compliance. After the passage of six months, overdue fines are referred to the Department of Treasury for collection. By the end of the fiscal year 2014, the Department collected \$199,800 in fine payments. The chart below summarizes this information: 58% 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/ PROFESSION	# FY1 4 FO`s	Assessed Fines FY14	#FY14 FOs with Fines Collect ed	FY14 FOs Paid	\$ Collected from Pre FY14 FOs	Pre FY14 Orders Paid	FY14 Outstandin g Fines	% FY14 Fines paid	% FY14 Money Collected
11-Accountancy	25	\$165,700	15	\$50,750	\$18,000	2	\$114,950	60%	31%
12-Appraisers	13	\$18,500	8	\$6,000	\$11,250	6	\$12,500	62%	32%
15-UCC	29	\$21,690	1	\$250	\$2,501	6	\$21,440	3%	1%
17-Barbers	9	\$9,250	5	\$5,500	\$5,100	6	\$3,750	56%	59%
21-Builders	81	\$319,850	46	\$21,100	\$146,400	39	\$298,750	57%	7%
24-Collection	6	\$8,250	2	\$750	\$9,000	3	\$7,500	33%	9%
27-Cosmetology	72	\$50,900	59	\$40,700	\$36,450	32	\$10,200	82%	80%
34-PrePaid Funeral	6	\$32,500	5	\$22,500	\$0	0	\$10,000	83%	69%
35 – Hearing Aid Dealers	1	\$1,750	1	\$1,750	\$1,000	1	\$0	100%	100%
40 – Surveyor	1	\$1,000	1	\$1,000	\$0	0	\$0	100%	100%
45 – Mortuary Science	12	\$63,500	6	\$13,500	\$0	0	\$50,000	50%	21%
62 – Engineers	1	\$1,000	1	\$1,000	\$1,000	1	\$0	100%	100%
65-Real Estate	41	\$41,850	28	\$21,500	\$3,000	2	\$20,350	68%	51%
86-Proprietary Schools	7	\$10,500	4	\$8,500	\$0	0	\$2,000	57%	81%
90 –Securities	16	\$45,000	2	\$5,000	\$4,000	1	\$40,000	13%	11%
TOTAL/AVG%	320	\$791,240	184	\$199,800	\$237,701	99	\$591,440	58%	25%

Amount of FO fines collected through Treasury for FY 13/14:
 Collected: \$196,888.80
 Net: \$155,921.52

*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 13/14.

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 13/14 10/1/13 through 9/30/14	Licenses/Registrations Issued	Examinations Administered	Verifications/ Certifications	Renewals	Total Number Licensees
Accountancy	3086		272	80	19,736
Appraisal Management Companies	129		0	0	129
Architects	486		40	1046	7,017
Auctioneers	2	0	0	8	0*
Barbers	926	261	67	531	7,023
Broker Dealers	87			1,784	1,808
Carnival-Amusement Safety	731		0	1202	2,077
Cemetery Regulation	11		6	196	277
Collection Practices	350	155	31	91	1,120
Cosmetology	7925	7,662	1,111	41842	110,029
Educational Corporations	10		0	34	190
Forensic Polygraph Examiners	11	2	0	127	116
Foresters	30		0	145	203
Hearing Aid Dealers	284	135	6	113	542
Immigration Clerical Assistants	3		0	1	0*
Interior Designers	0		0	0	0*
Investment Advisers	55			1944	2087
Investment Adviser Representatives	1,634			11,881	11,208
Landscape Architects	80		17	226	551
MILE Web Operators	4		0	0	4
Mortuary Science	220	54	60	1129	2,920
Mutual Fund Filings (Blue Express)	16,041				16,041
Mutual Fund Filings (paper)	4,263				4,263
Ocularists	0		0	3	0*
Personnel Agencies	2	4	0	40	59
Prepaid Funeral Contracts	24		2	0	567
Professional Community Planners	6	0	0	0	0*
Professional Employer Organizations	40		0	90	116
Professional Engineers	1587		1,242	0	21,667
Professional Investigators	109		14	0	1,136
Professional Surveyors	16	28	33	0	1,025
Proprietary Schools	292		0	0	445
Real Estate Appraisers	597	67	160	326	3,266
Real Estate Brokers & Salespersons	12,903	6,767	375	0	55,003
Regulation D-Filings	1,348				1,348
Residential Builders and Maintenance & Alteration Contractors	4,943	3,701	311	28,932	58,045
Securities Agents	25,849			142,810	154,488
Security Alarm Contractors	56	6	5	0	407
Security Alarm Systems	8	0	0	0	17
Security Guard Agencies	76		9	127	372
Ski Area Safety	7		0	38	339
Solicitors for Private Postsecondary Schools	0		0	0	0*
Unarmed Combat	516		16	183	858
Vehicle Protection Product Warrantors	7		1	8	41
TOTAL	84,754		3,778	234,937	486,540

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.

* Profession was deregulated during fiscal year 2014.

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 Meetings Schedule Fiscal Year 2014

November 1, 2013
January 10, 2014
March 7, 2014
May 9, 2014
August 15, 2014

Licensing Activity

Licenses Issued	3,086
Number of Licensees	19,736

<u>Board Member</u>	<u>Term Expires</u>
Professional	
Bayson, James	6-30-16
David, Richard	6-30-17
Howell, Matthew	6-30-18
Post, Kathleen	6-30-15
Smith, Dr. Ola	6-30-17
Swartz, Michael	6-30-18
Public	
Homier, Barbra	6-30-16
Kluge, Jennifer	6-30-17
Seibold, Amna	6-30-15

Appraisal Management Companies

(AMCs)

Article 26a of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to license and regulate Appraisal Management Companies that provide appraisal management services. "Appraisal management services" means to perform any of the following functions for a client or clients: (a) administering a network of independent contract appraisers to perform real estate appraisal services; (b) receiving requests for real estate appraisal services and, for a fee paid by the client, entering into agreements with 1 or more independent appraisers to perform the real estate appraisal services described in the request; or (c) acting as a third-party broker or intermediary between persons requesting real estate appraisal services and independent appraisers who agree to provide those services."

Licensing Activity

Licenses Issued	129
Number of Licensees	129

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
King, Dennis	3-31-18
Lamble, Dan	3-31-16
Naperala, Troy	3-31-15
Sherman, Randall	3-31-17
VanTine, Kenneth	3-31-15

Public

Larson, Jay	3-31-17
Welmers, Joseph	3-31-18

Board Meetings Schedule Fiscal Year 2014

October 17, 2013
January 22, 2014
April 17, 2014 (Joint
meeting)
September 17, 2014

Licensing Activity

Licenses Issued	486
Examinations Administered	0*
Number of Licensees	7,017

*National Exam, no data available.

Auctioneers

Public Act 151 of 2014 repealed Article 29 (MCL 339.2901 to 339.2919) of the Occupational Code, 1980 PA 299, effective June 11, 2014.

Public Act 489 of 2006 was enacted to provide for a voluntary registration program for auctioneers. The voluntary registration of auctioneers was regulated under Article 29 of the Occupational Code, 1980 PA 299, as amended. The voluntary registration program added little consumer protection due to its being a voluntary program and there were no consumer complaints regarding auctioneers while the program was in place.

At the time that this article was deregulated there were 19 registrations.

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

Board Members

Term Expires

*deregulated

Board Meetings Schedule Fiscal Year 2014

November 6, 2013
May 7, 2014

Registration Activity

Registrations Issued	2
Number of Registrants	0*

*profession deregulated

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

Dutcher, Jordan T	9-30-18
Grover, Marlene	9-30-18
Morey, Robert	9-30-18
Pappas, George	9-30-15
Smith, Phillip III	9-30-17
Vitto, Perry	9-30-16

Public

VanDyken, James	9-30-13
Vacant	
Vacant	

Board Meetings Schedule Fiscal Year 2014

October 14, 2013
January 27, 2014
May 5, 2014

Licensing Activity

Examinations Administered	261
New Licenses	926
Number of Licensees	7,023

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.

New legislation repealed Sections 3-5, MCL 408.653 to 408.655, of the Carnival-Amusement Safety Act. The new law, 2014 PA 163 abolished the Michigan Carnival-Amusement Safety Board effective June 11, 2014.

Board Meetings Schedule Fiscal Year 2014

October 25, 2013
March 21, 2014

Licensing Activity

Permits Issued	731
Number of Permits	2,077

Board Members

Term Expires

Abolished, PA 163 of 2014, Repeal
408.653-408.656, effective 6/11/2014

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. In April of 2013, Alan J. Schefke, Bureau Director, was appointed as the Cemetery Commissioner.

Registration Activity

Registrations Issued	11
Number of Registrants	277

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. 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.

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

Board Members

Term Expires

Professional

Dietrich, Jennifer	6-30-15
Idle, Scott	6-30-18
Matonican, Thomas	6-30-17
Oldani, Thomas	6-30-17
Prince, Scott	6-30-18
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 2014

February 6, 2014
August 7, 2014

Licensing Activity

Licenses Issued	350
Examinations Administered	155
Number of Licensees	1,120

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.

<u>Board Members</u>	<u>Term Expires</u>
Professional	
DeYoung, Helena	12-31-15
Haley, Angela	12-31-16
River, Angela	12-31-14
Sneller, Danielle	12-31-16
Ward, Linda	12-31-17
Weaver, Scott	12-31-17
Public	
Otteman, Marcie	12-31-16
Schroeder, Andrea	12-31-14
Skipper-Stong, Kathleen	12-31-15

Board Meetings Schedule Fiscal Year 2014

December 9, 2013
February 3, 2014
May 12, 2014
August 4, 2014

Licensing Activity

Licenses Issued	7,925
Examinations Administered	7,662
Number of Licensees	110,029

**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.

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 psychophysiological 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	11
Examinations Administered	2
Number of Licensees	116

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 the principles of forestry, acquired by forestry education and practical experience, is qualified to engage in the practice of professional forestry.

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

Registration Activity

Registrations Issued	30
Number of Registrants	203

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 were 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	284
Examinations Administered	135
Number of Licensees	542

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.

Effective June 17, 2014, the immigration clerical assistants list will no longer be maintained by the Department of Licensing and Regulatory Affairs.

Public Act 174 of 2014 amended the Michigan Immigration Clerical Assistant Act, 2004 PA 161, which provided for a listing of bonded and qualified individuals engaging in services as immigration clerical assistants. Sections 4, 7, 9 and 15 (MCL 338.3454, 338.3457, 388.3459, and 338.3365) of the Michigan Immigration Clerical Act, 2004 PA 161 were repealed.

Listing Activity

New Immigration Clerical Assistants Number of ICA's Listed	3 0*
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*profession deregulated

Interior Designer

Public Act 193 of 2014 repealed Section 601a (MCL 339.601a) from the Occupational Code, 1980 PA 299.

Listing of Interior Designers was established by an amendment to the Occupational Code, 1980 PA 299, effective October 1, 1998. An interior designer was exempt from licensure or registration in Michigan; however, an individual could 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 was 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 did not need to be listed to practice interior design. However, the registration program added little consumer protection as it was voluntary to be on the list and there were no consumer complaints filed when the list was in place.

Listing Activity

New Interior Designers	0
Number of Interior Designers Listed	0*

*profession deregulated

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.

<u>Board Member</u>	<u>Term Expires</u>
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Professional

Barone, Kathleen	6-30-17
Canale, Mark	6-30-17
Karelse, Ronald (lee) Jr.	6-30-18
Ochalek, Mary	6-30-17
Ransford, Mark	6-30-16
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 2014

October 3, 2013
March 6, 2014
April 21, 2014

Licensing Activity

Licenses Issued	220
Examinations Administered	54*
Number of Licensees	2,920

*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

Public Act 156 of 2014 repealed Article 27 of the Occupational Code, 1980 PA 299, effective June 11, 2014.

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. However, the registration program added little consumer protection as it only protected the use of the title "Ocularist" and there were no consumer complaints filed when the program was in place.

At the time this article was deregulated there were 9 registrations.

Registration Activity

Registrations Issued	0
Number of Registrants	0*

*profession deregulated

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 were found in the Michigan Administrative Code, Sections R339.5001 - R339.5039.

Licensing Activity

Licenses Issued	2
Examinations Administered	4
Number of Licensees	59

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	24
Number of Registrants	567

Professional Community Planners

Public Act 154 of 2014 repealed Article 23 of the Occupational Code, 1980 PA 299, effective June 11, 2014.

Article 23 of Public Act 299 of 1980, as amended, the Occupational Code, was enacted to register professional community planners. Article 23 defined 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 the article could use the title "Community Planner." However, the registration program added little consumer protection as it only protected the use of the title "Community Planner" and there were only 3 consumer complaints filed when the program was in place.

At the time this article was deregulated there were 59 registrants.

Registration Activity

Registrations Issued	6
Examinations Administered	0
Number of Registrants	0*

*Profession deregulated

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	116

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
Hookham, Charles	3-31-18
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	3-31-18

Board Meetings Schedule Fiscal Year 2014

September 19, 2013
January 23, 2014
April 17, 2014 (joint meeting)
September 18, 2014

Licensing Activity

Licenses Issued	1,587
Examinations Administered	0*
Number of Licensees	21,667

*National Examination, no data available.

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	109
Number of Licensees	1,136

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	3-31-18
Michalski-Wallace, Ginger	3-31-16
Van Tine, Kenneth	3-31-15

Public

Darin, Nick	3-31-17
Hertrich, Jeffrey	3-31-18

Board Meetings Schedule

Fiscal Year 2014

January 22, 2014
April 17, 2014 (joint meeting)
September 17, 2014

Licensing Activity

Licenses Issued	16
Examinations Administered	28*
Number of Licensees	1,025

* 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.

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 personnel, and health and safety standards 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 office. 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	302*
Number of Licensees	524

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

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

Hartman, James T	6-30-18
Mausolf, Maureen E	6-30-18
Meyer, Diana	6-30-16
Myers, Karen	6-30-16
Thomas, Norman	6-30-17
Wheeler, Ronald	6-30-17

Public

Kelly, Patricia	6-30-14
Worthams, David	6-30-17
Wybenga, Robin	6-30-16

Board Meetings Schedule Fiscal Year 2014

December 3, 2013
March 18, 2014
June 17, 2014
September 23, 2014

Licensing Activity

Licenses Issued	597
Examinations Administered	67
Number of Licensees	3,395

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	
Audu, Lola	6-30-17
Davis, Matthew	6-30-15
Greenwood, Karen	6-30-17
Huston, Shawn	6-30-16
Sterk, Samuel	6-30-18
Zupko, Ronald	6-30-17
Public	
Craig, Robert	6-30-16
Lance, James	6-30-15
Vacant	

Board Meetings Schedule Fiscal Year 2014

December 2, 2013
March 3, 2014
July 14, 2014

Licensing Activity

Licenses Issued	12,903
Examinations Administered	6,767
Number of Licensees	55,003

**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	3-31-16
Wahl, Mark	3-31-17

Public

Shannon, Colleen	3-31-15
August, Gary	3-31-16
Brown Jr, Sidney	3-31-16

**Board Meetings Schedule
Fiscal Year 2014**

November 12, 2013
February 11, 2014
May 13, 2014
August 12, 2014

Licensing Activity

Licenses Issued	4,943
Examinations Administered	3,701
Number of Licensees	58,045

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	56
Examinations Administered	6
Number of Licensees	407

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.

Registration Activity

Licenses Issued	8
Number of Licensees	17

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	76
Number of Licensees	372

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. Finally, the licensing division is responsible for receiving notice filings from a web site operator under Michigan's crowdfunding legislation, Michigan Invests Locally Exemption (MILE). An issuer who claims an exemption from the registration requirements of sections 301 to 306 and 504, may offer or sell securities to Michigan residents over the internet. The CSCL maintains a list of the web site operators in conjunction with those offerings.

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	29,314
Product Filings	21,656
Number of Registrants	169,521

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 Meetings Schedule Fiscal Year 2014

October 2, 2013
June 5, 2014

Licensing Activity

Permits Issued	7
Number of Permits	339

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	6-8-18
Vander Spoel, James	6-8-14

Solicitors for Private Postsecondary Schools

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.

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.

Public Act 157 of 2014 repealed the Private Trade Schools, Business Schools, Correspondence Schools, and Institutes Act, 1963 PA 40, which regulated proprietary schools solicitors and required a permit for certain private postsecondary schools. Effective June 11, 2014, a permit is no longer required for proprietary schools. If a person currently holds a solicitor's permit, it will not be renewed. In addition, student recruiters that work in this state are no longer required to be approved or licensed.

Permit Activity

Permits Issued	0
Total Registrants	0*

*profession deregulated

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.

Commission Meetings Fiscal Year 2014

December 5, 2013
March 13, 2014
June 19, 2014
September 4, 2014

Licensing Activity

Licenses Issued	516
Number of Licensees	858

Members

Term Expires

Professional

Benson, Fritz	6-5-16
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 (Resigned 10/2014)	6-5-16
McKart, Bronco	6-5-18

Public

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

Vehicle Protection Product Warrantors

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.

Listing Activity

Applications Received	7
Number Listed	41