

HOUSE BILL No. 6141

May 6, 2010, Introduced by Reps. Meekhof, Rogers, Hildenbrand, Opsommer, Miller, Genetski, Denby, Schuitmaker, Agema, Proos, Byrum, Hammel, LeBlanc, Roy Schmidt and Pearce and referred to the Committee on Insurance.

A bill to amend 2008 PA 551, entitled
"Uniform securities act (2002)," by amending section 404 (MCL 451.2404).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 404. (1) An individual shall not transact business in
2 this state as an investment adviser representative unless the
3 individual is registered under this act as an investment adviser
4 representative or is exempt from registration as an investment
5 adviser representative under subsection (2). **AN INDIVIDUAL ACTING**
6 **AS AN INVESTMENT ADVISER REPRESENTATIVE IN THIS STATE ON THE**
7 **EFFECTIVE DATE OF THE 2010 AMENDATORY ACT THAT AMENDED THIS SECTION**
8 **IS EXEMPT FROM THE REQUIREMENT TO SIT FOR THE EXAMINATION IN ORDER**
9 **TO BE REGISTERED IF THAT INDIVIDUAL MEETS ANY OF THE FOLLOWING**
10 **CRITERIA:**

1 (A) HAS PASSED THE UNIFORM INVESTMENT ADVISER STATE LAW
2 EXAMINATION (S65) OR THE UNIFORM COMBINED STATE LAW EXAMINATION
3 (S66) WITHIN THE PAST 2 YEARS.

4 (B) HAS BEEN PRACTICING, WITHOUT INTERRUPTION, SINCE PASSING
5 EITHER OF THE EXAMINATIONS DESCRIBED IN SUBDIVISION (A).

6 (C) HAS SUCCESSFULLY PASSED EITHER OF THE FOLLOWING:

7 (i) THE INVESTMENT COMPANY PRODUCT REPRESENTATIVE - (SERIES 6)
8 AND UNIFORM SECURITIES AGENT STATE LAW EXAMINATION - (S63).

9 (ii) THE GENERAL SECURITIES REPRESENTATIVE - (SERIES 7) AND
10 UNIFORM SECURITIES AGENT STATE LAW EXAMINATION - (S63).

11 (D) IS A MEMBER OF A CORPORATE REGISTERED INVESTMENT ADVISER.

12 (2) Each of the following individuals is exempt from the
13 registration requirement of subsection (1):

14 (a) An individual who is employed by or associated with an
15 investment adviser that is exempt from registration under section
16 403(2) or a federal covered investment adviser that is excluded
17 from the notice filing requirements of section 405.

18 (b) Any other individual exempted by rule or order under this
19 act.

20 (3) The registration of an investment adviser representative
21 is not effective while the investment adviser representative is not
22 employed by or associated with an investment adviser registered
23 under this act or a federal covered investment adviser that has
24 made or is required to make a notice filing under section 405.

25 (4) An individual may transact business as an investment
26 adviser representative for more than 1 investment adviser or
27 federal covered investment adviser unless a rule or order under

1 this act prohibits or limits an individual from acting as an
2 investment adviser representative for more than 1 investment
3 adviser or federal covered investment adviser.

4 (5) An individual acting as an investment adviser
5 representative shall not, directly or indirectly, conduct business
6 in this state on behalf of an investment adviser or a federal
7 covered investment adviser if the registration of the individual as
8 an investment adviser representative is suspended or revoked or the
9 individual is barred from employment or association with an
10 investment adviser or a federal covered investment adviser by an
11 order under this act, the securities and exchange commission, a
12 securities regulator of another state, or a self-regulatory
13 organization. If a federal covered investment adviser requests and
14 good cause is shown, the administrator, by order, may waive, in
15 whole or in part, the application of the requirements of this
16 subsection.

17 (6) An investment adviser registered under this act, a federal
18 covered investment adviser that has filed a notice under section
19 405, or a broker-dealer registered under this act is not required
20 to employ or associate with an individual as an investment adviser
21 representative if the only compensation paid to the individual for
22 a referral of investment advisory clients is paid to an investment
23 adviser registered under this act, a federal covered investment
24 adviser who has filed a notice under section 405, or a broker-
25 dealer registered under this act with which the individual is
26 employed or associated as an investment adviser representative.