

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
BUREAU OF CORPORATIONS, SECURITIES AND LAND DEVELOPMENT
MOBILE HOME AND LAND RESOURCES DIVISION
SECURITIES

(By authority conferred on the corporation and securities bureau by section 412 of Act No. 265 of the Public Acts of 1964, as amended, being S451.812 of the Michigan Compiled Laws)

**PART 2. REGISTRATION OF BROKER-DEALERS, AGENTS AND
INVESTMENT ADVISERS**

R 451.601.1 Rescinded.

History: 1979 AC; 2014 AACS.

R 451.601.2 Rescinded.

History: 1979 AC; 1981 AACS; 1991 AACS; 2014 AACS.

R 451.601.3 Rescinded.

History: 1979 AC; 2014 AACS.

R 451.601.4 Rescinded.

History: 1979 AC; 1980 AACS; 1982 AACS; 2014 AACS.

R 451.602.1 Application for broker-dealer registration.

Rule 602.1. An application for broker-dealer registration shall contain the information specified in form BD. In the alternative, with the permission of the administrator, another form, with any necessary supplement, may be submitted.

History: 1979 AC; 1980 AACS.

R 451.602.2 Application for agent registration; notice of agent registration.

Rule 602.2. (1) An application for agent registration shall contain the information specified in U-4. In the alternative, with the permission of the administrator, another form, with any necessary supplement, may be submitted. The fingerprint requirement in section 202(g) of the act is waived for an agent of a broker-dealer that is either registered with the Securities and Exchange Commission or a member of the National Association of Securities Dealers.

(2) A notice of agent termination shall contain the information specified in U-5. In the alternative, with the permission of the administrator, another form, with any necessary supplement, may be submitted.

History: 1979 AC; 1980 AACS; 1983 AACS.

R 451.602.3 Application for investment adviser registration.

Rule 602.3. An application for investment adviser registration shall contain the information specified in form MADV. In the alternative, with the permission of the administrator, another form, with any necessary supplement, may be submitted.

History: 1979 AC; 1980 AACS.

R 451.602.4 Fees; payment; filing.

Rule 602.4. (1) The annual fees required by section 202(b) of the act shall be paid during the month of December.

(2) Filing and annual fees for all agents may be filed on an agent's behalf by a broker-dealer or issuer with whom the agent is registered.

History: 1979 AC; 1980 AACS; 1982 AACS; 1991 AACS.

R 451.602.5 Rescinded.

History: 1979 AC; 1980 AACS; 1982 AACS; 1991 AACS.

R 451.602.5a Rescinded.

History: 1980 AACS; 1982 AACS.

R 451.602.6 Broker-dealer's net capital.

Rule 602.6. (1) A securities broker-dealer registered with the United States securities and exchange commission shall maintain net capital and ratio of aggregate indebtedness to net capital in accordance with rule 15c3-1, 17 C.F.R. S240.15c3-1 (1978) under the securities exchange act of 1934, 15 U.S.C. S78a et seq.

(2) A securities broker-dealer not registered with the United State securities and exchange commission shall have the net capital necessary to comply with the following conditions:

(a) The aggregate indebtedness, as that term is defined in rule 15c3-1, 17 C.F.R. S240.15c3-1 (1978) under the securities and exchange act of 1934, 15 U.S.C. S78a et seq. hereinafter termed "indebtedness" of a broker-dealer that has been registered with the administrator for at least 1 year shall not exceed 2,000% of its net capital, as that term is defined in rule 15c3-1 under the securities exchange act of 1934, hereinafter termed "net capital". The aggregate indebtedness of a broker-dealer that has been registered with the administrator for less than 1 year shall not exceed 1,000% of its net capital.

(b) Except as provided by subdivisions (c) and (d) of this subrule, a broker-dealer shall have and maintain net capital of not less than \$10,000.00.

(c) Notwithstanding the provisions of subdivision (b) of this subrule, a broker-dealer shall have and maintain net capital of not less than \$5,000.00. If the broker-dealer does not hold funds or securities for, or owe money or securities to, customers, and does not carry accounts of or for customers, except as provided for in paragraph (v) of this subdivision, and if the broker-dealer conducts business in accordance with 1 or more of the following conditions, and does not engage in any other securities activities:

(i) Introduces and forwards as a broker all transactions and accounts of customers to another broker or dealer who carries such accounts on a fully disclosed basis, and the introducing broker-dealer promptly forwards all of the funds and securities of customers received in connection with its activities as a broker-dealer.

(ii) Participates in underwritings on a "best efforts" or "all or none" basis in accordance with the provisions of rule 15c2-4(b)(2), 17 C.F.R. S240.15c2-4(b)(2) (1978) under the securities exchange act of 1934, and promptly forwards to an independent escrow agent customers' checks, drafts, notes, or other evidences of indebtedness received in connection therewith which shall be made payable to the escrow agent.

(iii) Promptly forwards subscriptions for securities to the issuer, underwriter, sponsor, or other distributor of such securities and receives checks, drafts, notes, or other evidences of indebtedness payable solely to the issuer, underwriter, sponsor, or other distributor who delivers the securities purchased directly to the subscriber.

(iv) Effects an occasional transaction in securities for the broker-dealer's own investment account with or through another registered broker-dealer.

(v) Acts as broker or dealer with respect to the purchase, sale, and redemption of redeemable shares of registered investment companies, and promptly transmits all funds and delivers all securities received in connection with such activities.

(vi) Introduces and forwards all customer and all principal transactions with customers to another broker-dealer who carries such accounts on a fully disclosed basis, and promptly forwards all funds and securities received in connection with its activities as a broker-dealer, and does not otherwise hold securities or funds for, or owe money or securities to, customers, and does not otherwise carry proprietary accounts, except as provided in paragraph (iv) of this subdivision, or customer accounts, and

the broker-dealer's activities as dealer are limited to holding firm orders of customers and in connection therewith does either of the following:

(A) In the case of a buy order, prior to executing the customer's orders, purchases as principal the same number of shares or purchases shares to accumulate the number of shares necessary to complete the order, which shall be cleared through another broker or dealer.

(B) In the case of a sell order, prior to executing the customer's order, sells as principal the same number of shares, or a portion thereof, which shall be cleared through another broker or dealer.

(vii) Effects, but does not clear, transactions in securities as a broker on registered national securities exchange for the account of another member of that exchange.

(d) Notwithstanding the provisions of subdivision (b) of this subrule, a broker-dealer shall have and maintain net capital of not less than \$2,500.00 if the broker-dealer engages in no other securities activities except those prescribed in this subdivision and meets all of the following conditions:

(i) The broker-dealer's transactions are limited to both of the following:

(A) The purchase, sale, and redemption of redeemable shares of registered investment companies, except that the broker-dealer may also effect an occasional transaction in other securities for its own investment account with or through another registered broker-dealer.

(B) The sale of securities for the account of a customer to obtain funds for immediate reinvestment in redeemable securities of registered investment companies.

(ii) The broker-dealer promptly transmits all funds and delivers all securities received in connection with its activities as a broker-dealer, and does not otherwise hold funds or securities for, or owe money or securities to, customers.

(3) A commodity issuer registered with the administrator and a broker-dealer registered with the administrator transacting business primarily in commodity contracts shall have the net capital and cash reserve necessary to comply with the following conditions:

(a) The aggregate indebtedness to all other persons of a registrant who has been registered for at least 1 year shall not exceed 1,500% of its net capital. The aggregate indebtedness to all other persons of a registrant who has been registered for less than 1 year shall not exceed 1,000% of its net capital.

(b) A commodity issuer and a broker-dealer shall have and maintain net capital of not less than \$25,000.00.

(c) A commodity issuer and a broker-dealer shall have and maintain a reserve of not less than \$10,000.00 in a checking or savings account in a bank or savings institution organized under the laws of the United States or of any state or in a certificate of deposit issued by a bank or savings institution so organized.

(4) The administrator, by order which may apply individually or to a class, may establish a lower net capital requirement, a lower cash reserve requirement, or a higher maximum ratio of aggregate indebtedness to net capital, either unconditionally or upon special terms or conditions, for a registrant who satisfies the administrator that

because of the special nature of its business, its financial condition, and the safeguards that have been established for the protection of customers' funds, investors would not be adversely affected.

(5) A registrant not in compliance with the aggregate indebtedness, net capital, or cash reserve requirements shall cease soliciting new business and shall immediately notify the administrator in writing.

(6) For the purposes of this rule, and to insure uniform interpretation, the terms "aggregate indebtedness" and "net capital" shall have the respective meanings as defined in rule 15c3-1, 17 C.F.R. S240.15c3-1 (1978) under the securities exchange act of 1934. A copy of any pertinent subordination agreement shall be filed with the administrator within 10 days after the agreement has been entered into and shall meet the requirements of a "satisfactory subordination agreement" as that term is defined in rule 15c3-1, 17 C.F.R. S240.15c3-1 (1978).

History: 1979 AC; 1980 AACS.

R 451.602.7 Broker-dealers' bonds; surety.

Rule 602.7. A broker-dealer whose net capital as defined by rule, regardless of whether or not he is exempt from that rule, does not exceed \$50,000.00 shall file with the administrator a surety bond in the amount of \$10,000.00 on a form provided by the administrator and shall maintain such bond in that amount at all times while registered as a broker-dealer. If a suit is brought to enforce any liability on the bond, the broker-dealer as principal shall promptly notify the administrator

thereof; and if the bond principal amount is reduced by any recovery against it, the bond shall be immediately restored to \$10,000.00. In addition to causes of action under section 410 of the act, the bond shall also be for the use and benefit of any persons who may have a cause of action in this state by reason of any embezzlement, defalcation or misappropriation of securities or funds by the principal, its agents and employees. The administrator may exempt a registered broker-dealer from this bond requirement or may vary its terms, only if justified and appropriate under special circumstances.

History: 1979 AC.

R 451.602.8 Broker-dealers' bonds; cash or securities.

Rule 602.8. In lieu of the bond required under R 451.602.7, a broker-dealer may make a deposit of \$10,000.00 or a deposit of securities having a market value of \$12,500.00 on the date of deposit which shall be restored to \$12,500.00 in the event of any recovery. Such deposit shall consist of securities which are the obligations of and are guaranteed as to both principal and interest by the government of the United States, the government of a state, or a municipality within the United States. The deposit of cash or securities shall be held in trust or in escrow with a state or national bank within Michigan, and subject to an agreement satisfactory to the administrator with the same coverage as is required in a surety bond under R 451.602.7.

History: 1979 AC.

R 451.602.9 Rescinded.

History: 1979 AC; 1997 AACS.

R 451.602.10 Rescinded.

History: 1979 AC; 1997 AACS.

R 451.602.11. Rescinded.

History: 1979 AC; 1997 AACS.

R 451.602.12 Rescinded.

History: 1979 AC; 1997 AACS.

R 451.602.13 Rescinded.

History: 1979 AC; 1997 AACS.

R 451.602.14 Rescinded.

History: 1979 AC; 1980 AACS; 1997 AACS.

R 451.603.1 Broker-dealers' records.

Rule 603.1. (1) A broker-dealer shall make and keep current the following books and records relating to his business:

(a) Blotters, or other records of original entry, containing an itemized daily record of all purchases and sales of securities, all receipts and deliveries of securities (including certificate numbers), all receipts and disbursements of cash, and all other debits and credits.

(b) Ledgers, or other records, reflecting all assets and liabilities, and income, expense, and capital accounts.

(c) Ledger accounts, or other records, itemizing separately as to each cash and margin account of every customer and of such member, broker, or dealer and the partners thereof, all purchases, sales, receipts, and deliveries of securities and commodities for that account and all other debits and credits of that account.

(d) Ledgers, or other records, reflecting the following:

(i) Securities in transfer.

(ii) Dividends and interest received.

(iii) Securities borrowed and securities loaned.

(iv) Monies borrowed and monies loaned, together with a record of the collateral therefor and any substitutions in such collateral.

(v) Securities failed to receive and failed to deliver.

(e) A securities record or ledger reflecting separately for each security as of the clearance date of "long" or "short" positions, including securities in safekeeping, carried by each member, broker, or dealer for his account or for the account of his customers or partners, and showing the location of all securities long and the offsetting position to all securities short and, in all cases, the name or designation of the account in which each position is carried.

(f) A memorandum of each brokerage order, and of any other instruction, given or received for the purchase or sale of securities, whether executed or unexecuted.

(g) A memorandum of each purchase and sale of securities for the account of such member, broker, or dealer, showing the price and, to the extent feasible, the time of execution.

(h) Copies of confirmations of all purchases and sale of securities and copies of notices of all other debits and credits for securities, cash, and other items for the account of customers and partners of such member, broker, or dealer.

(2) A broker-dealer shall preserve, for not less than 6 years, all records required to be made pursuant to subdivisions (a), (b), (c), and (e) of subrule (1), and, for not less than 3 years, all records required to be made pursuant to subdivisions (d), (f), (g), and (h) of subrule (1).

(3) A registered commodities issuer and a broker-dealer transacting business primarily in commodity contracts shall make and keep true, accurate, and current the following books and records relating to its business:

(a) Journals, including cash receipts and disbursements records, and any other records of original entry forming the basis of entries in a ledger.

(b) General and auxiliary ledgers, or other comparable records, reflecting asset, liability, reserve, capital, income, and expense accounts.

(c) A memorandum of each order given by the registrant for the purchase or sale of any commodity contract, of any instruction received by the registrant from a client concerning the purchase, sale, receipt, or delivery of a particular commodity contract, and a memorandum of any modification or cancellation of any such order or instruction. The memoranda shall show the terms and conditions of the order, instruction, modification, or cancellation, shall identify the person connected with the registrant who recommended the transaction to the client and the person who placed the order, and shall show the account for which entered, the date of the entry, and the registrant by or through whom executed where appropriate. An order entered pursuant to the exercise of a power of attorney shall be so designated.

(d) All check books, bank statements, cancelled checks, and cash reconciliations of the registrant.

(e) All bills or statements, or copies thereof, paid or unpaid, relating to the business of the registrant.

(f) All trial balances, financial statements, and internal audit working papers relating to the business of the registrant.

(g) A financial ledger record which shows separately for each customer all charges against and credits of a customer's account, including, but not limited to, funds or securities deposited, withdrawn, or transferred, and charges or credits resulting from losses or gains on closed transactions.

(h) A record of transactions which show separately for each account, including house accounts, all commodity contract transactions executed for the account, including the date, price, quantity, market, commodity, and, when applicable, the delivery date, option expiration date, or other relevant date.

(i) A record or journal which shows separately for each business day complete details of all commodity contract transactions executed on that day, including the date, price, quantity, market, commodity, future if applicable, and the person for whom the transaction was made.

(j) A record of all securities and property received from customers in lieu of money to margin, guarantee, or secure the commodity trades and contracts of the customers. The records shall show separately for each customer a description of the securities or property received, the name and address of the customer, the dates when the securities or property were received, the identity of the depositories or other places where the securities or property are segregated, the dates of deposits and withdrawals from the depositories, and the dates of return of the securities or property to the customer, or other disposition thereof, together with the facts and circumstances of the other disposition.

(k) Originals of all written communications received, and copies of all written communications sent, by the registrant relating to any recommendation made, or proposed to be made, and any advice given, or proposed to be given; any receipt, disbursement, or delivery of funds, commodity contracts, securities, or other property; the placing or execution of any order to purchase or sell any commodity contract; or market information or conditions that affect, or tend to affect, the price of a commodity. The registrant is not required to keep any unsolicited market letters and other similar communication of general public distribution not prepared by or for the registrant.

(l) A record, in permanent form, which shows for each customer the customer's full name, home address, home telephone number, business address, business telephone number, social security number, occupation, marital status, approximate age, approximate income, approximate net worth, investment objectives, other information concerning the customer's financial situation and needs, and the name and address of any other person guaranteeing the account.

(m) A file for each agent who is or has been employed by the registrant, copies of the agents' application for registration with the administrator, copies of all correspondence sent to or received from the administrator with respect to the agent, a record of disciplinary actions which have been taken against the agent by the registrant, and all administrative, civil, or criminal proceedings in which the agent has been named as a respondent or defendant in connection with commodity or securities activities.

(n) Minutes and other appropriate records with respect to meetings of the board of directors.

(o) A copy of each advertisement used, showing the dates and publications in which the advertisement appeared.

(p) A copy of each notice, circular, investment letter, bulletin, report, analysis, brochure, disclosure document, prospectus, form letter, or other sales literature circulated by the registrant.

(q) A file with a copy of each complaint letter received from customers, together with a copy of the response.

(r) A copy of every confirmation and every statement sent to a customer.

(s) A consolidation record of all commodity transactions outstanding, showing, as to each appropriate classification of each commodity, the position of the registrant and its aggregate liability to its customers.

(4) A registrant shall preserve, for not less than 6 years, all records required to be made pursuant to subdivisions (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (q), (r), and (s) of subrule (3), and, for not less than 3 years, all records required to be made pursuant to subdivisions (o) and (p) of subrule (3).

History: 1979 AC.

R 451.603.2 Broker-dealers' confirmations.

Rule 603.2. A confirmation of each transaction for or with a customer shall be sent to the customer before the close of the next full business day after the transaction is made, unless unusual circumstances are present in which event it shall be sent as promptly as possible. The confirmation shall set forth with particularity all pertinent information including all charges and shall clearly show in what capacity the broker-dealer acted.

History: 1979 AC.

R 451.603.4 Rescinded.

History: 1979 AC; 1983 AACS; 2014 AACS.

R 451.603.5 Investment adviser; books and records.

Rule 603.5. (1) An investment adviser shall make and keep current such books and records relating to the investment adviser's business as are required by the securities and exchange commission to be made and kept current by registered investment advisers under the investment advisers act of 1940, 15 U.S.C. S80b et seq., and such other books and records relating to the investment adviser's business as the administrator may reasonably require.

(2) An investment adviser, when acting as a finder, shall make and keep current such books and records relating to the investment adviser's business activity as a finder as are reasonably necessary to demonstrate compliance with section 102(c) of the act.

(3) An investment adviser, when acting solely as a finder and engaging in no other activities as an investment adviser, shall only be required to make and keep current such books and records as are required by subrule (2) of this rule.

History: 1980 AACCS.

R 451.604.1 Failure to complete or withdraw application for registration.

Rule 604.1. If an applicant for registration as a broker-dealer, agent, or investment adviser fails to complete or withdraw an application within 90 days from the date of filing, the administrator may withdraw the application or commence proceedings to deny the application on the basis of section 204(a)(1)(A) of the act.

History: 1979 AC; 1980 AACCS; 1983 AACCS.

R 451.604.2 Unethical business practices by broker-dealer or agent.

Rule 604.2. Unethical business practices by a broker-dealer or agent within the purview of section 204(a)(1)(G) of the act, include, but are not limited to, the following:

(a) Failure to segregate and earmark customers' free securities or securities in safekeeping.

(b) In the offer of a commodity contract or security, failure to reveal the existence of a markup over cost charged by the seller.

History: 1979 AC; 1980 AACCS.

R 451.604.3 Examination of applicants.

Rule 604.3. (1) As a condition to obtaining registration, an applicant for registration as a broker-dealer which is a proprietorship and an applicant for registration as an agent shall take and pass a written examination testing the person's knowledge of the securities business, the act, and the rules thereunder. The test shall be evidence of the person's qualifications as to training and knowledge. This examination and the minimum passing grade may be varied for any class of applicants. The administrator shall waive this examination requirement in the case of applicants who were registered within the past 2 years or who have passed this examination within the past 2 years. The administrator may waive this examination requirement, in whole or in part, in the case of applicants who have passed a comparable examination within the past 2 years, applicants who meet certain standards of experience, or applicants whose activities will be so restricted as to make imposition of the examination requirements inappropriate.

(2) As a condition to obtaining a registration, an applicant for registration as a broker-dealer which is a proprietorship transacting business primarily in commodities and an applicant for registration as a commodities agent or commodities investment adviser shall take and pass a written examination testing the person's

knowledge of the commodities business, the act, and the rules thereunder. The test shall be evidence of the person's qualifications as to training and knowledge. This examination and the minimum passing grade may be varied for any class of applicants. The administrator shall waive this examination requirement in the case of applicants who were registered within the past 2 years or who have passed this examination within the past 2 years. The administrator may waive this examination requirement, in whole or in part, in the case of applicants who have passed a comparable examination within the past 2 years, applicants who meet certain standards of experience, or applicants whose activities will be so restricted as to make imposition of the examination inappropriate.

History: 1979 AC; 1980 AACS.

R 451.604.4 Rescinded.

History: 1979 AC; 1997 AACS.

R 451.605.1 Rescinded.

History: 1979 AC; 1997 AACS.

R 451.605.2 Rescinded.

History: 1983 AACS; 2014 AACS.

PART 3. REGISTRATION OF SECURITIES

R 451.702.1 Rescinded.

History: 1979 AC; 2014 AACS.

R 451.703.1 Rescinded.

History: 1979 AC; 2014 AACS.

R 451.703.2 Rescinded.

History: 1979 AC; 2014 AACS.

R 451.704.1 Registration by qualification; prospectus.

Rule 704.1. In the case of a registration by qualification, unless the administrator in a specific instance permits otherwise, a prospectus prepared in accordance with prospectus instructions (form PI) and previously filed with the administrator shall be sent or given to each prospective purchaser within a reasonable time before a commitment to purchase is made. If the prospectus or any part thereof becomes misleading as to any material fact, or facts, or omits to state a material fact

necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, it shall be revised or supplemented, and the revision or supplementation shall be submitted to the administrator prior to use. A prospectus shall not be used if the administrator has informed the registrant of an objection thereto. A prospectus shall not be used without revision or supplementation for more than 13 months from its date.

History: 1979 AC.

R 451.704.2 Registration by qualification; reports and investigations.

Rule 704.2. As a condition of registration by qualification, the administrator may require that a report by an accountant, engineer, appraiser or other professional person be filed, and may require that the estimated cost of such report be deposited in advance by the registrant in an

escrow account. The administrator may also designate an employee to make an investigation of the books, records and affairs of any applicant for registration by qualification and may require the estimated cost thereof to be deposited in advance by the applicant in an escrow account. Unless waived by the administrator, a registrant by qualification shall submit a complete audit report of the issuer covering the last fiscal year, certified by independent or certified public accountants.

History: 1979 AC.

R 451.705.1 Rescinded.

History: 1979 AC; 2014 AACS.

R 451.705.2 Rescinded.

History: 1979 AC; 1983 AACS.

R 451.705.3 Rescinded.

History: 1979 AC; 2014 AACS.

R 451.705.4 Reports by registrants.

Rule 705.4. So long as a securities registration statement is effective a registrant shall file reports as required by order of the administrator.

History: 1979 AC.

R 451.705.5 Rescinded.

History: 1979 AC; 1991 AACS.

R 451.705.6 Distribution of preliminary prospectus.

Rule 705.6. In the case of the filing of a registration statement under section 304 of the act or a filing of a request for an exemption order under section 402 of the act pursuant to the provisions of section 307(b) of the act, all of the following requirements shall be complied with:

(a) The applicant shall provide the administrator with written notice of his intent to distribute a preliminary prospectus and any amendments thereof.

(b) Any preliminary prospectus distributed pursuant to section 307(b) of the act shall contain on its cover a legend in substantially the following form: "THIS PRELIMINARY PROSPECTUS AND THE INFORMATION CONTAINED THEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES SHALL NOT BE SOLD NOR SHALL OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE PROSPECTUS IS DELIVERED IN FINAL FORM. UNDER NO CIRCUMSTANCES SHALL THIS PRELIMINARY PROSPECTUS CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION, OR SALE IS UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE."

(c) Recipients of a preliminary prospectus distributed pursuant to section 307(b) of the act shall have 48 hours after receipt of a final prospectus in which to rescind the purchase of the securities being offered and shall be notified in writing of such right at the time of receipt of a final prospectus.

(d) Recipients of a preliminary prospectus distributed pursuant to section 307(b) of the act shall be notified in writing at the time of receipt of a final prospectus that such final prospectus may materially differ from the preliminary prospectuses previously distributed.

History: 1980 AACS.

R 451.705.7 Rescinded.

History: 1983 AACS; 2014 AACS.

R 451.706.1 Incomplete registration statements.

Rule 706.1. If a registrant fails to complete or withdraw a registration statement within 7 months from the date of filing, the administrator may commence proceedings to deny on the basis of section 306(a)(1) and 306(a)(2)(A) of the act.

History: 1979 AC.

R 451.706.2 Debt securities and preferred stock; junior equity.

Rule 706.2. An offering of debt securities or preferred stock may be deemed to be on unfair terms within the meaning of section 306(a)(2)(E) of the act unless there are junior securities and surplus of an amount equal to at least 50% of the class of securities being offered. This requirement will be waived only when justified by the normal debt-capital ratios prevailing in the particular industry, the history of interest or dividend coverage, the participation in earnings and management, or the restricted nature of the offering.

History: 1979 AC.

R 451.706.3 Rescinded.

History: 1979 AC; 1980 AACCS.

R 451.706.4 Contractuals; 30-day letter.

Rule 706.4. A securities registration statement covering mutual fund periodic payment plan certificates will be deemed to tend to work an imposition and be an offering upon unfair terms unless the registrant furnishes an undertaking to send or cause to be sent by first class mail to each purchaser, at the time the certificate is issued or prior thereto, (a) a separate printed statement showing the sales load, fees, deductions and other charges to be deducted from each installment payment, (b) a duplicate copy of any application or request letter signed by the purchaser at the time he applied for or agreed to purchase, and (c) a letter specifically calling attention to the statement of charges. The letter shall also advise the purchaser that if after making his initial payment, whether for 1 or more installments, he shall for any reason whatever elect to surrender his certificate for cancellation, he will be refunded the full amount paid in by him, if the written request for such cancellation is made within 30 days, or any longer period indicated, after the mailing of such letter, or after the mailing of the certificate when the letter advises the certificate will be mailed at a later date. In lieu of the foregoing, the administrator may accept a satisfactory alternative undertaking. The requirement of this rule is in addition to, and does not preclude the purchaser from pursuing, any remedy afforded by section 410 of the act.

History: 1979 AC.

R 451.706.5 Rescinded.

History: 1979 AC; 1983 AACS.

R 451.706.6 Rescinded.

History: 1979 AC; 1983 AACS.

R 451.706.7 Rescinded.

History: 1979 AC; 1983 AACS.

R 451.706.8 Warrants and stock purchase options.

Rule 706.8. (1) A registration statement covering an offering of capital stock involving warrants or stock purchase options to others than all the purchasers of securities will generally be regarded as not being in the public interest and as being objectionable under subparagraphs (E) and (F) of

section 306(a)(2) of the act unless the requirements hereinafter set forth are met and justify the issuance of the warrants or stock options.

(2) Options to management in the nature of restricted or qualified stock options for incentive purposes will be considered justified if reasonable in number and method of exercise.

(3) Options to employees, or their nominees, pursuant to stock purchase plans or profit sharing plans will be considered justified if reasonable in number and method of exercise.

History: 1979 AC; 1983 AACS.

R 451.706.9--R 451.706.23 Rescinded.

History: 1979 AC; 1981 AACS.

R 451.706.24 Waiver of the affiliated broker-dealer prohibition contained in section 402(b)(9)(C) of the act.

Rule 706.24. Unless the administrator by order determines otherwise, the condition set forth in section 402(b)(9)(C) of the act, that a commission is not paid or given directly or indirectly for soliciting any prospective purchaser in this state, except to a broker-dealer who is not affiliated with the issuer or its affiliates, shall be waived as to a broker-dealer who has been continuously registered pursuant to this act for not less than 2 years.

History: 1981 AACS.

R 451.706.25 Rescinded.

History: 1981 AACCS; 2014 AACCS.

R 451.706.26 Definitions; corporation equity securities registration.

Rule 706.26. (1) As used in this rule:

(a) "Accredited investors" means those investors defined in regulation D, 17 C.F.R. S230.501(a)(1) to (3) (1982).

(b) "Continuing commitment of key management" means either of the following:

(i) After completion of the offering, key management continues to have equity ownership in the issuer of 10% of the shares outstanding:

(ii) Key management either places in escrow for a term of 3 years all of the shares of stock of the issuer which are directly or indirectly owned by key management or key management places in escrow the number of shares in combination with the amount of investment identified in paragraph (i) of this subdivision which would equal 10% of the offering. The escrow required under this paragraph shall be, for a period of 3 years, with an independent escrow agent approved by the administrator. Shares will be released before the 3 years if the stock maintains a market price on the American or New York stock exchange or national association of securities dealers automated quotation (NASDAQ) equal to the offering price for 90 consecutive days or if the administrator so orders.

(c) "Developmental company" means a company making an initial public offering where there is either no established market value for the securities of the company or where the company has no significant earnings.

(d) "Firm underwriting" means that the underwriter or underwriters agree to purchase all of the securities being offered for their own account.

(e) "Key management" means those officers, directors, or employees of the issuer who the issuer holds out as essential to the continuing management of the company, and, therefore, their continued role in the management of the company is considered material to the investment.

(f) "Qualified underwriter" means a managing underwriter registered with the New York stock exchange or another underwriter determined by the administrator to be qualified upon consideration of factors such as the following:

(i) Number of underwriters involved.

(ii) Whether the underwriters are purchasing for their own account.

(iii) Size and experience of underwriter staff.

(iv) Independence of underwriter.

(v) Past history of underwriter.

(vi) Total size of offering.

(g) "Qualified venture capital company" means a person who satisfies 1 of the following provisions:

(i) Operates a small business investment company licensed under the small business investment act of 1958, as amended, 15 U.S.C. S631 et seq.

(ii) Has \$1,000,000.00 worth of assets, not more than 20% of which is invested in the securities of the issuer whose primary business is investing in developmental stage companies or "eligible small business companies," as defined in the regulations of the small business administration, and has not less than \$100,000.00 invested in the securities of the issuer.

(iii) Has \$5,000,000.00 worth of assets, not more than 20% of which is invested in the securities of the issuer, and the company has invested not less than \$100,000.00 in the securities of the issuer.

(2) In the registration of the equity securities of a corporation, if the following conditions are satisfied, and in the absence of unusual circumstances, the offering shall not be deemed to be on unfair terms; have unreasonable amounts of underwriters' and sellers' discounts, commissions, or other compensation; or have unreasonable amounts of promoter's compensation or participation:

(a) The offering is made through a firm underwriting by a qualified underwriter and all of the following requirements are satisfied:

(i) There is full and fair disclosure of dilution and promoter's compensation and participation. This condition is presumed to be satisfied if the securities being offered are reviewed and cleared by the securities and exchange commission.

(ii) The offering is made in compliance with the rules of fair practice of the national association of securities dealers (NASD).

(iii) The total amount of the offering is \$1,000,000.00 or more.

(b) The offering is made through other than a firm underwriting by a qualified underwriter and satisfies all of the following conditions:

(i) There is full and fair disclosure of dilution and promoter's compensation and participation.

(ii) The offering is made in compliance with the rules of fair practice of the national association of securities dealers (NASD).

(iii) Investors satisfy any of the following requirements:

(A) Twenty-five percent or more of the offering is purchased by accredited investors and all other investors purchase on the same terms as those accredited investors.

(B) Both before and after the offering, 25% of the outstanding shares are owned by qualified venture capital companies.

(C) Any combination of subparagraphs (A) and (B) of this paragraph.

(c) The offering is made by a developmental company and neither subdivision (a) nor subdivision (b) of this subrule is applicable and all of the following conditions are satisfied:

(i) Provision is made for the continuing commitment of key management.

(ii) There is full and fair disclosure of dilution and promoter's compensation and participation.

(iii) The offering is made in compliance with the rules of fair practice of the national association of securities dealers (NASD).

(iv) Unless the securities are sold through a registered broker/dealer, the offering will be considered unacceptable under this rule if the class of equity securities offered to the public has no voting rights or has less than equal voting rights and no

preferential treatment as to dividends and liquidation is provided or the differentiation is not otherwise justified.

(v) The initial offering price to the public is not less than \$5.00 per share.

History: 1983 AACS.

PART 4. GENERAL PROVISIONS

R 451.801.1 Rescinded.

History: 1979 AC; 1980 AACS; 2014 AACS.

R 451.801.2 Rescinded.

History: 1979 AC; 2014 AACS.

R 451.801.3 Persons excluded from definition of "agent."

Rule 801.3. A person, when representing an issuer, broker-dealer, or any other person in effecting transactions in certificates of interest; participation in oil, gas, or mining titles or leases; payments out of production under such titles or leases; or in other securities involving oil, gas, or mining ventures exempted by section 402(b)(9)(D)(1)(ii) of the act, whether or not any commission is paid or given for soliciting any person in this state, shall be excluded from the definition of "agent" contained in section 401(b) of the act.

History: 1980 AACS.

R 451.801.4 Persons excluded from definition of "broker-dealer."

Rule 801.4. (1) A person, when effecting transactions in certificates of interest; participation in oil, gas, or mining titles or leases; payments out of production under such titles or leases; or in other securities involving oil, gas, or mining ventures exempted by section 402(b)(9)(D)(1)(ii) of the act, shall be excluded from the definition of "broker-dealer" contained in section 401(c) of the act.

(2) The definition of the word "broker-dealer" shall exclude those individuals excluded by order of the administrator from the definition of "agent," unless the order expressly states otherwise.

History: 1980 AACS; 1981 AACS.

R 451.801.5 Rescinded.

History: 1983 AACS; 1991 AACS.

R 451.802.1 Rescinded.

History: 1979 AC; 1980 AACS; 1991 AACS.

R 451.802.2 Recognized securities manuals.

Rule 802.2. The administrator recognizes the following securities manuals under section 402(b)(2)(A) of the act:

- Moody's industrial manual
- Moody's transportation manual
- Moody's public utility manual
- Moody's bank and finance manual
- Moody's municipal and government manual
- Moody's OTC industrial manual
- Standard and Poor's corporation records
- Best's life insurance reports
- Best's insurance reports (fire and casualty)

History: 1979 AC; 1980 AACS.

R 451.802.3 Rescinded.

History: 1979 AC; 1980 AACS.

R 451.803.1 Rescinded.

History: 1979 AC; 1980 AACS.

R 451.803.2 Rescinded.

History: 1980 AACS; 2014 AACS.

R 451.803.3 "Consulting fee" defined; offering circular; delivery; rescission of agreement.

Rule 803.3 (1) As used in section 402(a)(8) of the act, the term "consulting fee" means any payment or oral or written promise or contract to pay which is provided to any person in return for advice or assistance rendered, or to be rendered, to a nonprofit person in connection with the offer or sale of a security. The term shall not include advice or assistance rendered by the following licensed or otherwise

regulated persons so long as performance of these services is solely incidental to the practice of his or her profession: attorneys, certified public accountants, or officers or employees of a financial institution whose securities are exempt pursuant to section 402(a)(3), (4), or (5) of the act.

(2) Any person designated by section 402(a)(8) of the act as being required to file an offering circular shall, 10 days before the offer or sale of the security, file with the administrator the offering circular. Offers and sale of the securities shall not be made subsequent to an order by the administrator disallowing the exemption.

(3) The offering shall be made upon such conditions and with information and provisions in the offering circular as may be determined by the administrator so that the offering does not work or tend to work a fraud, deception, or imposition and so that the offering is not made on unfair terms.

(4) The offering circular shall be delivered to each purchaser not less than 48 hours before the sale to the purchaser.

(5) As an alternative to subrule (4) of this rule, the issuer may elect, upon clear written disclosure, to provide a period of not less than 48 hours subsequent to delivery of the offering circular and confirmation in which the purchaser may rescind the agreement without prejudice.

History: 1980 AACCS.

R 451.803.4 Rescinded.

History: 1980 AACCS; 2014 AACCS.

R 451.803.5 Intra-industry exemption for persons engaged in oil, gas, and mineral business.

Rule 803.5. (1) Pursuant to section 402(b)(9)(D)(1)(ii) of the act, sales of certificates of interest; participation in oil, gas, or mining titles or leases; payments out of production under such titles or leases; or of other securities relating to oil, gas, or mining ventures may be made to any number of either of the following:

(a) Persons who are engaged on a full-time basis in the business of exploring for, or the producing, transporting, or refining of, oil, gas, or other minerals; buying, selling, and trading of oil, gas, or mining titles or leases; payments out of production under such titles or leases; or in any combination of the foregoing businesses and who have not less than 3 years of experience in any such business or combination thereof.

(b) Corporations or any subsidiaries of such corporations, any of the stock of which is listed on the New York stock exchange or the American stock exchange, that are engaged in any business specified in subdivision (a) of this subrule, or combination thereof, as a principal line of business.

(2) As used in this rule, "engaged on a full-time basis," when applied in relation to the business of exploring for, or the producing, transporting, or refining of, oil, gas, or other minerals; buying, selling, and trading oil, gas, or mining titles or leases; payments out of production under such titles or leases; or any combination of the

foregoing businesses shall mean that the person is engaged in such business as his or her principal business activity and, in the case of an individual, that the person is engaged in any such business in a management capacity and either maintains an office for the conduct of such business or is employed by a person maintaining such office.

(3) For the purpose of this rule, a person shall be deemed to have had 3 years of experience in the business of exploring for, or the producing, transporting, or refining of, oil, gas, or other minerals; buying, selling, and trading oil, gas, or mining titles or leases; or payments out of production under such titles or leases, if such person was engaged in any such business, or combination thereof, on a full-time basis during the period in question. However, a corporation, partnership, association, or other business entity that was engaged in any such business on a full-time basis during the period in question shall nonetheless be deemed to have had 3 years of experience in any such business or combination thereof, if such entity had at least 1 officer or partner, or person of similar status, who was engaged in any such business, or combination thereof, on a full-time basis during the period in question.

(4) The numerical limitation on sales provided for in section 402(b)(9)(D)(1)(ii) of the act shall not be applicable to sales in compliance with this rule. Sales may be made hereunder to an unlimited number of purchasers described in subrule (1) of this rule without affecting the availability of the exemption provided for in section 402(b)(9)(D)(1)(ii) of the act.

(5) Any compensation paid to full-time salaried employees effecting sales which are in compliance with this rule shall not be deemed to be a commission under sections 401(b) and 402(b)(9)(C) of the act.

History: 1980 AACCS.

R 451.803.6 Rescinded.

History: 1980 AACCS; 1984 AACCS.

R 451.803.7 Rescinded.

History: 1983 AACCS; 1991 AACCS; 2014 AACCS.

R 451.803.8 Multijurisdictional disclosure system offerings.

Rule 803.8. (1) This rule shall apply to the registration by coordination pursuant to the provisions of section 303 of the act in

Michigan of securities that are registered with the securities and exchange commission in accordance with the multijurisdictional disclosure system adopted in securities and exchange commission release no. 33-6902, 56 F.R. 30036 (July 1, 1991).

(2) Pursuant to section 303(d) of the act, the 20-day registration statement and 10 day amendment filing requirements set forth in section 303(c)(2) of the act shall be reduced to 7 days for a class of offering for which a registration statement has been

filed with the administrator on a form designated as form F-7, F-8, F-9, or F-10 by the securities and exchange commission.

(3) Under the grant of authority to the administrator in section 412(c) of the act, the administrator has determined that financial statements which have been prepared in accordance with Canadian generally accepted accounting principles, consistently applied, may be contained in a registration statement which has been filed with the administrator pursuant to the provisions of section 303 of the act and which has been designated as form F-7, F-8, F-9, or F-10 by the securities and exchange commission if 1 of the following provisions is satisfied:

(a) The securities that are the subject of a registration statement designated as form F-7 by the securities and exchange commission are offered for cash upon the exercise of rights granted to existing security holders.

(b) The securities that are the subject of a registration statement designated as form F-8 by the securities and exchange commission are securities to be issued in an exchange offer, merger, or other business combination.

(c) The securities that are the subject of the registration statement designated as form F-9 by the securities and exchange commission are either nonconvertible preferred stock or nonconvertible debt and which shall be rated in 1 of the 4 highest rating categories by 1 or more nationally recognized statistical rating organizations. Preferred stock and debt securities that are not convertible for at least 1 year from the date of effectiveness of the registration statement will be deemed to meet the requirement of this subdivision.

(d) The securities that are the subject of a registration statement designated as form F-10 by the securities and exchange commission are offered and sold pursuant to a prospectus in which the securities and exchange commission has not required a reconciliation to United States generally accepted accounting principles with respect to the financial information presented therein.

History: 1993 AACS.

R 451.803.9 Rescinded.

History: 1993 AACS; 2014 AACS.

R 451.803.10 Exempt securities listed or approved for listing on the Chicago board options exchange.

Rule 803.10. A security that is listed or approved for listing upon notice of issuance on the Chicago board options exchange and any other security of the same issuer that is of senior or substantially equal rank, a security called for by subscription rights or warrants so listed or approved, or a warrant or right to purchase or subscribe to any of these securities shall be exempt from sections 301 and 403 of the act. The administrator may, after giving notice of hearing to all interested parties, provide an opportunity for hearing, written findings of fact and conclusions of law, and a right to judicial appeal, do any of the following:

(a) Deny or revoke this exemption by order for a specific issue of securities.

(b) Deny this exemption by rule or order to a category of securities when necessary in the public interest and for the protection of investors.

(c) Decertify the exchange by order if the administrator determines that the exchange's requirements are so changed, or insufficiently applied that the public interest and protection of investors contemplated by the requirements is no longer afforded.

History: 1993 AACCS.

R 451.803.11 Small corporate offering registration.

Rule 803.11. (1) This rule offers an optional method of registration pursuant to the provisions of section 304 of the act for corporations issuing securities that are exempt from registration with the federal exemption, regulation D, 17 C.F.R. S230.504, adopted in securities and exchange commission release no. 33-6389, 47 F.R. 11251 (March 16, 1982), and as amended in release nos. 33-6758, 53 F.R. 7866 (March 10, 1988), and 33-6825, 54 F.R. 11369 (March 20, 1989), or pursuant to the provisions of section 3(a)(11) of the securities act of 1933, 15 U.S.C. S77c(a)(11). Issuers eligible for this method of registration shall use a registration form approved by the administrator as the disclosure document for the offering. This method of registration shall be known as SCOR registration.

(2) Both of the following provisions apply to SCOR applications:

(a) Applications shall be in compliance with the provisions of this rule; however, the provisions of this rule may be modified or waived by the administrator.

(b) Where individual characteristics of specific offerings warrant modification from the provisions of this rule, they will be accommodated, insofar as possible, while still being consistent with the spirit of this rule.

(3) All of the following provisions apply to the availability of SCOR registration:

(a) SCOR registration is intended to allow small corporations to conduct limited offerings of securities. SCOR registration uses a simplified offering format designed to provide adequate disclosure to investors concerning the issuer, the securities offered, and the offering itself. Certain issuers may not be able to make adequate disclosure using the SCOR registration format and will, therefore, be unable to utilize SCOR registration. SCOR registration shall not be utilized by the following issuers and programs unless written permission is obtained from the administrator based upon a showing that adequate disclosure can be made to investors using the SCOR registration format:

(i) Holding companies, companies that have a principal purpose of owning stock in, or supervising the management of, other companies.

(ii) Portfolio companies, such as real estate investment trusts.

(iii) Issuers with complex capital structures.

(iv) Commodity pools.

(v) Equipment leasing programs.

(vi) Real estate programs.

(b) SCOR registration is available only to the issuer of the securities and not to any affiliate of that issuer or to any other person for resale of the issuer's securities. In addition, each of the following requirements shall be met:

(i) The issuer shall be a corporation that is organized under the laws of one of the states or possessions of the United States.

(ii) The issuer shall not engage in petroleum exploration or production or mining or other extractive industries.

(iii) The offering is not a blind pool or other offering for which the specific business to be engaged in or property to be acquired by the issuer cannot be specified.

(iv) The offering price for common stock; the exercise price if the securities offered are options, warrants, or rights for common stock; and the conversion price if the securities are convertible into common stock shall be equal to or more than \$5.00 per share.

(v) The aggregate offering price of the securities offered, within or outside this state, is not more than \$1,000,000.00, less the aggregate offering price of all securities sold within the 12 months before the start of and during the offering of the securities under federal exemption, regulation D, 17 C.F.R. 230.504, adopted in securities and exchange commission release no. 33-6389, 47 F.R. 11251 (March 16, 1982), and as amended in release nos. 33-6758, 53 F.R. 7866 (March 10, 1988), and 33-6825, 54 F.R. 11369 (March 20, 1989), in reliance on any exemption pursuant to the provisions of section 3(a)(11) and (b) of the securities act of 1933, 15 U.S.C. S77c(a)(11) and (b) or in violation of section 5(a) of the securities act of 1933, 15 U.S.C. S77e(a).

(c) SCOR registration is not available to investment companies that are subject to the investment company act of 1940, 15 U.S.C. S80(a) et seq., nor is it available to issuers that are subject to the reporting requirements of section 13 or section 15(d) of the securities exchange act of

1934, 15 U.S.C. SS78m and 78o(d).

(d) SCOR is available for registration of debt offerings only if the issuer can demonstrate a reasonable ability to service its debt.

(4) SCOR registration shall not be available for the securities of any issuer if any of the following provisions applies to that issuer or any of its officers, directors, 10% stockholders, promoters, or any selling agents of the securities to be offered or any officer, director, or partner of such selling agent:

(a) The individual has filed a registration statement that is the subject of a currently effective registration stop order entered pursuant to any federal or state securities law within 5 years before the filing of the SCOR registration application.

(b) The individual has been convicted, within 5 years before the filing of the SCOR registration application, of any felony or misdemeanor in connection with the offer, purchase, or sale of any security or any felony involving fraud or deceit, including any of the following:

(i) Forgery.

(ii) Embezzlement.

(iii) Obtaining money under false pretenses.

(iv) Larceny.

(v) Conspiracy to defraud.

(c) The individual is currently subject to any state administrative enforcement order or judgment entered by any state securities administrator or the securities and exchange commission within 5 years before the filing of the SCOR registration application or is subject to any federal or state administrative enforcement order or judgment in which fraud or deceit, including making untrue statements of material facts or omitting to state material facts, was found and the order or judgment was entered within 5 years before the filing of the SCOR registration application.

(d) The individual is subject to any federal or state administrative enforcement order or judgment that prohibits, denies, or revokes the use of any exemption for registration in connection with the offer, purchase, or sale of securities.

(e) The individual is currently subject to any order, judgment, or decree of any court of competent jurisdiction temporarily or preliminarily, or permanently restraining or enjoining such party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of any false filing with any state or with the securities and exchange commission entered within 5 years before the filing of the SCOR registration application. However, the prohibition of this paragraph and paragraphs (a), (b) and (c) of this subdivision shall not apply if the person who is subject to the disqualification is duly licensed or registered to conduct securities-related business in the state in which the administrative order or judgment was entered against the person or if the broker-dealer who employs the person is licensed or registered in this state and the form BD that is filed in this state discloses the order, conviction, judgment, or decree relating to the person. A person who is disqualified pursuant to the provisions of this subdivision shall not act in any capacity other than that for which the person is licensed or registered. Any disqualification pursuant to the provisions of this subdivision is

automatically waived if the state securities administrator or other state or federal agency that created the basis for disqualification determines, upon a showing of good cause, that it is not necessary under the circumstances that the exemption be denied.

(5) By filing for SCOR registration in this state, the registrant agrees with the administrator that the registrant will not split its common stock or declare a stock dividend for 2 years after the effectiveness of the registration without the prior written approval of the administrator.

(6) In addition to filing a properly completed form and filing fee required pursuant to the provisions of section 305(b) of the act, an applicant for SCOR registration shall file all of the following exhibits with the administrator:

(a) The form of selling agency agreement.

(b) The issuer's articles of incorporation or other charter documents and all amendments thereto.

(c) The issuer's bylaws, as amended to date.

(d) Copies of any resolutions by directors setting forth terms and provisions of capital stock to be issued.

(e) Any indenture, form of note, or other contractual provision containing terms of notes or other debt or of options, warrants, or rights to be offered.

(f) A specimen of the security to be offered, including any legend restricting resale.

(g) Consent to service of process accompanied by an appropriate corporate resolution.

(h) Copies of all advertising or other material that is directed, or to be furnished to investors in the offering.

(i) The form of escrow agreement for escrow of proceeds.

(j) Consent to inclusion in disclosure document of accountant's report.

(k) Consent to inclusion in disclosure document of tax advisor's opinion or description of tax consequences.

(l) Consent to inclusion in disclosure document of any evaluation of litigation or administrative action by counsel.

(m) The form of any subscription agreement for the purchase of securities in the offering.

(n) An opinion of an attorney who is licensed to practice in a state or territory of the United States that the securities to be sold in the offering have been duly authorized and, when issued upon payment of the offering price, will be legally and validly issued, fully paid and nonassessable, and binding on the issuer in accordance with their terms.

(o) A schedule of residence street addresses of officers, directors, and principal stockholders.

(p) Additional information as the administrator requires by rule or order.

History: 1993 AACS.

R 451.812.1 Rescinded.

History: 1979 AC; 2014 AACS.

R 451.812.2 Rescinded.

History: 1980 AACS; 2014 AACS.

R 451.813.1 Rescinded.

History: 1980 AACS; 1991 AACS.

R 451.814.1 Rescinded.

History: 1979 AC; 2014 AACS.

R 451.817.1 Rescission.

Rule 817.1. Rules 1 to 30, 101 to 120, and 201 to 208 of the corporation and securities commission pertaining to securities, being R 451.1 to R 451.30, R 451.101 to R 451.120, and R 451.201 to R 451.208 of the Michigan Administrative Code, and appearing on pages 5501 to 5514 of the 1954 volume of the Code and the amendments and additions thereto appearing on page 133 of the 1955 Supplement to the Code, pages 739 to 741 of the 1957 Supplement to the Code, and page 2911 of the 1963 Supplement to the Code, are rescinded.

History: 1979 AC.

R 451.818.1 Rescinded.

History: 1982 AACS; 2014 AACS.