

UNIFORM SECURITIES ACT (EXCERPT)
Act 265 of 1964

***** 451.601 THIS SECTION IS REPEALED BY ACT 551 OF 2008 EFFECTIVE OCTOBER 1, 2009

451.601 Registration required; exceptions.

Sec. 201. (a) A person shall not transact business in this state as a broker-dealer or agent unless registered under this act.

(b) A broker-dealer or issuer shall not employ an agent unless the agent is registered. The registration of an agent is not effective during any period when the agent is not associated with a particular broker-dealer registered under this act or a particular issuer. When an agent begins or terminates a connection with a broker-dealer or issuer, or begins or terminates those activities that make him or her an agent, the agent as well as the broker-dealer or issuer shall immediately notify the administrator in writing on a form prescribed by the administrator.

(c) A person shall not transact business in this state as an investment adviser unless the person meets 1 or more of the following:

(1) The person is registered under this act.

(2) The person is registered as a broker-dealer without the imposition of a condition under section 204(b)(5).

(3) The person's only clients in this state are insurance companies, federally covered advisers, banks, or trust companies.

(4) The person is an investment adviser who is not required to be registered as an investment adviser under the investment advisers act of 1940 if any of the following apply:

(A) The investment adviser's only clients in this state are other investment advisers, federally covered advisers, broker-dealers, or institutional investors.

(B) The investment adviser has no place of business in this state and the investment adviser directs business communications in this state to a person who is an existing customer and whose principal place of residence is not in this state.

(C) The investment adviser has no place of business in this state and the investment adviser during the preceding 12-month period has had not more than 5 clients, other than those specified in subparagraph (A), who are residents of this state.

(5) The person's only clients in this state are individuals who access the person's services through a 1-900 or toll-free telephone number and the services are generic in nature and not customized or specific to an individual and would not otherwise be considered the offering of investment advice.

(d) A registration under this section is effective upon order of the administrator and expires on December 31 of that year. If a person does not file an annual report, with the information required by the administrator, before December 31 of each year, the person shall not continue to transact business in this state as an investment adviser, broker-dealer, or agent.

(e) The registration provisions of this act do not apply to a county treasurer acting under his or her authority under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

(f) A person licensed or registered as a mortgage broker, mortgage lender, or mortgage servicer under the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684, is exempted from registering as a broker-dealer under this act for the offer or sale of mortgage loans as defined under the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684. An employee of a person licensed or registered under the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684, is exempted from the agent registration provision of this act for the offer or sale of mortgage loans as defined under the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684, when acting as an employee of the licensed or registered person.

History: 1964, Act 265, Eff. Jan. 1, 1965;—Am. 1965, Act 322, Imd. Eff. July 22, 1965;—Am. 1975, Act 31, Imd. Eff. May 1, 1975;—Am. 1978, Act 481, Eff. Mar. 30, 1979;—Am. 1985, Act 120, Imd. Eff. July 31, 1985;—Am. 1987, Act 175, Imd. Eff. Nov. 18, 1987;—Am. 1988, Act 408, Imd. Eff. Dec. 27, 1988;—Am. 1996, Act 349, Imd. Eff. June 28, 1996;—Am. 2000, Act 494, Imd. Eff. Jan. 11, 2001.

Administrative rules: R 451.601.1 et seq. of the Michigan Administrative Code.