

UNIFORM SECURITIES ACT (EXCERPT)
Act 265 of 1964

***** 451.602 THIS SECTION IS REPEALED BY ACT 551 OF 2008 EFFECTIVE OCTOBER 1, 2009

451.602 Application for registration; contents; announcement; fees; registration of successor; irrevocable consent to service of process; capital and bond requirements; fingerprinting.

Sec. 202. (a) A broker-dealer, agent, or investment adviser may obtain an initial registration by filing with the administrator an application together with a consent to service of process pursuant to section 414(g). The application shall contain the information that the administrator by rule requires concerning any of the following:

- (1) The applicant's form and place of organization.
- (2) The applicant's proposed method of doing business.

(3) The qualifications and business history of the applicant; in the case of a broker-dealer or investment adviser, the qualifications and business history of any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser; and, in the case of an investment adviser, the qualifications and business history of any employee.

- (4) Any injunction or administrative order or conviction of a misdemeanor or of a felony.
- (5) The applicant's financial condition and history.

(b) The administrator may by rule or order require an applicant for initial registration to publish an announcement of the application in 1 or more specified newspapers published in this state. Registration becomes effective upon order of the administrator. The administrator may by rule or order establish classes of or otherwise condition the registration of broker-dealers, agents, or investment advisers.

(c) Before October 1, 2003 or after September 30, 2012, an applicant for registration shall pay a filing fee and every registrant shall pay an annual fee of \$250.00 in the case of a broker-dealer, \$30.00 in the case of an agent, and \$150.00 in the case of an investment adviser. Before October 1, 2003 or after September 30, 2012, an applicant filing an application for registration of a successor pursuant to subsection (d) shall pay a filing fee of \$100.00 for the unexpired portion of the year. Before October 1, 2003 or after September 30, 2012, a registered agent who has terminated his or her connection with a broker-dealer shall pay a transfer fee of \$10.00 when transferring his or her connection to another broker-dealer. After September 30, 2003 and before October 1, 2012, an applicant for registration shall pay a filing fee and every registrant shall pay an annual fee of \$300.00 in the case of a broker-dealer, \$65.00 in the case of an agent, and \$200.00 in the case of an investment adviser. After September 30, 2003 and before October 1, 2012, an applicant filing an application for registration of a successor pursuant to subsection (d) shall pay a filing fee of \$125.00 for the unexpired portion of the year. After September 30, 2003 and before October 1, 2012, a registered agent who has terminated his or her connection with a broker-dealer shall pay a transfer fee of \$20.00 when transferring his or her connection to another broker-dealer.

(d) A registered broker-dealer or investment adviser may file an application for registration of a successor, whether or not the successor is then in existence. The administrator may grant or deny the application.

(e) An applicant for registration under this act or an issuer who offers or sells a security in this state through any person shall file with the administrator, in the form prescribed by the administrator by rule or order, an irrevocable consent to service of process.

(f) Subject to the requirements of section 15 of the securities exchange act of 1934, 15 USC 78o, and section 222 of the investment advisers act of 1940, 15 USC 80b-18a, the administrator may by rule or order require a minimum capital for registered broker-dealers and investment advisers and prescribe a ratio between net capital and aggregate indebtedness. If the registrant fails to comply with the minimum net capital requirement, the registrant shall immediately cease all investment advisory or securities business operations and promptly notify the administrator of its failure to maintain the required net capital, of the steps to be taken to cure the net capital deficiency, and of its anticipated date of reopening business operations. The registrant shall not reactivate its securities or investment advisory business operations without prior notification to the administrator.

(g) Except as otherwise provided in this section, the administrator may require a fidelity bond from a broker-dealer, agent, or investment adviser who is required to be registered under this act. The administrator may not require a bond from a broker-dealer that is registered under the securities exchange act of 1934 or an investment adviser that maintains its principal place of business in a state other than this state if the

investment adviser is registered in that other state and is in compliance with that state's bonding requirements, if any.

(h) Unless the requirement is waived by rule or order of the administrator, all persons, including but not limited to partners, officers, directors, and agents employed by a broker-dealer or investment adviser who are regularly employed within this state shall, as a condition of employment, be fingerprinted. The administrator may process the fingerprint cards with the federal bureau of investigation and the department of state police either directly or through the national association of securities dealers. The fingerprints or information relating to the fingerprints shall be used for the official use of the administrator only.

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. 1988, Act 408, Imd. Eff. Dec. 27, 1988;—Am. 1990, Act 150, Eff. Nov. 30, 1990;—Am. 2000, Act 494, Imd. Eff. Jan. 11, 2001;—Am. 2003, Act 150, Imd. Eff. Aug. 8, 2003;—Am. 2007, Act 82, Imd. Eff. Sept. 30, 2007.

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