

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



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DANA NESSEL
ATTORNEY GENERAL

September 18, 2024

Sent Via Email

Joint Committee on Administrative Rules
Boji Tower, 3rd Floor
124 West Allegan Street
P.O. Box 30036
Lansing, MI 48909-7536

Dear Chairperson Wojno, Alternate Chairperson Haadsma, and Committee Members:

Subject: Waiver Request – 2024-33 AG

As the regulatory affairs officer for the Department of Attorney General, I respectfully request that the Joint Committee on Administrative Rules waive the remaining session days under the authority provided in the Administrative Procedures Act of 1969, MCL 24.245a(1)(d), for the review of the following rules, which were submitted to the Committee on August 27, 2024:

Uniform Securities Act (2002), R 14.31 through 14.39 (MOAHR #2024-33-AG).

In support of the request, the Department offers the following:

1. The amendments to the Uniform Securities Act (2002), MCL 451.2531 to 451.2543, were enacted on December 13, 2023, and took effect on March 13, 2024. The amendments require a broker-dealer or investment adviser to report suspected or detected “covered financial exploitation” of its clients or customers to law enforcement or adult protective services. Covered financial exploitation is defined by MCL 451.2531(e) to mean, “financial exploitation of an individual through deception, manipulation, coercion, intimidation, or improper leveraging of a caregiver relationship.”
2. The rules are designed to provide a standardized method for law enforcement, adult protective services, broker-dealers, and investment advisers to provide notice of reports of suspected or detected covered financial exploitation made by broker-dealers and investment advisers to the county prosecutor. The rules provide forms with a description of required content that shall be included in notifications to the county prosecutor and provide guidelines for broker-dealers and investment advisers to determine in which county to contact the county prosecutor and how to obtain contact information for each prosecutor’s office.

3. Although the Department received no comments in writing or at the public hearing held on August 22, 2024, the Department relied upon its criminal prosecution experience and discussions with members of the Securities Mandatory Reporting Subcommittee of the Michigan Elder Abuse Task Force in drafting these rules. Members of the Securities Mandatory Reporting Subcommittee include representatives and members from Adult Protective Services (DHHS), Michigan Association of Chiefs of Police, Regulation of Securities Committee of the Business Law Section of Michigan Bar Association, the Financial Industry Regulatory Authority, the Securities Industry and Financial Markets Association, Michigan Sheriff's Association, Michigan State Police, and the Prosecuting Attorneys Association of Michigan.

This request is respectfully made to the Committee to waive any remaining session days.

Sincerely,

/s/ Bethany L. McCune

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