

New Limits on Nonprofit Securities Exemption

11/10/2010

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Effective Jan. 1, 2011, debt securities of nonprofit organizations will qualify for the nonprofit exemption from registration in Michigan only if the maximum offering amount is \$500,000 or less and the securities are sold exclusively to bona fide members of the organization without payment of a commission or consulting fee.

The process for completing a registration by qualification of nonprofit organization debt securities has been simplified, however, and may be accomplished by filing the offering documents with the Michigan Office of Financial and Insurance Regulation (OFIR) and paying a \$250 flat fee. For nonprofit organizations, the registration fee will not be calculated based on the offering amount in Michigan. The registration filing must be made at least 20 business days before making offers or sales in the state.

The changes are part of the Fifth Transition Order of the Michigan Uniform Securities Act (MUSA), which was issued by OFIR on Nov. 1, 2010. The Order may be viewed in its entirety [here](#).

Read our explanation of the Order and what it means to your organization [here](#).

Please do not hesitate to call or e-mail us at Warner Norcross & Judd LLP if you have any questions.

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