



**House
Legislative
Analysis
Section**

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LIMIT LAWSUITS AGAINST CPAS

House Bill 4808

Sponsor: Rep. Joseph Young, Jr.

Committee: State Affairs

Complete to 6-18-91

A SUMMARY OF HOUSE BILL 4808 AS INTRODUCED 5-13-91

The bill would add a new section to the Occupational Code to restrict legal action for civil damages against certified public accountants to:

- * cases of fraud or intentional misrepresentation, and
- * cases in which (a) the CPA knew that the information developed for a customer would be used by some third party not directly involved in the contract between the CPA and the customer, (b) the CPA intended that the information would influence a transaction (for example, a bank loan), and (c) the third party actually relied on the information.

MCL 339.717