

SENATE BILL No. 889

December 4, 2001, Introduced by Senator MC COTTER and referred to the Committee on Government Operations.

A bill to amend 1933 PA 89, entitled

"An act to prevent fraud, deception and imposition in the solicitation within the state of Michigan of the deposit of bonds, notes, debentures and other evidences of indebtedness under, and/or the consent of the holders or owners of such securities, to a protective committee agreement, and to prevent fraud, deception and imposition in the operations and activities of protective committees organized within the state of Michigan to act for and in behalf of the holders or owners of such securities, and for such purposes to create a commission to regulate and supervise the establishment and the operations of protective committees, depositaries under protective committee agreements, and solicitors for protective committee agreements; to authorize said commission to have supervision over defaulted bonds, notes, debentures, certificates of participation and similar evidences of indebtedness; to prescribe the powers and duties of such commission; to license members of protective committees, depositaries under protective committee agreements and solicitors for protective committee agreements; to regulate and supervise and control the solicitation by anyone of bonds, notes, debentures and all other similar evidences of indebtedness, issued by the maker of any security for the purpose of procuring the modification and/or amendment and/or foreclosure of any instrument in writing securing any issue of bonds, notes, debentures and all other similar evidences of indebtedness; to authorize such commission to act as custodian or receiver and appoint custodians, agents and managers of defaulted mortgage property under orders of court or otherwise; to prescribe penalties for violation of

this act; and to repeal Act No. 37 of the Public Acts of the first extra session of 1932,"

by amending section 13 (MCL 451.313).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 13. Any person interested in any security in connec-
2 tion with which a protective committee is organized may request
3 ~~said~~ THE commission to make an investigation, audit, or
4 appraisal and report with respect to the property ~~and/or~~ OR
5 business to which ~~such~~ THE security pertains. ~~:- Provided,~~
6 ~~however, That~~ HOWEVER, before any investigation, audit, or
7 appraisal and report ~~shall be~~ IS made by ~~said~~ THE commission
8 upon such a request, ~~such~~ THE person so requesting shall,
9 ~~when~~ IF required by the commission, deposit with ~~said~~ THE
10 commission ~~such~~ THE sum of money ~~as said~~ THAT THE commission
11 ~~shall believe~~ CONSIDERS necessary to meet the cost ~~thereof~~ OF
12 THE INVESTIGATION, AUDIT, OR APPRAISAL AND REPORT. ~~In the event~~
13 ~~that the money so deposited shall prove to be~~ IF THE DEPOSIT IS
14 insufficient to defray the cost of ~~said~~ THE investigation,
15 audit, or appraisal and report, ~~said~~ THE commission may request
16 further deposits as a condition of the continuance by it of its
17 investigation, audit, or appraisal and report. All money so
18 deposited shall be deposited by ~~said~~ THE commission in the
19 state treasury in a special fund and disbursements from ~~said~~
20 THAT fund shall be upon the vouchers drawn by ~~said~~ THE commis-
21 sion and the warrant ~~of the auditor general~~ drawn on the state
22 treasurer, and ~~such~~ ANY disbursements shall be for the purposes
23 for which the money is paid. Any excess over and above the cost

of ~~such~~ THE requested investigation, audit, or appraisal and report shall be returned to the person who made the deposit.