

Act No. 104  
Public Acts of 2002  
Approved by the Governor  
March 27, 2002  
Filed with the Secretary of State  
March 27, 2002  
EFFECTIVE DATE: March 27, 2002

**STATE OF MICHIGAN  
91ST LEGISLATURE  
REGULAR SESSION OF 2002**

Introduced by Senator McCotter

# **ENROLLED SENATE BILL No. 889**

AN ACT 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:*

Sec. 13. Any person interested in any security in connection with which a protective committee is organized may request the commission to make an investigation, audit, or appraisal and report with respect to the property or business to which the security pertains. However, before any investigation, audit, or appraisal and report is made by the commission upon such a request, the person so requesting shall, if required by the commission, deposit with the commission the sum of money that the commission considers necessary to meet the cost of the investigation, audit, or appraisal and report. If the deposit is insufficient to defray the cost of the investigation, audit, or appraisal and report, the commission may request further deposits as a condition of the continuance by it of its investigation, audit, or appraisal and report. All money so deposited shall be deposited by the commission in the state treasury in a special fund and disbursements from that fund shall be upon the warrant drawn on the state treasurer, and any disbursements shall be for the purposes for which the money is paid. Any excess over and above the cost of the requested investigation, audit, or appraisal and report shall be returned to the person who made the deposit.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Sam E. Randall

Clerk of the House of Representatives.

Approved \_\_\_\_\_

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Governor.