

HOUSE BILL No. 6080

May 18, 2006, Introduced by Reps. Espinoza, Gleason, Bieda, Condino, McDowell, Alma Smith, Mayes, Leland, Vagnozzi, Hunter, Polidori, Tobocman, Zelenko, Clack, Gonzales, Anderson, Donigan, Miller, Sak, Lemmons, Jr., Lipsey, Farrah, Kolb, Meisner, Bennett, Clemente, Sheltroun, Plakas, Angerer, Byrum, Spade, Byrnes, Wojno and Cheeks and referred to the Committee on Judiciary.

A bill to amend 1931 PA 328, entitled
"The Michigan penal code,"
(MCL 750.1 to 750.568) by adding section 281.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 281. (1) AN OFFICER OF A CORPORATION SHALL NOT DO ANY OF
2 THE FOLLOWING WITH THE INTENT TO DEFRAUD THE SHAREHOLDERS OF THAT
3 CORPORATION:

4 (A) AWARD, ATTEMPT TO AWARD, OR CONSPIRE WITH ANOTHER PERSON
5 TO AWARD COMPENSATION TO ANOTHER OFFICER OF THAT CORPORATION THAT
6 THE PERSON KNOWS OR HAS REASON TO KNOW IS EXCESSIVE.

7 (B) OBTAIN, ATTEMPT TO OBTAIN, OR CONSPIRE WITH ANOTHER PERSON
8 TO OBTAIN COMPENSATION THAT THE PERSON KNOWS OR HAS REASON TO KNOW
9 IS EXCESSIVE.

1 (C) PREPARE, ATTEMPT TO PREPARE, OR CONSPIRE WITH ANOTHER
2 PERSON TO PREPARE ANY FINANCIAL RECORD OR OTHER DOCUMENT THE PERSON
3 KNOWS OR HAS REASON TO KNOW IS FALSE OR MISLEADING.

4 (D) SELL, ATTEMPT TO SELL, OR CONSPIRE WITH ANOTHER PERSON TO
5 SELL STOCK OR ANY OTHER ASSET OF THE CORPORATION KNOWING OR HAVING
6 REASON TO KNOW THAT THE PRICE OF THAT STOCK OR OTHER ASSET IS OR
7 MAY BE AFFECTED BY A FINANCIAL RECORD OR OTHER DOCUMENT PREPARED IN
8 VIOLATION OF SUBDIVISION (C).

9 (2) A PERSON SHALL NOT KNOWINGLY AID, INDUCE, OR CONSPIRE WITH
10 AN OFFICER OF A CORPORATION TO COMMIT A VIOLATION OF THIS SECTION.

11 (3) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A FELONY
12 PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 10 YEARS OR A FINE OF
13 NOT MORE THAN \$250,000.00, OR BOTH.

14 (4) THIS SECTION DOES NOT PROHIBIT THE PERSON FROM BEING
15 CHARGED WITH, CONVICTED OF, OR SENTENCED FOR ANY OTHER VIOLATION OF
16 LAW ARISING OUT OF THE VIOLATION OF THIS SECTION.

17 (5) AS USED IN THIS SECTION, "COMPENSATION" INCLUDES SALARY OR
18 WAGES, STOCK OPTIONS, AND ANY OTHER THING OF VALUE.