

PROTECTIVE COMMITTEES (EXCERPT)
Act 89 of 1933

451.307 Protective committees; solicitation of security holders; fraud, conditions, limitation of charges.

Sec. 7. The right to solicit the deposit of securities by, and/or the consent to a protective committee agreement of, the holders or owners of securities in this state by protective committees organized after this act goes into effect shall not be granted by the commission in any case where it appears to the commission that such solicitation of deposit and/or consent would work a fraud, deception, or damage on the holders or owners of said securities. The commission may impose such conditions as it may determine to be necessary to safeguard the holders or owners of the particular security and said commission may also supervise the terms and provisions of the depository or protective committee agreement and may limit the compensation of, and the charges to be made against a depositing and/or consenting holder or owner, by the protective committee, which compensation shall include all expenses of said protective committee, its agents, and attorneys.

History: 1933, Act 89, Imd. Eff. May 25, 1933;—CL 1948, 451.307.