

PROTECTIVE COMMITTEES (EXCERPT)
Act 89 of 1933

451.308 Protective committees; notice to issuer of security, objections, hearing.

Sec. 8. Before said commission shall authorize a protective committee which is organized after this act goes into effect to solicit, either through its members or its employees, the deposit of securities and/or the consent of holders or owners of securities, it shall cause notice to be served by registered mail upon the person or persons who executed said security, advising said person or persons that an application for permission to solicit the deposit of the particular security and/or the consent of the holders or owners to a protective committee agreement has been filed with said commission and that if there are any objections to the granting of such application written objections thereto shall be filed with the commission within 15 days from the date of the receipt of said notice. The commission is hereby authorized and empowered for good cause shown to extend the time within which such written objections may be filed.

In the event that no written objections are filed with said commission by the person or persons who executed said security within 15 days from the date of the receipt of the aforesaid notice or within such further time as the commission may allow, said commission shall proceed promptly to dispose of said application.

In the event, however, that written objections are filed within proper time as aforesaid, the commission shall promptly serve notice upon the chairman and secretary of the protective committee and upon the person or persons who filed the written objections that a hearing of the matter will be had before the commission at a time and place designated by the commission. At such hearing there may be presented to the commission such testimony and evidence as bears upon the question whether the solicitation of the deposit of securities and/or the consent of holders or owners to the protective committee agreement would work a fraud, deception, or damage on the holders or owners of said security. After said hearing, the commission shall proceed promptly to dispose of said application.

History: 1933, Act 89, Imd. Eff. May 25, 1933;—CL 1948, 451.308.