

RECEIVERSHIP ACT (EXCERPT)
Act 16 of 2018

554.1024 Stay or injunction.

Sec. 14. (1) Except as otherwise provided in subsection (4) or ordered by the court, an order appointing a receiver operates as a stay, applicable to all persons, of an act, action, or proceeding to do any of the following:

(a) Obtain possession of, exercise control over, or enforce a judgment against receivership property.

(b) Enforce a lien against receivership property to the extent the lien secures a claim against the owner that arose before entry of the order.

(2) Except as otherwise provided in subsection (4), the court may enjoin an act, action, or proceeding against or relating to receivership property if the injunction is necessary to protect the property or facilitate administration of the receivership.

(3) A person whose act, action, or proceeding is stayed or enjoined under this section may apply to the court for relief from the stay or injunction for cause.

(4) An order under subsection (1) or (2) does not operate as a stay or injunction of any of the following:

(a) An act, action, or proceeding to foreclose or otherwise enforce a security agreement by the person seeking appointment of the receiver.

(b) An act, action, or proceeding to perfect, or maintain or continue the perfection of, an interest in receivership property.

(c) Commencement or continuation of a criminal proceeding.

(d) Commencement or continuation of an action or proceeding, or enforcement of a judgment other than a money judgment in an action or proceeding, by a governmental unit to enforce its police or regulatory power.

(e) Establishment by a governmental unit of a tax liability against the owner or receivership property or an appeal of the liability.

(5) The court may void an act that violates a stay or injunction under this section.

(6) If a person knowingly violates a stay or injunction under this section, the court may do 1 or both of the following:

(a) Award actual damages caused by the violation, reasonable attorney fees, and costs.

(b) Sanction the violation as contempt.

History: 2018, Act 16, Eff. May 7, 2018;—Am. 2020, Act 210, Imd. Eff. Oct. 15, 2020.