

MICHIGAN BIDCO ACT (EXCERPT)

Act 89 of 1986

ARTICLE 4

CORPORATE MATTERS

487.1401 Name of licensee; inclusion of word "BIDCO."

Sec. 401. (1) Except as provided in subsection (2), the name of each licensee shall include the word "BIDCO".

(2) A business development enterprise is not required to include the word "BIDCO" in its name.

(3) A licensee shall not transact business under a name other than its name.

History: 1986, Act 89, Imd. Eff. May 1, 1986;—Am. 1997, Act 150, Imd. Eff. Dec. 2, 1997;—Am. 2012, Act 358, Imd. Eff. Dec. 13, 2012.

487.1403 Board of directors; number of directors; membership; meetings.

Sec. 403. (1) A licensee shall have a board of directors.

(2) The board of directors of a licensee that is not a business development enterprise shall consist of at least 7 directors. All of the following apply to the board of directors of a licensee that is a business development enterprise:

(a) The board shall consist of at least 3 directors.

(b) At least 1/3 of the members of the board shall be individuals designated by the board of the Michigan strategic fund.

(3) If the licensee is a Michigan limited liability company, the board may consist of members who are not managers of the licensee.

(4) The board of directors of a licensee shall hold a meeting at least once each calendar quarter.

History: 1986, Act 89, Imd. Eff. May 1, 1986;—Am. 1997, Act 150, Imd. Eff. Dec. 2, 1997;—Am. 2012, Act 358, Imd. Eff. Dec. 13, 2012.

487.1405 Death, resignation, or removal of director, officer, or manager; election of director; appointment of officer or manager; notice to commissioner; additional information.

Sec. 405. Within 30 days after the death, resignation, or removal of a director, officer, or manager, the election of a director, or the appointment of an officer or manager, the licensee shall notify the commissioner in writing of the event and shall provide any additional information which the commissioner may require.

History: 1986, Act 89, Imd. Eff. May 1, 1986;—Am. 1997, Act 150, Imd. Eff. Dec. 2, 1997.

487.1407 Dividend and distribution policies; buying back share of stock or membership interest.

Sec. 407. (1) A licensee shall not pay, or obligate itself to pay, a cash dividend or distribution or dividend and distribution in kind to its owners, unless that payment is consistent with a dividend and distribution policy that has been adopted by the licensee and approved by the commissioner. In reviewing dividend and distribution policies under this section, the commissioner shall protect against unsafe or unsound acts which could threaten the viability of the licensee as an ongoing BIDCO but be flexible in recognizing the special characteristics of BIDCOs and the diverse range of potentially appropriate dividend policies for BIDCOs. The commissioner may at any time withdraw any previous approval of a dividend and distribution policy if the commissioner determines that the withdrawal is necessary to prevent unsafe or unsound acts.

(2) Without the prior approval of the commissioner, a licensee shall not buy back, or obligate itself to buy back a share of stock or a membership interest from an owner.

History: 1986, Act 89, Imd. Eff. May 1, 1986;—Am. 1997, Act 150, Imd. Eff. Dec. 2, 1997.