

GRAIN DEALERS ACT (EXCERPT)
Act 141 of 1939

***** 285.86 THIS SECTION IS REPEALED BY ACT 263 of 2016 EFFECTIVE SEPTEMBER 26, 2016

285.86 Possession, liquidation, and distribution of assets; satisfaction of claims; reduction.

Sec. 26. (1) If a grain dealer fails, the director shall take possession of, liquidate, and distribute the assets and proceeds of the assets to satisfy claims as follows:

(a) To all of the following on a pro rata basis, if any:

(i) Claimants, including lenders, who possess warehouse receipts for farm produce stored by the grain dealer.

(ii) Claimants who possess acknowledgment forms or other written evidence of ownership other than warehouse receipts that disclose a storage obligation of the grain dealer.

(iii) Claimants who surrendered warehouse receipts to the grain dealer as part of a farm produce transaction but were not fully paid for the farm produce within 21 days after the surrender.

(b) If assets or proceeds of assets remain after satisfying all claims described in subdivision (a), the remaining assets or proceeds of assets shall be distributed pro rata to claimants who possess price later agreements.

(c) If assets or proceeds of assets remain after satisfying all claims described in subdivisions (a) and (b), the remaining assets or proceeds of assets shall be distributed pro rata to claimants who possess acknowledgment forms, similar forms of farm produce delivery contracts, or other written evidence of the sale of farm produce and who completed delivery and pricing of the farm produce within 30 days prior to the failure of the grain dealer.

(d) If assets or proceeds of assets remain after satisfying all claims described in subdivisions (a), (b), and (c), the remaining assets or proceeds of assets shall be distributed pro rata to all other claimants who possess written evidence of the sale of farm produce to the grain dealer.

(e) If assets or proceeds of assets remain after satisfying all claims described in subdivisions (a), (b), (c), and (d), the remaining assets or proceeds of assets shall be distributed to the grain dealer.

(2) The director may reduce the amount of a claim under subsection (1) to reflect the liabilities owed to the grain dealer by the claimant.

History: Add. 2002, Act 80, Eff. Mar. 31, 2003.