CORPORATE FIDUCIARY STOCKHOLDERS

Act 56 of 1957

AN ACT relative to the authority of a corporation acting as trustee, executor, administrator, whether special, general, ancillary, with the will annexed or de bonis non, agent or guardian, whether special or general, to hold stock or other securities in the name of a nominee; the manner of indorsement of securities so held; the possession of or transfer of, or accounting for, those securities by the corporation; the liability of the corporation with respect to those transactions; and the promulgation of rules.

History: 1957, Act 56, Eff. Sept. 27, 1957 ;-- Am. 1972, Act 149, Imd. Eff. May 26, 1972 ;-- Am. 1975, Act 310, Imd. Eff. Dec. 22, 1975

The People of the State of Michigan enact:

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555.441 Corporation as fiduciary or co-fiduciary holding stock or securities in name of nominee; consent of co-fiduciary; endorsement of certificate.

Sec. 1.

In the absence of a direction to the contrary contained in any will or other instrument transferring shares of stock or other securities to a corporation acting as trustee, executor, administrator, whether special, general, ancillary, with the will annexed or de bonis non, agent or guardian, whether special or general, the corporation when acting as the fiduciary or when acting as co-fiduciary, with the consent of its co-fiduciary, may hold the same in the name of a nominee employed by the corporation and responsible to the corporation without mention of the trust in the certificate representing the shares of stock or other securities, or the registration book for the stock or other securities. The co-fiduciaries are authorized to give the consent herein required. The nominee, upon the request of the corporation, shall indorse the certificate representing shares of stock or other securities in blank or by assignment separate from the certificate.

History: 1957, Act 56, Eff. Sept. 27, 1957 ;-- Am. 1958, Act 151, Eff. Sept. 13, 1958 ;-- Am. 1972, Act 149, Imd. Eff. May 26, 1972 ;-- Am. 1975, Act 310, Imd. Eff. Dec. 22, 1975

555.442 Acts of nominee, federal reserve bank, and clearing corporation deemed acts of corporation acting as fiduciary.

Sec. 2.

The acts of a nominee in connection with property held by the nominee shall be deemed to be the acts of the corporation acting as fiduciary. The acts of a federal reserve bank in connection with property held by it, as provided in section 4, and the acts of a clearing corporation in connection with property held by it, as provided in section 5, shall be deemed to be the acts of the corporation acting as fiduciary.

History: 1957, Act 56, Eff. Sept. 27, 1957 ;-- Am. 1975, Act 310, Imd. Eff. Dec. 22, 1975

555.443 Records of corporation to show ownership of stock or other securities held by corporation as fiduciary; manner of keeping stocks and other securities separate from assets of corporation.

Sec. 3.

The records of the corporation shall show the ownership of the shares of stock or other securities held by it as fiduciary. The shares of stock or other securities shall be kept separate from the assets of the corporation and may be kept by the corporation either in a manner that the certificates representing the securities from time to time constituting the assets of a particular estate, trust, or other fiduciary account are held separate from those of all other estates, trusts, or fiduciary accounts; or in a manner that, without certification as to ownership attached, certificates representing securities of the same class of the same issuer and from time to time constituting assets of particular estates, trusts, or other fiduciary accounts, are held in bulk, including to the extent feasible, the merging of certificates of small denomination into 1 or more certificates of large denomination.

History: 1957, Act 56, Eff. Sept. 27, 1957 ;-- Am. 1975, Act 310, Imd. Eff. Dec. 22, 1975

555.444 Deposit of securities with federal reserve bank; crediting deposit; designating fiduciary account; records to show ownership of securities held in account; transfer of securities.

Sec. 4.

A corporation when acting as fiduciary, as provided in section 1, may deposit, or arrange for the deposit, with a federal reserve bank, of securities, the principal and interest of which the United States or a department, agency, or instrumentality thereof has agreed to pay, or has guaranteed payment. The deposit of securities shall be credited to 1 or more accounts on the books of the federal reserve bank in the name of the corporation, and designated a fiduciary account, as distinguished from a safekeeping account, to which account other similar securities may be credited. The records of the corporation depositing securities shall show the ownership of the securities held in the account. Ownership of, and other interests in, the securities credited to the account, may be transferred by entries on the books of the federal reserve bank without physical delivery of securities.

History: Add. 1975, Act 310, Imd. Eff. Dec. 22, 1975

555.445 Deposit of securities in clearing corporation, bank, or trust company; deposit of securities by clearing corporation, bank, or trust company in another clearing corporation, bank, or trust company; evidence of safety of securities; merging certificates; holding certificates in bulk; transfer of securities; approval of commissioner.

Sec. 5.

(1) With the written approval of the commissioner of the financial institutions bureau, a corporation acting as a fiduciary as provided in section 1 may deposit, or arrange for deposit, of securities in a clearing corporation as defined in section 8102(3) of Act No. 174 of the Public Acts of 1962, as amended, being section 440.8102 of the Michigan Compiled Laws, or a bank, national banking association, or trust company in a reserve city as designated pursuant to section 205 of Act No. 319 of the Public Acts of 1969, being section 487.505 of the Michigan Compiled Laws. At the annual examination and at any other time the commissioner

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may request, the corporation acting as fiduciary shall furnish the commissioner, to his or her satisfaction, with evidence that the safety of securities deposited is not impaired.

(2) A clearing corporation, bank, or trust company holding pursuant to this section securities of a corporation acting as a fiduciary may deposit, or arrange for deposit, of the securities in another clearing corporation, bank, or trust company. The corporation acting as fiduciary shall furnish the commissioner upon his or her request and at the annual examination satisfactory evidence that the safety of securities deposited pursuant to this subsection is not impaired.

(3) When securities are deposited in accordance with this section, certificates representing securities of the same class of the same issuer may be merged and held in bulk in the name of the clearing corporation, bank, or trust company, or 1 of their nominees with any other securities deposited in the clearing corporation by any person regardless of the ownership of the securities; and certificates of small denominations may be merged into 1 or more certificates of larger denominations. The records of the corporation acting as fiduciary shall show the name of the party for whose account the securities are deposited. Ownership of, and other interests in, the securities may be transferred by bookkeeping entry on the books of the clearing corporation without physical delivery of certificates representing the securities.

(4) Approval of the commissioner granted under this section shall be effective from the date granted and shall remain in effect until terminated.

(5) The commissioner may terminate an approval granted under this section when the commissioner has reason to believe that the safety of securities deposited in a clearing corporation, bank, or trust company would be impaired, or that this act or a rule promulgated under this act is being violated.

History: Add. 1975, Act 310, Imd. Eff. Dec. 22, 1975 ;-- Am. 1983, Act 257, Eff. Mar. 29, 1984

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555.446 Rules.

Sec. 6.

Pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws, the commissioner of the financial institutions bureau may promulgate rules to effectuate the purposes and to execute and enforce this act. Nothing in this act shall preclude the attorney general of this state from promulgating rules pursuant to Act No. 101 of the Public Acts of 1961, being sections 14.251 to 14.266 of the Michigan Compiled Laws.

History: Add. 1975, Act 310, Imd. Eff. Dec. 22, 1975

555.447 Applicability of amendatory act.

Sec. 7.

This amendatory act which added this section shall apply to any corporation acting as a fiduciary, as provided in section 1, which was so acting on or after the effective date of this amendatory act, regardless of the date of the will or other instrument pursuant to which the securities were transferred to it.

History: Add. 1975, Act 310, Imd. Eff. Dec. 22, 1975