

MICHIGAN BIDCO ACT (EXCERPT)
Act 89 of 1986

487.1717 Appointment of conservator for licensee; reimbursement of expenses of conservatorship; powers and duties of conservator; liquidation of licensee; appointment of receiver; determinations; manner of liquidation.

Sec. 717.

(1) If the commissioner finds that any of the factors set forth in section 715(1) are true with respect to a licensee and that it is necessary for the protection of the interests of the licensee or for the protection of the public interest that the commissioner take immediate possession of the property and business of the licensee, the commissioner may appoint a conservator for the licensee. The commissioner may appoint as conservator 1 of the employees of the financial institutions bureau of the department of consumer and industry services or some other competent and disinterested person. The financial institutions bureau shall be reimbursed out of the assets of the conservatorship for all sums expended by the bureau in connection with the conservatorship as expenses. Upon the approval of the commissioner, the expenses of the conservatorship shall be paid out of the assets of the licensee. The expenses shall be a first charge upon the assets and shall be fully paid before any final distribution is made.

(2) Under the direction of the commissioner, the conservator shall take possession of the books, records, and assets of the licensee and shall take such action with respect to employees, agents, or representatives of the licensee or any other action as may be necessary to conserve the assets of the licensee or ensure payment of obligations of the licensee pending further disposition of its business as provided by law. At any appropriate time, the commissioner may terminate the conservatorship and permit the licensee to resume the transaction of its business subject to the terms, conditions, restrictions, and limitations the commissioner may prescribe.

(3) If in the opinion of the commissioner it is appropriate that the licensee be liquidated, the commissioner, with the attorney general representing the commissioner, may apply to the circuit court for the county in which the principal office of the licensee is located for the appointment of a receiver for the licensee, if the commissioner determines that any of the following are true:

(a) The licensee is insolvent.

(b) The licensee has suspended payment of its obligations, has made an assignment for the benefit of its creditors, or has admitted in writing its inability to pay its debts as they become due.

(c) The licensee has applied for an adjudication of bankruptcy, reorganization, arrangement, or other relief under a bankruptcy, reorganization, insolvency, or moratorium law.

(d) A person has applied for the relief described under subdivision (c) against any licensee and that licensee has by an affirmative act approved of or consented to the action or the relief has been granted.

(e) The licensee is in a condition that makes it unsafe or unsound for the licensee to transact business.

(4) If a receiver is appointed under subsection (3), the receiver shall liquidate the property and business of the licensee in the manner provided for in sections 2401 to 2403 of the banking code of 1999, 1999 PA 276, MCL 487.12401 to 487.12403, as if the licensee were a bank.

History: 1986, Act 89, Imd. Eff. May 1, 1986 ;-- Am. 2000, Act 445, Imd. Eff. Jan. 9, 2001