

UNIFORM COMMERCIAL REAL ESTATE RECEIVERSHIP ACT (EXCERPT)
Act 16 of 2018

***** 554.1017.new THIS NEW SECTION IS EFFECTIVE MAY 7, 2018 *****

554.1017.new Appointment of receiver; disqualification; statement.

Sec. 7. (1) The court may not appoint a person as receiver unless the person submits to the court a statement under penalty of perjury that the person is not disqualified.

(2) Except as otherwise provided in subsection (3), a person is disqualified from appointment as receiver if 1 or more of the following apply:

- (a) The person is an affiliate of a party.
- (b) The person has an interest materially adverse to an interest of a party.
- (c) The person has a material financial interest in the outcome of the action, other than compensation the court may allow the receiver.
- (d) The person has a debtor-creditor relationship with a party.
- (e) The person holds an equity interest in a party, other than a noncontrolling interest in a publicly traded company.

(3) A person is not disqualified from appointment as receiver solely because 1 or more of the following apply:

- (a) The person was appointed receiver or is owed compensation in an unrelated matter involving a party or was engaged by a party in a matter unrelated to the receivership.
- (b) The person is an individual obligated to a party on a debt that is not in default and was incurred primarily for personal, family, or household purposes.
- (c) The person maintains with a party a deposit account as defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

(4) A person seeking appointment of a receiver may nominate a person to serve as receiver, but the court is not bound by the nomination.

History: 2018, Act 16, Eff. May 7, 2018.