

PREPAID FUNERAL AND CEMETERY SALES ACT (EXCERPT)
Act 255 of 1986

328.233 Noncompliance with investment and depositing requirements; petition for appointment of receiver; notice; hearing; liquidation.

Sec. 23. If the department determines that a registrant has not complied with the investment and depositing requirements of this act and that insufficient funds are available in trust or escrow accounts to meet the obligations of prepaid contracts, the department may petition the circuit court of the county of the registrant's principal place of business or the county of Ingham for appointment of a receiver. After notice to the registrant and a hearing and upon its concurrence in the findings of the department, the court shall appoint a qualified person as a receiver. A receiver appointed under this section has all the powers, authority, and remedies of an assignee for the benefit of creditors under chapter 52 of the revised judicature act of 1961, 1961 PA 236, MCL 600.5201 to 600.5265. Any remaining funds held in escrow pursuant to this act shall be regarded as belonging to contract buyers or contract beneficiaries according to their interests and shall be distributed to these entities pro rata on the basis of the amount of funds paid by the contract buyers and shall not be available to general creditors of the estate. Under appropriate circumstances, the receiver may file for protection under the bankruptcy code.

History: 1986, Act 255, Eff. July 1, 1987;—Am. 2004, Act 21, Eff. Jan. 1, 2005.

Compiler's note: For transfer of powers and duties of certain occupational functions, boards, and commissions from the Department of Licensing and Regulation to the Department of Commerce, see E.R.O. No. 1991-9, compiled at MCL 338.3501 of the Michigan Compiled Laws.