

CORPORATE FIDUCIARY STOCKHOLDERS (EXCERPT)
Act 56 of 1957

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 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