REAL ESTATE BONDS AND SECURITIES
Act 275 of 1937

AN ACT to provide for the keeping of records of real estate bonds and other real estate securities, to require reports and other information relative to real estate bonds and other real estate securities in default, and the filing of such information with the public trust commission, and to provide for the giving of information relative to such defaulted obligations, by all persons, firms, associations or corporations acting as trustees, depositaries or fiscal agents or in any other capacity in which funds may be received for the retirement of real estate bonds, notes, debentures, certificates of participation, or other like real estate securities, or for the payment of interest thereon.

History: 1937, Act 275, Imd. Eff. July 22, 1937.

The People of the State of Michigan enact:

451.251 Real estate bonds and securities; records; duties of fiduciaries; report to public trust commission, contents; authority of commission.

Sec. 1. All persons, firms, associations or corporations acting as trustees or depositaries or fiscal agents or in any other capacity in which funds may be received for the retirement of real estate bonds or other real estate securities, or for the payment of interest thereon, shall keep an accurate record of all transactions in connection therewith, which record shall be open to examination when bonds are in default by the public trust commission or its duly authorized representative or representatives, and, in case of a default in principal or interest payments upon any such obligation, shall make a report thereof to the said public trust commission, setting forth such information as it may have of the number and face value of the bonds or securities originally issued, the number and face value of the bonds or securities outstanding, the cash on hand for application thereon, the extent of default or deficiency in funds for retirement of principal and interest, the period of time for which such real estate bonds or securities were issued, a description of the lands which constitute the security for the payment of said obligations sufficient to identify the same, and, upon demand of the public trust commission, any other information pertinent to the default upon such obligations or the possibility of payment thereon, and shall also, upon demand of the public trust commission, furnish like and further information as and when the same may be required by the said public trust commission. The public trust commission is hereby given express authority to demand that any and all additional information necessary for the performance of its duties be included or given to supplement, at any time, any report required hereby. Upon receiving such demand the trustee, depositary or fiscal agent shall, within the time specified therein, furnish to the said public trust commission such of said requested information as may then be available to said trustee, depositary or fiscal agent. Every such report and such additional information shall be in writing and sworn to by the persons or by the owner or 1 of the owners, if a partnership or unincorporated association, or by any officer having knowledge of the facts if a corporation acting as trustee, depositary, fiscal agent or in any other capacity as above set forth.

History: 1937, Act 275, Imd. Eff. July 22, 1937;—CL 1948, 451.251.

451.252 Real estate bonds and securities; failure to file reports or give information; authority of attorney general, procedure, requirement; taxable costs.

Sec. 2. Upon the failure or refusal of any person, firm, association or corporation to file reports or give information required by this act, the attorney general upon the relation of said public trust commission, may file a verified petition in the proper circuit court in chancery praying for the production of any and all records or other information relative to any such obligation in default and for permission to examine any person or persons in relation thereto, and the court may thereupon enter an order directing the production of any and all records, papers, documents or other information and the appearance of any person or persons to be examined on a day to be fixed by the court: Provided, however, That no action as herein provided shall be taken by the attorney general except upon request of said public trust commission and unless and until there shall have been deposited with said public trust commission an amount of money by the holder or holders of such obligations sufficient to meet all expenses in connection with such proceeding, the initiation of the proceeding and the amount of said deposit required to rest solely within the discretion of the attorney general and said public trust commission. The circuit court upon the conclusion of the hearing on such petition may tax the costs of said proceeding. Any and all proceedings by virtue of such petition, not otherwise prescribed herein, shall be in accordance with the usual chancery practice.

History: 1937, Act 275, Imd. Eff. July 22, 1937;—CL 1948, 451.252.

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