CORRESPONDENCE SCHOOL CONTRACTS
Act 331 of 1937

AN ACT to provide that the validity of any contract for the furnishing of a course of study or the sale of books executed by the purchaser in this state shall be determined by the laws of this state; and to provide that any defense which the maker would have to any instrument executed either in payment of, or as evidence of, or as security for the consideration to be paid by the purchaser shall be available to such maker in any action brought by any assignee or transferee of such instrument.

History: 1937, Act 331, Imd. Eff. July 24, 1937.

The People of the State of Michigan enact:

566.551 Contracts with correspondence schools; construction, negotiability.

Sec. 1. Any contract for the furnishing of a course of study or the sale of books or rendering other service in connection therewith by a correspondence school which is signed by the other party to such contract in this state shall for the purpose of this act be deemed to have been completely executed in this state and the validity of any such contract shall be determined by the laws of this state. Every assignee or other transferee of any such contract or other instrument, whether or not such instrument is negotiable and regardless of the person to whom such instrument is made payable, which is executed by such other party either in payment of, or as evidence of, or as security for the consideration which under such contract such other party is required to pay, or any part thereof, shall be conclusively presumed to have had knowledge at the time of the transfer of such instrument to him of any defense the maker thereof would have had as against the other party to such contract or instrument, which defense shall be available to him as defense in such action.

History: 1937, Act 331, Imd. Eff. July 24, 1937;—CL 1948, 566.551.

566.552 Correspondence school contracts; definitions.

Sec. 2. As used in this act the following terms shall have the meaning respectively ascribed to them in this section except in such case as the context clearly indicates a different meaning:

(a) "Correspondence school." Any school, preparatory school, business school, college, academy, university, other institution or any person that teaches or undertakes or proposes to teach students or renders any educational service or undertakes or proposes to prepare such students to study or furnishes or undertakes to furnish to any person a course of study, through the use of United States mail, express or other common carrier or by any means of communication other than resident instruction, and

(b) "Course of study" shall include education, teaching or instruction in any subject of general, business or professional education.

(c) "Owner." The person, partnership, association or corporation which owns or operates any correspondence school regardless of whether or not such school or the principal place of business thereof is located within or without the state of Michigan, or in case the same is owned by a natural person or partnership as to whether or not the owner or owners reside within the state of Michigan, or in case of an association or corporation, whether or not the same is organized or incorporated under the laws of the state of Michigan or some other state, and whether or not such corporation or association is authorized to do business in the state of Michigan.

(d) "Person" shall include a natural person, partnership, association and corporation.

The singular of any word shall include the plural and the plural of any word shall include the singular. Each gender shall include each of the other 2 genders.

History: 1937, Act 331, Imd. Eff. July 24, 1937;—CL 1948, 566.552.

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