

MICHIGAN BIDCO ACT (EXCERPT)
Act 89 of 1986

487.1801 Definitions.

Sec. 801.

(1) As used in this article, unless the context otherwise requires:

(a) "Advisor", means a person who regularly provides legal, accounting, or management services or advice to a licensee.

(b) "Associate" means, if used with respect to a licensee:

(i) A controlling person, director, officer, manager, agent, or advisor of that licensee.

(ii) A director, officer, manager, or partner of a person referred to in subparagraph (i).

(iii) A person who controls, is controlled by, or is under common control with a person referred to in subparagraph (i), directly or indirectly through 1 or more intermediaries.

(iv) A close relative of a person referred to in subparagraph (i).

(v) A person of which a person referred to in subparagraphs (i) to (iv) is a director, officer, or manager.

(vi) A person in which a person referred to in subparagraphs (i) to (iv), or any combination of those persons acting in concert, owns or controls, directly or indirectly, a 20% or greater equity interest.

(c) "Close relative" means parent, child, sibling, spouse, father-in-law, mother-in-law, son-in-law, brother-in-law, daughter-in-law, or sister-in-law.

(d) "Closing services" means services performed in connection with the providing of financing assistance.

Closing services includes, but is not limited to, appraising property and preparing credit reports. Closing services does not include a service performed after the providing of financing assistance.

(e) "Short-term financing assistance" means financing assistance with a term of not more than 5 years.

(2) For the purposes of subsection (1)(b):

(a) A person who is in a relationship referred to in that subdivision within 6 months before or after a licensee provides financing assistance shall be considered to be in that relationship as of the date that licensee provides that financing assistance.

(b) If a licensee, in order to protect its interests, designates a person to serve as a director, officer, manager, or in any capacity in the management of a business firm to which that licensee provides financing assistance, that person shall not, on that account, be considered to have a relationship with that business firm. This subdivision does not apply if the person has, directly or indirectly, any other financial interest in the business firm or if the person, at any time before the licensee provides the financing assistance, served as a director, officer, manager, or in any other capacity in the management of the business firm for a period of 30 days or more.

History: 1986, Act 89, Imd. Eff. May 1, 1986 ;-- Am. 1997, Act 150, Imd. Eff. Dec. 2, 1997