

**SALE OF CHECKS ACT (EXCERPT)**  
**Act 136 of 1960**

**487.902 Definitions.**

Sec. 2. As used in this act:

(a) "Check" means any check, draft, money order, or other instrument for the transmission or payment of money.

(b) "Commissioner" means the commissioner of the office of financial and insurance services and any authorized representative of the commissioner.

(c) "Control person" means a director or executive officer of a licensee or a person who has the authority to participate in the direction, directly or indirectly through 1 or more other persons, of the management or policies of a licensee.

(d) "Executive officer" means an officer, member, or partner of a licensee, including chief executive officer, president, vice president, chief financial officer, controller, compliance officer, or any other similar position.

(e) "Financial licensing act" means the consumer financial services act, 1988 PA 161, MCL 487.2051 to 487.2072, and any act listed in section 2 of the consumer financial services act, 1988 PA 161, MCL 487.2052.

(f) "Licensee" means a person licensed under this act.

(g) "Permissible investments" means 1 or more of the following:

(i) Cash.

(ii) Certificates of deposit or other debt instruments of a financial institution that are insured by an agency of the federal government and readily marketable.

(iii) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by member banks of the federal reserve system.

(iv) Commercial paper of prime quality as defined by a nationally recognized organization that rates commercial paper.

(v) Investment securities that are obligations of the United States or any of its agencies or instrumentalities, or obligations that are guaranteed fully as to principal and interest by the United States, or any obligations of any state, municipality, or any political subdivision of any state or municipality.

(vi) Shares in a money market mutual fund, or interest-bearing bills, notes, or bonds.

(vii) Common or preferred stock traded on a national securities exchange. Investments in stock under this subparagraph shall not exceed 10% of the amount of permissible investments held by a licensee or 20% of the net worth of the licensee, whichever is less.

(viii) Any receivable that is due to any licensee from its agents under an agreement described in section 10a.

(ix) A demand borrowing agreement or agreements in an amount or aggregate amount that does not exceed 10% of the net worth of the company liable for payment under the agreement as shown on financial statements certified by a certified public accountant acceptable to the commissioner, which company is a corporation or a subsidiary of a corporation whose capital stock is listed on a national exchange and is not a licensee or agent of a licensee. The borrowing agreements shall be filed with the commissioner.

(x) Any other investments approved by the commissioner.

(h) "Person" means an individual, partnership, association, corporation, limited liability company, or any other entity.

(i) "Travelers check" means an instrument for the payment of money or a foreign currency instrument in any denomination, that provides for both of the following:

(i) A specimen signature of the purchaser to be completed at the time of purchase of the instrument.

(ii) A countersignature of the purchaser, to be completed when the instrument is negotiated.

**History:** 1960, Act 136, Eff. Jan. 1, 1961;—Am. 1970, Act 113, Imd. Eff. July 23, 1970;—Am. 1986, Act 275, Imd. Eff. Dec. 19, 1986;—Am. 2002, Act 394, Imd. Eff. May 30, 2002.

**Compiler's note:** For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at § 445.2003 of the Michigan compiled laws.