

RECEIVERSHIP ACT (EXCERPT)
Act 16 of 2018

554.1021 Receivership property; duties of person upon demand of receiver; failure to turn over property; sanction.

Sec. 11.

(1) Unless the court orders otherwise, a person shall do both of the following on demand by a receiver, as applicable:

(a) If the person owes a debt that is receivership property and is matured or payable on demand or on order, pay the debt to or on the order of the receiver, except to the extent the debt is subject to setoff or recoupment.

(b) Subject to subsection (3), if the person has possession, custody, or control of receivership property, turn the property over to the receiver.

(2) A person that has notice of the appointment of a receiver and owes a debt that is receivership property may not satisfy the debt by payment to the owner.

(3) If a creditor has possession, custody, or control of receivership property and the validity, perfection, or priority of the creditor's lien on the property depends on the creditor's possession, custody, or control, the creditor may retain possession, custody, or control until the court orders adequate protection of the creditor's lien.

(4) Unless a bona fide dispute exists about a receiver's right to possession, custody, or control of receivership property, the court may sanction as contempt a person's failure to turn the property over when required by this section.

History: 2018, Act 16, Eff. May 7, 2018 ;-- Am. 2020, Act 210, Imd. Eff. Oct. 15, 2020