

REVISED JUDICATURE ACT OF 1961 (EXCERPT)
Act 236 of 1961

600.2962 Malpractice action against certified public accountant.

Sec. 2962. (1) This section applies to an action for professional malpractice against a certified public accountant. A certified public accountant is liable for civil damages in connection with public accounting services performed by the certified public accountant only in 1 of the following situations:

(a) Subject to subsection (2), a negligent act, omission, decision, or other conduct of the certified public accountant if the claimant is the certified public accountant's client.

(b) An act, omission, decision, or conduct of the certified public accountant that constitutes fraud or an intentional misrepresentation.

(c) Subject to subsection (2), a negligent act, omission, decision, or other conduct of the certified public accountant if the certified public accountant was informed in writing directly by the client before commencement of the engagement that a primary intent of the client was for the professional public accounting services to benefit or influence the person bringing the action for civil damages. For the purposes of this subdivision, the certified public accountant shall also separately identify in writing directly to the client, before commencement of the engagement, each person, generic group, or class description that the certified public accountant intends to have rely on the services. The certified public accountant may be held liable only to each identified person, generic group, or class description. The certified public accountant's written identification shall include each person, generic group, or class description identified by the client as being benefited or influenced.

(2) A certified public accountant is not liable for civil damages in any of the following situations:

(a) The claimant is not the certified public accountant's client, but asserts standing to sue based on an assignment of the claim from the client to the claimant. This subdivision does not apply to an action arising out of an annual report required by the cemetery regulation act, 1968 PA 251, MCL 456.521 to 456.543, or the prepaid funeral and cemetery sales act, 1986 PA 255, MCL 328.211 to 328.235.

(b) The claimant is not the certified public accountant's client, but asserts standing to sue based on a voluntary surrender of assets or acquisition of the claim by means of foreclosure or surrender under any type of security agreement between the claimant and the client.

(c) The claimant is not the certified public accountant's client, but asserts standing to sue based on a writing referred to in subsection (1)(c) that was not signed by the client himself or herself, if an individual, or that was not signed by an officer, manager, or member of the client, if an entity.

History: Add. 1995, Act 249, Eff. Mar. 28, 1996;—Am. 2012, Act 268, Imd. Eff. July 3, 2012.