



## Receivers and New Michigan Court Rule

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The Michigan Supreme Court recently ordered a change to the Michigan Court Rules, adding rules related to receivers. A receiver is an officer of the court who takes possession, custody and control of specified real or personal property and then disposes of that property for the benefit of creditors. Previously, receivers in Michigan operated according to common law rules. The new rules are intended to expand and update the receivership process while clarifying the rules and requirements for receivers. Receivers are a useful legal tool for creditors. Receivers offer significant cost reductions when compared to the filing and administration of a bankruptcy estate. The new rules change the scope of the receiver's duties and the selection process for receivers, the requirements for what must be contained in an order appointing a receiver, and the compensation procedures for a receiver.

It is not clear what effect these revisions will have in practice. If you have any questions regarding creditors' rights, bankruptcy or receivers in Michigan, please feel free to contact your Foster Swift attorney.

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