

THE MOBILE HOME COMMISSION ACT (EXCERPT)
Act 96 of 1987

125.2338 Order to show cause; grounds; notice to show cause; stopping construction after notice and opportunity for hearing.

Sec. 38.

(1) The department may issue an order to show cause why an order imposing sanctions or penalties allowed under this act should not be issued by the commission if the department finds that the order is in the public interest, and any of the following:

(a) An application filed pertaining to a license, a disclosure statement, or a related document filed with the department in connection with a mobile home license, is incomplete in any material respect or contains a statement which is false or misleading, in the light of the circumstances under which it is made.

(b) A provision of this act, or a rule, order, or condition lawfully imposed under this act, was not complied with or was violated in connection with the offering by the person filing the document; the developer, dealer, or operator; a partner, officer, director, proprietor, or manager of the developer, dealer, or operator; or a person directly or indirectly controlling, or directly controlled by, the developer, dealer, or operator.

(c) The project worked or tended to work a fraud or deception or would so operate, or the project would create an unreasonable risk to prospective tenants, as defined by rules promulgated by the commission.

(d) The developer, dealer, or operator; a partner, officer, director, proprietor, or manager of the developer, dealer, or operator; a person directly or indirectly controlling or directly controlled by the developer, dealer, or operator; or a person identified in the application for a license, or a disclosure statement, was within the past 10 years convicted of an offense under this act, or is the subject of an administrative order issued under this act, or had a civil judgment entered against him or her as a result of a violation of this act or a rule promulgated or order issued pursuant to this act, and the department determines that the involvement of the person in the sale or development of the project creates an unreasonable risk to prospective tenants or mobile home purchasers.

(e) The developer, dealer, or operator; a partner, officer, director, proprietor, or manager of the developer; a person directly or indirectly controlling or directly controlled by the developer, dealer, or operator; or a person identified in the application for a license, or a disclosure statement, was convicted of a violation or the subject of an administrative order or civil judgment as a result of a violation of a statute regulating the offering of securities or franchises or licensing or regulating builders, real estate brokers, or real estate salespersons, or of violation of the land sales act, Act No. 286 of the Public Acts of 1972, being sections 565.801 to 565.835 of the Michigan Compiled Laws, or a rule promulgated or an order issued under that act.

(f) The applicant's method of business, construction, development, or sales includes or would include activities which are illegal.

(g) The applicant failed to pay the proper fee.

(h) The applicant failed to comply with the state warranty laws.

(2) When it appears to the department that a person engaged in an act or practice constituting a violation of this act or a rule promulgated or order issued under this act, the department may issue a notice to show cause why a cease and desist order should not be issued.

(3) After 10 days' notice and opportunity for hearing, the department may stop construction as to part or all of a project if continuing the building will cause irreparable harm to residents and prospective residents of the project.

History: 1987, Act 96, Imd. Eff. July 6, 1987 ;-- Am. 1988, Act 337, Eff. May 1, 1989

Admin Rule: R 125.1101 et seq. of the Michigan Administrative Code.