

BUSINESS CORPORATION ACT (EXCERPT)
Act 284 of 1972

450.1306 Subscription for shares; payment; call; security interest.

Sec. 306.

(1) Unless otherwise provided in the subscription agreement:

(a) A subscription for shares made before or after organization of a corporation shall be paid in full at the time, or in installments and at the times, as shall be determined by the board.

(b) A call made by the board for payment on subscriptions shall be ratable as to all shares of the same class or as to all shares of the same series.

(c) A corporation may retain a security interest in any shares as security for performance by the subscriber of his or her obligations under a subscription agreement and subject to the power of sale or rescission upon default provided in section 307.

History: 1972, Act 284, Eff. Jan. 1, 1973 ;-- Am. 1989, Act 121, Eff. Oct. 1, 1989