

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2314 Corporation organized on stock basis; issuance of shares; powers.

Sec. 314.

(1) All of the following apply to the issuance of shares by a corporation that is organized on a stock basis:

(a) The board may authorize shares that are issued for no consideration or for consideration that may consist of any tangible or intangible property or benefit to the corporation, including, but not limited to, cash, promissory notes, services performed, contracts for services to be performed, or other securities of the corporation.

(b) A determination by the board that any consideration received or to be received for issued shares is conclusive concerning the nature and amount of consideration for the issuance of shares in determining whether the shares are validly issued, fully paid, and nonassessable.

(c) When the corporation receives the consideration for which the board authorized the issuance of shares, the shares issued are fully paid and nonassessable and the subscriber has all the rights and privileges of a holder of the shares.

(2) The powers granted in this section to the board may be reserved to the shareholders in the articles of incorporation.

History: Add. 2014, Act 557, Imd. Eff. Jan. 15, 2015