

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2497 Derivative proceeding; termination.

Sec. 497.

If a derivative proceeding is terminated, the court may order 1 of the following:

(a) The plaintiff to pay any of the defendant's reasonable expenses, including reasonable attorney fees, incurred in defending the proceeding if it finds that the proceeding was commenced or maintained in bad faith or without reasonable cause.

(b) The corporation to pay the plaintiff's reasonable expenses, including reasonable attorney fees, incurred in the proceeding if it finds that the proceeding has resulted in a substantial benefit to the corporation. The court shall direct the plaintiff to account to the corporation for any proceeds received by the plaintiff in excess of expenses awarded by the court, unless the judgment is rendered for the benefit of an injured shareholder or member only and limited to a recovery of the loss or damage sustained by the shareholder or member.

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