

MICHIGAN GENERAL CORPORATION STATUTE (EXCERPT)
Act 327 of 1931

450.99 Cooperative plan; definition; allocation of reserved earnings; cooperative corporations; use of term "cooperative," "co-op," or variation thereof.

Sec. 99.

Corporations may engage in any lawful business within this state upon any cooperative plan adopted by the incorporators, or by the shareholders at any annual or special meeting. For the purpose of this act, the term "cooperative plan" shall be deemed to mean a mode of operation whereby the earnings of the corporation are distributed on the basis of, or in proportion to, the value of property bought from or sold to shareholders and/or members or other persons, or labor performed for, or services rendered to, or by the corporation: Provided, That the foregoing definition shall not be construed as prohibiting any such corporation from paying limited dividends to stockholders and/or members upon stock and/or membership investment, or from reserving a certain proportion of earnings for future operations or for future distribution. Earnings so reserved shall be allocated on the books of the corporation or a means provided for such allocation to the stockholders and/or members or other persons entitled to such earnings, before general distribution of earnings shall have been authorized and made. Corporations organized under a cooperative plan and governed by sections 98 to 109, inclusive, of this act are hereinafter in this act called cooperative corporations and they may use the term "cooperative", "co-op", or any variation thereof in their name.

History: 1931, Act 327, Eff. Sept. 18, 1931 ;-- Am. 1941, Act 327, Eff. Jan. 10, 1942 ;-- CL 1948, 450.99 ;-- Am. 1984, Act 298, Eff. Jan. 1, 1985

Former Law: See section 2 of Ch. IV of Part II of Act 84 of 1921, being CL 1929, § 10028.