

BUSINESS CORPORATION ACT (EXCERPT)
Act 284 of 1972

450.1314 Reservation of powers to shareholders; consideration for authorized issuance of shares; determination of adequacy; shares fully paid and nonassessable; rights and privileges of subscriber.

Sec. 314.

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

(2) The board may authorize shares to be issued for consideration consisting 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.

(3) A determination by the board that the consideration received or to be received for shares to be issued is adequate is conclusive insofar as the nature and amount of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid, and nonassessable.

(4) 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.

History: Add. 1989, Act 121, Eff. Oct. 1, 1989