

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2204 Articles of incorporation; provision pertaining to proposed compromise or arrangement or reorganization between corporation and creditors or shareholders.

Sec. 204. The articles of incorporation may contain the following provision or the substance thereof: When a compromise or arrangement or a plan of reorganization of this corporation is proposed between this corporation and its creditors or any class of them or between this corporation and its shareholders, members, or any class of them, a court of equity jurisdiction within the state, on application of this corporation or of a creditor, shareholder, or member of the corporation, or an application of a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the shareholders or members or class of shareholders or members to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing 3/4 in value of the creditors or class of creditors, or of the shareholders or members or class of shareholders or members to be affected by the proposed compromise or arrangement or a reorganization, agree to a compromise or arrangement or a reorganization of this corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the shareholders or members or class of shareholders or members and also on this corporation.

History: 1982, Act 162, Eff. Jan. 1, 1983.