

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2496 Derivative proceeding; discontinuance or settlement; court approval required.

Sec. 496.

A derivative proceeding shall not be discontinued or settled without the court's approval. If the court determines that a proposed discontinuance or settlement will substantially affect the interests of the corporation's shareholders or members or a class of shareholders or members, the court shall direct that notice be given to the shareholders or members affected and the court may determine whether 1 or more of the parties to the action shall bear the expense of giving the notice, in the amount as the court determines and finds to be reasonable under the circumstances. The court shall award the cost of the notice as special costs of the action, recoverable in the same manner as statutory taxable costs.

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