

Act No. 113  
Public Acts of 1996  
Approved by the Governor  
March 5, 1996  
Filed with the Secretary of State  
March 6, 1996

**STATE OF MICHIGAN  
88TH LEGISLATURE  
REGULAR SESSION OF 1996**

Introduced by Rep. Sikkema

# **ENROLLED HOUSE BILL No. 5100**

AN ACT to amend section 548 of Act No. 284 of the Public Acts of 1972, entitled "An act to provide for the organization and regulation of corporations; to prescribe their duties, rights, powers, immunities and liabilities; to provide for the authorization of foreign corporations within this state; to prescribe the functions of the administrator of this act; to prescribe penalties for violations of this act; and to repeal certain acts and parts of acts," as amended by Act No. 121 of the Public Acts of 1989, being section 450.1548 of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. Section 548 of Act No. 284 of the Public Acts of 1972, as amended by Act No. 121 of the Public Acts of 1989, being section 450.1548 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 548. (1) A corporation may lend money to, guarantee an obligation of, or otherwise assist an officer or employee of the corporation or a subsidiary, including an officer or employee who is a director of the corporation or subsidiary, if, in the judgment of the board, the loan, guaranty, or assistance may reasonably be expected to benefit the corporation, or is pursuant to a plan authorizing loans, guaranties, or assistance that the board has reasonably determined will benefit the corporation.

(2) The loan, guaranty, or assistance may be with or without interest and may be unsecured or secured in a manner as the board approves, including a pledge of shares of stock of the corporation.

(3) A loan under this section to an officer or employee to purchase shares of the corporation or a subsidiary may be made at any rate of interest not exceeding the rate of interest allowed under Act No. 259 of the Public Acts of 1968, being sections 438.41 to 438.42 of the Michigan Compiled Laws.

(4) This section does not deny, limit, or restrict the powers of guaranty or warranty of a corporation at common law or under any statute.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved -----

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Governor.