



HOUSE BILL No. 5100

September 21, 1995, Introduced by Rep. Sikkema and referred to the Committee on Commerce.

A bill to amend section 548 of Act No. 284 of the Public Acts of 1972, entitled "Business corporation act," 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:

1 Section 1. Section 548 of Act No. 284 of the Public Acts of
2 1972, as amended by Act No. 121 of the Public Acts of 1989, being
3 section 450.1548 of the Michigan Compiled Laws, is amended to
4 read as follows:

5 Sec. 548. (1) A corporation may lend money to, ~~or~~ guaran-
6 tee an obligation of, or otherwise assist an officer or employee
7 of the corporation or ~~of its~~ A subsidiary, including an officer
8 or employee who is a director of the corporation or ~~its~~
9 subsidiary, ~~when~~ IF, in the judgment of the board, the loan,

1 guaranty, or assistance may reasonably be expected to benefit the
2 corporation, or is pursuant to a plan authorizing loans,
3 ~~guarantees~~ GUARANTIES, or assistance ~~, which plan~~ THAT the
4 board has reasonably determined will benefit the corporation.

5 (2) The loan, guaranty, or assistance may be with or without
6 interest ~~,~~ and may be unsecured ~~,~~ or secured in a manner as
7 the board approves, including ~~without limitation,~~ a pledge of
8 shares of stock of the corporation. ~~Nothing in this~~

9 (3) A LOAN UNDER THIS SECTION TO AN OFFICER OR EMPLOYEE TO
10 PURCHASE SHARES OF THE CORPORATION OR A SUBSIDIARY MAY BE MADE AT
11 ANY RATE OF INTEREST NOT EXCEEDING THE RATE OF INTEREST ALLOWED
12 UNDER ACT NO. 259 OF THE PUBLIC ACTS OF 1968, BEING SECTIONS
13 438.41 TO 438.42 OF THE MICHIGAN COMPILED LAWS.

14 (4) THIS section ~~shall~~ DOES NOT deny, limit, or restrict
15 the powers of guaranty or warranty of a corporation at common law
16 or under any statute.