

BUSINESS CORPORATION ACT (EXCERPT)
Act 284 of 1972

450.1548 Loan, guaranty, or assistance by corporation to director, officer, or employee.

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.

History: 1972, Act 284, Eff. Jan. 1, 1973 ;-- Am. 1989, Act 121, Eff. Oct. 1, 1989 ;-- Am. 1996, Act 113, Imd. Eff. Mar. 6, 1996