

SAVINGS AND LOAN ACT OF 1980 (EXCERPT)
Act 307 of 1980

491.464 Indemnification against expenses actually and reasonably incurred; determination.

Sec. 464. (1) To the extent that a director, officer, employee, or agent of an association has been successful on the merits or otherwise in defense of an action or proceeding as provided in section 460 or 462, or in defense of a claim, issue, or matter in an action or proceeding, the person shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred in connection with the action or proceeding.

(2) An indemnification under section 460 or 462, unless ordered by a court, shall be made by the association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in sections 460 and 462. The determination shall be made by any of the following:

(a) By the board, by a majority vote of the directors who were not a party to the action or proceeding.

(b) By independent legal counsel in a written opinion, if a majority vote by directors who were not a party to the action or proceeding is not obtainable, or if the directors who were not a party to the action or proceeding so decide.

(c) By the members of the association.

History: 1980, Act 307, Eff. Jan. 1, 1981.