

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

491.924 Issuance of fractions of share; purpose; issuance of scrip; form; signature; exchangeability; rights; conditions; sale or purchase of additional scrip; payment in cash of fair value of fractions of share.

Sec. 924. (1) A stock association shall not issue fractions of a share to effect share transfers, share distributions, or a reclassification, merger, or reorganization. Instead of fractions of a share, an association may issue scrip in registered or bearer form over the manual or facsimile signature of an officer of the association or of the association's agent, exchangeable as provided in the scrip for full shares, but the ownership of scrip shall not entitle the holder to any rights of a member except as provided in the scrip. The scrip shall be issued subject to the condition that it is void if not exchanged for certificates representing full shares before a specified date. The scrip may be subject to the condition that the shares for which the scrip is exchangeable may be sold by the association and the proceeds of the sale distributed to the holders of the scrip, or subject to any other conditions which the board may determine. An association may provide reasonable opportunity for persons entitled to scrip to sell or purchase additional scrip needed to acquire a full share.

(2) As an alternative, an association may pay in cash the fair value of fractions of a share as of the time when those entitled to receive the fractions are determined.

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