

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.3136 Certificate; issuance; contents; restrictions on dividends.

Sec. 1136.

(1) If a cooperative is to be financed in whole or in part on a member capital basis, each member shall be provided a certificate or certificates setting forth the initial member capital of the member.

(2) A certificate issued pursuant to this section shall contain the information required by section 1138. The certificate may be denominated a membership certificate, share certificate, stock certificate, or a similar designation but shall not constitute shares as defined in section 109.

(3) The board of directors shall not pay dividends when currently the cooperative is insolvent or would thereby be made insolvent, or when the declaration, payment, or distribution of a dividend would be contrary to the articles or bylaws.

History: Add. 1984, Act 209, Eff. Nov. 1, 1985