

REVISED JUDICATURE ACT OF 1961 (EXCERPT)

Act 236 of 1961

CHAPTER 35

THE VOLUNTARY DISSOLUTION AND WINDING UP OF CORPORATIONS

600.3501 Voluntary dissolution of corporations; actions equitable in nature; stockholders and creditors as parties defendant; hearing.

Sec. 3501. (1) Whenever the directors, trustees, or other officers who have the management of the affairs of any corporation, or the majority of them, discover that the stock, property, and effects of the corporation are so far reduced by losses or otherwise that the corporation will not be able to pay all just demands to which it is liable, or to afford a reasonable security to those who deal with it, or whenever the directors, trustees, or officers, or a majority of them, for any reason, deem it beneficial to the stockholders to dissolve the corporation, they may institute a civil action in the circuit court for the county in which the corporation is located, for a judgment dissolving the corporation. Such actions are equitable in nature.

(2) All stockholders and creditors shall be made parties defendant. Hearing of the matter may be referred to a circuit court commissioner.

History: 1961, Act 236, Eff. Jan. 1, 1963.

600.3505 Voluntary dissolution of corporations; dissolution; receiver; temporary receiver.

Sec. 3505. If it appears to the court that the corporation is insolvent or that dissolution thereof would be beneficial to the stockholders and not injurious to the public, the court may dissolve the corporation and appoint a receiver of its estate and effects. Pending the hearing, the court may appoint a temporary receiver and prescribe his powers and duties.

History: 1961, Act 236, Eff. Jan. 1, 1963.

600.3510 Receiver; bond; powers; duties; administration of estate; common law assignments.

Sec. 3510. (1) Upon giving bond and qualifying, as the court may direct, such permanent receiver is vested with all the estate, real and personal, of such corporation and is trustee thereof for the benefit of its creditors and stockholders, and has all the powers, authority and remedies of an assignee for the benefit of creditors under RJA chapter 52, and also the power to continue the business of such corporation for such period as the court permits; and so far as they may be applicable, is subject to all the duties and obligations of such an assignee, except where other provisions are herein made.

(2) The provisions of law regulating common law assignments with reference to sales of property, notice to creditors to prove claims, the proving, contesting and allowing of claims, the making of set-offs, the powers of the court in chancery or judge thereof, the making and filing of accounts, the closing of the estate, the distribution of dividends and the compensation of the receiver, apply and shall be followed except that:

(a) stockholders as well as creditors shall be given notice of claims filed and may with like effect request that any claim be contested;

(b) stockholders shall be given notice of such other matters and in such manner as the court may require;

(c) in distributing dividends any surplus remaining after payment of expenses and after creditors are paid in full shall be distributed among the stockholders according to their respective rights as determined by the court.

History: 1961, Act 236, Eff. Jan. 1, 1963.

600.3515 Sales, transfers, and levies subsequent to application for dissolution; validity.

Sec. 3515. All sales, assignments, transfers, mortgages and conveyances of any part of the assets of such corporation made after the filing of such application for dissolution, in payment of or as security for any existing or prior debt, and all judgments confessed by such corporation after that time, and all subsequent levies or garnishments are absolutely void as against the receiver who may be thereafter appointed.

History: 1961, Act 236, Eff. Jan. 1, 1963.

600.3520 Repealed. 2002, Act 433, Imd. Eff. June 10, 2002.

Compiler's note: The repealed section pertained to corporations with expired charters.

600.3525 Chapter inapplicable to library; lyceums; religious corporation; academy; select school; burying ground corporations.

Sec. 3525. The provisions of this chapter do not extend to any incorporated library or lyceum society; to

any religious corporation; to any incorporated academy or select school not organized for pecuniary profit; nor to the proprietors of any burying ground incorporated under the laws of this state.

History: 1961, Act 236, Eff. Jan. 1, 1963.