

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2317 Person purchasing shares of corporation; person holding stock or membership in fiduciary or representative capacity; person becoming assignee, transferee, or pledgee of shares or membership; liability.

Sec. 317. (1) A person that purchases shares of a corporation from the corporation or purchases a membership in a corporation is not liable to the corporation or its creditors with respect to the shares or membership except to pay the consideration for the issuance of the shares or membership.

(2) A person that holds stock or membership in a corporation in a fiduciary or representative capacity is not personally liable to the corporation as the holder of or subscriber for shares or membership, but the estate or funds for which the person is holding the stock or membership are liable to the corporation as the holder or subscriber.

(3) A person that becomes an assignee, transferee, or pledgee of shares or membership or of a subscription for shares or membership in good faith and without knowledge or notice that the full consideration has not been paid is not liable to the corporation or its creditors for any unpaid portion of the consideration, but the original holder or subscriber and any assignee or transferee before an assignment or transfer to a person that takes in good faith and without knowledge or notice remains liable for that amount.

(4) Unless otherwise provided in the articles of incorporation, a person that is a shareholder or member of a corporation is not personally liable for the acts or debts of the corporation except that the person may become personally liable by reason of the person's own acts or conduct.

History: 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.