

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2492a Derivate proceeding; criteria to be met by shareholder or member.

Sec. 492a. A shareholder or member may not commence or maintain a derivative proceeding unless the shareholder or member meets all of the following criteria:

(a) The shareholder or member was a shareholder or member of the corporation at the time of the act or omission complained of or became a shareholder or member through a permitted transfer by operation of law from a person that was a shareholder or member at that time.

(b) The shareholder or member fairly and adequately represents the interests of the corporation in enforcing the right of the corporation.

(c) The shareholder or member continues to be a shareholder or member until the time of judgment, unless the failure to continue to be a shareholder or member is the result of corporate action in which the former shareholder or member did not acquiesce and the derivative proceeding was commenced before the termination of the former shareholder's or member's status as a shareholder or member.

History: Add. 2014, Act 557, Imd. Eff. Jan. 15, 2015.