

REVISED JUDICATURE ACT OF 1961 (EXCERPT)
Act 236 of 1961

600.3620 Creditor's bill against directors or stockholders; jurisdiction of circuit court; accounts; receivers; determination of liability; distribution of property.

Sec. 3620. (1) Whenever any creditor of a corporation seeks to charge the directors, trustees or other superintending officers of such corporation, or the stockholders thereof, on account of any liability created by law, he may bring an action in the circuit courts to enforce such liability.

(2) The court shall proceed thereon as in other cases, and when necessary, shall cause an account to be taken of the property and debts due to and from such corporation, and shall appoint 1 or more receivers, who shall possess all the powers conferred, and are subject to all the obligations imposed on receivers in case of the voluntary dissolution of a corporation.

(3) But if, on the coming in of the answer, or upon the taking of any such account, it appears that such corporation is insolvent, and that it has no property or effects to satisfy such creditor, the court may proceed without appointing any receiver, to ascertain the respective liabilities of such directors and stockholders, and enforce the same, by its orders and judgments, as in other cases.

(4) Upon a final judgment being made upon any such application to restrain a corporation, or upon any such complaint filed against directors or stockholders, the court shall cause a just and fair distribution of the property of such corporation, and of the proceeds thereof, to be made among its creditors, in the order and in the proportions prescribed in the case of a voluntary dissolution of a corporation.

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