

17-6402. Consideration for issuance of stock. The consideration, as determined pursuant to subsections (a) and (b) of K.S.A. 17-6403, and amendments thereto, for subscriptions to, or the purchase of, the capital stock to be issued by a corporation shall be paid in such form and in such manner as the board of directors shall determine. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration shall be conclusive. The board of directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the corporation including cash, promissory notes, services performed, contracts for services to be performed or other securities of the corporation. Before the corporation issues shares, the board of directors must determine that the consideration received or to be received for shares to be issued is adequate. That determination by the board of directors is conclusive as to the adequacy of consideration for the issuance of shares. The capital stock so issued shall be deemed to be fully paid and nonassessable stock if: (a) The entire amount of such consideration has been received by the corporation in the form of cash, services rendered, personal property, real property, leases of real property, or a combination thereof or forms authorized by the board of directors; or (b) not less than the amount of the consideration determined to be capital pursuant to K.S.A. 17-6404, and amendments thereto, has been received by the corporation in the form or forms authorized by the board of directors and the corporation has received a binding obligation of the subscriber or purchaser to pay the balance of the subscription or purchase price; provided, however, nothing contained herein shall prevent the board of directors from issuing partly paid shares under K.S.A. 17-6406, and amendments thereto.

History: L. 1972, ch. 52, § 29; L. 1988, ch. 99, § 10; Revived and amend., L. 1988, ch. 100, § 10; L. 2004, ch. 143, § 13; Jan. 1, 2005.