

Cooperative Associations.

1922, ch. 197, sec. 469.

419. The following terms, whenever used in this sub-title, shall be construed as follows:

(a) "Members" shall mean one who owns stock in a corporation or association organized with capital stock or one who holds a certificate of membership in a corporation or an association organized without capital stock.

(b) "Cooperative," as applied to corporations or associations shall mean that the following principles are adopted and used by such corporations or associations:

That such associations are operated for the mutual benefit of the members thereof, and conform to the following requirements:

First, That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein;

Second, That the association does not pay dividends on stock or membership capital in excess of 8 per cent per annum;

Third, That the association shall not deal in products or ¹ non members to an amount greater in value than such as are handled by it for members.

Fourth, Proceeds from the business of such association after payment of all necessary expenses and authorized deductions are distributed to the members in proportion to the volume of business transacted by said members with the association.

1922, ch. 197, sec. 470.

420. (a.) Any number of adult persons, not less than five, at least two of whom are residents of this State, engaged in the production of agricultural products as farmers, planters, ranchmen, dairymen, bee keepers, nut or fruit growers may organize a cooperative association, with or without capital stock, for the purpose of collectively producing, processing, preparing for market, handling, storing, and marketing in interstate and foreign commerce, such products of persons so engaged, or of acting as the selling or buying agent or both for its members. Such associations may have marketing agencies in common and such associations and their members may make the necessary contracts and agreements to effect such purposes.

(b.) Said persons shall sign and acknowledge written articles which shall contain the name of said association and the name and residences of the persons forming the same. Such articles shall contain also a statement of the purposes of the association and shall designate the city, town or village where its principal office shall be located and shall designate an officer of the association who shall be the resident agent of the association as required by Section 11 of this article.

(c.) The articles, if the association is organized with capital stock, shall state the amount of such stock, the number of shares and the par value of each share. The issuance of stock, without expressed par value, shall not

¹ Evidently a typographical error.