

Article - Corporations and Associations
Section 5-6A-06
Annotated Code of Maryland
(1975 Volume and 1978 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Corporations and Associations

5-6A-06.

(a) A consumer cooperative may establish a class of voting capital stock or a class of nonstock voting membership in its articles of incorporation.

(b) (1) A consumer cooperative already organized with voting stock may amend its articles of incorporation to provide for conversion of its voting stock at not less than par value to nonstock voting memberships.

(2) At the time of any conversion, a voting stock shall convert to a nonstock voting membership or, at the holder's election, to a nonvoting capital stock of equal value.

(c) A nonstock voting membership

(1) Shall be continuing unless terminated by:

(i) A written request from the member;
[or]

(ii) Failure to patronize the facilities or to vote in any election of the consumer cooperative for three consecutive years; OR

(III) FAILURE TO COMPLY WITH THE ARTICLES OF INCORPORATION, BYLAWS, SUBSCRIPTION AGREEMENT, OR OCCUPANCY AGREEMENT OF THE COOPERATIVE AFTER RECEIVING ANY NOTICE REQUIRED BY THE COOPERATIVE DOCUMENTS.

(2) May not receive any return on capital;

(3) May not be transferable; and

(4) Does not entitle the owner to any receipts of the proceeds of any dissolution, liquidation, or sale of the assets of the corporation except after payment of not less than par value to the holders of any class of outstanding capital stock; AND

(5) SHALL HAVE A DEFINITE VALUE FOR TRANSFER OR SALE, AND A STATEMENT AS TO HOW THIS VALUE IS COMPUTED SHALL BE INCLUDED IN EITHER THE ARTICLES OF INCORPORATION, BYLAWS,