

**State of New Jersey**  
**Department of Agriculture**  
W. H. ALLEN, *Secretary*

**AGRICULTURAL CO-OPERATIVE ASSOCIATIONS**

**Chapter 13 of Title 4**  
**of the**  
**Revised Statutes of New Jersey**  
as amended and supplemented

TRENTON, N. J.

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# AGRICULTURAL CO-OPERATIVE ASSOCIATIONS

## Title 4 - Chapter 13

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AGRICULTURAL CO-OPERATIVE ASSOCIATIONS  
Title 4 - Chapter 13

4:13-1. DEFINITIONS. As used in this chapter:  
"Agricultural products" includes horticultural, viticultural, forestry, dairy, live stock, poultry, bee and any farm products, including fresh and salt water food products.

"Association" means an association incorporated under this chapter.

"Member" means an actual member of an association without capital stock and a holder of common stock in an association with capital stock.

Source. As Amended. L. 1953, c. 332, s. 1.

4:13-2. INCORPORATION. Any three or more persons eligible for membership may form a nonprofit co-operative agricultural association, either with or without capital stock, by subscribing and filing a certificate of incorporation, as provided by this chapter.

4:13-3. PURPOSES OF INCORPORATION. An association may be organized to engage in any or all of the following activities for its members, and within the limitations hereinafter in this chapter set forth, for nonmembers:

a. The marketing or selling of agricultural products; or

b. The production, manufacture, harvesting, preserving, drying, processing, canning, packing, storing, handling, shipping, ginning or utilization thereof;

c. The manufacturing or purchasing for, or hiring, selling or supplying machinery, equipment or supplies, including live stock;

d. The hiring or supplying of labor;

e. The financing of any one or more of the above enumerated activities; or

f. Any one or more of the activities specified in this section.

Source. As Amended. L. 1953, c. 332, s. 2.

4:13-4. CERTIFICATE OF INCORPORATION; CONTENTS.

The certificate of incorporation shall be signed by all the incorporators and shall set forth:

a. The name of the association, which shall include the words "co-operative" and "association";

b. The objects for which it is formed, which shall be one or more of the objects enumerated in section 4:13-3 of this Title;

c. The territory in which its operations are to be conducted, the location of its principal office in this State and the name of the agent in charge thereof and upon whom process against the corporation may be served;

d. The term for which it is to exist;

e. The names and post-office addresses of the subscribers;

f. If organized with capital stock, the total authorized capital stock, which shall not be less than two thousand dollars, the number of shares into which the same is divided and the par value of each share; the amount of capital stock with which it will commence business, which shall be not less than one thousand dollars; and, if there is more than one class of stock, a description of the different classes, with the terms on which the respective classes are to be created;

g. The amount, if any, in which members shall be liable for the debts of the association in addition to the membership fee or subscription to capital stock;

h. Any other provisions not inconsistent with law, which the association may see fit to adopt, governing the regulation and conduct of its affairs.

4:13-5. USE BY SIMILAR ORGANIZATIONS OF TERM "CO-OPERATIVE". No person, firm, corporation or association organized after February twenty-eighth, one thousand nine hundred and twenty-four, for the purpose of engaging in any of the activities mentioned in section 4:13-3 of this Title, shall use the word "co-operative" as part of its corporate or other business name or title unless it has organized under this chapter.

4:13-6. RECORDING AND FILING OF CERTIFICATE.

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The certificate of incorporation shall be proved or acknowledged as required for deeds of real estate, and recorded in a book to be kept for that purpose in the office of the clerk of the county where the principal office of the association in this State is established, and, after being so recorded, shall be filed in the office of the Secretary of State and the incorporators shall forthwith file a certified copy of such certificate of incorporation with the Secretary of Agriculture.

Source. As Amended. L. 1951, c. 303, s. 1.

4:13-7. ASSOCIATION AS BODY CORPORATE. Upon making the certificate of incorporation and causing the same to be recorded and filed as provided in section 4:13-6 of this Title, the persons so associating and their successors and assigns, shall, from the date of such filing, be and constitute a body corporate in accordance with the provisions of the certificate, by the name set forth therein, subject to dissolution as provided in this chapter.

4:13-8. AMENDING CERTIFICATE. The certificate of incorporation may be amended by the affirmative vote of a majority of the members present at any regular meeting or at any special meeting called for that purpose, on ten days' notice to the members, if the amendment has first been approved by a two-thirds vote of the directors, and if the certificate as so amended is such as might have been originally made and filed under this chapter.

A certificate of the amendment under the association's seal, signed by the president and acknowledged by the secretary, shall be recorded and filed in the manner provided in section 4:13-6 of this Title.

4:13-9. CERTIFICATE AS EVIDENCE. The certificate, or a copy thereof duly certified by the Secretary of State, shall be evidence in all courts and places.

4:13-10. MERGER OR CONSOLIDATION OF ASSOCIA-



TIONS. Whenever any two or more associations desire to merge or consolidate into a single new association, the directors thereof shall enter into a joint agreement therefor which shall contain all the terms of the merger or consolidation and set forth, with regard to the new association, the facts required to be set forth in original certificates of incorporation of associations.

The joint agreement shall be submitted to the members of each association concerned at a separate meeting called for that purpose and if it is adopted by the vote of at least two-thirds of the members present at each meeting, then a copy thereof, duly certified and acknowledged by the president and secretary of each association, shall be recorded in the office of the clerk of the county in which the principal office of the new association is to be located, and filed in the office of the Secretary of State.

Upon such filing the associations merging or consolidating shall cease to exist and the new association shall succeed to all their rights, titles, properties and interests and shall be subject to all their liabilities and obligations.

4:13-11. DISSOLUTION OF ASSOCIATIONS. Whenever, in the judgment of a majority of the board of directors, it is advisable and most for the benefit of any association that it should be dissolved, the board shall so declare by resolution and shall cause to be mailed to each member at his last known post-office address a notice of the adoption of the resolution and not less than ten days' notice of a meeting of the members to act upon the same.

If, at such meeting, a majority of the members present vote in favor of dissolution, a certificate of such action by the board and of such vote by the members, certified by the president and secretary or treasurer of the association, shall be filed in the office of the Secretary of State and a certified copy thereof shall be furnished to the Secretary of Agriculture.

Upon such filing, the association shall be dis-

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solved and the board of directors shall proceed to settle up its business and affairs.

If the resolution of the board of directors shall so provide and the members shall so vote, a liquidating trustee shall be named by the Secretary of Agriculture to settle up the business and affairs of the association in lieu of the board of directors.

After liquidation of the assets of the association, payment of its debts and of the reasonable expenses of dissolution, the balance remaining, if any, shall be distributed and paid in the following order:

(a) First among the holders of the capital stock in proportion to their holdings thereof to the extent of the amounts payable to them in accordance with the terms upon which the respective classes of the capital stock were issued if the association had capital stock; and

(b) Then, or if the association has no capital stock, first, among the persons entitled to participate in the patrons' revolving capital fund, whether evidenced by certificates of equity or otherwise, to the extent of the amounts due to them, according to their respective earned patronage margins retained therein, without relationship to the times at which such margins accrued, with such interest, if any, as may be due thereon; and

(c) Then, among the members of the association in proportion to the amount of business done by them with the association during the five years of active operation next preceding the date of dissolution, or such other period of time as may be specified in the by-laws, the entire balance, if any, then remaining undistributed.

The compensation of the directors or of the liquidating trustee in settling up the business and affairs of the association shall not exceed an amount to be fixed by a two-thirds vote of the members of the association present at the meeting at which dissolution is decided upon.

A statement of distribution, showing the manner in which the business and affairs of the associa-



tion have been settled up, shall be filed by the directors or liquidating trustee with the Secretary of Agriculture immediately upon the completion of such distribution.

Source. As Amended. L. 1951, c. 303, s. 2.

4:13-12. GENERAL CORPORATION LAWS TO GOVERN. The provisions of the general corporation laws of this State, and all powers and rights thereunder, shall apply to the associations organized under this chapter, except where such provisions are in conflict with or inconsistent with the express provisions of this chapter.

4:13-13. RIGHT OF EXISTING ASSOCIATIONS TO COME WITHIN CHAPTER. An agricultural association or corporation without capital stock, incorporated prior to February twenty-eighth, one thousand nine hundred and twenty-four, under any law other than this chapter, may become subject to the provisions of this chapter, provided a resolution declaring such change advisable is adopted by the directors of such association and approved at a meeting of the members of the association by a two-thirds vote of the members present.

A copy of the resolution, duly certified and acknowledged by the president and secretary of the association, shall be filed with the Secretary of State and thereupon the association shall become subject in all respects to the provisions of this chapter.

4:13-14. ASSOCIATIONS INCORPORATED UNDER 1920 LAW SUBJECT TO CHAPTER. All associations incorporated prior to February twenty-eighth, one thousand nine hundred and twenty-four, under the act entitled "An act to provide for the formation and regulation of co-operative agricultural associations," approved April twelfth, one thousand nine hundred and twenty (L. 1920, c. 154, p. 300), shall be entitled to all the advantages and subject to all the requirements of this chapter.

4:13-15. AUTHORIZING FOREIGN CORPORATIONS TO

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TRANSACT BUSINESS. A foreign corporation organized for the purpose of engaging in any of the activities mentioned in section 4:13-3 of this Title, before transacting any business in this State, shall file in the office of the Secretary of State:

a. Two copies of its charter or certificate of incorporation, attested by its president and secretary, under its corporate seal; one of which the Secretary of State shall forward to the Secretary of Agriculture;

b. A statement, in duplicate, attested in like manner, of the amount of its authorized capital stock, if any, and the amount actually issued, and designating its principal office in this State and an agent upon whom process against the corporation may be served, which agency shall continue until the substitution, by writing, of another agent. Such agent shall be a domestic corporation or a natural person of full age actually resident in this State; and

c. Proof that it is organized as a nonprofit, co-operative agricultural association, and that it is operated for the mutual benefit of its members.

Upon the filing of such copies, statements and proof the Secretary of State shall issue to such corporation, by whatever name known, a certificate authorizing it to transact business in this State. Source. As Amended. L. 1953, c. 332, s. 3.

C4:13-15.1. ANNUAL REPORTS, FOREIGN CORPORATIONS; TERMINATION OF AUTHORITY FOR FAILURE TO FILE. A foreign corporation which has qualified or shall hereafter qualify to transact business in this State shall make an annual report to the Secretary of Agriculture of its activities within this State. Such report shall include such information and be made at such time prescribed, and on forms to be supplied, by the Secretary of Agriculture. The authority of any foreign corporation to transact business in this State may be terminated for failure to file an annual report in the manner prescribed by the Secretary of Agriculture. In the event of failure of such a corporation to file such a report

within the time specified by the Secretary of Agriculture, he shall certify such failure to the Secretary of State, sending a copy of such certification by registered mail to the agent in charge of the corporation's principal office in this State. If such report is not received within sixty days from the date of the mailing of such certification, the Secretary of State shall, by proclamation under his hand and seal of office, declare the privilege of such corporation to transact business in this State to be terminated. The original of such proclamation shall be filed in the office of the Secretary of State, a copy thereof sent to the Secretary of Agriculture and to the last-known registered agent of the association concerned. A list of all such proclamations shall be published in the issue of the pamphlet laws next following the making of such proclamation.

Source. L. 1953, chapter 332, c. 332, s. 14.

4:13-16. GENERAL POWERS OF ASSOCIATION. Every association may:

- a. Have succession, by its corporate name, for the period limited in its certificate of incorporation, and, when no period is limited, perpetually;
- b. Sue and be sued in any court;
- c. Make and use a common seal, and alter it at will;
- d. Hold, purchase and convey such real and personal estate as its purposes require, and all other real estate which has been bona fide conveyed or mortgaged to the association by way of security, or in satisfaction of debts, or purchased at sales upon judgment or decree obtained for debts. The power to hold real and personal estate shall include the power to take it by devise or bequest;
- e. Elect a board of directors;
- f. Make by-laws, not inconsistent with the law, for the management of its property, the regulation of its affairs, and the conduct and management of the association;
- g. Engage in any one or more of the activities enumerated in section 4:13-3 of this Title and

specified in the certificate of incorporation;

h. Make contracts necessary in the conduct of its operations and the transaction of its affairs;

i. Borrow money necessary in the conduct of its operations and issue notes, bonds and other evidences of indebtedness therefor and give security, by mortgage or otherwise, for the payment thereof; and make advances to members;

j. Establish reserve funds for contingencies and for working capital and patrons' revolving capital funds, in accordance with the provisions of this chapter, and invest such funds as provided in the by-laws;

k. Foster membership in the association by advertising or by educational or other lawful means;

l. Purchase, or otherwise acquire, and hold, own and exercise all rights of ownership in, and sell, transfer or pledge shares of the capital stock or bonds of any corporation or association engaged in a related activity, or in the handling or marketing of any of the products handled by the association;

m. Become a member of or consolidate or merge with one or more other associations and wind up and dissolve itself, or be wound up and dissolved, in manner mentioned in section 4:13-11 of this Title;

n. Exercise such incidental powers as may be necessary, or conducive to or expedient for the benefit of the association, in the exercise of any of the powers herein enumerated.

Source. As Amended. L. 1951, c. 303, s. 3.

4:13-17. FIRST MEETING. The first meeting of the association shall be called by a notice, designating the time, place and purpose of the meeting, signed by a majority of the incorporators, and personally served upon or mailed to all the incorporators at least two days before the meeting. No notice shall be required if all the incorporators shall waive it in writing and fix a time and place for the meeting.

4:13-18. ELECTION OF DIRECTORS AND ADOPTION OF

BY-LAWS. At the first meeting of the association the directors shall be elected and, by majority vote of the members or their written assent, by-laws shall be adopted regulating the conduct and management of the association. A copy of the by-laws, certified by the president and secretary, shall be filed immediately in the office of the Secretary of Agriculture. The by-laws shall, within the limitations of this chapter, prescribe:

a. The time, place and manner of calling and conducting its meetings and the number of members necessary to constitute a quorum for the transaction of business;

b. The number and qualifications of members and the conditions under which membership shall be granted and terminated; rules governing the issuance, transfer and cancellation of membership certificates and certificates of common and other classes of stock and the manner of ascertaining the interests of members in the assets, if any, of the association; rules governing the exercise of the privileges of members; rules governing the method, time and manner of the resignation or withdrawal of members; and rules for ascertaining and paying the value of a member's interest upon his death, withdrawal, resignation, expulsion or the forfeiture of his membership;

c. The number of the directors and the time, place and manner of their election and removal, their powers and duties, their number, not less than a majority, necessary to the exercise of their powers, and their compensation, if any. The by-laws may provide for the division of the territory in which the association has members into districts according to which the directors shall be elected;

d. The officers, their terms of office, the time and manner of their appointment and removal, their powers and duties and the manner in which their compensation, if any, shall be determined;

e. The amount of entrance, organization and membership fees, if any; the manner and method of collection of the same, and the purposes for which they may be used;

f. The amount which each member or stockholder shall be required to pay annually or from time to time, if at all, to carry on the business of the association, the charge, if any, to be paid by each patron for services rendered by the association to him and the time of payment and manner of collection;

g. The date of the commencement of its business or fiscal year;

h. Any other provisions proper and necessary to carry out the purposes for which the association was formed.

Source. As Amended. L. 1953, c. 332, s. 4.

4:13-19. BOARD OF DIRECTORS. The board of directors of an association shall consist of not less than three persons who shall be members of the association or individual representatives of corporate members thereof.

The directors shall be chosen annually by the members and shall hold office for one year, except that an association, by so providing in its certificate of incorporation, may elect several classes of directors for different terms, classifying them according to their tenure. In such case no class shall be elected for a shorter period than one year or a longer period than three years and the term of office of at least one class shall expire in each year.

Directors shall hold office until their successors have been elected and qualified and have entered upon the discharge of their duties.

Vacancies shall be filled by the board for the unexpired terms at any regular meeting or at any special meeting of the board called for the purpose.

No director, during his term of office, shall be a party to a contract for profit with the association differing from the business relations accorded other members, except as the director may be employed by the association.

The board shall manage the affairs of the association and perform other duties specifically imposed upon it by this chapter.

4:13-20. OFFICERS. The officers of an association shall include a president, vice president, secretary and treasurer, who shall be appointed annually by the board of directors. The president and vice president shall be appointed from among the directors. The secretary and treasurer may be non-members. The office of secretary and treasurer may be combined, and one individual appointed thereto. Vacancies in such offices shall be filled by the board for the unexpired term.

The officers shall hold their offices until their successors are appointed and qualified and have entered upon the discharge of their duties.

The board shall require the treasurer and may require any other officers, agents and employees, charged by the association with responsibility for the custody of funds or property, to give bond with sufficient surety for the faithful performance of their duties. The premium on such bonds shall be paid by the association.

4:13-21. ELIGIBILITY TO MEMBERSHIP. An association may admit as members, or issue common stock to, any persons engaged in the production of agricultural products, including the lessees and tenants of lands used for the production of such products, and any lessors and landlords who receive as rent all or any part of such products raised on the leased premises, or any association, however incorporated, whose members or stockholders are so engaged in the production of agricultural products. A member other than a natural person may by due authorization in writing be represented by a natural person.

4:13-22. EXPULSION OF MEMBERS; REMOVAL OF DIRECTOR OR OFFICER. A member, director or officer of the association may, for cause, be expelled from membership or removed from office, by vote of not less than two-thirds of the directors, at any regular meeting or at any special meeting of the board of directors called for the purpose.

The person against whom charges are to be pre-



sented shall be given at least twenty days' written notice of the time, place and object of any such meeting, and of the charges against him, and at the meeting shall have an opportunity to be heard in person or by counsel and by witnesses in regard thereto.

4:13-23. ISSUANCE OF CERTIFICATES. Every association without capital stock shall issue a certificate of membership to each member. Every association with capital stock shall issue a certificate of common stock to each member, certifying the number of such shares of stock held by him. Such certificates shall not be transferable, and no person who may acquire the same by operation of law, or otherwise than as prescribed in this chapter and the certificate of incorporation and by-laws of the association, shall be entitled to become a member by virtue thereof. Notice of such limitations shall be printed on the face thereof.

No association shall issue a certificate of membership, or certificate of common stock until the membership fee, or stock subscription has been paid in full. The promissory notes of the members may be accepted by the association as full or partial payment.

Source. As Amended.L. 1953, c. 332, s. 5.

4:13-24. VOTING. No member shall be entitled to more than one vote. No vote by proxy shall be received. Absent members may, under rules prescribed in the by-laws, be permitted to vote on specific questions by ballots deposited with the secretary, or other proper officer of the association, by mail, which ballots shall be counted only at the meeting at which such specific questions are voted upon.

4:13-25. LIABILITY OF MEMBER FOR DEBTS OF ASSOCIATION. No member shall be liable for the debts of the association in an amount exceeding the sum remaining unpaid on his membership fee or his subscription to the capital stock, including any un-

paid balance on any promissory notes given in payment thereof, except for debts lawfully contracted between him and the association, and except that the certificate of incorporation may expressly provide that members shall be liable for the debts of the association in an amount not exceeding a sum therein named in addition to the membership fee or subscription to capital stock.

4:13-26. **MARKETING CONTRACTS AND AGENCIES.** Any association may enter into marketing contracts or agreements with any of its members and into contracts and agreements with any marketing or purchasing agency for the purpose of carrying out the objects of the association.

Any two or more associations may have marketing or purchasing agencies in common, or otherwise unite in employing the same means for conducting their respective businesses; and such associations and their members may make the necessary contracts and agreements to effect such purposes.

4:13-27. **REQUIRING MEMBERS TO DEAL THROUGH ASSOCIATION; WITHDRAWAL.** The by-laws may require the members to sell all or any part of their specifically enumerated agricultural products, and buy all or any part of their specifically enumerated agricultural supplies, exclusively through the association, but in such case shall specify a reasonable period in each year during which a member, by giving the notice prescribed in the by-laws, may withdraw and be released from his obligation to employ the services of the association in respect to such products and supplies.

4:13-28. **LIQUIDATED DAMAGES FOR FAILURE OF MEMBER TO PERFORM.** The by-laws may fix specific sums, in amounts fairly related to the actual damages ordinarily suffered in like circumstances, to be paid to the association as liquidated damages by a member who shall fail to perform any obligation to the association imposed upon him by the certificate of incorporation, the by-laws or a contract between

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him and the association. Such provision shall be valid and enforceable in an action brought by the association against a member.

4:13-29. VALIDITY OF CONTRACTS WITH MEMBERS. Any contract between an association and any of its members, which is authorized by this chapter, shall be valid and enforceable in any action brought by the association against a member.

4:13-30. DEALINGS WITH NONMEMBERS. The association may market agricultural products and purchase equipment and supplies for nonmembers, but not to an amount greater in value than the amount purchased and sold for members. The value of purchases made for nonmembers who are not producers, shall not exceed fifteen per centum (15%) of the value of all purchases. As a condition of its contract with a nonmember, the association may impose upon him any liability for the contracts, debts and engagements of the association which does not exceed the liability of a member. In no case shall the association charge a nonmember for services more than a member is charged for similar services. Source. As Amended. L. 1940, c. 146, s. 1; L. 1953, c. 332, s. 6.

4:13-31. RESERVE FUNDS; FEES OR CHARGES. The directors may establish reserve funds for working capital and for contingencies and patrons' revolving capital funds and transfer thereto, from time to time in their discretion, such sums as they may deem expedient. The association may provide for the payment of expenses necessary in the performance of its services for members, and accumulation of the said funds, through fees, dues, assessments, charges, retains or deductions from patrons' refunds, and earnings or savings to be fixed and collected as prescribed by the board of directors.

Shares in such patrons' revolving capital funds may be evidenced by certificates of equity, which may be issued upon such terms, and shall be redeemable and payable at such times, as shall, from time to time, be determined by the board of directors.

Source. As Amended. L. 1951, c. 303, s. 4; L. 1953, c. 332, s. 7.

4:13-32. DIVIDING YEARLY BALANCE OF ASSOCIATIONS WITHOUT CAPITAL STOCK. In the case of associations without capital stock after payment of expenses and the establishment of the funds, as authorized in section 4:13-31 of this Title, and as soon after the end of the fiscal year as possible, the whole balance remaining shall be divided among those patrons, members, and nonmembers, for whom the association has marketed, provided marketing facilities, processed or financed agricultural products, or for whom the association has manufactured, hired, sold or supplied machinery, equipment and supplies, including livestock, during the fiscal year, in the proportion that the volume of business done for such patrons by the association during the fiscal year bears to the total volume of business transacted by the association during the fiscal year; provided, however, that the association instead of paying patronage dividends to member and nonmember patrons in cash may keep a permanent record from which the proportionate shares of the patronage dividends due to member and nonmember patrons can be determined, as part of a reserve or patrons' revolving capital fund, which may be evidenced by certificates of equity, and, in the case of nonmember patrons, such shares may be made applicable toward the cost of membership in the association.

In calculating the amount to be paid to a nonmember upon whom liability for the debts of the association has not been imposed as authorized by section 4:13-30 of this Title, such sum shall be deducted as in the opinion of the directors is a reasonable charge, in lieu of such liability.

Source. As Amended. L. 1951, c. 303, s. 5.

4:13-33. DIVIDENDS AND DIVISION OF BALANCE OF ASSOCIATIONS WITH CAPITAL STOCK. In the case of associations with capital stock, after payment of expenses and the establishment of the funds, as authorized in section 4:13-31 of this Title, and as

soon after the end of the fiscal year as possible there shall be paid to the members out of the earnings of the association for the fiscal year an interest dividend not exceeding eight per centum (8%) of the par value of the stock held by them at the end of the fiscal year. The whole balance then remaining after the payment of the interest dividend shall be divided among those patrons, members and nonmembers for whom the association has marketed, provided marketing facilities, processed or financed agricultural products, or for whom the association has manufactured, hired, sold or supplied machinery, equipment and supplies, including livestock, during the fiscal year, in the proportion that the volume of business done for such patrons by the association during the fiscal year bears to the total volume of business transacted by the association during the fiscal year; provided, however, that the association, instead of making such division among the member and nonmember patrons in cash, may keep a permanent record from which the proportionate shares due to members and nonmembers can be determined, as part of a reserve for patrons' revolving capital fund, which may be evidenced by certificates of equity, and, in the case of nonmembers, such shares may be made applicable toward the purchase price of a share or shares of stock or of a membership in the association.

In calculating the amount to be paid to non-stockholders, upon whom liability for the debts of the association has not been imposed, as authorized by section 4:13-30 of this Title, such sum shall be deducted as in the opinion of the directors is a reasonable charge in lieu of such liability.

Source. As Amended. L. 1951, c. 303, s. 6.

4:13-34. ANNUAL AUDIT AND REPORT; DISCLOSURE FORBIDDEN. An association shall appoint, annually, an auditing committee of three persons, who shall not be directors, officers, agents or employees of the association but who may or may not be members thereof.

At the close of each fiscal year a complete

audit of the operations of the association shall be made, a written report of which shall include statements of services rendered by the association, the balance sheet, the receipts and disbursements, and the assets and liabilities, the members admitted and withdrawn, the total number of members, and other proper information, and shall be submitted to the members at the next regular meeting.

Within three months after the expiration of the fiscal year for which made, the secretary of the association shall file a copy of the report of the audit with the Secretary of Agriculture.

No person shall, without consent of the association, except in obedience to judicial process, make or permit any disclosure whereby any information contained in the report may be identified as having been furnished by the association.

C4:13-35. CERTIFICATION OF NON-COMPLYING ASSOCIATIONS. On or before the thirty-first day of March in each calendar year, the Secretary of Agriculture shall certify to the Secretary of State a list containing the names of any and all co-operative associations incorporated under the provisions of chapter thirteen of Title 4 of the Revised Statutes, which have not filed a written report of the audit as required by section 4:13-34 of the Revised Statutes for the three consecutive years next preceding the date of such certification, directing that such co-operative associations be dissolved by proclamation, as provided by this act.

Source.L. 1951, chapter 303, c. 303, s. 7.

C4:13-36. NOTIFICATION OF NON-COMPLYING CO-OPERATIVES. The Secretary of Agriculture shall, within the ten days immediately following transmittal of the list to the Secretary of State, mail a notice of his action under this act, together with a copy of this act, to each co-operative association whose name appears on such list, addressed to the principal office of the association as shown on the records in the office of the Secretary of State.

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Source. L. 1951, chapter 303, c. 303, s. 8.

C4:13-37. PROCLAMATION OF DISSOLUTION. The Secretary of State shall, upon receipt of such a list, cause the names so certified to be compared with his records, and if error is discovered he shall cause necessary corrections therein to be made by the Department of Agriculture. He shall then make a proclamation under his hand and seal of office as to the co-operative associations whose names are included in such list as finally corrected, declaring such co-operative associations dissolved and their charters forfeited, pursuant to the provisions of this act. He shall file the original proclamation in his office, mail a copy to each co-operative association named in such proclamation, addressed to the principal office of the association as shown on the records in the office of the Secretary of State and shall publish a copy thereof in the issue of the pamphlet laws next following the making of said proclamation.

Source. L. 1951, chapter 303, c. 303, s. 9, As Amended. L. 1953, chapter 332.

C4:13-38. ASSOCIATION DEEMED DISSOLVED. Upon issuance of such proclamation and the mailing of a copy thereof, in the manner aforesaid, each association named therein shall be deemed dissolved without further legal proceedings.

Source. L. 1951, chapter 303, c. 303, s. 10, As Amended. L. 1953, chapter 332.

C4:13-39. PROCLAMATION FILED IN COUNTY OFFICES. The Secretary of State shall also mail a copy of such proclamation to the clerk of each county in the State. The county clerk shall file the copy received by him without charge but need not record it. Source. L. 1951, chapter 303, c. 303, s. 11, As Amended. L. 1953, chapter 332.

C4:13-40. NAMES RESERVED. The names of all co-operative associations so dissolved shall be reserved for a period of three months immediately



following the date of mailing a copy of the proclamation by the Secretary of State to the association, as if the association were still in existence. Source. L. 1951, chapter 303, c. 303, s. 12, As Amended. L. 1953, chapter 332.

C4:13-41. REINSTATEMENT - CERTIFICATE OF COMPLIANCE - FEE. If any such association so dissolved shall file with the Secretary of State before the expiration of three months a certificate of compliance of the Department of Agriculture that all required reports of the co-operative association have been filed with that department, it shall have the effect of annulling all of the proceedings theretofore taken for the dissolution of such co-operative association under the provisions of this act, and such association shall thereupon have such corporate powers, rights, duties and obligations as it had on the date of the mailing of a copy of the proclamation with the same force and effect as if such proclamation had not been made. The fee of the Secretary of State for filing such certificate shall be five dollars (\$5.00), and of the Department of Agriculture for issuance of the certificate of compliance, five dollars (\$5.00). Source. L. 1951, chapter 303, c. 303, s. 13, As Amended. L. 1953, chapter 332.

C4:13-42. NOTICE OF REINSTATEMENT. Whenever a co-operative association shall have obtained a certificate of compliance and have filed the same in the office of the Secretary of State, the Secretary of State shall publish a notice thereof in the next succeeding issue of the pamphlet laws, and shall send a copy of such notice to the county clerk of the county in which, according to his records, the principal office of the association is located. The county clerk shall file such copy and make appropriate entry on his records without charge. Source. L. 1951, chapter 303, c. 303, s. 14, As Amended. L. 1953, chapter 332.

Note: This pamphlet contains chapter 13 of

Title 4 of the Revised Statutes as amended and supplemented as of September 1953. The letter "C" prefixed to section numbers indicates supplementary material enacted since the Revised Statutes (1937).