

TENNESSEE COOPERATIVE MARKETING LAW

§ 43-16-101. Short title

For the purpose of brevity and convenience, this chapter shall be known and may be cited as the "Cooperative Marketing Law."

§ 43-16-102. Purpose

This chapter is enacted in order to promote, foster, and encourage the intelligent and orderly marketing of agricultural products and other products of the soil, through cooperation; to eliminate speculation and waste; to make the distribution of agricultural products between producer and consumer as direct as can be efficiently done; to stabilize the marketing of agricultural products; and to provide for the organization and incorporation of cooperative marketing associations for the marketing of such products.

§ 43-16-103. Definitions

(a) As used in this chapter, unless the context otherwise requires:

- (1) "Agricultural products" includes horticultural, viticultural, forestry, dairy, livestock, poultry, bee and any farm products;
- (2) "Association" means any corporation organized under this chapter;
- (3) "Member" includes actual members of associations without capital stock, and holders of common stock in associations organized with capital stock; and
- (4) "Person" includes an individual, firm, partnership, corporation, and association.

(b) An association organized under this chapter shall be deemed "nonprofit," inasmuch as it is not organized to make profit for itself, as such, or for its members, as such, but only for its members as producers.

MISSISSIPPI COOPERATIVE MARKETING LAW

§ 79-19-1. Declaration of policy

It is the purpose of this chapter to promote, foster and encourage the intelligent and orderly marketing of agricultural products through cooperation and to eliminate speculation and waste; and to make the distribution of agricultural products as direct as can be efficiently done between producer and consumer; and to stabilize the marketing of agricultural products; and to promote, foster and encourage the live stock and poultry industry.

§ 79-19-3. Definitions; nature of associations; short title

As used in this chapter:

- (a) The term "agricultural product" shall include horticultural, viticultural, forestry, dairy, live stock, poultry, bee and any other farm products;
- (b) The term "member" shall include actual members of associations without capital stock and holders of common stock in associations organized with capital stock;
- (c) The term "association" means any association organized under this chapter; and
- (d) The term "person" shall include individuals, firms, partnerships, corporations and associations.

Associations organized hereunder shall be deemed nonprofit, inasmuch as they are not organized to make profits for themselves, as such, or for their members, as such, but only for their members as producers.

§ 43-16-104. Persons who may form

Eleven (11) or more persons, a majority of whom are residents of this state, engaged in the production of agricultural products, may form a nonprofit, cooperative association, with or without capital stock, under this chapter.

§ 43-16-105. Authorized activities

An association may be organized to engage in any activity:

- (1) In connection with the marketing or selling of the agricultural products of its members, or with the harvesting, preserving, drying, processing, canning, packing, grading, storing, handling, shipping or utilization of such products, or the manufacturing or marketing of the by-products of such products;
- (2) In connection with the manufacturing, selling, or supplying to its members of machinery, equipment, or supplies;
- (3) In the financing of the above enumerated activities; or
- (4) In any one (1) or more of the activities specified in this section.

§ 43-16-106. Probable success

Every group of persons contemplating the organization of an association under this chapter is urged to communicate with the college of agricultural sciences and natural resources, University of Tennessee, which will inform the group whatever the survey of the marketing conditions affecting the commodities proposed to be handled may indicate regarding probable success.

§ 79-19-5. Who may organize

Twenty (20) or more persons, a majority of whom are residents of this state, engaged in the production of agricultural products may form a nonprofit, cooperative association, with or without capital stock, under the provisions of this chapter; provided, however, that for the formation of cooperative associations for growing, breeding, selling, and handling live stock or poultry, five (5) or more persons may form a cooperative association.

§ 79-19-7. Purposes

An association may be organized to engage in any activity in connection with the growing, breeding, handling, shipping, or utilization, or moving or marketing of the byproducts thereof of live stock and poultry of every description, and with the marketing or selling of agricultural products of its members, or with the harvesting, preserving, drying, processing, manufacturing, canning, packing, grading, storing, handling, shipping, or utilization thereof, or the manufacturing or marketing of the byproducts thereof; or in connection with the manufacturing, selling, or supplying to its members of machinery, equipment, or supplies; or in the financing of the above enumerated activities; or in any one or more of the activities specified herein.

[§ 43-16-107. Marketing; guidance and instructive data from college of agriculture](#)

It is recognized that:

- (1) Agriculture is characterized by individual production in contrast to the group or factory system that characterizes other forms of industrial production;
- (2) The ordinary form of corporate organization permits industrial groups to combine for the purpose of group production and the ensuing group marketing and that the public has an interest in permitting farmers to bring their industry to the high degree of efficiency and merchandising skill evidenced in the manufacturing industries;
- (3) The public interest urgently needs to prevent the migration from the farm to the city in order to keep up farm production and to preserve the agricultural supply of the nation; and
- (4) The public interest demands that the farmer be encouraged to attain a superior and more direct system of marketing in the substitution of merchandising for the blind, unscientific, and speculative selling of crops; and
- (5) That for this purpose, the farmers should secure special guidance and instructive data from the college of agricultural sciences and natural resources, University of Tennessee.

§ 43-16-108. Powers and duties of association

Each association incorporated under this chapter has the power to:

- (1) Engage in activity in connection with the marketing, selling, preserving, harvesting, drying, processing, manufacturing, canning, packing, grading, storing, handling, or utilization of any agricultural products produced or delivered to it by its members, or the manufacturing, or marketing of the by-products thereof; or any activity in connection with the purchase, hiring, or use by its members of supplies, machinery, or equipment; or in the financing of any such activities; or in any one (1) or more of the activities specified in this section; and the association may also buy, sell and deal in agricultural products of nonmembers to an amount not greater in value than such as are handled by it for its members;
- (2) Borrow money and make advance payments and advances to members;
- (3) Act as the agent or representative of any member or members in any of the above mentioned activities;
- (4) Purchase or otherwise acquire, and hold, own, and exercise all rights or ownership in, and sell, transfer, or pledge, or guarantee the payment of dividends or interest on or the retirement or redemption of shares of the capital stock or bonds of any corporation or association engaged in any related activity or in the warehousing or handling or marketing of any of the products handled by the association;
- (5) Establish reserves and invest the funds thereof in bonds or in such other property as may be provided in the bylaws;
- (6) Buy, hold, and exercise all privileges of ownership over such real or personal property as may be necessary or convenient for the conduct and operation of any business of the association, or incidental thereto;
- (7) Establish, secure, own and develop patents, trademarks and copyrights; and
- (8) Do each and everything necessary, suitable or proper for the accomplishment of any one (1) of the purposes or the attainment of any one (1) or more of the subjects, enumerated in this section, or conducive to or expedient for the interest or benefit of the association, and contract accordingly; and, in addition, exercise and possess all powers, rights and privileges necessary or incidental to the purposes for which the association is organized or to the activities in which it is engaged; and, in addition, any other rights, powers, and privileges granted by the laws of this state to ordinary corporations, except those inconsistent with the express provisions of this chapter, and to do any such thing anywhere.

§ 79-19-9. Powers

Each association incorporated hereunder shall have the following powers:

- (a) To engage in any activity in connection with the growing, breeding, marketing, selling, or buying, or utilization of live stock and poultry of every description and the byproducts thereof, or with the marketing, selling, harvesting, preserving, drying, processing, manufacturing, canning, packing, grading, storing, handling, or utilization of any agricultural product produced or delivered to it by its members; or the manufacturing or marketing of the byproducts thereof; or in connection with the purchase, hiring, or use by its members of supplies, machinery, or equipment; or in the financing of any such activities; or in any one or more of the activities specified in this section. No association shall handle the agricultural products of any nonmember, except as necessary and incidental to the handling of the products of members, and in any such case the value of products of nonmembers so handled shall not exceed the value of the products handled by the association for its members.
- (b) To borrow money and to make advances to members.
- (c) To act as the agent or representative of any member or members in any of the above mentioned activities.
- (d) To purchase or otherwise acquire, and to hold, own, and exercise all rights of ownership in, and to sell, transfer, or pledge, or guarantee the payment of dividends or interest on, or the retirement or redemption of shares of the capital stock or bonds of any corporation or association engaged in any related activity, or in the warehousing or handling or marketing of any of the products handled by the association.
- (e) To establish reserves and to invest the funds thereof in bonds or such other property as may be provided in the bylaws.
- (f) To buy, hold, and exercise all privileges of ownership over such real or personal property as may be necessary or convenient for the conducting and operation of any of the business of the association, or incidental thereto.
- (g) To do each and everything necessary, suitable, or proper for the accomplishment of any one of the purposes, or the attainment of any one or more of the objects herein enumerated, or conducive to or expedient for the interest or benefit of the association; and to contract accordingly; and in addition to exercise and possess all powers, rights, and privileges necessary or incidental to the purposes for which the association is organized, or to the activities in which it is engaged; and to do any such thing anywhere.
- (h) To sue and be sued, and prosecute and be prosecuted to judgment and suit before any court; to contract and be contracted with.

§ 43-16-109. Members and membership

(a) Under the terms and conditions prescribed in the bylaws adopted by it, an association may admit as members, or issue common stock to, only persons engaged in the production of the agricultural products to be handled by or through the association, including the lessees and tenants of land used for the production of such products and any lessors and landlords who receive as rent all or any part of the crop raised on the leased premises.

(b) If a member of a nonstock association is other than a natural person, that member may be represented by any individual, associate, officer, or manager, or member thereof, duly authorized in writing.

(c) One (1) association organized under this chapter may become a member or stockholder of any other association or associations organized under this chapter.

§ 79-19-11. Members

(1) Under the terms and conditions prescribed in its bylaws, an association may admit as members, or issue common stock or certificate of membership, only to persons engaged in the production of the agricultural products to be handled by or through the association, including the lessees and tenants of land used for the production of such products and any lessors and landlords who receive as rent part of the crops raised in the leased premises. Certificate of membership and common stock shall not be transferable, and no person shall acquire the same by operation of law or otherwise, except as provided herein.

(2) If a member of a nonstock association be other than a natural person, such member may be represented by any individual, associate, officer, manager, or member thereof, duly authorized in writing.

(3) One (1) association organized hereunder may become a member or stockholder of any other association or associations organized hereunder or whose purposes and operations are in harmony with the purposes of this chapter.

(4) The first meeting of persons at interest, unless otherwise provided for, may be called by notice published in some convenient newspaper at least five (5) days before the time appointed for the meeting, which notice shall be signed by one or more persons named in the articles of association; and the meeting when assembled may proceed to organize the association.

§ 43-16-110. Articles of incorporation

Each association formed under this chapter must prepare and file articles of incorporation, setting forth:

- (1) The name of the association;
- (2) The purpose for which it is formed;
- (3) The place where its principal business will be transacted;
- (4) The duration of the association, if other than perpetual. If the charter of any association organized under this chapter provides for a term of existence, not exceeding fifty (50) years, such charter is deemed to be amended to provide that the duration of the association is perpetual, unless a majority of the members of such association vote to limit the duration of the association to some other period of time in accordance with title 48, chapter 3; provided, that in no event may the members so amend the charter of an association that has been in existence for more than fifty (50) years;
- (5) The number of directors of the association, which must be not less than five (5) and may be any number in excess of five (5); the term of office of such directors; and the names and addresses of those who are to serve as incorporating directors for the first term, and/or until the election and qualification of their successors;
- (6) If organized without capital stock, whether the property rights and interest of each member shall be equal or unequal; and if unequal, the general rule or rules applicable to all members by which the property rights and interests, respectively, of each member may and shall be determined and fixed; and provision for the admission of new members who shall be entitled to share in the property of the association with the old members, in accordance with such general rule or rules. This provision or paragraph of the articles of incorporation shall not be altered, amended or repealed, except by the written consent or vote of three fourths ($\frac{3}{4}$) of the members;
- (7) If organized with capital stock, the amount of stock and the number of shares into which it is divided and the par value thereof; and
- (8) The street address and zip code of the association's initial registered office in this state, the county in which the office is located, and the name of its initial registered agent at that office.

§ 79-19-13. Articles of association

Each association formed under this chapter must prepare and file articles of association, setting forth:

- (a) The name of the association.
- (b) The purposes for which it is formed.
- (c) The place where its principal business will be transacted.
- (d) The term for which it is to exist, not exceeding ninety-nine (99) years.
- (e) The number of directors thereof, which must not be less than five (5) and may be any number in excess thereof, and the term of office of such directors.
- (f) If organized without capital stock, whether the property rights and interest of each member shall be equal or unequal; and if unequal, the articles shall set forth the general rule or rules applicable to all members by which property right and interests, respectively, of each member may and shall be determined and fixed; and provision for the admission of new members who shall be entitled to share in the property of the association with the old members, in accordance with such general rule or rules. This paragraph of the articles of association shall not be altered, amended, or repealed except by the written consent of the vote of three-fourths ($\frac{3}{4}$) of the members.
- (g) If organized with capital stock, the amount of such stock and the number of shares into which it is divided and the par value thereof. The capital stock may be divided into preferred and common stock. If so divided the articles of association must contain a statement of the number of shares of stock to which preference is granted and the number of shares of stock to which no preference is granted and the nature and definite extent of the preference and privileges granted to each.

The articles must be subscribed by the incorporators and acknowledged by one of them before an officer authorized by the laws of this state to take and certify acknowledgments, and shall be filed and recorded in the office of the secretary of state.¹

§ 43-16-111. Preferred and common stock

The capital stock may be divided into preferred and common stock. If so divided, the articles of incorporation must contain a statement of the number of shares of stock to which preference is granted and the number of shares of stock to which no preference is granted, and the nature and definite extent of the preference and privileges granted to each.

§ 43-16-112. Articles of incorporation; signatures; prima facie evidence of incorporation

The articles must be signed by the incorporators; and when filed, the articles of incorporation, or certified copies thereof, shall be received in all the courts of this state and other places as prima facie evidence of the due incorporation of the association.

§ 43-16-113. Articles of incorporation; amendments

(a) An amendment must first be approved by two thirds ($2/3$) of the directors and then adopted by a vote representing a majority of all the members of the association.

(b) However, if, at a meeting of the members of the association to which a proposed amendment has been submitted, a majority of the members are not present, then those present and also members voting by proxy may adjourn the meeting to a time and place certain, but not sooner than three (3) weeks from the time of adjournment. Prior to the convening of the adjourned meeting, notices shall be placed in a newspaper of general circulation in the place where the principal office of the association is located each week for three (3) weeks. These notices shall state the time, place, and purpose of the adjourned meeting. When the meeting reconvenes, the members present in person or by proxy shall constitute the quorum, and may take action on the proposed amendment by a majority vote of those represented, even if fewer than a majority of the total membership of the association.

§ 79-19-15. Amendments to articles of association

Any amendment to the articles of association must first be approved by a vote of not less than two-thirds ($2/3$) of all the members of the board of directors. Such proposed amendment shall then be submitted to either a regular or a special meeting of the members of the association, and its adoption shall require a majority vote of all the members present at any membership meeting duly called and held; provided, however, that notice of such meeting and a statement of the substance of the proposed amendment shall be mailed or delivered by hand to all members of the association at least fifteen (15) days prior to the date of such meeting. Amendments to the articles of association when so adopted shall be certified to by the president and secretary of the association and shall be filed with the secretary of state. Such certification and filing shall be conclusive evidence of the validity of such amendment.

§ 43-16-114. Bylaws

Each association incorporated under this chapter must, within thirty (30) days after its incorporation, adopt for its government and management, a code of bylaws, not inconsistent with the powers granted by this chapter. A majority vote of the members or stockholders, or their written assent, is necessary to adopt such bylaws. Each association, under its bylaws, may provide for any or all of the following matters:

- (1) The number of stockholders or members constituting a quorum;
- (2) The right of members or stockholders to vote by proxy or by mail, or both; and the conditions, manner, form, and effects of such votes;
- (3) The number of directors constituting a quorum;
- (4) The qualifications, compensation and duties and terms of office of directors and officers; time of their election and the mode and manner of giving notice thereof;
- (5) Penalties for violations of the bylaws;
- (6) The amount of entrance, organization, and membership fees, if any; the manner and method of collection of such fees; and the purposes for which they may be used;
- (7) The amount that 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 member or stockholder for services rendered by the association and the time of payment and the manner of collection; and the marketing contract between the association and its members or stockholders, which every member or stockholder may be required to sign; and
- (8) The number and qualification of members or stockholders of the association and the conditions precedent to membership or ownership of common stock; the method, time, and manner of permitting members to withdraw or the holders of common stock to transfer their stock; the manner of assignment and transfer of the interest of members and of the shares of common stock; the conditions upon which and the time when membership of any member shall cease; the automatic suspension of the rights of a member when the member ceases to be eligible to membership in the association; and the mode, manner and effect of the expulsion of a member; the manner of determining the value of a member's interest and provision for its purchase by the association upon the death or withdrawal of a member or stockholder, or upon the expulsion of a member or forfeiture of the member's membership, or, at the option of the association, the purchase at a price fixed by conclusive appraisal by the board of directors. In case of the withdrawal or expulsion of a member, the board of directors shall equitably and

§ 79-19-17. Bylaws

Each association incorporated hereunder must, within thirty (30) days after its incorporation, adopt for its government and management a code of bylaws, not inconsistent with the powers granted herein. A majority vote of the members or stockholders, or their written assent, is necessary to adopt such bylaws. The bylaws so adopted may be amended by the vote of a majority of the members present at any membership meeting duly called and held; provided, however, notice of such meeting and a statement of the substance of the proposed bylaw amendment shall be mailed or delivered by hand to all members of the association at least fifteen (15) days prior to the date of such meeting. Each association under its bylaws may also provide for any or all of the following matters:

- (a) The time, place and manner of calling and conducting its meetings.
- (b) The number of stockholders or members constituting a quorum.
- (c) The right of members or stockholders to vote by proxy or by mail, or both, and the conditions, manner, form and effect of such votes.
- (d) The number of directors constituting a quorum.
- (e) The qualifications, and duties and term of office of directors and officers, time of their election and the mode and manner of giving notice thereof.
- (f) Penalties for violations of the bylaws.
- (g) 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.
- (h) 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 member or stockholder for service rendered by the association to him; and the marketing contract between the association and its members or stockholders which every member or stockholder shall be required to sign.
- (i) The qualification of members or stockholders of the association and the conditions precedent to membership or ownership of common stock; the method, time and manner of permitting members to withdraw or the holders of common stock to transfer their stock; the manner of assignment and transfer of the interest of members, and of the shares of common stock; the conditions upon which, and time when membership of any member shall cease. The automatic suspension of the rights of a member when he ceases to be eligible to membership in the association, and mode, manner and effect of the expulsion of

conclusively appraise the member's property interests in the association and shall fix the amount thereof in money, which shall be paid to the member within one (1) year after such expulsion or withdrawal.

a member; manner of determining the value of a member's interest and provision for its purchase by the association upon the death or withdrawal of a member or stockholder, or upon the expulsion of a member or forfeiture of his membership, or, at the option of the association, by conclusive appraisal by the board of directors. In case of the withdrawal or expulsion of a member, the board of directors shall equitably and conclusively appraise his property interests in the association and shall fix the amount thereof in money, and the association may pay therefor in cash or by certificate of indebtedness to be thereafter paid from the income of the association.

§ 43-16-115. Meetings; notice

In its bylaws, each association shall provide for one (1) or more regular meetings annually. The board of directors shall have the right to call a special meeting at any time; and ten percent (10%) of the members or stockholders may file a petition stating the specific business to be brought before the association and demand a special meeting at any time. A meeting must thereupon be called by the directors. Notice of all meetings, together with a statement of the purposes thereof, shall be mailed to each member at least ten (10) days prior to the meeting; provided, that the bylaws may require instead that notice may be given by publication in a newspaper of general circulation, published at the principal place of business of the association.

§ 43-16-116. Directors; districts; elections

(a) The affairs of the association shall be managed by a board of not less than five (5) directors, elected by the members or stockholders from their own number.

(b) The bylaws may provide that the territory in which the association has members shall be divided into districts and that the directors shall be elected according to these districts, either directly or by district delegates elected by the members in that district. In such a case, the bylaws shall specify the number of directors to be elected by each district, the manner and method of reapportioning the directors and of redistricting the territory covered by the association. The bylaws may provide that primary elections shall be held in each district to elect the directors apportioned to the districts, and that the result of all such primary elections may be ratified by the next regular meeting of the association or may be considered final as to the association.

(c) The bylaws may provide that one (1) or more directors may be appointed by any public official or commission or by the other directors selected by the members or their delegates. Such directors shall represent primarily the interest of the general public in such associations. The directors so appointed need not be members or stockholders of the association, but shall have the same powers and rights as other directors. Such directors shall not number more than one fifth (1/5) of the entire number of directors.

§ 43-16-117. Compensation and salaries

An association may provide a fair remuneration for the time actually spent by its officers and directors in its service and for the service of the members of its executive committee.

§ 79-19-19. General and special meetings, how called

In its bylaws each association shall provide for one or more regular meetings annually. The board of directors shall have the right to call a special meeting at any time, and ten percent (10%) of the members or stockholders may file a petition stating the specific business to be brought before the association and demand a special meeting at any time. Such meeting must thereupon be called by the directors. Notice of all meetings, together with a statement of the purposes thereof, shall be mailed to each member at least ten (10) days prior to the meeting; provided, however, that the bylaws may require instead that such notice may be given by publication in a newspaper of general circulation, published at the principal place of business of the association.

§ 79-19-21. Directors; election

The affairs of the association shall be managed by a board of not less than five (5) directors, elected by the members or stockholders from their own number and shall have all rights and powers as provided for under the general corporation laws of this state, and such other powers as may be necessary to the proper execution of provisions of this chapter. The bylaws may provide that the territory in which the association has members shall be divided into districts and that the directors shall be elected according to such districts. In such case the bylaws shall specify the number of directors to be elected by each district, the manner and method of reapportioning the directors and of redistricting the territory covered by the association. The bylaws may provide that primary elections should be held in each district to elect the directors apportioned to such districts and the result of all such primary elections must be ratified by the next regular meeting of the association or may be considered final as to the association.

The bylaws may provide that one or more directors may be appointed by the president of Mississippi State University of Agriculture and Applied Science or such other public official, commission, association or board as may be indicated by such bylaws. Such directors shall represent primarily the interest of the general public in such associations. The director or directors so appointed need not be members or stockholders of the association, but shall have the same powers and rights as other directors. Such directors shall not number more than one-fifth (1/5) of the entire number of directors.

The directors of an association may provide a fair remuneration for the time actually spent by its officers, directors and employees in its service. No director, during the term of his office, shall be a party to a contract for profit with the association, differing in any way from the business relations accorded regular members or holders of common stock of the

association.

The bylaws may provide for an executive committee and may allot to such committee all the functions and powers of the board of directors, subject to the general direction and control of the board.

When a vacancy on the board of directors occurs, other than by expiration of term, the remaining members of the board, by a majority vote, shall fill the vacancy unless the bylaws provide for an election of directors by districts. In such a case the board of directors shall immediately call a special election to be voted in by the members or stockholders in that district to fill the vacancy.

§ 43-16-118. Adverse or pecuniary interest

No director, during that director's term of office, shall be a party to a contract for profit with the association differing in any way from the business relations accorded regular members or holders of common stock of the association or others, or differing from terms generally current in that district. The bylaws may provide that no director shall occupy any position in the association, except the president and secretary, on regular salary or substantially full-time pay.

§ 43-16-119. Executive committee

The bylaws may provide for an executive committee and may allot to such committee all the functions and powers of the board of directors, subject to the general direction and control of the board.

§ 43-16-120. Directors; vacancies

When a vacancy on the board of directors occurs other than by expiration of term, the remaining members of the board, by a majority vote, shall fill the vacancy, unless the bylaws provide for an election of directors by district stockholders. In that case, the board of directors shall immediately call a special meeting of the members or stockholders in that district to fill the vacancy.

§ 43-16-121. Officers and employees

The directors shall elect from their number a president and one (1) or more vice presidents. They shall also elect a secretary and a treasurer, who need not be directors or members of the association; and they may combine the two (2) latter offices and designate the combined office as secretary-treasurer; or unite both functions and titles in one (1) person. The treasurer may be a bank or any depository, and as such, shall not be considered as an officer, but as a function of the board of directors. In that case, the secretary shall perform the usual accounting duties of the treasurer, excepting that the funds shall be deposited only as and where authorized by the board of directors.

§ 79-19-23. Election of officers

The directors shall elect from their number a president and one or more vice-presidents. They shall also elect a secretary and treasurer, who need not be directors or members of the association, and they may combine the two (2) latter offices and designate the combined office as secretary-treasurer. The treasurer may be a bank or any depository, and as such shall not be considered as an officer but as a function of the board of directors. In such case the secretary shall perform the usual accounting duties of the treasurer, excepting that the funds shall be deposited only as authorized by the board of directors.

§ 43-16-122. Bonds

Every officer, employee, and agent handling funds or negotiable instruments or property of or for any association created under this chapter shall be required to execute and deliver adequate bond for the faithful performance of that person's duties and obligations.

§ 43-16-123. Certificate of membership

A member of an association established without capital stock who has paid the membership fee in full shall receive a certificate of membership.

§ 43-16-124. Shares and shareholders; payments

No association shall issue stock to a member until it has been fully paid for. The promissory notes of the members may be accepted by the association as full or partial payment. The association shall hold the stock as security for the payment of the note; but such retention as security shall not affect the member's right to vote.

§ 43-16-125. Liability of members

No member shall be liable for the debts of the association to an amount exceeding the sum remaining unpaid on the member's membership fee or the member's subscription to the capital stock, including any unpaid balance on any promissory notes given in payment of that amount.

§ 43-16-126. Number of votes

No member or stockholder shall be entitled to more than one (1) vote, regardless of the number of shares of common stock owned by that person.

§ 43-16-127. Preferred stock; redemption or retirement

Any association organized with stock under this chapter may issue preferred stock, with or without the right to vote. Preferred stock may be sold to any person, member or nonmember, and may be redeemable or retireable by the association on such terms and

§ 79-19-25. Stock, membership certificates, when issued; voting; liability; limitations on transfer and ownership

When a member of an association established without capital stock has paid his membership fee in full he shall receive a certificate of membership.

No association shall issue stock to a member until it has been fully paid for.

Except for debts lawfully contracted between him and the association, no member shall be liable for the debts of the association to an amount exceeding the sum remaining unpaid on his membership fee.

No stockholder of a co-operative association shall own more than one-twentieth (1//2/0) of the common stock of the association or more than one-twentieth (1//2/0) of the preferred stock of the association enjoying voting rights, but any one (1) stockholder may own one twentieth (1//2/0) of each class; and an association, in its bylaws, may limit the amount of common stock or of preferred stock enjoying voting rights which one (1) member may own to any amount less than one-twentieth (1//2/0) of such stock.

Each share of stock shall entitle the holder thereof to one (1) vote in the management of the association; provided, however, if authorized by the articles of association, classes of preferred stock may be issued without voting rights.

Preferred stock may be redeemable or retireable by the association on such terms and conditions as may be provided for by the articles of association and printed on the face of the certificate.

The bylaws shall prohibit the transfer of the common stock or of preferred stock enjoying voting rights to persons not engaged in the production of the agricultural products handled by the association, and such restrictions must be printed upon every certificate of stock subject thereto.

The association may at any time, except when the debts of the association exceed fifty percent (50%) of the assets thereof, buy in or purchase its stock at book value thereof as conclusively determined by the board of directors and pay for it in cash within one (1) year thereafter.

conditions as may be provided for by the articles of incorporation and printed on the face of the certificate.

§ 43-16-128. Transfers of common stock

The bylaws shall prohibit the transfer of the common stock of the association to persons not engaged in the production of agricultural products handled by the association; and such restrictions must be printed upon every certificate of stock subject to the restrictions.

§ 43-16-129. Purchase of common stock by association

The association may, at any time, as specified in the bylaws, except when the debts of the association exceed fifty percent (50%) of the assets of the association, buy in or purchase its common stock at the book value of the common stock, as conclusively determined by the board of directors, and pay for it in cash within one (1) year after the purchase.

§ 43-16-130. Removal of officers or directors

Any member may bring charges against an officer or director by filing them in writing with the secretary of the association, together with a petition signed by five percent (5%) of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the association and, by a vote of a majority of the members, the association may remove the officer or director, and fill the vacancy. The officer or director against whom the charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses; and the person or persons bringing the charges against the officer or director shall have the same opportunity.

43-16-131. Procedure for removal of directors elected in a district.

In case the bylaws provide for election of directors by districts with primary elections in each district, then the petition for removal of a director must be signed by twenty percent (20%) of the members residing in the district from which the director was elected. The board of directors must call a special meeting of the members residing in that district to consider the removal of the directors; and by a vote of the majority of the members of that district, the director in question shall be removed from office.

§ 79-19-27. Removal of officer or director

Any member may bring charges against an officer or director by filing them in writing with the secretary of the association, together with a petition signed by ten percent (10%) of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the association and, by a vote of a majority of the members, the association may remove the officer or director and fill the vacancy. The director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses; and the person or persons bringing charges against him shall have the same opportunity. But such officer or director may be suspended by a vote of two thirds (2/3) of the directors, pending the hearing of such charges.

In case the bylaws provide for election of directors by districts with primary elections in each district, then the petition for removal of a director must be signed by twenty percent (20%) of the members residing in the district from which he was elected. The board of directors must call a special meeting of the members residing in that district to consider the removal of the director. By a vote of the majority of the members of that district, the director in question shall be removed from office.

43-16-132. Referendum of policy matters upon demand to entire membership.

Upon demand of one third (1/3) of the entire board of directors, made immediately and so recorded at the same meeting at which the original motion was passed, any matter of policy that has been approved or passed by the board must be referred to the entire membership or the stockholders for decision at the next special or regular meeting; and a special meeting may be called for the purpose.

43-16-133. Marketing contracts with association.

The association and its members may make and execute marketing contracts, requiring the members to sell, for any period of time, not over ten (10) years, all or any specified part of their agricultural products or specified commodities exclusively to or through the association, or any facilities to be created by the association. If they contract a sale to the association, it shall be conclusively held that title to the products passes absolutely and unreservedly, except for recorded and statutory liens, to the association upon delivery. The contract may provide, among other things, that the association may sell or resell the products delivered by its members, with or without taking title thereto, and pay over to its members the resale price, after deducting all necessary selling, overhead, and other costs and expenses, including interest or dividends on stock, not exceeding eight percent (8%) per annum, and reserves for retiring the stock, if any; and other proper reserves; and/or any other deductions.

§ 79-19-29. Referendum may be had in certain cases

Upon demand of one third (1/3) of the entire board of directors, any matter that has been approved or passed by the board must be referred to the entire membership or the stockholders for decision at the next special or regular meeting; provided, however, that a special meeting shall be called for the purpose.

§ 79-19-35. Purchasing business of other associations, persons, firms or corporations; payment; stock issued

Whenever an association organized or existing hereunder with preferred capital stock shall purchase the stock or any property, or any interest in any property, of any person, firm, or corporation, or association, it may discharge the obligations so incurred, wholly or in part, by exchanging for the acquired interest shares of its preferred capital stock to an amount which at par value would equal a fair market value of the stock or interest so purchased, as determined by the board of directors. In that case the transfer to the association of the stock or interest purchased shall be equivalent to payment in cash for the shares of stock issued.

§ 79-19-31. Marketing contract

The association and its members may make and execute marketing contracts, requiring the members to sell, for any period of time, not over ten (10) years, all or any specified part of their agricultural products or specified commodities exclusively to or through the association, or any facilities to be created by the association. If they contract a sale to the association, it shall be conclusively held that title to the products passes absolutely and unreservedly, except for recorded liens, to the association upon delivery, or when put in a merchantable condition, or at any other specified time if expressly and definitely agreed in the said contract. The contract may provide that the association may sell or resell the products delivered by its members, with or without taking title thereto; and pay over to its members the resale price, after deducting all necessary selling, overhead, and other costs, deductions as defined in said contract, and expenses, including interest on preferred stock, not exceeding eight percent (8%) per annum, and reserves for retiring the stock, if any; and other proper reserves; and interest not exceeding eight percent (8%) per annum upon common stock.

§ 79-19-33. Remedies for breach of contract or bylaws

(1) The bylaws or the marketing contract of any association existing hereunder may fix, as liquidated damages, specific sums to be paid by the member or stockholder to the association upon the breach or threatened breach by him of any provision of the marketing contract regarding the sale or delivery or withholding of products; and may further provide that the member will pay all costs, premiums for bonds, expenses, and fees in case any action is brought upon the contract by the association; and any such provisions shall be valid and enforceable in the courts of law or equity of this state, and such clauses providing for liquidated damages shall be enforceable as such and shall not be regarded as penalties.

(2) In the event of any breach or threatened breach of such marketing contract by a member or other person, the association shall be entitled to an injunction to prevent the breach or further breach of the contract, and to a decree of specific performance thereof. Pending the adjudication of such an action and upon filing a verified complaint showing the breach or threatened breach, and upon filing a bond in the sum of one hundred dollars (\$ 100.00), the association shall be entitled to an injunction against the member or other person; provided, however, that the chancellor in his discretion may increase such bond to five hundred dollars (\$ 500.00), after a hearing on five (5) days' notice to the parties, if justice demands such increase in the amount of said bond.

(3) In any action, legal or equitable, upon any marketing contract of any member with any association existing hereunder, it shall be conclusively presumed that the products

produced by any person, firm, or corporation during the period of time covered by such marketing contract, on the land of such member, however and by whomsoever produced, are the products of such member and, as such, are subject to the said marketing contract if the said products have been grown or acquired under any contract between such member and such other person, firm, or corporation, entered into after the execution of the said marketing contract; and in such actions, the foregoing remedies for nondelivery or breach shall lie and be enforceable against such person, firms, or corporations.

43-16-137. Conflicting laws do not apply.

Any law that is in conflict with this chapter shall be construed as not applying to the associations provided for in this chapter.

§ 79-19-37. Conflicting laws not to apply

Any provisions of law which otherwise would be in conflict with this chapter shall not be construed as applying to the associations herein provided for, nor shall any such provisions be deemed to be repealed by this chapter.

Any exemptions under any and all existing laws applying to agricultural products in the possession or under the control of the individual producer shall apply similarly and completely to such products delivered by its farmer members, in the possession or under the control of the association.

§ 79-19-39. Limitation of the use of term "cooperative."

No person, firm, corporation, or association hereafter organized or doing business in this state shall be entitled to use the word "cooperative" as part of its corporate or other business name or title for producers' cooperative marketing activities, unless it has complied with the provisions of this chapter.

§ 79-19-41. Interest in other corporations or associations

An association may organize, form, operate, own, control, have an interest in, own stock of, or be a member of any corporation or association, with or without capital stock, engaged in preserving, drying, processing, canning, packing, storing, handling, shipping, utilizing, manufacturing, marketing, or selling of the agricultural products handled by the association, or the byproducts thereof. If such corporations are warehousing corporations, they may issue legal warehouse receipts to the association, against the commodities delivered by it, or to any other person; and such legal warehouse receipts shall be considered as adequate collateral to the extent of the usual and current value of the commodity represented thereby. In case such warehouse is licensed or licensed and bonded under the laws of this state or the United States, its warehouse receipts delivered to the association on commodities of the association or its members, or delivered by the association or its members, shall not be challenged or discriminated against because of ownership or control, wholly or in part, by the association.

43-16-139. Association may be interested in other like associations.

An association may organize, form, operate, own, control, have an interest in, own stock of, or be a member of any other corporation or corporations, with or without capital stock, and engaged in preserving, drying, processing, canning, packing, storing, handling, shipping, utilizing, manufacturing, marketing, or selling of the agricultural products handled by the association or the by-products of such products.

43-16-140. Warehousing corporations issuing warehouse receipts to association or its members -- Discrimination prohibited.

If those corporations are warehousing corporations, they may issue legal warehouse receipts to the association against the commodities delivered by it or to any other person, and the legal warehouse receipts shall be considered as adequate collateral to the extent of the usual and current value of the commodity represented by the receipts. In case the warehouse is licensed or licensed and bonded under the laws of this or any other state or the United States, its warehouse receipt delivered to the association on commodities of the association or its members, or delivered by the association or its members, shall not be challenged or discriminated against because of ownership or control, wholly or in part, by the association.

43-16-141. Association may contract with other cooperative associations.

(a) Any association may, upon resolution adopted by its board of directors, enter into all necessary and proper contracts and agreements, and make all necessary and proper stipulations, agreements, and contracts and arrangements with any other cooperative corporation, association, or associations, formed in this or in any other state, for the cooperative and more economical carrying on of its business or any part or parts of its business.

(b) Any two (2) or more associations may, by agreement between them, unite in employing and using or may separately employ and use the same personnel, methods, means and agencies for carrying on and conducting their respective businesses.

§ 79-19-43. Contracts and agreements with other associations

Any association may, upon resolution adopted by its board of directors, enter into all necessary and proper contracts and agreements and make all necessary and proper stipulations, agreements, and contracts and arrangements with any other corporation, association or associations, formed in this or in any other state, for the cooperative or more economical carrying on of its business, or any part or parts thereof. Any two or more associations may, by agreement between them, unite in employing and using or may separately employ and use the same personnel, methods, means, and agencies for carrying on and conducting their respective businesses.

§ 79-19-45. Association heretofore organized may adopt the provisions of this chapter

Any corporation or association organized under previously existing statutes, or any foreign corporation or association heretofore authorized by the laws of this state to do business in this state, or any foreign corporation or association organized under the laws of another state, may by a majority vote of its directors or members be brought under this chapter. It shall make out in duplicate a statement signed and sworn to by a majority of its directors, to the effect that the corporation or association has by a majority vote of its directors decided to accept the benefits and be bound by the provisions of this chapter. Articles of association shall be filed as required herein except that they shall be signed by a majority of the members of the board of directors. The filing fee shall be the same as for filing an amendment to articles of association.

§ 79-19-47. How associations organized in another state may carry on business in this state

Any cooperative marketing association, organized under appropriate laws of any other state for the purposes and with the restrictions and limitations substantially the same as those set forth herein, may operate and do business in this state with all the rights, powers, and privileges granted to any cooperative marketing association incorporated under this chapter, upon compliance with any or either of the laws of this state regarding the qualification of foreign corporations, to carry on business within this state.

43-16-142. Associations of other states upon compliance with laws as to foreign corporations doing business in this state.

Any corporation or association organized under generally similar laws of another state shall be allowed to carry on any proper activities, operations or functions in this state upon compliance with the general regulations applicable to foreign corporations desiring to do business in this state, and the payment into the office of the secretary of state the same fees that are required to be paid under title 48, chapter 1, part 13 [repealed], and by paying all other taxes that other foreign corporations are required to pay in Tennessee, and all contracts that could be made by any association, incorporated under this chapter, made by or with such association, shall be legal and valid and enforceable in this state with all of the remedies set forth in this chapter.

43-16-143. Marketing contracts do not constitute conspiracy, combination, illegal monopoly, or unlawful restraint of trade.

No association organized under this chapter and complying with the terms of this chapter shall be deemed to be a conspiracy or a combination in restraint of trade or an illegal monopoly, or an attempt to lessen competition or to fix prices arbitrarily; nor shall the marketing contracts and agreements between the association and its members or any agreements authorized in this chapter be considered illegal as such or in unlawful restraint of trade or as part of a conspiracy or combination to accomplish an improper or illegal purpose.

43-16-138. Exemptions of agricultural products apply, though in possession of association.

Any exemptions whatsoever under all existing laws applying to agricultural products in the possession or under the control of the individual producer shall apply similarly and completely to such products delivered by its former members in the possession or under the control of the association.

§ 79-19-49. Misdemeanor: breach of marketing contract of cooperative association; spreading false reports about the finances or management thereof

Any person or persons or any corporation whose officers or employees knowingly induce or attempt to induce any member or stockholder of an association organized hereunder to breach his marketing contract with the association, or who knowingly spreads false reports about the finances or management thereof, shall be guilty of a misdemeanor and subject to a fine of not less than one hundred dollars (\$ 100.00), and not more than one thousand dollars (\$ 1,000.00), for such offense; and shall be liable to the association aggrieved in a civil suit in the penal sum of one thousand dollars (\$ 1,000.00) for each such offense.

§ 79-19-51. Associations not in restraint of trade

No association organized hereunder shall be deemed to be in violation of the anti-trust statutes of this state or a combination in restraint of trade or an illegal monopoly, nor in an attempt to lessen competition or fix prices arbitrarily; nor shall the marketing contracts or agreements between the association and its members or any agreements authorized in this chapter be considered illegal or in restraint of trade, or in violation of said anti-trust statutes of said state.

§ 79-19-53. Exemptions

Each association organized hereunder shall be exempt from the payment of ad valorem taxes on agricultural products and products of farm, grove or garden produced by its members within the State of Mississippi.

§ 79-19-55. Filing fees

For filing articles of association, an association organized hereunder shall pay to the secretary of state twenty dollars (\$ 20.00); and for filing an amendment to the articles, ten dollars (\$ 10.00).

43-16-134. Provisions of marketing contracts -- Liquidated damages -- Injunction against breach.

(a) The bylaws or the marketing contract may fix, as liquidated damages, specific sums to be paid by the member or stockholder to the association upon the breach by the member or stockholder of any provision of the marketing contract regarding the sale or delivery or withholding of products, and may further provide that the member will pay all costs, premiums for bonds, expenses, and fees, in case any action is brought upon the contract by the association. Any such provisions shall be valid and enforceable in the courts of this state. Such clauses providing for liquidated damages shall be enforceable as such and shall not be regarded as penalties.

(b) In the event of any such breach or threatened breach of the marketing contract by a member, the association shall be entitled to an injunction to prevent the further breach of the contract and to a decree of specific performance thereof. Pending the adjudication of such an action and upon filing a verified complaint showing the breach or threatened breach, and upon filing a sufficient bond, the association shall be entitled to a temporary restraining order and preliminary injunction against the member.

43-16-135. Purchase of property with preferred stock.

Whenever an association, organized under this chapter with preferred capital stock, purchases the stock or any property, or any interest in any property of any person, it may discharge the obligations so incurred, wholly or in part, by exchanging for the acquired interest, shares of its preferred capital stock to an amount that at par value would equal the fair market value of the stock or interest so purchased, as determined by the board of directors. In that case, the transfer to the association of the stock or interest purchased shall be equivalent to payment in cash for the shares of stock issued.

§ 79-19-57. Cooperative marketing associations may maintain replevin

All cooperative marketing associations organized or doing business under the laws of the State of Mississippi may obtain the possession of personal property to the immediate possession of which they may be entitled, by the action of replevin, and the giving of this means of enforcement of rights shall not be in lieu, or in repeal, of any other rights or remedies now given to cooperative marketing associations under the laws of the State of Mississippi.

§ 79-19-59. Liquidated damages may be recovered

If such cooperative marketing association recover judgment as plaintiff in replevin and the property sued for be agricultural products and the plaintiff's right to the possession thereof as against the defendant be by virtue of a marketing agreement with a member of such association and the defendant has bonded the property within two (2) days after its seizure in replevin, the plaintiff shall, in addition to the judgment now provided by law, recover as an element of damages, of the defendant and the sureties on his bond, for the wrongful taking and detention or the wrongful detention of the property, a sum equal to such damages as the plaintiff could have recovered of such member of the association as liquidated damages under the marketing agreement, for the breach thereof by wrongful detention or disposal of said property by the member.

§ 79-19-61. Loan limited to 50 percent of capital and surplus

The total liability to any association organized or doing business under the terms of this chapter by a person, company, corporation, or firm for money loaned shall not exceed fifty percent (50%) of the aggregate paid in capital and surplus of said association. The discount of bills of exchange drawn in good faith, against actual existing values of loans made on time secured by warehouse receipts or bills of lading, or actually existing values, shall not be restricted to, or considered as coming within, such limitation of fifty percent (50%).

43-16-144. General corporation laws applicable -- Exception.

The general corporation laws and all powers and rights under those laws apply to the associations organized under this chapter, except where such provisions are in conflict or inconsistent with the express provisions of this chapter.

43-16-145. Annual fee in lieu of other taxes -- Exception.

Each association organized under this chapter shall pay an annual fee of ten dollars (\$10.00) only, in lieu of all franchise, license, corporation or other privilege taxes, or taxes or charges upon reserves held by it for members; provided, that if any association organized under this chapter sells to persons other than its own members any product or merchandise other than unmanufactured tobacco, livestock, poultry products, dairy products or any other farm products, such association shall be liable for any privilege tax with respect to such transactions or method of doing business imposed under the laws of Tennessee, other than franchise and excise taxes and corporation filing fees or charges upon reserves held by it for members.

43-16-147. Combinations of existing corporations into associations -- Amendment of charters.

Corporations not for profit, of this class, previously organized under the general incorporation laws or laws later enacted, are empowered to combine into associations upon such terms as may be provided and agreed upon, or by one corporation becoming a member of the other. Further, preexisting charters of the corporations are amended, under the power reserved to the general assembly, so as to bring same into conformity with this law, thus granting them the powers and imposing upon them the duties and liabilities set forth in this chapter.

43-16-148. Corporations organized as subsidiaries of agricultural cooperative associations exempt from privilege taxes.

All corporations organized as subsidiaries and controlled by any agricultural cooperative association formed in accordance with the laws of this state shall not be considered corporations organized for profit and doing business in Tennessee, or subject to any privilege tax levied by any law as a tax for the privilege of doing business for profit in Tennessee, it being the legislative intent to exempt by this section all such subsidiary corporations controlled by agricultural cooperative associations, where any and all profits earned by such subsidiary corporations are paid over to or expended for the benefit of the agricultural cooperative associations, with the result that the activities carried on by the corporations eventually promote and benefit the agricultural interests of this state.

§ 79-19-63. Stock in bank for cooperatives

All cooperative agricultural associations of any kind or character whatsoever, heretofore or hereafter organized under the laws of the State of Mississippi, are hereby authorized and empowered to purchase, or otherwise acquire, and to hold stock in the New Orleans Bank for Cooperatives and in the Central Bank for Cooperatives in accordance with the provisions of the Farm Credit Act of 1933 as heretofore amended and as it may hereafter be amended by the Congress of the United States.

All corporations, heretofore or hereafter organized under the laws of the State of Mississippi, which are eligible to borrow from production credit associations are hereby authorized and empowered to purchase, or otherwise acquire, and to hold stock in production credit associations in accordance with the provisions of the Farm Credit Act of 1933 as heretofore amended and as it may hereafter be amended by the Congress of the United States.