

exemption purposes, the exception only applies to an "organization organized before January 1, 1970." IRC §508(e)(2).

5-405. RIGHTS AND POWERS OF COURTS AND ATTORNEY GENERAL NOT IMPAIRED.

THIS SUBTITLE DOES NOT IMPAIR THE RIGHTS AND POWERS OF THE COURTS OF THIS STATE OR THE ATTORNEY GENERAL OF THIS STATE WITH RESPECT TO ANY CORPORATION.

REVISOR'S NOTE: This section presently appears as Art. 23, §448.

The only changes are in style.

SUBTITLE 5. COOPERATIVES.

5-501. DEFINITIONS.

(A) IN GENERAL.

IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) COOPERATIVE.

"COOPERATIVE" MEANS A CORPORATION ORGANIZED OR CONVERTED UNDER THIS SUBTITLE, WHICH OPERATES FOR THE MUTUAL BENEFIT OF ITS MEMBERS AND CONFORMS TO THE FOLLOWING REQUIREMENTS:

(1) A MEMBER OF THE COOPERATIVE IS NOT ALLOWED MORE THAN ONE VOTE, REGARDLESS OF THE AMOUNT OF STOCK OR MEMBERSHIP CAPITAL HE MAY OWN;

(2) THE COOPERATIVE DOES NOT PAY DIVIDENDS ON STOCK OR MEMBERSHIP CAPITAL IN EXCESS OF 8 PERCENT PER ANNUM;

(3) THE COOPERATIVE DOES NOT DEAL IN PRODUCTS OF NONMEMBERS IN AN AMOUNT GREATER IN VALUE THAN THAT IN WHICH IT DEALS FOR MEMBERS; AND

(4) AFTER PAYMENT OF EVERY NECESSARY EXPENSE AND AUTHORIZED DEDUCTION, THE PROCEEDS FROM THE BUSINESS OF THE COOPERATIVE ARE DISTRIBUTED TO THE MEMBERS IN PROPORTION TO THE VOLUME OF BUSINESS TRANSACTED BY THEM WITH THE COOPERATIVE.

(C) MEMBER.

"MEMBER" MEANS A PERSON WHO: