

UNIFORM LIMITED COOPERATIVE ASSOCIATION ACT

ERRATA

(Finalized February 26, 2008)

ERRATA TO UNIFORM LIMITED COOPERATIVE ASSOCIATION ACT

ERRATUM 1

Section 102(5) is corrected to read:

(5) “Contribution,” except as used in ~~Section 1008(e)~~ Section 1008(c), means a benefit that a person provides to a limited cooperative association to become or remain a member or in the person’s capacity as a member.

ERRATUM 2

Section 111 is corrected to read:

[(a) Use of the term “cooperative” or its abbreviation under this [act] is not a violation of the provisions restricting the use of the term under [insert cross-reference to law of this state].]

[(a)] [(b)] The name of a limited cooperative association must contain the words “limited cooperative association” or “limited cooperative” or the abbreviation “L.C.A.” or “LCA”. “Limited” may be abbreviated as “Ltd.”. “Cooperative” may be abbreviated as “Co-op” or “Coop”. “Association” may be abbreviated as “Assoc.” or “Assn.”. ~~[Use of the term “cooperative” or its abbreviation as permitted by this [act] is not a violation of the provisions restricting the use of the term under [reference to law of this state]. [A limited cooperative association or a member may enforce the restrictions on the use of the term “cooperative” under this [act].]~~ [or] ~~and [insert cross-reference to other laws of this state].~~ [A limited cooperative association or a member may enforce the restrictions on the use of the term “cooperative” [insert cross-reference to other laws of this state].]

[(b)] [(c)] Except as otherwise provided in subsection (d), a limited cooperative association may use only a name that is available. A name is available if it is distinguishable in

the records of the [Secretary of State] from:

- (1) the name of any entity organized or authorized to transact business in this state;
- (2) a name reserved under Section 112; and
- (3) an alternative name approved for a foreign cooperative authorized to transact business in this state.

~~[(c)]~~[(d)] A limited cooperative association may apply to the [Secretary of State] for authorization to use a name that is not available. The [Secretary of State] shall authorize use of the name if:

- (1) the person with ownership rights to use the name consents in a record to the use and applies in a form satisfactory to the [Secretary of State] to change the name used or reserved to a name that is distinguishable upon the records of the [Secretary of State] from the name applied for; or
- (2) the applicant delivers to the [Secretary of State] a certified copy of the final judgment of a court establishing the applicant's right to use the name in this state.

Legislative Note: *The bracketed language in ~~Section~~ Sections 111(a) and 111(b) is optional. If the adopting jurisdiction has existing limitations in other law on the use of the term "cooperative," this Section should be adopted to further the policy of the jurisdiction and to avoid violation of the other law by limited cooperative associations. Section 111(b) requires "cooperative" or an abbreviation thereof in a limited cooperative association's name.*

Many cooperative statutes include name protection provisions unique among organizational laws. If the adopting jurisdiction has a prohibition of the use of the word "cooperative" or a permitted abbreviation by any entity other than a cooperative organized under a statute providing for the formation of cooperative entities, this Act will not violate that statute if this Section is adopted with a reference to that statute in subsection ~~(b)~~(a). Moreover, if this Section is adopted with a reference to the other statute in subsection (b), restrictions on the use of the word "cooperative" or a permitted abbreviation under that statute may be enforced by a limited cooperative association or a member of an association organized under this Act. Alternatively, the adopting jurisdiction could amend the other statute to permit an association organized under this Act to use the word "cooperative" or a permitted abbreviation without violating that statute and to enforce the restrictions on the use of the word or abbreviations under that statute.

If the adopting jurisdiction does not have a statute prohibiting the use of the word “cooperative” or a permitted abbreviation by any entity that is not organized as a cooperative, the adopting jurisdiction may wish to consider providing a prohibition and remedies in this Section.

ERRATUM 3

Section 803(c) is corrected to read:

(c) If the organic rules provide for nonmember directors, ~~The~~ the number of nonmember directors may not exceed:

- (1) one, if there are two through four directors;
- (2) two, if there are five through eight directors; or
- (3) one-third of the total number of directors if there are at least nine directors.

ERRATUM 4

Section 1101(d)(4)(B)(ii) is corrected to read:

(ii) a charging order in effect under ~~Section 505~~ Section 605 which has not been foreclosed;

ERRATUM 5

Section 1101(d)(4)(C) is corrected to read:

(C) the member is a limited liability company, association, or partnership, ~~it~~ which has been dissolved, and its business is being wound up; or

ERRATUM 6

Section 1208(c) is corrected to read:

(c) A claim against a dissolved limited cooperative association is barred if the requirements of subsection (b) are met, and:

(1) the association is not notified of the claimant's claim, in a record, by the deadline specified in the notice under subsection (b)(4);

(2) in the case of a claim that is timely received but rejected by the association, the claimant does not commence an action to enforce the claim against the association ~~not later than~~ within 90 days after receipt of the notice of the rejection; or

(3) if a claim is timely received but is neither accepted nor rejected by the association ~~not later than~~ within 120 days after the deadline for receipt of claims, the claimant does not commence an action to enforce the claim against the association:

(A) after the 120-day period; and

(B) ~~not later than~~ within 90 days after the 120-day period.

ERRATUM 7

Section 1209(d)(2) is corrected to read:

(2) if the association's assets have been distributed in connection with winding up the association's activities against a member or holder of financial rights to the extent of that person's proportionate share of the claim or the association's assets distributed to the person in connection with the winding up, whichever is less. The person's total liability for all claims under this ~~subsection~~ paragraph shall not exceed the total amount of assets distributed to the person as part of the winding up of the association.

ERRATUM 8

Section 1301(2)(A) is corrected to read:

(A) the association does not, ~~not later than~~ within 90 days after the member makes the demand, agree to bring the action;