

To: Uniform Cooperative Association Act Drafting Committee, Advisors and Observers
From: Peter Langrock, Chair;
Tom Geu, Reporter
Date: September 30, 2005
Re: October Meeting Topics; Description of New Draft

I. Suggested Meeting Topics

Peter has suggested that the tentative discussion order be as follows:

- (1) Brief overview of the July Annual Meeting proceedings.
- (2) The general reorganization of “old” Article 2 into 2 Articles (if approved by the Committee Art. 2A will become Art. 3 and the numbering will be changed throughout the draft).
- (3) Article 2A (“Formation and Articles of Organization”).
- (4) The general topic of “membership” (focusing on distinctions between patron members, nonpatron members, patrons) as used throughout the draft including specific discussion of the following provisions:
 - (a) Section 301 (“Members”); Section 302 (“Becoming a Member”);
 - (b) Definitions including Section 102 (11), (14), (15), (18), (19), (20), and (21);
 - (c) Section 116 (“Dual Capacity”);
 - (d) Sections 305, 314, and 315;
 - (e) Sections 316, 1303 and 1408 (proxy voting); and
 - (f) Article 4 (“Membership Interests”).
- (5) The “end”:
 - (a) Article 9 (“Dissociation”); and
 - (b) Article 10 (“Dissolution”).
- (6) Section 105 (“Nature, Purpose and Duration of the Entity” focusing on exceptions from coverage).
- (7) Revisiting the “put” right and the “book-up” (individual commissioner stated he would probably attempt to amend the draft from the floor next annual meeting on this issue).

(8) Reporter's Punchlist:

- (a) The "Section 113 – style" organization of the Act;
- (b) Sections 604, 609 (special directors provisions are clumsy if not inconsistent);
- (c) Reporters Note, Section 404 "set-off" (probably will be covered under topic 4.f., above);
- (d) Section 1007, *see* Reporter's Note;
- (e) Section 1009, Report by Reporter; and
- (f) possible formation of subcommittees to review particular articles in draft, integration of Model Entities Transaction Act.

More detailed explanation: It is very important that items numbered (3) through (6) be discussed at this meeting. Decisions need to be made on items (3) through (5) and the more detailed and specific direction on drafting to implement those decisions would be most helpful. This will be the first Committee discussion of item 6 using the "exceptions" format for scope. Of course, the general topic has been discussed at each of the previous four meetings and both annual meetings. A Report concerning the contours of the exceptions is due the Executive Committee in January 2006 (before the Spring Committee meeting).

II. Description of October Draft

The Committee spent most of its last two meetings working on Articles 6, 7, 8, 10, 11 and 17. It also discussed selected topics within Articles 3, 4, and 14. Other provisions were generally raised on an *ad hoc* basis in the context of discussing those Articles.

The Annual Meeting Draft reflected those discussions. Most of the language as actually drafted by the Reporter, however, has not yet been vetted by the Committee. The October Draft revises the Annual Meeting Draft. After the Annual Meeting the Reporter returned the "front-half" of the draft (particularly Art. 2, currently Art. 2 and 2A, selected sections of Art. 1); received and integrated almost all the suggestions from the Committee on Style (and noted where suggested changes were not integrated pending Committee discussion); and made an attempt to better reflect Committee previous discussions and other comments to miscellaneous sections throughout the draft. Using the scored version of the draft probably provides the quickest way to understand the revisions.

Finally, the Committee has a new liaison from the Committee on Style: John Steiff. As previously indicated herein, with rare exceptions, Style's editing has been integrated in this draft. The *one* place where the edits were integrated even though they may not "work" very well is Article 14. The Reporter and John have yet to discuss these edits, and, therefore, they will be a topic at the Spring Committee meeting rather than this meeting.