

**Opinion No. 348.**

**Corporations—Cooperative Associations—Cooperative Marketing Act, Applications Of.**

**HELD:** The rights and limitations of the rights of corporations and associations under the cooperative marketing act are generally discussed.

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September 11, 1936.

Hon. Sam W. Mitchell  
Secretary of State  
The Capitol

You ask for an opinion relative to Section 6447, R. C. M. 1935, and that provision thereof which states that

"any corporation or association organized under previous and existing statutes" may adopt the provisions of the cooperative marketing act (Chapter 40 of the Civil Code). Your specific questions and answers thereto are as follows:

"1. Does this section, in your opinion contemplate that any corporation incorporated under the general statutes (Section 5900 et seque) may by following the procedure set forth in Section 6447 become a cooperative marketing association?"

The statute states that any corporation, etc., may take advantage of this section. The word "any" is as broad a term as could be used and we are not justified in unduly limiting same. However, there are certain limitations which must apply. First, an organization cannot by changing its form become a cooperative marketing organization unless it complies fully with the cooperative marketing law.

A second limitation certainly applies in this respect: That a corporation whose purposes are totally removed and entirely different from the purposes for which a cooperative marketing association could be formed cannot change its form to become a cooperative marketing association. On the other hand, I think that great liberality should be used in permitting the changing of other organizations to cooperative marketing associations.

"2. Does this section, in your opinion, contemplate that an association incorporated under the cooperative association laws (Section 6375 et seque) may become a cooperative marketing association under the terms of Section 6447?"

Answer: Yes, provided that such association complies with the law in relation to cooperative marketing associations.

"3. Does this section, in your opinion, contemplate that building and loan associations, railroad corporations, banks, religious and fraternal societies may become cooperative marketing associations under the terms of Section 6447?"

This question has, to some extent, been answered in the answer given to question No. 1. I believe that the or-

ganizations mentioned in this paragraph could not be converted into cooperative marketing associations.

"4. May corporations organized after the enactment of Chapter 40 of the Civil Code under other provisions than those of the cooperative marketing act take advantage of Section 6447?"

Answer: Yes. It appears to me that the privileges of this section are not limited to such corporations as were organized prior to the enactment of Chapter 40 of the Civil Code.