

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative Northcutt**

A Bill

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 2-2-313 PERTAINING TO THE
9 RIGHTS OF SHAREHOLDERS, MEMBERS AND PATRONS OF
10 AGRICULTURAL COOPERATIVE ASSOCIATIONS; AND FOR OTHER
11 PURPOSES."

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13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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15 SECTION 1. Arkansas Code 2-2-313 is hereby amended to read as follows:

16 "2-2-313. Rights of shareholders, members, and patrons.

17 (a) The merger or consolidation of an association under this subchapter
18 shall constitute an assignment to the surviving or new association of all
19 rights of any shareholder, member, or patron in the capital stock, patronage,
20 or other interests in the association determined as of the effective date of
21 the merger or consolidation.

22 (b) The shareholder, member, or patron in a merger, consolidation,
23 sale, lease or exchange of all or substantially all the property and assets of
24 an association under this subchapter shall not be entitled to have the fair
25 value of his capital stock, patronage, or other interests appraised as may
26 otherwise be required by the general corporation laws of this state if:

27 (1) the surviving or new association in any merger or consolidation
28 agrees to assume the obligations for the capital stock, patronage, or other
29 interests of the merging or consolidating association, determined as of the
30 effective date of the merger or consolidation, as may be provided under the
31 bylaws or articles of association of the merging or consolidating association;
32 or the association whose assets are sold or leased.

33 (2) the acquiring association in any purchase or lease of all or
34 substantially all of the property and assets of a transferring association
35 pays consideration to the transferring association in cash or equity of the

1 acquiring association, or both, the face value of which is equal to or greater
2 than the face value of the issued and outstanding equity of the transferring
3 association held by its shareholders, members or patrons, determined as of the
4 effective date of the sale or lease of assets."

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6 SECTION 3. All provisions of this Act of a general and permanent nature
7 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
8 Revision Commission shall incorporate the same in the Code.

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10 SECTION 4. If any provision of this Act or the application thereof to
11 any person or circumstance is held invalid, such invalidity shall not affect
12 other provisions or applications of the Act which can be given effect without
13 the invalid provision or application, and to this end the provisions of this
14 Act are declared to be severable.

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16 SECTION 5. All laws and parts of laws in conflict with this Act are
17 hereby repealed.

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