

AMENDED IN ASSEMBLY MAY 9, 2013
AMENDED IN ASSEMBLY MARCH 18, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1255

Introduced by Assembly Member Pan
(Coauthors: Assembly Members Bloom and Chesbro)

February 22, 2013

An act to amend Section 12313 of the Corporations Code, relating to corporations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1255, as amended, Pan. Corporations: consumer cooperatives.

Existing law, the Consumer Cooperative Corporation Law, governs the organization and operation of consumer cooperative corporations. The law specifies the provisions that may be set forth in the articles of incorporation of a consumer cooperative.

This bill would include among these provisions the classes of preferred, nonvoting shares, if any, and whether the directors of the consumer cooperative corporation may set the number, series, and rights, preferences, privileges, restrictions, and conditions attaching to each class.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12313 of the Corporations Code is
- 2 amended to read:

1 12313. (a) The articles of incorporation may set forth any or
2 all of the following provisions, which shall not be effective unless
3 expressly provided in the articles:
4 (1) A provision limiting the duration of the corporation's
5 existence to a specified date.
6 (2) A provision providing for the distribution of the remaining
7 assets of the corporation, after payment or adequate provision for
8 all of its debts and liabilities, to a charitable trust.
9 (b) Nothing contained in subdivision (a) shall affect the
10 enforceability, as between the parties thereto, of any lawful
11 agreement not otherwise contrary to public policy.
12 (c) The articles of incorporation may set forth any or all of the
13 following provisions:
14 (1) The names and addresses of the persons appointed to act as
15 initial directors.
16 (2) Provisions concerning the transfer of memberships, in
17 accordance with Section 12410.
18 (3) The classes of members, if any, and if there are two or more
19 classes, the rights, privileges, preferences, ~~restrictions~~ *restrictions*,
20 and conditions attaching to each class.
21 (4) Any other provision, not in conflict with law, for the
22 management of the activities and for the conduct of the affairs of
23 the corporation, including any provision which is required or
24 permitted by this part to be stated in the bylaws.
25 (5) A provision conferring upon members the right to determine
26 the consideration for which memberships shall be issued.
27 (6) The classes of preferred, nonvoting shares, if any, and
28 whether the directors may set the number, the series, and the rights,
29 preferences, privileges, restrictions, and conditions attaching to
30 each class.

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