

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1212

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1212

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1212 A

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/1/01

| Tape Number | Side A | Side B | Meter # |
|---|--------|--------|---------|
| 1 | X | | 0-4817 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Robin D. Small</i> | | | |

Minutes:

REP. M. KLEIN called the meeting to order, all members were present.

In favor:

REP. DEKREY introduced the bill to the committee. DEKREY was requested by a retired farmer from Burleigh county to bring up this piece of legislation.

REP. M. KLEIN asks about retaining some benefits that are then used to pay for dues, asks DEKREY to give an example. DEKREY then explains it to the committee. DEKREY also states to the committee that 80% of the dividends are tax free to that persons heirs.

REP. CLEARY asks could you now ask that you didn't want this money deducted? DEKREY replies that yes you can do that right now. REP. CLEARY asks if this wouldn't put a lot of extra burden on co-ops? DEKREY replies that he doesn't think so.

REP. KROEBER asks isn't this a local co-ops decision? DEKREY replies that he is sure that they could. REP. KROEBER states that in a way isn't this bill doing that, telling the local co-op

what they can and can't do? DEKREY replies that he can not think of any other organization that automatically makes you a member. This is unique to the farmer's union.

REP. METCALF asks about the statement on the back of checks. DEKREY addresses the issue.

REP. DEVLIN asks about the retired farmer that asked for this bill. DEKREY explained to the farmer that he doesn't have to pay his dues. REP. DEVLIN asks what REP. DEKREY'S profession is. REP. DEKREY replied that he farms and ranches.

Oppose:

MARK SITZ, NORTH DAKOTA FARMERS UNION

Please see attached testimony.

REP. M. KLEIN asks if all of the unions are using the same guidelines? SITZ replies that no they are not. The local board makes up the decision making process. REP. M. KLEIN asks what is the standard cost of dues? SITZ replies that they are \$15.00.

REP. DEVLIN asks if they are automatically taken out. SITZ replies that is the decision of the board.

REP. GRANDE asks if she had her name taken off of the check off, would that be voted on by the board whether my name could come off or not? SITZ replies no. REP. GRANDE asks if she ever has a choice to be put on? SITZ replies yes. REP. GRANDE asks about not using a co-op and using a co-op. SITZ replies that is your decision.

REP. HAAS asks how many locals do not deduct their membership dues? SITZ replies that he does not know. REP. HAAS asks if he was an occasional patron to a local co-op, and has not elected to be a member, and his purchases are not enough to accumulate fifteen dollars worth of dividends, would you then send me a bill? SITZ replies if you were a member of that co-op prior, there's becoming a member and maintaining that membership. If that co-op has a profit, then you

would still maintain your membership and therefore this would continue on being a member.

Occasionally going in to that cooperative then no you would not be.

REP. BRUSEGAARD asks in reference to the wheat check off, would it be a voluntary refund?

SITZ replies that he isn't quite sure, and isn't following the question. Does not know if they impose that.

REP. M. KLEIN asks if they would take fifteen bucks out of that farmers kitty that would be retired and isn't involved in farming anymore? SITZ replies that your account, it would be predicated on the fact that your account, if your doing enough cash business to justify a dividend.

REP. M. KLEIN asks if it would be dead account if I was living in Arizona and wasn't farming anymore? SITZ replies no it would be an annual basis.

Oppose:

ALBERT A. WOLFE, WHEELER WOLFE LAW FIRM

Please see attached testimony.

REP. BRUSEGAARD asks about a contract entered into by a member and the local cooperatives, will there be an annual contract renewed every year? WOLFE replies that the contract would be ongoing if there is business still going on.

REP. KLEMIN asks if any provisions apply to the contracts? WOLFE replies that if the by-laws are operational, then you can not change them. If they are not valid then you can contest them and challenge it. The constitution applies to all contracts. REP. KLEMIN asks about deductions.

WOLFE states that the bill that is before them is in violation to the constitution.

Oppose:

EVERETT DOBRINSKI, SELF

Please see attached testimony.

REP. BRUSEGAARD asks about check off commodity groups, do the members have the opportunity to write in and get their refund back? DOBRINSKI refers to his testimony.

REP. CLARK asks if the person is ever asked if they want to be a member or not? DOBRINSKI replies that is up to the local co-op.

REP. DEVLIN asks about the language in a bill. DOBRINSKI replies that he is not sure of a bill like that. REP. DEVLIN asks is the state then telling someone they have to belong?

DOBRINSKI replies if you do not want to pay the dues, go across the street. REP. DEVLIN asks what if you lived in a smaller community? DOBRINSKI replies that there is certainly the Internet out there for that person to use.

REP. KLEMIN asks where would you get your power from if you didn't want to join an electric cooperative? DOBRINSKI replies that you always have a choice, like putting up a windmill.

REP. HUNSKOR asks if an issue has ever surfaced like this before? DOBRINSKI replies no not to his knowledge.

Oppose:

BOB KUYLEN, SELF

Please see attached testimony.

REP. CLEARY asks if he didn't want his dues deducted could he say so to the cooperatives?

KUYLEN states that you could bring it up to the board if you didn't want your dues taken out.

REP. CLEARY asks if it is already in place, so there is no need for this? KUYLEN replies yes, there is no need for this. You can do it on your own if you wanted to.

REP. DEVLIN asks are your membership dues all deducted from the check off system?

KUYLEN replies that his dues are all deducted from one company. Like the farmers union.

REP. CLARK talks about deductions. KUYLEN replies that it is only taken out once.

Oppose:

SCOTT HIGBEE, PRESIDENT OF THE ND COOPERATIVES OF DIRECTORS ASSOC.

HIGBEE states to the committee that last week at their annual meeting they handed out checks in the amounts of well over \$1,000.00 to their patrons. This system is working why do we need to change it! HIGBEE urges the committee a do not pass on this bill.

Oppose:

CHARLES LINDERMAN, SELF

Please see attached testimony.

REP. M. KLEIN asks if you get your dividends back when you retire? LINDERMAN replies that it all depends. REP. M. KLEIN asks about the system that the REC's have. LINDERMAN states that he is not aware of their program.

REP. DEVLIN asks about the fifteen dollar dues, does that stay with the local cooperative or does that go to the North Dakota Farmers Union? LINDERMAN replies that goes to the North Dakota Farmers Union.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1212 B

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/15/01

| Tape Number | Side A | Side B | Meter # |
|---|--------|--------|-----------|
| 1 | X | | 3782-5333 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Robin A. Small</i> | | | |

Minutes:

COMMITTEE WORK:

REP. M. KLEIN called the committee to order. HB 1212 was heard on Feb. 1, 2001.

ACTION:

All members were present, except REP. BRUSEGAARD.

General discussion. REP. METCALF motioned for a DO NOT PASS, seconded by

REP. KROEBER. The roll call vote was 13 YES, 1 NO and 1 ABSENT AND NOT VOTING.

The motion carries. The CARRIER of the bill is REP. DEVLIN.

HB 1212: DO NOT PASS 13-1

CARRIER: REP. DEVLIN

Date: Feb. 15th, 2001

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1212

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Metcalf Seconded By Kroeber

| Representatives | Yes | No | Representatives | Yes | No |
|-------------------|-----|----|-----------------|-----|----|
| CHAIRMAN KLEIN | ✓ | | REP KROEBER | ✓ | |
| VICE CHAIR GRANDE | ✓ | | | | |
| REP BELLEW | | ✓ | | | |
| REP BRUSEGAARD | | | | | |
| REP CLARK | ✓ | | | | |
| REP DEVLIN | ✓ | | | | |
| REP HAAS | ✓ | | | | |
| REP KASPER | ✓ | | | | |
| REP KLEMIN | ✓ | | | | |
| REP MEIER | ✓ | | | | |
| REP WIKENHEISER | ✓ | | | | |
| REP CLEARY | ✓ | | | | |
| REP HUNSKOR | ✓ | | | | |
| REP METCALF | ✓ | | | | |

Total (Yes) 13 No 1

Absent 1

Floor Assignment Rep. Devlin

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 15, 2001 11:22 a.m.

Module No: HR-28-3481
Carrier: Devlin
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1212: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)
recommends **DO NOT PASS** (13 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING).
HB 1212 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

HB 1212

Testimony- Mark Sitz, North Dakota Farmers Union
HB1212
House Government and Veterans Affairs Committee

Good Morning, Mr. Chairman and members of the committee my name is Mark Sitz. I am a farmer from Drake, and I am here today representing the members of the North Dakota Farmers Union.

We stand in strong opposition to HB1212 which relates to "written authorization required" before membership dues can be deducted from patronage dividends.

This whole bill is a local issue that is and has been decided at the local level for a long time. Many cooperatives placed in their by-laws a provision to deduct or "check-off" membership dues when that particular cooperative was originally set up. In some cases, this has been done for seventy plus years. It is important to remember that whether or not local cooperatives check membership dues, it is totally up to that cooperative. I would refer you to the handout that you have received. This is an example of actual by-laws that serve the Farmers Union Oil Co. of Edgley, North Dakota. If passed, this bill would pre-empt local democratically developed by-laws such as these of a cooperative.

This bill is simply unnecessary. The members of a cooperative already have the ability this bill attempts to give them. The authorization that is referred to on line nine of the bill is achieved when an individual chooses and patronizes that cooperative. That is a choice they make of themselves.

In addition and contrary to other styles of business or "non-cooperatives" that have a basic "take it or leave it" approach, member owned cooperatives allow amending of the by-laws by the membership/owners at any annual meeting. This commonly used method of making changes to the cooperatives' business practices certainly may include the area of membership dues. However, it would be a local decision made by the members who own the cooperative, not state government.

In circumstances where the members refuse to amend the by-laws for an individual, that individual can ask their board of directors or manager to have their name simply removed from the check-off list.

North Dakota Farmers Union respects those cooperatives which choose not to deduct membership dues as much as those that do allow for deductions to occur. It is a local choice that's worked well and in some cases for seventy plus years. We feel it should stay that way and would urge a "do not pass" recommendation on HB1212. Thank-you.

- b. Annual net savings from patronage on business done for the United States or any of its agencies
- c. Annual net savings from patronage attributable to patrons who are unidentified.
- d. Annual net savings from patronage attributable to patrons who do not consent to take into account patronage dividends from the cooperative in the manner provided in 26 U.S.C. Section 1385.
- e. Annual net savings from patronage attributable to patrons who so consent but which are as to any one patron less than the minimum amount of ten dollars (\$10.00).

Amounts which have been placed in the capital reserve prior to the effective date of this amendment, and which have been allocated, shall remain allocated on the books of the cooperative unless and until retired. Taxes based on income shall be charged to said capital reserve.

Section 5. Dividends on Stock. If this cooperative shall have outstanding any preferred stock, dividends paid shall be paid from the annual net savings from patronage remaining after having been reduced by any additions to the capital reserve provided for by Section 4 of this Article.

Section 6. Distribution. The annual net savings from patronage less any deductions therefrom or exceptions thereto as determined by Sections 4 and 5 of this Article shall be distributed annually (except as hereinafter provided) to the patrons of the cooperative who consent to take into account patronage distributions from the cooperative in the manner provided in 26 U.S.C. Section 1385 on the basis of their respective patronage, and said patrons shall be notified thereof.

- a. In making such distribution, due regard shall be given to the sources from which such savings accrue, and separate allocations and distributions shall be made for the marketing and purchasing operations as separate divisions of the cooperative.
- b. Patronage dividends shall be distributed in cash, in written notices of allocation, or by any combination thereof designated by the board of directors. The amount stated in written notices of allocation shall be applied toward the purchase of capital stock of the cooperative (but not preferred stock) at its par value or shall be in such other form as is permitted by law.

ARTICLE VII. EDUCATIONAL FUND

Section 1. Five percent (5%) of the amount of the annual savings shall be expended for the purpose of promoting, teaching and encouraging cooperation and shall be paid to the Farmers Educational and Cooperative Union of America, North Dakota Division, for performing such services in the interest of this association. Fifty percent (50%) of such payments shall be made to the county organizations of such Union located in the counties in which the members and patrons of the association reside, such distributions to the counties to be made on the basis of patronage.

Section 2. From the amount of any capital contribution returned to any member or patron whose current capital contribution is equivalent to membership dues in the Farmers Educational and Cooperative Union of America, North Dakota Division, who is a holder of common or voting stock in the association, shall be deducted the membership dues of the Farmers Educational and Cooperative Union of America. Such dues deducted shall be paid to the said Union just as soon as proper deduction has been made.

ARTICLE VIII. DUTIES OF MANAGER

Section 1. Inventory. The manager shall, as may be required from time to time by the board of directors, take an inventory of all merchandise, and he shall be responsible for the amounts of the deposits so collected.

ARTICLE IX. ACCOUNTING

Section 1. Auditing. The board of directors shall have the books audited at least annually by a qualified accountant and shall submit the audit report to the members at the annual meeting.

Section 2. Fiscal Year. The fiscal year of this cooperative shall begin on the first day of January and end on the last day of December of such year.

ARTICLE X. CONSENT

Section 1. Each person (including individuals, partnerships and business or cooperative corporations) who becomes a member and each member of this cooperative who continues as a member shall, by such act alone, consent that the amounts of any distributions with respect to this patronage occurring in any fiscal year which are made in written notices of allocation (as defined in 26 U.S.C. 1388, the Internal Revenue Code) and which are received by him from the cooperative, will be taken into account by him at their stated dollar amounts in the manner provided in 26 U.S.C., 1385 in the taxable year in which such written notices of allocation are received by him. It is the intent of this bylaw to provide a consent binding on all members who retain or obtain membership in this cooperative after receipt of a written notification of this Bylaw and a copy thereof, for the purpose of making such distributions "qualified written notices of allocation" within the meaning of the United States income tax laws.

ARTICLE XI. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

Section 1. Indemnification of Directors, Officers and Employees. Any director, officer or agent of the cooperative now or hereafter serving as such shall be indemnified by the cooperative against actual expenses

TESTIMONY OF ALBERT A. WOLF
WHEELER WOLF LAW FIRM
RE: HOUSE BILL 1212

Mr. Chairman and members of the Government and Veterans Affairs Committee.

My name is Albert A. Wolf of the Wheeler Wolf Law Firm in Bismarck, North Dakota. I was retained by North Dakota Farmer's Union to research the question of the validity and constitutionality of the language and the affects that House Bill No. 1212 would have if enacted by this legislative body.

House Bill No. 1212 would violate the North Dakota Constitution for the following reasons:

1. Bylaws and provisions of the articles of incorporation are a contract between the patrons and the cooperative.

The North Dakota Supreme Court said "the provisions of the statutes and the articles of incorporation and bylaws of the defendant cooperative constitute a contract between the patron and the cooperative." *Evanenko v. Farmers Union Elevator*, 191 N.W.2d 258, 260 (N.D. 1971.)

2. Existing bylaws or articles of incorporation may provide for deduction of membership dues without written authorization, so proposed statute could impair existing contract.

North Dakota Constitution Article I, § 18 provides:

"No bill of attainder, ex post facto law, or law impairing the obligations of contracts shall ever be passed."

Under this clause, "the Legislature is forbidden by the both the federal and state Constitution to pass any 'law impairing the obligation of contracts.'" *First Nat. Bank v. Bovey, Shute & Jackson*, 191 N.W. 765 (N.D. 1922.)

[A]ny law which enlarges, abridges, or in any manner changes the intention of the parties, resulting from the stipulations in the contract, necessarily impairs it... Any deviation from its terms by postponing or accelerating the period of performance which it prescribes, imposing

conditions not expressed in the contract, or dispensing with the performance of those which are a part of the contract, however minute or apparently immaterial in their effect upon it, impairs its obligation.

Id. at 766, quoting Story, Const. (5th Ed.) § 1385. The text of House Bill No. 1212 says that membership dues payable to the coop or any other organization may not be deducted from patronage dividends *unless* the member gives written authorization.

Testimony opposing HB 1212
Everett Dobrinski
33200 366th ST SW
Makoti, ND 58756

Mr. Chairman and members of the committee, my name is Everett Dobrinski and I'm a farmer from Makoti, North Dakota. I also serve as chairman of the board of Verendrye Electric Cooperative, an electrical distribution cooperative. My board has asked me to testify in opposition to HB 1212. Verendrye Electric Cooperative has over 8000 members and belongs to several dues assessing organizations. We believe these organizations serve the best interests of our members and are very worthy but it would be extremely onerous to need to have a written authorization from each member. The fundamental reason members of a cooperative elect a board of directors is to have a governing process in place to do the business of the cooperative.

Mr. Chairman, as a farmer I belong to a number of other cooperatives. As a member I wouldn't want State law to take away local control of my boards of directors, and undermine the by-laws of my cooperatives. When I do business at these cooperatives, I know that they may use some of my patronage to pay dues to the cooperative or other organizations. If I didn't like that, I could go to my local board and if I wasn't satisfied with that, I could bring it up at the annual meeting where every member has one vote. I do realize however that being a member of a coop means abiding by the decisions of the majority. If I couldn't abide by this democratic process, I could take my farm supply and marketing business somewhere else, someplace where the owners keep all of the profits, and can join any organization they choose. Also, whenever I sell my grain to the local elevator, my grain checks have a deduction to commodity check off groups. I have not given written authorization for these deductions, but I support them because I believe these groups are working for my best interest.

Finally Mr. Chairman and members of the committee I firmly believe that bills that are introduced to try to solve a local or isolated problem usually have farther reaching consequences that the authors intended. I would certainly urge a DO NOT PASS on HB 1212. Thank you and I would be happy to try to answer any questions.

Testimony opposing HB1212

Bob Kuylen
South Heart

Mr. Chairman and members of the committee: my name is Bob Kuylen and I'm a farmer from Stark County. I am a member of several cooperatives in my area: West Plains Electric, Consolidated Telephone, Southwestern Grain, Cenex of Dickinson and South Heart.

Each cooperative I belong to is governed by a set of bylaws that were written and adopted by the co-op members. Each member has the right, opportunity and obligation to vote on their cooperative bylaws every year. This bill would give state government the power to supercede the bylaws of each cooperative and I believe that would set a dangerous precedent.

I trust my member-owned and locally-controlled cooperatives to set their bylaws. I am deeply offended by this bill and question how far this action could go. Is the intent to let the state supercede the locally-adopted principles of other organizations? Just how far does the state really want to go in dictating the rules of locally-controlled businesses.

I believe in the democratic process. And I believe that decisions made closer to home better reflect the needs of my neighbors. Mr. Chairman, I strongly urge this committee to vote Do Not Pass on HB1212.

HB 1212
House Government and Veterans Affairs Committee
February 1, 2001

Testimony of Charles Linderman in opposition

Mr. Chairman and members of the committee. My name is Charles Linderman. I am a farmer from Carrington. I am here to testify against HB 1212. I am secretary of the board of directors of the Farmers Union Oil Company of Carrington, a locally owned farm supply cooperative. I have purchased every gallon of fuel and every ton of fertilizer in my 25-year farming career from that coop, as did my father before me. My father served on the first board of directors.

Our cooperative dates back 65 years to 1936 and currently has about 800 on our membership list. Our bylaws have provided since the coop's inception for the checkoff of annual Farmers Union dues from the patron's dividend, provided, of course, that the coop has a profit for that year from which to pay dividends and provided the patron's dividend is large enough to cover the fifteen dollars dues.

This is a system that was chosen by the coop's farmer-owners when they adopted their bylaws and it has worked flawlessly for 65 years. It saves us the wasted time and money that would be necessary to renew memberships annually.

We do not wish to have the government rewrite our bylaws for us. If the majority of members wish to change those bylaws, they can be changed by recommendation of the board of directors and approval by a majority vote of stockholders at an annual meeting.

Participation in a cooperative is a voluntary thing. If an individual does not wish to be a cooperative member, that person has two options. The person can make purchases from a non-cooperative business or the person can purchase from a cooperative but be on a non-participating basis, that is receive no dividends and pay no dues. However, it would seem to me that fifteen dollars dues is a small price for the benefits of membership.

This proposed legislation is an unwarranted intrusion into the private affairs of a membership organization. It sets a bad and dangerous precedent. It does not solve any known problem. It only injects the long arm of government into an area where it has absolutely no business. It may, in fact, be unconstitutional.

I respectfully request, Mr. Chairman and members of the committee, that you give this HB 1212 a DO NOT PASS.

WHEELER WOLF

ATTORNEYS

Albert A. Wolf
Jack McDonald
Gregory C. Larson
Steven L. Latham
Sarah Vogel

Todd A. Schwarz
Courtney Koebele
Anthony J. Weiler
Damian J. Huettl
Andrew F. Nilles

Legal Assistants
Dianne M. Taix, CLAS
Char J. Jacober, CLA

220 North Fourth Street • P.O. Box 2056 • Bismarck, ND 58502-2056 • (701) 223-5300 • Fax (701) 223-5366

February 1, 2001

Representative Matt Klein
Chairman of House Government Veterans Affairs Committee
State Capitol Building
Bismarck, North Dakota 58505

RE: House Bill 1212
OUR FILE: 16292.004

Dear Mr. Klein:

After the hearing today on House Bill 1212 I considered further the question that Representative Larry Clamine had posed during my testimony, that is whether amending the bill to remove the last nine (9) words of the Bill: "unless the member provides written authorization for the deduction" would make the Bill constitutionally acceptable. Upon further review, the same objection that was presented during the hearing would persist to the Bill in any language which would be in conflict with the terms of the Articles of Incorporation or the Bylaws of the cooperative. Therefore the clear language of Article I, § 18 of the North Dakota Constitution would still apply and direct that no "...law impairing the obligations of contracts shall ever be passed". The Mohall Farmer's Elevator Co. v. Hall Supreme Court opinion that I left with the committee intern contains language providing: "...but the charter of a corporation constitutes not only a contract between the state and the corporation. It constitutes also a contract between the corporation and its stockholders and between the stockholders inter se, which later contracts are entitled to protection under the Federal Constitutional provision prohibiting the several states from passing any law impairing the obligation of contracts."

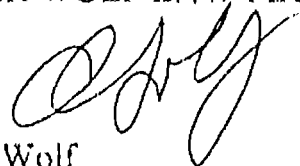
Representative Klemin had also asked after the hearing whether the legislature could not pass a law prescribing provisions that may be contained in the Bylaws or Articles of Incorporation of a corporation or cooperative. I believe such a law could be passed, but it would not alter the contractual arrangements arising out of the prior adoption of Articles of Incorporation or Bylaws to the passage of that law, nor would it require any corporation or cooperative to cause their Bylaws and Articles of Incorporation to be amended to accommodate to that legislation.

Page Two
February 1, 2001

By Article I, § 10 of the United States Constitution, the states are forbidden to pass "any ex post facto law, which means a law that passed after the occurrence of a fact or commission of an act, which retroactively changes the legal consequences or relations of such fact or act. Black's Law Dictionary 4th Edition.

Sincerely,

WHEELER WOLF LAW FIRM



Albert A. Wolf

E-Mail: aawolf@wheelerwolf.com

AAW:dms

3 Feb.2001

Representative Bill Devlin
600 East Capitol
Bismark, N.Dak. 58505

Rep. Devlin;

In regard to the House Bill 1212 sponsored by Rep.Duane DeKrey, Pettibone,ND, concerning co-ops deducting member dues from a patron's dividends.

I would urge that the ND House of Rep. pass this bill, and I would hope that the ND Senate also pass it, and that Governor Hoeven would sign it immediately.

At least two of the co-ops I belonged to during my 50+ years of farming have now folded financially so not only do I not get my dues back, but I have lost all equity in that business, not one dollar returned to me.

One does not need to be either an honest, or shady lawyer, to know that if a co-op is worth belonging to a member will make certain that he pays his member dues.

A co-op is a commendable way of doing one's business, but all too often politics prevail when directors are chosen, or inept managers are hired, because of the agenda of some arrogant farm organization is forced upon the co-op.

So I would urge you to vote for passage of House Bill 1212. You may read this letter at any hearing on that bill.

Thank You. Sincerely,

Allen Osmundson
10760 14th St. N.E.
Binford, N.Dak. 58416

Allen Osmundson