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**Articles of Incorporation**  
and  
**By-Laws**

**MOUNTAIN STATE  
HOME INDUSTRIES  
COOPERATIVE  
ASSOCIATION**

**CLARKSBURG, W. VA.**  
1932



# ARTICLES OF INCORPORATION

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- I.—The undersigned, being producers of agricultural products and citizens of the State of West Virginia, agree to become a non-profit cooperative association, with capital stock, by the name of the Mountain State Home Industries Cooperative Association.
- II.—The principal office or place of business of said corporation shall be located in the City of Clarksburg, in the County of Harrison, in the state of West Virginia.
- III.—The objects for which the corporation is formed are as follows:
  - (a) To operate on a cooperative basis for the mutual benefit of its members as producers of agricultural products; to buy, sell, and deal in agricultural products of all kinds; to be and provide a means for collectively engaging in any activity in connection with purchasing, processing, shipping, handling, preserving, manufacturing, canning, packing, grading, storing, utilizing, marketing, in interstate, intrastate, and foreign commerce, products of farms, gardens, orchards, woodlots, home industries, rural handicrafts and other agricultural products of whatever kind, and to carry on any related activity or business in connection with the handling of said products and by-products derived therefrom that it may deem expedient. But the association shall not deal in products of non-members to an amount greater in value than such as are handled by it for members.

- (b) To act as agent or broker for any or all of its members for any purpose and to buy, lease, or acquire, hold and control as owner or otherwise and to pledge, mortgage, and dispose of any interest in any real and personal property necessary, convenient or proper in the conduct of its business; to sell or dispose of any or all of its property and assets; to erect, construct, or acquire any interest in and operate any buildings, improvements, facilities or machinery necessary or incident to its business.
- (c) To borrow money without limitation as to amount, and to give security therefor; to finance and aid in the financing of the production and marketing of the products of its members, and to make advance payments and advances to members; to make and execute notes, bonds, mortgages, and all instruments necessary or proper to the carrying on of any of its business and to endorse such instruments and obligations for accommodation or otherwise.
- (d) To buy, hold, own, vote, control, and exercise all the privileges of ownership in stocks and bonds of other corporations or associations engaged in any related activity and to pledge, mortgage, and dispose of the same, and to control or manage or participate in the control or management of any such organizations and their activities and affairs.
- (e) To establish reserves and to invest the funds thereof in bonds or such other property as may be deemed advisable.

- (f) To establish, secure, own and develop patents, trade marks, and copy-rights.
- (g) To obtain and disseminate information concerning more efficient production, marketing and use of any agricultural or home products or supplies.
- (h) To have and exercise all the powers granted, authorized, or allowed to cooperative associations by Chapter 19, Article 4 of the Code of West Virginia and amendments.

IV.—The authorized capital stock of this association shall be \$50,000, of which \$5,000 is common stock divided into 5,000 shares, without preference, each share of which shall have a par value of \$1.00 and be in the nature of a membership fee; and of which \$45,000 is non-voting preferred stock divided into 9,000 shares each having a par value of \$5.00 together with the following preferences, limitations and privileges: the preferred stock shall be entitled to an annual dividend of not to exceed 8 percent, which shall be non-cumulative, and such stock shall be non-voting, but, in the event that the association is dissolved, the holders of preferred stock shall be entitled to receive the par value of such stock, before any distribution is made to the holders of common stock. The association may retire any of said preferred stock on any dividend-paying date, upon payment to the holder of such stock of the par value thereof and the dividend then due. The common stock may be held only by and sold or transferred to persons engaged in the production of products handled by this associa-

tion. Common stock shall bear no dividend and shall entitle the holder to but one vote on all matters properly coming before the stockholders. The holders of common stock are thereby members of the association, and upon their voluntary withdrawal or expulsion by action of the Board of Directors shall immediately return said stock to the association, the value of which shall, at the discretion of the Board of Directors, be regarded as liquidated damages, and all their voting powers, property interests, and rights in the association shall be thereby cancelled.

V.—The existence of the corporation is to be perpetual.

VI.—The general business of the association shall be conducted by a board of directors consisting of seven members.

The directors shall be elected annually and shall hold office for a term of one year, or until their successors shall have been duly elected and qualified.

The names and places of residence of the incorporators are as follows:

Bertie P. Rhodes, Weston, W. Va.  
Eva Miller, Hornor, W. Va.  
Inez M. Bender, Burnsville, W. Va.  
Minnie L. Horner, Lumberport, W. Va.  
Mary Moreland, Morgantown, W. Va.  
Nat T. Frame, Morgantown, W. Va.  
Russell H. Gist, Clarksburg, W. Va.  
Ethel Carrico, Clarksburg, W. Va.  
Gay V. Frum, Bridgeport, W. Va.  
Gertrude Humphreys, Clarksburg, W. Va.  
Iva C. Gould, Buckhannon, W. Va.  
Arla Musgrave, Rivesvil'e, W. Va.

# BY-LAWS

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## ARTICLE I

### Name, Location, and Purpose

This non-profit association, incorporated under Chapter 19, Article 4 of the Code of West Virginia, shall be known as the Mountain State Home Industries Cooperative Association. Its principal office shall be located in Clarksburg, county of Harrison, State of West Virginia. The purposes for which it is formed are as set forth in the Articles of Incorporation.

## ARTICLE II

### Membership

**Section 1.—Members:** Any person, firm, or corporation engaged in the production of farm or home products may be admitted to membership. Upon receipt of payment and the signing of the marketing agreement, the association shall issue common stock which shall entitle said member to one vote. Each member shall be equal in voting power to each other member.

**Section 2.—Cancellation of Membership:** No person shall become or remain a member unless he is a producer of products handled by the association; nor unless he shall comply with the by-laws of the association, and the rules and regulations properly authorized or adopted by the association; nor unless he comply with the terms of the marketing agreement. Any member ceasing so to do may have his membership cancelled at the discretion of the Board of Directors. Upon such cancellation or upon voluntary withdrawal the member shall return his common stock, thus ceasing to be a mem-

ber, and the association shall, at the discretion of its Board of Directors, retain the value of the same as liquidated damages and all the voting powers, property interests and rights in the association shall be cancelled. Such cancellation or withdrawal shall not affect any uncompleted transactions or obligations arising under the marketing agreement.

### ARTICLE III

#### Stockholders' Meetings

**Section 1.—Annual Meetings; Fiscal Year:** The regular annual meeting of the association shall be held at such time and place as the Board of Directors may designate and shall be for the election of a Board of Directors and the transaction of such other business as may properly come before the membership. Notice of the annual meeting shall be given in the manner provided for special meetings. The fiscal year of the association shall begin on January 1 and end on the 31st day of the following December.

**Section 2.—Special Meetings:** A special meeting of the members may be called at any time by the president or shall be so called upon a petition signed by a majority of the Board of Directors, or by a petition signed by 10 per cent of the members. No business shall be transacted at a special meeting other than that stated in the call. Notice of any special meeting of the association shall state the time, place, and purpose of such meeting and shall be mailed to each member or printed in a newspaper of general circulation published at the principal place of business of the association at least ten days prior to the time for holding the meeting.

**Section 3.—Quorum:** The members present in person or by proxy at any meeting duly



called, noticed, and held shall constitute a quorum.

**Section 4.—Voting:** Voting shall be viva voce, but upon demand of a majority of those present shall be by ballot, and the vote of the majority present in person or by proxy shall constitute the act of the corporation. Each common stockholder shall be entitled to one vote only, and preferred stockholders shall not be entitled to vote.

## **ARTICLE IV**

### **Board of Directors**

**Section 1.—Number:** The corporate powers of the corporation shall be exercised by, the business and property of the association shall be controlled by, and the general policies of the association shall be determined by a Board of Directors consisting of seven members, elected annually by the membership from their own number. Directors shall hold office for a term of one year, or until their successors shall be duly elected and qualified. Nominations for the aforementioned directors shall be presented by a nominating committee of three appointed by the president with the approval of the executive committee, but any member may also make nominations from the floor.

**Section 2.—Vacancies:** Vacancies in the Board of Directors shall be filled by a majority vote of the remaining members of the Board and Directors so elected shall hold office until their successors shall be duly elected and qualified.

### **Section 3.—Meetings of Directors:**

(a) **Annual Meetings:** Within five days following each annual membership meeting and the election of the Board of Directors, the newly elected directors shall

hold a meeting at which the Board shall organize by the election of a president, a vice-president, a secretary, and a treasurer, all to be elected from the membership of the Board. The offices of secretary and treasurer may be held by one person to be known as secretary-treasurer.

(b) **Regular Meetings:** In addition to the regular organization meeting, the Board of Directors shall hold at least one additional meeting within the ensuing year. Notice of such additional meeting or meetings shall be given by mail or by wire to each director at least ten days prior to the holding of such meeting.

(c) **Special Meetings:** Special meetings of the Board of Directors shall be held whenever called by the president or requested by a majority of the directors. Notice of special meetings shall be given in the same time and manner as that of regular meetings.

(d) **Quorum:** A majority of the directors shall constitute a quorum at any meeting.

**Section 4.—Compensation of Directors:** The directors shall receive no compensation for their services other than for actual and necessary expenses incurred in attending meetings of the Board.

**Section 5.—Executive Committee:** The directors at their first meeting shall elect two of their members who together with the president shall constitute the executive committee of the association, which shall exercise all the powers delegated to it by the Board of Directors and shall act for and in its stead. The Board of Directors may create any other committees deemed necessary and confer upon them such powers as are deemed advisable.

## ARTICLE V

### Executive Committee

**Section 1.—Employees and Bonds:** The executive committee, unless otherwise ordered by the board of directors, shall have all the powers and duties of this article. It shall appoint and remove all agents and employees of the association, prescribe their duties and fix their compensations. It shall require of all officers, employees and agents handling funds, negotiable instruments, or property by or for the association adequate bond for the faithful performance of their duties and obligations.

**Section 2.—Agreements:** The executive committee shall make and enter into any and all agreements necessary for the proper transaction of the business of the association.

**Section 3.—Handling Funds:** It shall select one or more banks to act as depositories of the funds of the association and determine the manner of receiving, depositing, and distributing the funds of the association, the form of checks and the person or persons by whom the same shall be signed.

**Section 4.—Proceedings and Statements:** It shall cause to be kept and presented to the board of directors a complete record of all its acts and the proceedings of its meetings, and shall present at the regular meeting of the members a full statement showing in detail the condition of the affairs of the association.

**Section 5.—Supervision:** It shall supervise all agents and employees of the association to see that their duties are properly performed.

**Section 6.—Accounting:** It shall cause to be installed and kept an adequate system of accounts, and shall do and perform such other acts necessary or advisable for the proper management of the association delegated to it by the board of directors.

## ARTICLE VI

### President

**Section 1.—Presiding Officers:** If at any time the president shall be unable to act, the vice-president shall take his place and perform his duties; and if the vice-president is unable to act, the board shall appoint a director for this purpose. The president, vice-president, or presiding director shall preside over all meetings of members and directors.

**Section 2.—Signing of Contracts:** He shall call the executive committee together whenever necessary, and shall sign as president all contracts, notes, stock certificates and other instruments when so directed by the executive committee or Board of Directors.

**Section 3.—Other Duties:** He shall, subject to the instructions of the Board of Directors and of the executive committee, direct the affairs of the corporation. He shall discharge such other duties as may be required of him by these by-laws or by the Board of Directors or the executive committee.

## ARTICLE VII

### Secretary

**Section 1.—Records:** The secretary shall keep a record of the meetings of the Board of Directors and of the executive committee. He shall keep the corporate seal and book of stock certificates, shall countersign all certificates and affix the corporate seal to all papers requiring same.

**Section 2.—Contracts:** He shall execute and sign all contracts, notes, papers and documents for the association and shall discharge such other duties pertaining to his office as may be prescribed by the Board of Directors.

## ARTICLE VIII

### Treasurer

**Section 1.—Handling Funds:** The treasurer shall be responsible for the receipt and deposit of all funds of the association and shall pay out such funds only on checks drawn through direction of the Board of Directors or executive committee. He shall account for all receipts, disbursements and balances on hand and shall be bonded in such sum as the Board of Directors may require.

**Section 2.—Secretary-Treasurer:** One person may serve as secretary-treasurer and in such case shall perform the functions and duties of both secretary and treasurer as herein provided.

## ARTICLE IX

### Auditing Committee

**Section 1.—Auditing Committee:** The executive committee shall appoint an auditing committee which shall contain a representative from the Board of Directors and one outside person. This auditing committee may prescribe such regulations as are necessary with reference to its meetings and procedure, and shall at least semi-annually audit the books of the association and present to the executive committee such financial statements as are necessary and requisite to a complete understanding of the affairs of the association.

**Section 2.—Inspection of Books:** The books, papers and records of the association shall at all times during business hours be subject to the inspection of the Board, or any member thereof, or his qualified representative, or any other member when duly authorized in writing by the Board of Directors.

## **ARTICLE X**

### **Branches**

Informal local branches of the association may be created and maintained only and where the Board of Directors shall determine. Each local branch shall have its own president, vice-president, and secretary-treasurer elected from its local membership who shall function fully in the management of that branch subject to the limitations imposed by the executive committee or Board of Directors. Such local officers shall be entitled to attendance at the meetings of the Board of Directors and to act therein in an advisory capacity.

## **ARTICLE XI**

### **Maintenance of the Association**

The operating expense of the association shall be obtained from charges laid upon products handled for the members. The amount of such charges shall be fixed from time to time by the Board of Directors or executive committee. Funds out of which to pay preferred dividends shall be provided in like manner. Any surplus over and above the actual expenditures and obligations of the association shall be regarded as a reserve in the association for furthering its objects. In the event of the dissolution of the association, after the payment of debts and obligations, and the retirement of preferred stock, any value remaining shall be divided among the common-share members, according to their respective shares.

## **ARTICLE XII**

### **Borrowing Money**

Upon affirmative vote of a majority of the directors, the association may borrow money for any corporate purpose.

## ARTICLE XIII

### Amendments

An amendment may be proposed by vote of two-thirds of the board of directors and submitted by mailing to each of the members a copy of the proposed amendment, with notice that unless within thirty days from the date of mailing 20 per cent of the members shall vote against such proposed amendment, or object thereto in writing, such failure shall be deemed a vote by mail, as provided by law, and of a majority of the members in favor of such amendment; and if within said thirty days such per cent of the members shall not have so voted or objected, the amendment shall become valid and effective for all purposes.

