

AN ACT AMENDING SECTIONS THIRTY-NINE, FORTY-ONE AND FORTY-THREE OF ACT NUMBERED TWO THOUSAND FIVE HUNDRED AND EIGHT AS AMENDED BY ACT NUMBERED TWO THOUSAND FIVE HUNDRED AND SIXT...

Act No. 3747, November 24, 1930

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section thirty-nine of Act Numbered Two thousand five hundred and eight is hereby amended to read as follows:

"SEC. 39. The original by-laws and their amendments, duly attested by a majority of the directors and countersigned by the president of the association, shall be forwarded to the Director of Plant Industry for approval and for transmittal to the Director of the Bureau of Commerce and Industry, who shall attach said copy to articles of incorporation on file in his office."

SEC. 2. Section forty-one of Act Numbered Two thousand five hundred and eight, is hereby amended to read as follows:

"SEC. 41. Agricultural credit cooperative associations may be dissolved:

"(a) Upon expiration of the limit prescribed in the articles of incorporation, if incorporated for a definite period.

"(b) By resolution of the stockholders' general assembly, adopted by two-thirds vote of all members at a regular or special meeting called for this purpose, and with the approval of the Director of Plant Industry.

"(c) By order of the Court of First Instance of the province in which the association is operating, whenever it shall appear to the satisfaction of the court that the business of the association is being transacted fraudulently or is causing, or liable to cause, injury to the public or to any person.

"(d) On account of bankruptcy or insolvency of the association.

"(e) By request of the Director of Plant Industry, whenever it shall appear to the satisfaction of the Court of First Instance of the province in which the association is operating, that said association has been and is still refusing to obey the orders of the Director of Plant Industry or when there is sufficient evidence that the business of said association is being neglected by the board of directors, in which case, no docket fees, deposit or bond shall be required by the court of the Director of Plant Industry.

"In any case the procedure prescribed by the Corporation Law governing voluntary or involuntary dissolutions shall be followed.

"The liquidation shall be made by the board of directors, unless otherwise provided by the by-laws or the stockholders' general assembly. The liquidation shall be made within one year's time, after the expiration whereof and upon petition by any member having made a loan or deposit, or by the Director of Plant Industry,

the Court of First Instance of the province in which the association is operating, may appoint another person or persons as liquidators."

SEC. 3. Section forty-three of Act Numbered Two thousand five hundred and eight, as amended by Act Numbered Two thousand five hundred and sixty-six, is hereby amended to read as follows:

"SEC. 43. It shall be the duty of the Director of Plant Industry, either by himself or through his agents or delegates, to make propaganda in the provinces of the Archipelago for the proper and speedy organization of the associations created and established by this Act, and he shall act as legal adviser to said associations and shall revise and approve the by-laws of each association. The Director of Plant Industry shall issue, with the approval of the Secretary of Agriculture and Natural Resources, the necessary orders and rules regarding the manner in which they shall keep their account books and records, the general manner of investing their funds of all kinds and of disposing of their property, and the terms upon which they shall make loans to their members, and likewise the terms upon which they may receive loans and deposits from private or official persons or corporations.

"Said Director of Plant Industry shall, either personally or through his agents and deputies, exercise supervisory power over said associations, and at least once every six months, cause an examination to be made of the operations of each association in order to ascertain whether its operations are in accordance with the law, the by-laws, or the orders and rules issued by his office. In case he finds that any association violates the law, the by-laws, or the orders and rules in the premises, he shall give the necessary orders to the board of directors of said association to have the defect remedied, and in case of noncompliance, said Director of Plant Industry shall, either personally or through his agents or deputies, cause an investigation to be made of the charges against the persons alleged to be responsible for the violation of the law, the by-laws or the orders and rules governing them, and in accordance with his findings, issue the necessary orders either for the acquittal or the removal of the offending director or directors, and in case of removal from office of any director, he shall appoint a substitute or substitutes to serve for the unexpired period or until the next general election of the association: Provided, however, That the director concerned may appeal from the decision of the Director of Plant Industry removing him from office, within thirty days from the receipt of notice of his removal, to the Secretary of Agriculture and Natural Resources, whose decision on the matter shall be final and conclusive.

"For the purpose of an investigation of any irregularities in the operations of an association organized under this Act, the Director of Plant Industry and his duly authorized agents or deputies are hereby empowered to administer oaths.

"The treasurer of the province where the association is located and the Auditor of the Philippine Islands, either personally or through their authorized representatives, shall examine the books and accounts of the treasurer of the association at the same time that his books and accounts as municipal treasurer are examined, or at such other times as the Director of Plant Industry may request such examination, the result of which shall be reported to the Director of Plant Industry."

SEC. 4. All acts or parts of acts inconsistent with the provisions of this Act are hereby repealed.

SEC. 5. This Act shall take effect on its approval.

Approved, November 24, 1930.

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