

[ Act No. 3872, November 13, 1931 ]

**AN ACT TO AMEND SECTIONS SEVENTEEN AND FORTY-FIVE OF ACT NUMBERED THIRTY-FOUR HUNDRED AND TWENTY-FIVE, KNOWN AS "THE COOPERATIVE MARKETING LAW," PROVIDING ANOTHER METHOD OF DETERMINING THE VOTING POWER OF EACH MEMBER OF A COOPERATIVE MARKETING ASSOCIATION, MAKING THE SUPERVISORY POWER OF THE DIRECTOR OF THE BUREAU OF COMMERCE AND INDUSTRY OVER THE OFFICERS OF SUCH ASSOCIATION, MORE EFFECTIVE, AND FOR OTHER PURPOSES.**

*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. The first paragraph of section seventeen of Act Numbered Thirty-four hundred and twenty-five, known as the "Cooperative Marketing Law," is hereby amended so as to read as follows:

"SEC. 17. *Voting power.*—No member of any association organized under this Act shall be entitled to more than one vote regardless of the amount of common stock or membership capital he may own therein: *Provided, however,* That the by-laws of such association may provide that, after the first year of operation thereof, the number of votes each member is entitled to shall be in proportion to the volume or quantity of agricultural products he shall have delivered to the association."

SEC. 2. Section forty-five of the same Act is also hereby amended by adding thereto the following paragraphs:

"Whenever the Director of the Bureau of Commerce and Industry believes, from the results of any investigation made by virtue of the provisions of this section, or from any report or complaint signed by at least five per cent of the members of any association organized under this Act, that the business affairs of such association are being administered not in accordance with its articles of incorporation and by-laws, or with the spirit and purposes of this Act, or that such association is being mismanaged to the prejudiced of any member thereof, or that its business is being carried on with selfish motives or for the selfish interests of any officer thereof, he may issue *subpoena* or *subpoena duces tecum* to the members of the board of directors and any other responsible officers of the association, and he may order such directors and officers, verbally or in writing, to take such actions or to adopt and carry out such measures as he believes would secure compliance with the articles of incorporation and by-laws of the association and the spirit and purposes of this Act: *Provided, however,* That nothing contained herein shall be construed to prevent any or all of such directors and officers to go to court and petition for injunction to prevent the Director of the Bureau of Commerce and Industry from carrying out his orders, on the ground that his findings are not true and accurate, or that the action taken by such directors and officers in the management of the affairs of the association, which has given cause to such orders of the said Director