

Feeder Associations

New Regulations and Documents

SESSION 2

MEMBER SIGN UP

2.1 Membership Information Form

- New Form – (Form 1)
- Required one time only
- Purpose: To clearly and legally identify the feeder member.

2.1 Membership Information Form

- ⦿ All members have to complete this form prior to their next purchase of any livestock or before taking advantage of any of the new program features e.g. advances (equity loans), corporations, limit increase

Individual Members

- Part A 1. on Membership Information Form (Form 1)
- Need to see government ID
- Complete and full names

2.2 Corporate Members

- New Category
- Part A.2. on Membership Information Form (Form 1)
- Identify the Directors
 - Via search of Alberta corporate registry

2.2 Corporate Members

Searching Alberta Corporate Registry

- Via FAA Barrhead (Form 19)
- Via local registry office

2.2 Corporate Members

Purpose: To identify the corporation and its voting shareholders and directors.

Point: You must have a resolution from the corporation Board of Directors, if they wish to identify a person or persons to act their behalf. As well as part B on form which is for voting delegate.

2.2 Corporate Members

- Guarantee Form
(for individual shareholders of a corporation)
- Purpose: Ensure the shareholders are responsible for the actions and liabilities of the corporation.
- **Must be notarized.**

2.3 Partnerships

- ⦿ “Partnerships” are two or more persons that have a existing business partnership agreement in place.
- ⦿ They want the partnership to be the feeder association member.

2.3 Partnerships

- New category
- Purpose: To allow partners in a farm to hold membership as a partnership.
- Part A. 3 on Membership Information Form (Form 1)

2.3 Partnerships

- ⦿ Request a declaration from the partnership members.
 - May be registered in the Corporate Registry
- ⦿ Point: Partners may chose to complete a Power of Attorney (Form 5) to have one person(s) to act on behalf of the partnership.

2.3 Partnerships

- ◎ All partners sign the
 - Membership Information Form (Form 1)
 - the PIPA Agreement (Form 2), and,
 - Member Agreement (Form 3)

2.4 Joint Memberships

- ◎ New category

Purpose: To simplify the management of an estate. To allow this contract to be carried out by the surviving member.

- without an estate settlement

Eg: joint tenants on a property

2.4 Joint Memberships

- Part A 1. on Membership Information (Form 1)
- Names and ID for all persons in the Joint Membership & all sign “Sign Up” documents (Forms 1, 2 & 3)
- Can appoint delegate (Part B) and business rep (Power of Attorney – Form 5)

2.5 Joint Ventures

- New category
- Purpose: To allow a business agreement in which two or more parties join for the common purpose of feeding cattle within the Feeder Association Program.

2.5 Joint Ventures

- Part A 3. on Membership Information (Form 1)
- Can appoint delegate (Part B) and business rep (Power of Attorney – Form 5)
- All persons sign “Sign Up” Pac (Forms 1, 2 & 3)

Joint Ventures

- ⦿ Part A.3 of the form
- ⦿ Can appoint delegate that enjoys the benefits of membership in the association

e.g. voting rights and directorship
- ⦿ Can appoint business representative via Power of Attorney (Form 5)

Joint Ventures vs. Partnerships

- ⦿ The main difference between a joint venture and a partnership is that the members of a joint venture have teamed together for a particular purpose or project, while the members of a partnership have joined together to run "a business in common".
- ⦿ Each member of the joint venture retains ownership of his or her property.
- ⦿ And each member of the joint venture shares only the expenses and revenue of the particular project or venture.

Question - Which Membership Category should be selected?

Answer – the member decides, not the association. The member should consult with legal counsel and accountant to determine best structure. The new regulation allows the association to accommodate the business structure choice of the member, and still be protected.

Total Monetary Obligations

- ◎ Individual / Joint Members
 - New \$100,000 limit

- ◎ Individual / Joint Members
 - \$500,000 limit
 - Over six months
 - Completed one contract

Total Monetary Obligations

- ◎ Corporation, Partnerships or Joint Ventures
 - \$500,000 **per active member**
 - Maximum \$3,000,000

2.6 Personal Information and Privacy Agreement

- Newly designed form (Form 2)
- Purpose: To be able to acquire & share essential information about the member's business history and financial reputation.

2.6 Personal Information and Privacy Agreement

- ◎ This form will both gather information as well as release the information to the associations business partners.
- ◎ At minimum – enter the member's bank in blank #1. Also, member's accountant in blank #2 if so advised.

2.7 Membership Agreement

- New Form (Form 3)
- One time only.
- Purpose: To clearly identify all legal definitions and obligations between the member and the association, reducing litigation and associated cost.

2.7 Membership Agreement

- ◎ It is important to ensure the member reads the entire document and understands the document contents.
 - Ask questions to ensure the member has read the document and understands.
(Questions)

Question to test for Member Agreement understanding

- Do you have any questions or concerns?
- Do you understand what you are signing?
- Did you have any professional assistance in reviewing this agreement?
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2.7 Membership Agreement

- ⦿ The member may not assign his responsibility or rights to another individual.
- ⦿ This agreement is terminated when the member ceases to be a member.
 - Withdraw by the member
 - Termination by the association

2.7 Membership Agreement

- No additions or deletions are allowed.
- The schedules and attachments are part of the agreement.

Checklist

1. Completed Membership Information (Form 1)

- Individual
 - Government identification (copy on file if secure)
- Corporation
 - Corporate Search Result
 - Certificate of Incorporation (copy on file)
 - Corporate Resolution (Form 6)
 - Guarantees (Form 4)

Checklist

- Partnership, Joint members, joint venture
 - Government identification (copy on file)
 - Power of Attorney (Form 5)
 - Declaration of Partnership or other document

2. P.I.P.A. (Form 2)

3. Membership Agreement (Form 3)

Questions or Comments?