



October 24 2025

Important Member Notice: MCUC to Begin Voluntary Dissolution

Dear Members,

We write with difficult news.

After direct engagement with the Maryland Securities Division and our lawyers, **we will begin a voluntary dissolution of Middle Class United Cooperative, Inc. (“MCUC”)**. This is not the outcome we hoped for, and we are deeply disappointed. However, **we respect the State’s authority and will comply fully.**

Why this is happening

The Maryland Securities Division reviewed MCUC’s membership structure and communications and **concluded that our \$500 membership falls within the scope of Maryland’s securities laws**. In simple terms, the State determined that our membership model would need to meet securities registration and disclosure requirements designed for investment products—an interpretation we respectfully disagree with, but we will comply with nonetheless.

We approached the State in good faith, hoping to take whatever steps the authorities deemed necessary so that MCUC could continue its mission under full compliance. We believed this path forward honored both our members’ trust and the cooperative values that brought us together. **To our deep disappointment**, it soon became apparent that this approach was not viable, leaving dissolution as our only remaining option.

This decision left the **Executive Management Team (EMT) and the Board of Directors (BoD)** with no real choice but to comply. Our hands, in every practical sense, were tied. We are abiding by the State’s directive not out of resignation, but out of respect for the rule of law and a commitment to closing this chapter responsibly.

What makes this outcome especially painful is not merely the end of operations, but **the loss of what was just beginning to take shape.**



Across the country, the MCUC's **Regional Real Estate Committees—made up entirely of dedicated member volunteers—had begun identifying promising opportunities to acquire and develop properties** that could have served as anchors for affordable, community-centered housing. Their passion, diligence, and vision embodied everything the MCUC was created to be: members working together, not for profit, but for shared progress and a stronger American middle class.

To see those efforts ceased at the very moment they were gaining traction has been profoundly difficult. **We are deeply grateful to every member who contributed their time, ideas, and expertise** to these committees. In their work, we saw the MCUC's mission in action—a living example of cooperation, civic spirit, and the belief that ordinary people, acting together, can achieve extraordinary things.

The American middle class continues to face a housing and affordability crisis that worsens every year. We are heartbroken that we can no longer be part of building the solutions our members so clearly wanted to see—but we remain proud of what this cooperative stood for and the good faith with which it operated.

Therefore, after extensive discussion with counsel and the State, we are proceeding with a **supervised wind-down and return of funds**. Our first and immediate concern in light of this disappointing news is to ensure a **member-first resolution**—one that responsibly addresses both member interests and the State's concerns, and brings this unfortunate matter to a respectful, transparent conclusion.

What we have done to protect members

- **Operations have ceased.**
- **Member Capital has been converted to cash equivalents on counsel's advice** to help preserve principal while we coordinate refunds with the State.
- **All communications with regulators are being handled by counsel** to ensure accuracy, consistency, and protection of member interests.



What to expect next

- **Refunds.** Subject to regulator guidance, refunds are expected to be **pro-rata** from the net funds available at the close of dissolution (after required legal, accounting, banking/processing, and wind-down costs).
- **Timing.** We are targeting a **short, finite wind-down period (about 60 days)**, though the precise timeline depends on the Division's instructions and counsel's direction.
- **Process details.** The Division may process refunds directly, or permit a payment processor (e.g., Stripe). **We will send a step-by-step refund notice** as soon as the process is confirmed by the State.
- **Member action.** No action is required at this time other than ensuring your **contact information on file is current**. We will reach out if additional confirmations are needed.

Our commitments during wind-down

- **Good faith & accountability.** We have acted—and will continue to act—in good faith. We will follow State guidance and maintain clear records throughout.
- **Member care.** We will prioritize clarity, fairness, and security, including appropriate measures for fraud prevention, data protection, and any unclaimed-property requirements.
- **Professional oversight.** Legal counsel will coordinate all regulator communications; accounting professionals will manage final filings and financial close-out. **Member updates will be counsel-reviewed** and distributed by email (and, if appropriate, SMS). Please rely on these official notices; we will not discuss dissolution matters on social media.

This is, bluntly put, an excruciating outcome.

Our mission—to build a better future for the American middle class—guided every step we took, and we pursued that mission with an earnest and unwavering passion. We are profoundly grateful for your trust and participation. Even as MCUC winds down, **the values that brought us together endure**: cooperation, fairness, and the belief that collective action can still make a difference.



If you need to update your contact information, please wait for the forthcoming refund notice, which will include the appropriate support channel and instructions. For your protection, **do not share sensitive information** unless requested through an official, counsel-approved communication from MCUC.

With respect and appreciation,

The Executive Management Team & Board of Directors

Middle Class United Cooperative, Inc.

This notice has been prepared in consultation with counsel and is intended to provide general information about the dissolution process. It does not constitute legal or tax advice; members should consult their own advisors regarding individual circumstances.