

Equity Society—License to Handle Grain—Charge for Handling Grain at Shipping Point and Terminal.

Chapter 216 of the Laws of 1921 construed to require the American Society of Equity, negotiating sales of grain for a commission, to take out a license and furnish bond as provided by the Act.

Chester C. Davis, Esq.,
Commissioner of Agriculture,
Helena, Montana.

My dear Mr. Davis:

Your letter has been received, inquiring whether a local union of the American Society of Equity, which receives consignments of a farmer's grain and forwards the same to the Equity Cooperative Exchange of St. Paul, and for services in receiving, consigning and negotiating the sale of same charges two cents per bushel for grain received at Montana points, and a like charge of two cents per bushel being

made by the Equity Cooperative Exchange at St. Paul, which latter charge is made by and collected through the local county union, is required to take out a license and furnish bond by the provisions of Sections 20 and 33 of Chapter 216 of the Laws of 1921.

Section 20 of the said Act reads in part as follows:

"The term 'track buyer' shall mean and include every person, firm, association and corporation who engages in the business of buying grain for shipment or milling in car-load lots, and who does not own, control, or operate a warehouse or public warehouse. The terms 'agent', 'broker', and 'commission man' shall mean and include every person, association, firm and corporation who engages in the business of negotiating sales or contracts for grain, or of making sales or purchases for a commission."

Section 33 of said Act reads in part as follows:

"Each person, firm, corporation, or association of persons operating any public warehouse or warehouses subject to the provisions of this act, and every track buyer, dealer, broker, or commission man, or person or association of persons, merchandising in grain, shall, on or before the first day of July of each year, give a bond with good and sufficient sureties, to be approved by the Commissioner of Agriculture, to the state of Montana, in such sum as the Commissioner may require, conditioned upon the faithful performance of the acts and duties enjoined upon them by law. Every person or persons, firm, co-partnership, corporation, or association of persons operating any public warehouse or warehouses, and every track buyer, dealer, broker, commission man, person or association of persons merchandising grain within the state of Montana, shall, on or before the first day of July of each year, pay to the state treasurer of the state of Montana a license fee in the sum of fifteen dollars for each and every warehouse, elevator, or other place, owned, conducted, or operated by such person or persons, firm, co-partnership, corporation, or association of persons, where grain is received, stored and shipped, and upon the payment of such fee of fifteen dollars for each and every warehouse, elevator, or other place where grain is merchandised within the state of Montana, the Commissioner of Agriculture shall issue to such person or persons, firm, co-partnership, corporation, or association of persons, a license to engage in grain merchandising at the place designated within the state of Montana, for a period of one year."

It is to be observed that any agent or commission man who makes a charge for negotiating sales of grain is included in Section 20, and inasmuch as a charge of two cents per bushel is made for handling grain through the Equity Society, the latter would seem to come within

this provision of the Act. In Section 33 the word "Agent" is not used, but the term "commission man," as defined in Section 20, *supra*, appears to apply to the situation presented by you in connection with the Society of Equity so as to require a license to be procured and bond furnished by the local union.

It is, therefore, my opinion that the local union of the American Society of Equity, negotiating sales of grain for a commission under the circumstances submitted by you, is subject to the provisions of Chapter 216 of the Laws of 1921, and is required to take out a license and furnish bond as provided by said Act.

Very truly yours,

WELLINGTON D. RANKIN,
Attorney General.