

Corporation, Minors Stockholders In. Minors, Right to Hold Corporate Stock. Banks, Minors as Stockholders In.

A minor may hold stock of a corporation in this state including banking corporations. His liability is the same as that of other stock holders, the liability, however, might be avoided on the ground of minority.

January 17th, 1911.

Hon. C. E. Kumpe,
State Examiner,
Helena, Mont.

Dear Sir:

I am in receipt of your letter of January 11th, 1911, wherein you ask my official opinion upon the following question:

"Has a minor the right to hold stock in a corporation?"

You state the question arises in this way—a father wishes to transfer bank stock to a minor son—and you inquire whether the minor has any liability under the banking laws of the state.

You are advised that in my opinion minors are not precluded from holding stock of a corporation. While there is no express power conferred by statute in this respect, neither is there any express prohibition, and Section 3841 of the Revised Codes seems to contemplate that minors may hold shares of stock in that it says, the share of stock of the estate of a minor may be represented by a guardian. Part I of the civil code, being Sections 3584 et seq., of the Revised Codes treats of minors and their powers and limitations, one of which

powers is that of dis-affirmance during minority or within a reasonable time thereafter.

This chapter standing alone would seem to indicate that a minor could avoid his liability as a stock holder in the event of disaster to the bank. However, Section 4012, of the Revised Codes provides that a stock holder of a banking corporation is liable for the contracts, debts and engagements of the bank to the extent of the amount of the stock therein at its par value in addition to the amount invested in such shares. This section does not except from its operation minors or other persons, and in view of the fact that it deals specifically with banking corporations and is a later enactment than those concerning the powers and liabilities of minors, and considering that Section 3841 of the Revised Codes, contemplates minors as stockholders in corporation, I believe that a minor accepting shares of stock in a corporation would be liable under Section 4012, but I am further of the opinion that it would be impossible to satisfy such liability out of a minor's property.

You are therefore advised, that under the law in its present condition, while a minor may hold stock in a banking corporation it is impossible to enforce the statutory liability of a minor stockholder on account of default of the bank.

Yours very truly,

ALBERT J. GALEN,

Attorney General.