

**Investment Commissioner, Powers Of—Brokers—Stock,  
Sale Of By.**

A person who sells stock of an investment company which he has acquired in payment of his services, comes within the purview of the investment act, and is subject to investment commissioner.

December 27, 1919.

Hon. Geo. P. Porter,  
State Auditor and Investment Commissioner,  
Capitol.

Dear Sir:

I have your letter of recent date in which you make inquiry upon the proposition of whether you have supervision over agents of investment companies selling the treasury stock of such company or stock which the agent has obtained from the company in payment of his services.

Subdivision 3 of Section 1 of th Investment Commissioner Act pro-  
vised as follows:

“This Act shall not apply to any person, company, corporation, co-partnership or association of Montana selling stock or securities actually onwed by said person, corporation, co-partnership or asso-  
ciation, provided that they shall not be engaged in the brokerage  
business of buying and selling stocks for securities, nor shall this  
be so construed so as to prevent any corporation, either foreign or  
domestic, from selling its own stocks, bonds or securities through  
an officer or agent of such corporation, providing that two-thirds  
or more of the assets of such corporation shall consist of property  
situated within the State of Montana.”  
Section 2 of the Act provides as follows:

“The name ‘stockbroker’ as used in this Act, shall include every person, set of persons, association, company, co-partnership or corporation who shall, in the State of Montana, engage in the business of dealing in stocks, bonds or other securities covered by this Act, selling or offering or negotiating for the sale thereof, or underwriting or purchasing such securities or selling them to any person or persons at a commission or profit.”

If any person were selling treasury stock of a corporation coming within the scope of the Act in the State of Montana, there would be no question but what your department has jurisdiction of the person selling such stock. Whenever such person sells stock not owned by him there is no question but what he comes within the provisions of the Act, as he might be either an agent or a stockbroker.

Section 3 of the Act makes such a person a stockbroker even though he buys the stock outright and sells it at a commission or profit. I am of the opinion that a person receiving stock of a company or in payment of organization services and selling the same in the State of Montana at a profit is subject to the scope of the Investment Commissioner Act.

Respectfully,

S. C. FORD,

Attorney General.