

### Investment Commissioner—License For Selling Stock.

Where an investment company is not required to secure a license under the Investment Act, an agent selling such stock is not required to procure a license.

Helena, Montana, January 8, 1920.

Hon. George P. Porter,  
Investment Commissioner,  
Capitol.

Dear Sir:

I have your letter of December 1st, 1919, requesting an opinion upon the proposition of whether or not an agent of an investment company is required to procure a license for selling the stock of such investment company in Montana when the investment company itself is not required to procure a license.

Section 1, subdivision 1, Chapter 85, Laws of 1913, includes every association of any kind or nature dealing in the stock, bonds or security issued by another corporation, company or association. In subdivision 3 of Section 1 are found exemptions from the operation of the law to certain individuals. This section expressly leaves brokers under the operation of the law. It further exempts corporations, either foreign or domestic, when they sell their own stock or bonds, whether through their own officers or appointed agents. Such exempted companies must have two-thirds or more of their assets consisting of property situated within the State of Montana.

Section 2 of the Act defines the term "broker" as a person or association who is engaged in the business of dealing in stocks, bonds or securities, or other companies selling, offering or negotiating for the sale thereof, or underwriting or purchasing such securities and re-selling them to any person or persons at a commission or profit.

Section 1 of the Act, by subdivision 3, contemplates that any corporation, person or association may sell its own stock in the State of Montana if two-thirds of its property is located within the state. This it may do through an agent or its officers. In such case the company is not required to be licensed, neither is the agent of such company required to be licensed.

I am of the opinion that the particular cases which you cite are cases in which the agent cannot be required to procure a license. You state in your letter that the agents are corporations organized for the express purpose of and confine their operations to selling stock of companies which are not required to be licensed. If that is true, their agent, whether it be a person or a corporation, cannot be required to procure a license.

Respectfully,

S. C. FORD,

Attorney General.