

Corporations— Powers—Articles of Incorporation—Partnerships.

Under the laws of Montana a corporation has no power, either expressed or implied, to enter into partnerships.

Mr. W. E. Harmon,
Secretary of State,
Helena, Montana.

October 8, 1932.

My dear Mr. Harmon:

You have submitted to me the articles of incorporation of the Dirks Realty company, which have been forwarded to you for filing, and have called my attention to the provision in said articles giving the corporation the power to enter into partnerships, and request my opinion as to whether this is permissible under the laws of Montana.

Under the laws of this state a corporation is not given the power to enter into partnerships, and as stated in Volume 7 R. C. L., paragraph 603:

“According to the prevailing view a corporation has no implied power to become a partner with an individual or another corporation. The reason for the denial of the power of a corporation to enter into a contract or partnership is that it is the policy of the law that the corporation shall manage its affairs separately and exclusively; certain powers are to be exercised by the stockholders, and others by officers who are the servants of the corporation and act in its name and behalf; and the formation of a contract or the entering into a relation by which the corporation or the officers of its appointment should be divested of that power, or by which its franchises should be divested of that power, or by which its franchises should be vested in a partner with equal power to direct and control its business, is entirely inconsistent with that policy.”

It is therefore my opinion that this particular purpose should be omitted from the articles of incorporation before the issuance of the certificate by your office.

Very truly yours,
L. A. FOOT,
Attorney General.