

No. 273

LIVESTOCK COMMISSION—LICENSES

Held: Under Chapter 52, Laws of 1937, a subsidiary corporation must have its own individual licenses and cannot operate under the license of the parent company to engage in the business of a livestock market.

October 20, 1941.

Mr. Paul Raftery
Secretary
Livestock Commission
Helena, Montana

Dear Mr. Raftery:

Not long ago you wrote this office as follows:

“Enclosed is a letter from Paul McCormick, Jr., District Supervisor, Packers and Stockyards Division of the United States Department of Agriculture, concerning the operation of the Central Livestock Order Buying Company of Billings, which will be a subsidiary of the Central Cooperative who are operating in the Union Stockyards at Billings at the present time as a Livestock Market. These people are already bonded as provided for in Chapter 52, Laws of 1937.

“The new company will operate as country buyers and the livestock handled by them will not necessarily be consigned to or go through the public stockyards in Billings.

“Will you kindly give me your opinion as to whether or not the new company, whose activities are outlined in the enclosed file, come within the provisions of Chapter 52, Laws of 1937; and whether or not we can require them to file a bond as provided for in this Act?”

The letter of Mr. Paul McCormick, Jr., which you enclosed and which is being returned to you herewith, reads in part as follows:

"The Central Cooperative Association, operating at the Billings Public Stockyards, Billings, Montana, has organized a separate order buying and trading firm under the name of the Central Livestock Order Buying Co., which has filed with the Department as a market agency to buy on commission and as a dealer buying and selling all species of livestock. You will note that they have not filed to engage in the business of selling on commission. In order to give you a full picture of their operations, I am enclosing a copy of their tariff No. 1."

Chapter 52, Laws of 1937, provides in part that, after May 1, 1937, no person shall engage in the operation of a livestock market within the State of Montana without first procuring a license and provides the term "livestock market" shall mean a place where a person, partnership or corporation shall assemble livestock for either private or public sale.

It is really apparent, from a reading of your letter and the letter of Mr. McCormick, the Central Livestock Order Buying Company of Billings—while it may be a subsidiary of the Central Cooperative—will be a company engaged in the assembling of livestock for either private or public sale.

It is therefore my opinion such Central Livestock Order Buying Company of Billings must secure from your department an individual license, and it cannot operate under the license of the parent company, the Central Cooperative Association.

Sincerely yours,

JOHN W. BONNER
Attorney General