

1148.

APPROVAL—BONDS OF GOOD HOPE RURAL SCHOOL DISTRICT, HOCKING COUNTY, OHIO, \$3,000.00.

COLUMBUS, OHIO, September 13, 1937.

Retirement Board, State Teachers Retirement System, Columbus, Ohio.

GENTLEMEN :

RE: Bonds of Good Hope Rural School Dist., Hocking County, Ohio, \$3,000.00.

I have examined the transcript of proceedings relative to the above bonds purchased by you. These bonds comprise all of an issue of deficiency bonds dated September 1, 1937, bearing interest at the rate of 4% per annum.

From this examination, in the light of the law under authority of which these bonds have been authorized, I am of the opinion that bonds issued under these proceedings constitute a valid and legal obligation of said school district.

Respectfully,

HERBERT S. DUFFY,
Attorney General.

1149.

BANK—LOANS TO CORPORATIONS—MAY ACCEPT RIGHTS IN INSURANCE POLICIES AS SECURITY, WHEN—PAYMENT OF PREMIUMS.

SYLLABUS:

A bank, having made a loan to a corporation which became bankrupt and which at the time of bankruptcy carried three insurance policies on the life of its treasurer, is within its legal powers in accepting as security for the loan any rights under the policies which the corporation agrees to transfer to it. The trustee in bankruptcy has no interest in a contingent or future value, but only in the cash surrender value at the time of bankruptcy; hence, the insured or the beneficiary may pay to the trustee or secure to be paid the cash value and retain the benefits under such policies. The insurable interest of the corporation in the