

realized therefrom, plus \$500.00, and where no part of the stock to be presently disposed of is issued, directly or indirectly, in payment of patents, services, good will or for property not located in this state. Under such circumstances, the facts surrounding any prior issue of the same class of stock or other securities by such corporation are immaterial.

In so holding, I am not unmindful of the fact that the result of this conclusion may in certain instances be unfortunate. Whatever the financial circumstances of a corporation may be or however ill advised its purposes, it may claim exemption under this paragraph provided the disposition of the stock proposed to be sold is within the language of the paragraph. This is especially true in the initial steps of an enterprise. In such a case, where no stock whatever is outstanding, it is quite apparent that the exemption would be available and you would have no supervisory authority whatsoever, irrespective of the character of the enterprise. The legislature has seen fit to make the exemption based upon the receipt by the corporation of the proceeds of the securities issued, less the stipulated amount for expenses, and subject to the exception that the securities shall not be issued nor the proceeds applied in payment for patents, services, good will or property not located in this state. So long as the corporation obtains the proceeds and does not dispose of them in the manner just indicated, it is immaterial how ill advised or mad the venture may be—the claim for exemption may still be properly made.

The legislature has seen fit to make the exception under discussion. As I have pointed out, this exception may permit of the flotation of securities of questionable value in certain instances. At the same time it must be borne in mind that legitimate business should not be unnecessarily restricted. If any remedy be needed, resort should be had to the legislature.

Respectfully,
EDWARD C. TURNER,
Attorney General.

992.

APPROVAL, BONDS OF DEER PARK VILLAGE SCHOOL DISTRICT, HAMILTON COUNTY, OHIO—\$65,000.00.

COLUMBUS, OHIO, September 13, 1927.

Industrial Commission of Ohio, Columbus, Ohio.

993.

APPROVAL, BONDS OF THE VILLAGE OF INDEPENDANCE, CUYA-HOGA COUNTY, OHIO—\$56,100.00.

COLUMBUS, OHIO, September 13, 1927.

Industrial Commission of Ohio, Columbus, Ohio.