

A recent Supreme Court case of the state of Florida, heretofore mentioned, the case of *City of Leesburg vs. Ware, et al.*, 153 Southern Reporter 87, decided January 18, 1934, rehearing denied March 1, 1934, is directly in point. The facts of this case disclose that one of the bond trustees of the city of Leesburg, Florida, who was also secretary of such board, was president of the First National Bank of Leesburg. A city ordinance provided that the bond trustees should invest certain funds in "approved securities", as a sinking fund for certain city improvement extension bonds. Instead of investing in "approved securities", the funds were invested by purchasing from the First National Bank of Leesburg bonds of the city of Palmetto. The court held that the purchase of these bonds constituted a "contract" void as against public policy. It was stated in the fourth and fifth paragraphs of the syllabus:

"4. Transactions whereby bonds were purchased by city bond trustees through secretary from bank of which secretary was officer held void as against public policy.

5. When contract contravenes established interest of society, it is void as against public policy."

The court in the foregoing case based its argument largely on the language of Justice Wanamaker in the Ohio Supreme Court case of *Pittsburg, Cincinnati, Chicago and St. Louis Railway Company vs. Kinney*, 95 O. S. 64, with respect to the meaning of "public policy".

In view of these authorities, I am of the opinion that the transactions, whereby the board of directors of a municipal university invest endowment funds of the university in securities purchased from a corporation in which one of the directors is an officer and stockholder, are void as against public policy.

Respectfully,

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Attorney General.

3027.

APPROVAL, NOTES OF VAN BUREN RURAL SCHOOL DISTRICT,
SHELBY COUNTY, OHIO—\$985.00.

COLUMBUS, OHIO, August 13, 1934.

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

3028.

APPROVAL, NOTES OF PENN RURAL SCHOOL DISTRICT, HIGHLAND
COUNTY, OHIO—\$181.00.

COLUMBUS, OHIO, August 13, 1934.

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