

stallments of \$10.00 each is purchased from the borrower for \$91.00, the purchasing company should be licensed under the Small Loan Act of the State of Illinois.

It should be noted that the method of doing business here under consideration should be distinguished from the case where a company is engaged in the business not of loaning money, but of purchasing commercial paper in good faith. When engaged in such latter business, there is no relationship of borrower and lender existing between the financial institution and the party who borrowed the money and incurred the obligation evidenced by the paper purchased by such company. There are no provisions contained in Chapter 25a of Title II, Part 2, General Code, which require a company engaged in the business of purchasing commercial paper to take out a chattel loan license. Since the decision of the Ohio Supreme Court in the case of *State vs. Mehafeey*, 112 O. S. 330, provision has been made requiring persons engaged in the business of purchasing salaries or wage earnings to be so licensed as contained in Section 6346-11, General Code, 113 O. L. 44, but, as previously stated, there is no provision applicable to persons who in good faith as a business purchase commercial paper at a discount.

It is clear, upon the facts set forth in your letter, that the relationship of borrower and lender actually exists, notwithstanding the fiction whereby the borrower is nominally the payee and the seller of the note. It is the payee that borrows the money and pays the note. The makers of the note are nothing more nor less than accommodation makers. Under such circumstances, it becomes necessary to draw aside the veil, look through the fiction and consider the actual facts. It, accordingly, follows that each office should be licensed as provided in Sections 6346-1, et seq., of the General Code.

Respectfully,

GILBERT BETTMAN,

Attorney General.

1514.

APPROVAL, CONTRACTS ON ROAD IMPROVEMENTS IN MAHONING,
MERCER AND WASHINGTON COUNTIES.

COLUMBUS, OHIO, February 10, 1930.

HON. ROBERT N. WAID, *Director of Highways, Columbus, Ohio.*

1515.

BOARD OF EDUCATION—RIGHT TO CONTRACT THAT BUS DRIVERS
SHALL COMPLY WITH CERTAIN REQUIREMENTS IN ADDITION
TO THOSE PROVIDED BY STATUTES—POWER TO PRESCRIBE
THAT SUCH DRIVERS SHALL PROVIDE LIABILITY INSURANCE.

SYLLABUS:

1. *A board of education may, when making contracts for the transportation of pupils, or for the employment of drivers to drive the board's equipment in the transportation of pupils, lawfully fix by the terms of the contract certain require-*