

the limitation contained in Section 9673, General Code, or shall be distributed as dividends, should rest in the first instance in the determination of the board of directors. Obviously, in some particular instances where the action of the board of directors as to the disposition of the proceeds of the policy would be an invasion of the rights of creditors, depositors or stockholders, such action would be reviewable by the courts.

Answering your questions specifically, it is my opinion:

1. Where a building and loan company has a pecuniary interest in the life of one of its officers or where the success of the business is dependent upon the officer's continuance in life to such an extent that his death would cause a substantial loss to the company, the company has an insurable interest in the life of said officer and may protect itself from such loss by carrying a policy of insurance on the life of such officer.

2. Where the constitution of a building and loan company authorizes the directors to do all things necessary to enable the company to exercise the powers authorized by law, the board of directors may enter into such contract of insurance, without previous and specific authority having been obtained from the members or stockholders.

3. The disposition of the proceeds of such policy, upon death of the officer insured, depends upon the circumstances of each individual case and rests in the first instance in the sound discretion of the board of directors.

I am returning herewith the copy of the constitution of the H. Savings and Loan Company and other papers obtained from your department.

Respectfully,
EDWARD C. TURNER,
Attorney General.

1273.

FOREIGN CORPORATION—REVOCATION OF AUTHORITY TO DO
BUSINESS IN THIS STATE, DISCUSSED.

SYLLABUS:

Revocation of authority of a foreign corporation to do business in this state for failure to designate a successor to its statutory agent discussed.

COLUMBUS, OHIO, November 18, 1927.

HON. CLARENCE J. BROWN, *Secretary of State, Columbus, Ohio.*

DEAR SIR:—This will acknowledge receipt of your recent communication as follows:

“----- Company qualified June 15, 1925, under Sections 178 and 183 of the General Code of Ohio for the purpose of owning property and doing business in Ohio.

At the time of qualification, one -----, Cleveland, was named as statutory agent upon whom service of process could be had. Our records show no further filings by the company in question.

Under date of July 29th, we were in receipt of a communication from attorneys in Cleveland, Ohio, among other things to the effect that Mr. ----- is no longer acting as statutory agent of the company, that he has not been at the address given for about two years last past and that there is now no statutory agent or officer of the corporation in Cleveland to be found. Accompanying the letter was an affidavit to the same effect.

Under date of July 30th the department acknowledged receipt of the letter and affidavit.

Under date of August 5th The ----- Company, at ----- Ave., Detroit, Michigan, were advised as to the receipt of the letter and also the affidavit. The company was further advised that unless within ten days the company designated a substitute agent the question of revocation of authority would be referred to your department for appropriate action under Section 181 of the Code.

No reply to the letter of August 5th has been received nor has any filing been made appointing a substitute agent.

Your advice is requested as to the procedure to be followed by the Secretary of State for the revocation of the authority to do business in the state under Section 181, General Code, above referred to."

Section 181 of the General Code is as follows:

"If a person designated by a foreign corporation as its agent within this state dies or removes from the principal place of business of the corporation within this state, the corporation, within thirty days after such death or removal, shall designate in like manner another person upon whom process may be served within this state. On failure so to do, the Secretary of State shall revoke the authority of the corporation to do business within this state and process against such corporation in an action upon the liability incurred within this state before such revocation may be served upon the Secretary of State after such death or removal and before another designation is made. At the time of such service the plaintiff shall pay to the Secretary of State a fee of two dollars, which shall be included in the taxable costs of the action, and the Secretary of State shall forthwith mail a copy of the service to the corporation if its address or the address of any officer is known to him."

Specific authority is therein conferred upon the Secretary of State to revoke the authority of the corporation to do business within this state and, as I understand it, your only question is as to what method or procedure should be adopted in effecting the revocation. I feel safe in saying, from the statement of facts contained in your letter, that the corporation in question has violated the provisions of the section requiring the maintenance of a statutory agent and its authority to do business is, therefore, subject to revocation.

The statute being silent on the subject of the method of revocation, apparently any method which will effectually accomplish the purpose may be adopted. It may be suggested, however, that an analogy exists in the method prescribed for the cancellation of the certificate of authority of a foreign corporation upon failure to file any report or pay any tax or fee. By Section 5509 of the General Code, the Secretary of State is directed, upon certificate from the Tax Commission, to effect such cancellation "by proper entry." He is also required to notify immediately the foreign corporation of the action taken by him.

Similarly, in the case of cancellation under authority of Section 181, a reasonable course would be for you to enter the fact of the cancellation upon the margin of the

record and notify the corporation in question of the action taken. The marginal notation could be in any form which would clearly indicate the fact of the cancellation and the reason therefor. As a suggestion merely, I offer the following:

(Date)

Authority to do business within this state revoked for failure to designate successor to statutory agent. (G. C. 181.)

Secretary of State.

Such an entry having been made upon the margin of the record, a notice of the action should be forwarded to the corporation direct. In my opinion it would also avoid confusion if notice of this action were given to the Tax Commission. In this way the commission will be advised of the status of the corporation and may be governed accordingly in the matter of taxes and fees.

Respectfully,
EDWARD C. TURNER,
Attorney General.

1274.

BOARD OF CONTROL OF OHIO AGRICULTURAL EXPERIMENT STATION—NO AUTHORITY OVER INTER-COUNTY HIGHWAYS—CONSTRUCTION OF TRANSMISSION LINES ON STATE FOREST PROPERTY, DISCUSSED.

SYLLABUS:

1. *The Board of Control of the Ohio Agricultural Experiment Station has no authority to grant to a public utility company the right to erect poles on any inter-county highway or main market road.*
2. *Neither the Board of Control of the Ohio Agricultural Experiment Station nor the Director of Highways and Public Works has authority to grant to a public utility company the right to construct and maintain transmission lines on any portion of state forest lands.*

COLUMBUS, OHIO, November 18, 1927.

HON. CARL E. STEEB, *Sec'y, Board of Control, Ohio Agricultural Experiment Station, Wooster, Ohio.*

DEAR SIR:—Receipt is acknowledged of your communication of recent date requesting my opinion as follows:

"I am enclosing herewith letter from Mr. Edmund Secrest, State Forester, under date of November 7, which letter raises the question as to the power of the Board of Control of the Agricultural Experiment Station to give consent to a utility company to run a transmission line along the highway which extends through the Scioto Trail Forest. This forest is under the control of the Board of Control of the Ohio Agricultural Experiment Station.