FINANCIAL INSTITUTIONS, DEPARTMENT OF: Out-of-state corporations buying retail installment sales contracts not subject to licensing provisions of Indiana Act; Indiana retail installment sellers precluded from selling contracts to unlicensed corporations.

April 6, 1939.

Mr. Ross H. Wallace, Director,
Department of Financial Institutions,
State House,
Indianapolis, Indiana.

Dear Mr. Wallace:

I have before me your letter which, in part, is as follows:

"Section 11 of the Retail Installment Sales Act reads in part that: 'No person shall purchase retail installment contracts from a retail seller doing business in this state or engage in the business of purchasing retail installment contracts from retail sellers doing business in this state or, unless a bank or trust company, make loans to a retail seller doing business in this state on the security of retail installment contracts or engage in the business of making loans to retail sellers in this state on the security of retail installment contracts unless the department has licensed such person to do such business and has issued to the person a written instrument evidencing the license as in this act provided * * *'."

"We have several out of state corporations that are buying retail installment contracts from Indiana retail seller who have sold merchandise to Indiana purchasers. These corporations maintain no place of business in Indiana. They receive the contracts from Indiana retail sellers by mail, which either are paid for by check which is remitted upon receipt of the contract or by the honoring of drafts drawn by the Indiana retail seller upon the out of state corporation."

You request an official opinion as to whether the above out of state corporations are subject to the provisions of the Retail Installment Sales Act.

Under the conditions set out in your letter I do not think such corporations are subject to the provisions of the Re-
tail Installment Sales Act. Your attention, however, is called to the provisions of section 9 of the Act which provides, in part, as follows:

"* * * No retail seller may sell, assign and transfer any retail installment contract to any person other than a licensee under this act."

It thus appears that the retail seller residing in Indiana is precluded from selling to anyone other than a licensee, but I think it is fundamental that the State has no extraterritorial legislative jurisdiction to require a non-resident corporation which is not doing business in Indiana to take out a license in order to do business with an Indiana citizen where the business done is transacted in the foreign state.

TEACHERS' RETIREMENT FUND BOARD: Leave of absence for professional improvement or war service, whether credit may be given for.

April 7, 1939.

Mr. Robert B. Hougham, Executive Secretary,
Indiana State Teachers' Retirement Fund Board,
State House,
Indianapolis, Indiana.

Dear Sir:

I have your letter requesting an official opinion upon the question as to whether, in determining a teacher's status in the Retirement Fund, credit may be given for a leave of absence granted for professional improvement and time spent in school prior to the passage of the 1915 Retirement Fund Act. You have also asked whether or not the Retirement Fund Board has the authority to grant leave of absence on account of war service, which service occurred prior to the beginning date of teaching.

The first State Teachers' Retirement Fund Act was passed in 1915. Section 18 of that Act (Acts 1915, chapter 182, p. 658) contained the following:

"Any teacher may be given a leave of absence for study, professional improvement, or temporary disability, not exceeding one year in seven, and shall be