discount rate on the amount loaned in cases where the principal loan is required to be repaid in twelve equal monthly installments?"

I think it is obvious that a contract agreeing to pay interest at the above rate by anyone other than a corporation is usurious under the terms of section 19-2001 of Burns Indiana Statutes Annotated (1933). While that section provides that interest as used therein includes discount and may be paid and collected in advance, it does not authorize the collection of any part of the principal in advance of the full annual period upon the basis of which the interest or discount is charged. An 8 per cent discount computed upon the entire principal, which principal is payable in equal installments over a period of one year, is clearly in excess of the legal rate which may be charged, except as applied to corporation borrowers.

Moreover, if such person, copartnership or corporation is engaged in the business of making loans in the amount or of the value of $300.00 or less, the charging of such a rate would be invalid under the Petty Loan Act without a license under that Act.

FINANCIAL INSTITUTIONS, DEPARTMENT OF: License for petty loan business, whether issuable to receiver succeeding former licensee by court order.

June 22, 1939.

Hon. Ross H. Wallace, Director,
Department of Financial Institutions,
Indianapolis, Indiana.

Dear Sir:

I have before me your letter requesting an official opinion in answer to the following question:

"May the Department of Financial Institutions issue a small loan license to a receiver for a corporation which has heretofore been conducting a petty loan business under a license issued by this department."

You state that the receiver for the corporation has been ordered by the court to carry on the business of the loan company and has been specifically directed and authorized to make new loans under the Petty Loan Act. Section 1 of the
Petty Loan Act, as amended in 1933 (Burns Indiana Statutes Annotated (1933), Sec. 18-3001), provides, in part, that:

"Except as otherwise authorized by this Act and unless and until a license shall have been obtained as in this Act provided no person, copartnership, or corporation shall engage in the business of making loans of money, credit, goods, or things in action in the amount or of the value of three hundred dollars ($300) or less and charge, contract for, or receive on any such loan a greater rate of interest or consideration therefor than the lender would be permitted by law to charge if he were not a licensee hereunder."

Later, in the same section, provision is made for the filing of an application which is required to contain the following information:

(1) The name and address, both of the residence and place of business of the applicant.

(2) The trade name, if any, under which the business is to be conducted, and if the applicant is a copartnership the name of every member thereof and if a corporation the name of every officer and director thereof.

(3) The county and municipality with street and number, if any, where the business is to be conducted.

While throughout the Act there is the constant recurrence of the terms "person, copartnership or corporation," I am of the opinion that the terms used were clearly intended to embrace all types of organizations which, except for the Act, would be authorized to engage in the business of making loans of money of the type provided for in said Act. In other words, when the legislature provided that no person, copartnership, or corporation shall engage in the business of making petty loans and charge a greater rate than the ordinary legal rate without first being licensed under the Act, I think the intent was to include every type of organization which might otherwise be engaged in such business, except the ones which were later expressly excluded therefrom.

The receiver in the case referred to by you has been expressly ordered by the court to continue the business of the corporation. The corporation, as I understand it, already has
a license and while that license under the express terms of the Act is non-transferable, I think the receiver would be authorized to continue the business under the license issued to the corporation, having been so ordered to do by the court having jurisdiction of the subject matter. However, as I understand it, it is desired that a duplicate license be issued in the name of the receiver. I do not find any authority in the Act for the issuance of a duplicate license under such circumstances, but in view of what I have already said I can see no objection to the issuance of a license to the receiver as such upon the filing of an application by him accompanied by a copy of the order of court authorizing him to make such an application.

ACCOUNTS, STATE BOARD OF: Typists, authority of Board to hire for Field Examiners' reports, and certify expense to county auditors.

June 23, 1939.

Mr. E. P. Brennan, State Examiner,
State Board of Accounts,
State House,
Indianapolis, Indiana.

Dear Sir:

I have before me your request for an official opinion involving the construction and interpretation of section 14 of chapter 55 of the Acts of 1909. You ask the following question:

"My question on this section is, what can be included in 'the expense of examination and investigation of public accounts'?"

"I find, at this time, that a number of our field men, in making an examination, are spending considerable time in typing the reports of their examinations. None of our examiners are what might be termed typists. It is, therefore, obvious that the time consumed in their typing of a report is a great deal in excess of the time that would be necessary by a trained typist.

"Our examiners are receiving $12.50 per day for the time consumed in this work and when two of them divide the work, we are at present paying the sum of