

of the sale. It does not mean "time balance" as referred to in section 4 of the Conditional Sales Contract Act. This item is made up of the balance due on the contract price after subtracting the down payment plus insurance and finance charges. Clearly, the term "purchase price" contemplates an item entirely different from that contemplated by "time balance."

It is my opinion, therefore, that the term "purchase price," as used in section 17 of the Uniform Conditional Sales Act, means the price measured in dollars agreed upon by the parties for the sale of the specified goods involved.

FINANCIAL INSTITUTIONS, DEPARTMENT OF: Installment sales, when purchasers of contracts required to be licensed.

May 4, 1937.

Hon. F. M. Call, Supervisor,
Division of Installment Finance,
Indianapolis, Indiana.

Dear Sir:

This will acknowledge receipt of your letter of May 3, in which you submit the question as to whether or not the John Deere Plow Company of Moline, Illinois, is required to obtain a license to operate under the provisions of the Retail Installment Sales Act, as provided for by chapter 231 of the Acts of the Indiana General Assembly, 1935.

It appears from the brief submitted by the plow company that the said plow company is a corporation organized under the laws of the State of Illinois, with their place of business at Moline, Illinois; that all its goods are sold to dealers throughout the United States under conditional sale contracts, by the provisions of which contracts the title to and ownership of all merchandise remains in the plow company until full payment is made by the dealer. Their contract further provides that,

"Sales at retail in the regular course of business may be made by the dealer, provided that the proceeds of all such sales, whether cash, book accounts, or notes, or in any form whatsoever, shall be held as the prop-

erty of the Plow Company in trust for its benefit, and subject to its order, until all obligations held by the Plow Company against the dealer for merchandise furnished * * *, are fully paid for in money."

The Plow Company takes the position that by the terms of this contract they are the owners of the implements which the dealer sells and also the proceeds of the sale, which is represented by cash, notes and book accounts received by the dealer at the time of such sale. The Plow Company further contends that since this is the case they are not engaged in buying installment notes and installment sale contracts given by the farmers who buy their goods.

Section 8 of the Uniform Conditional Sales Act, the same being chapter 182 of the Acts of the Indiana General Assembly, 1935, reads as follows:

"Conditional Sale of Goods for Resale. When goods are delivered under a conditional sale contract and the seller expressly or impliedly consents that the buyer may resell them prior to performance of the condition, the reservation of property shall be void against purchasers from the buyer for value in the ordinary course of business, and as to them the buyer shall be deemed the owner of the goods."

It is apparent from a reading of the above section that as between the farmer and the Plow Company, the Plow Company is not the owner of the property which constitutes the basis of the installment sale.

Since this is true, the farmer is in no wise interested in the contractual relationship existing between the plow company and the dealer. The farmer has a legal right to make any sort of contract with the dealer which he and the dealer care to make and if they enter into an installment contract the provisions of the law governing such contract must be complied with.

Section 9 of the Retail Installment Sales Act, the same being chapter 231 of the Acts of the Indiana General Assembly, 1935, provides that,

"Except as in this section otherwise provided, every retail installment contract shall be assignable and the interest therein transferable to any person or persons. No retail seller may sell, assign and transfer any re-

tail installment contract to any person other than a licensee under this Act.”

It is my opinion that this provision expressly forbids the dealer from transferring such contracts to the plow company unless the plow company is licensed under the provisions of the Act.

I can conceive of no condition where this relationship would be otherwise except in a case where the dealer would act strictly as agent for the plow company, having no right, title or interest in the property which constitutes the subject of the sale. If the installment contracts entered into by the farmer are made with the dealer, clearly the dealer is forced to either sell, assign or transfer these contracts to the plow company. When he does this he violates the provisions of section 9 above quoted unless the plow company is a licensee under the provisions of the Act.

If, on the other hand, the contract which the farmer makes is made directly with the plow company and the agent's name does not appear therein as the seller, then clearly the dealer would not be selling, assigning or transferring such contracts to the plow company and if such a practice were followed I think the provisions of the Acts above quoted would not apply.

Since I do not have before me a copy of the contract which the dealer makes with the farmer I am unable to pass upon this particular phase of the question.

I trust, however, that the above explanation makes my position clear as to the legal principles which govern these transactions.

ANATOMICAL BOARD, STATE: Authorized to distribute anatomical material to colleges, etc., in accordance with statute. Chiropractic colleges entitled to anatomical material from board.

May 5, 1937.

Dr. Burton D. Myers, Dean,
Indiana University School of Medicine,
Bloomington, Indiana.

Dear Doctor:

I wish to acknowledge receipt of your request for an opinion, dated May 3, 1937, which reads as follows: