

**FINANCIAL INSTITUTIONS, DEPARTMENT OF: Small  
Loan Act does not apply to loan of three hundred dollars  
or over.**

July 14, 1937.

Hon. Homer O. Stone, Supervisor,  
Division of Small Loans and Consumer Credit,  
Department of Financial Institutions,  
Indianapolis, Indiana.

Dear Sir:

This will acknowledge receipt of your letter of July 9 in which you submit the question as to whether or not one who loans money and takes as security therefor accounts receivable, charging for such service, in addition to six per cent interest, a carrying charge of two or three per cent and where such transactions are in excess of \$300.00 are governed by the provisions of the Small Loan Act.

In reply to this question, beg to say that chapter 154, Acts of the Indiana General Assembly, 1933, commonly known as the Small Loan Act, applies only to those engaged in the business of making loans of money, credit, goods or things in action, in the amount or of the value of \$300.00 or less, and where a charge is made for such loan in excess of the legal rate.

It is my opinion, therefore, that transactions such as the ones mentioned are not governed by the provisions of the Act quoted.

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**PUBLIC INSTRUCTION, SUPERINTENDENT OF: Teachers' Tenure Law, rights of teachers under new joint school system.**

July 14, 1937.

Hon. Grover Van Duyn,  
Ass't Supt. of Public Instruction,  
Indianapolis, Indiana.

Dear Sir:

This will acknowledge receipt of your letter of July 14, in which you submit the following questions:

"1. Do the high school teachers who held tenure rights in the Lawrenceburg school system have tenure rights in the new joint school system as referred to above?

"2. Should your reply to the above question be in the negative, will the tenure teachers referred to above hold seniority over non-teachers now in the Lawrenceburg elementary school for the subjects or grade for which they are licensed?"

The Act evidently under which the school city of Lawrenceburg is being consolidated with the township schools is chapter 154, Acts of the Indiana General Assembly, 1937. Section 7 of this Act reads as follows:

"When such school town shall have become consolidated by declaratory resolution, as hereinbefore provided, and the new board of school trustees shall have been appointed, and shall have been duly and legally organized as hereinbefore provided, the school town shall be deemed to have been abandoned and all of its school property, rights, and privileges as well as any indebtedness it may have, shall be deemed to have accrued to, and be assumed by, the new consolidated school corporation. And the title of such property shall pass to the consolidated school corporation and such debts shall be assumed and paid by such new consolidated school corporation, and all the privileges and rights conferred by law upon the school town shall be and are granted to such new consolidated school corporation."

It is apparent from the reading of the above section that it was the intention of the legislature that the property, rights and privileges as well as the obligations of the school town should, upon consolidation, be assumed by the new consolidated school corporation.

In an opinion formerly rendered by this office to you on April 29, 1936, in discussing the effect of abandonment of a school on tenure rights, this statement was made:

"\* \* \* the abandonment of the school corporation would not \* \* \* operate to invalidate a contract duly entered into by a now tenure teacher with the town

school corporation. Of course the act of abandonment would render the town school corporation incapable of carrying out its part of the contract. This would not in and of itself, however, invalidate the contract but would simply constitute a breach of it and would render liable in damages any school corporation which assumed the obligations of the town school corporation."

It is my opinion, therefore, that the new consolidated school corporation may have some obligation to teachers who held tenure contracts with the former school city of Lawrenceburg.

As was said by the Supreme Court in the case of State, ex rel., Anderson v. Brand, 5 N. E. (2d) 531:

"The Tenure Law does not purport to give a teacher a definite and permanent contract. The word 'indefinite' is used in the statute itself. The contract is variable as to compensation, and the tenure is permanent only in the event that it is not necessary to reduce the number of teachers. In effect, therefore, it gives the tenure teacher preferential rights over the teachers who have not attained a tenure status."

It is my opinion, therefore, that both of your questions should be answered in the affirmative, subject only to such dismissals as are made necessary by a reduction in the number of teachers.

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**SOLDIERS' HOME, STATE: Right to admit wives of disabled soldiers.**

July 15, 1937.

Col. Frank S. Clark, Commandant,  
Indiana State Soldiers' Home,  
Lafayette, Indiana.

Dear Sir:

This will acknowledge receipt of your letter of July 14 in which you ask the question as to whether or not the wife of a soldier who has deserted her is eligible to your home without the soldier husband being there.