"No certificate shall be required for any minor between the ages of fourteen (14) and sixteen (16) years to perform farm labor or domestic service to perform the duties or to work or act as caddy during the hours when schools are not in session."

Section 28-518 forbids the employment of any minor under the age of fourteen, except in the occupations above listed during the hours when the schools are in session. Section 28-520 requires minors between the ages of fourteen and eighteen years to submit to physical examination, except those engaged in farm or domestic service.

It is apparent, therefore, that the Legislature did not intend to attempt to regulate or supervise employment of minors during the hours when schools were not in session for those engaged in farm or domestic labor or boys working as caddies. This being true, it is my opinion that no certificate of employment is necessary for boys above the age of sixteen years who are employed either in farm labor, domestic service or as caddies.


May 31, 1938.

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

Dear Mr. Wallace:

This will acknowledge receipt of your letter of May 23 in which you ask as to whether or not a savings bank in the State of Indiana has authority to borrow money upon debentures and to utilize the proceeds for augmenting the capital structure of such bank, or banks. In reply to this inquiry your attention is directed to Section 19 of the Savings Bank Act which deals with the authority of savings banks to invest the money deposited therein. Section 10 of this Act, as amended by Chapter 27, Acts of the Indiana General Assembly, 1937, gives a savings bank authority
“to borrow money from any such bank (Federal Home Loan Bank), from the Federal Deposit Insurance Corporation, or from any other corporation, and to transfer, assign to and pledge with such bank, the federal deposit insurance corporation or such other corporation, any of the bonds, notes, contracts, mortgages, securities or other property of such savings bank now held or hereafter acquired, as security for the payment of such loans; * * *”

This is the only authority in the law by which a savings bank may borrow money.

As will be seen from a reading of the above statutes, this does not contemplate or authorize the issuance of debentures. Webster defines a debenture as follows:

“When used in the United States debenture generally designates an instrument secured by a floating charge junior to other charges secured by fixed mortgages, or, specif., one of a series of securities secured by a group of securities held in trust for the benefit of the debentur holders. In some cases the debenture is no more than an unsecured promissory note of the corporation bearing a fixed rate of interest.”

It is clear from a reading of the above definition that a debenture does not contemplate the actual transfer and assignment of the bonds, notes, contracts, mortgages and securities offered by the bank as securities for the loan. Since the savings bank has authority only to actually pledge its assets as security for the loan, I can find no authority authorizing the issuance of debentures.

It is my opinion, therefore, that a savings bank can not issue debentures for any purpose and it is my further opinion that in any event such a loan could not be considered as augmenting the capital structure of such bank.