

MAINE STATE LEGISLATURE

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December 5, 1941

Frank I. Cowan, Attorney General

William D. Hayes, State Auditor

In re Sale of Securities Held by Farm
Lands Loan Commission.

I have your inquiry of November 17th. Your first question is one which we have discussed several times and, as you will recall, the statement has been made, on the authority, apparently, of certain representatives of investment houses, that the endorsement of a bond strictly in conformance with the statute, may render it unnegotiable and lessen its value. If this information is correct, you can avoid the unfortunate result and still conform to the statute by providing an endorsement on a separate piece of paper and have it affixed to the bond but not directly written on the bond itself.

The statute, as I understand it, does not intend that a separate act of permission shall be obtained from the Governor in connection with each bond at the time of the proposed sale. Authority can be obtained from time to time from the Governor for the sale of securities for the purpose of reinvestment, and the Treasurer can, with the consent of the Governor, exercise his discretion as to which securities he shall so sell.

Attorney General

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