

CORPORATIONS: Relief Activities.

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August 30, 1934



Honorable Wallace Crossley  
Jefferson City  
Missouri

Dear Mr. Crossley:

- Receipt of your letter dated August 14, 1934 with inclosures, is acknowledged. Your letter is as follows:

"I should appreciate it very much if you would examine the enclosed articles of incorporation of the proposed Missouri Rural Rehabilitation Corporation and give us a written opinion whether these articles violate the laws of Missouri. These articles of incorporation are identical with those prescribed by the Federal Emergency Relief Administration for such corporations."

In the first subdivision of your articles of association it is stated that the proposed 'Missouri Rural Rehabilitation Corporation' is

"\* \* \* a benevolent and non-profit corporation."

The main purpose of the proposed corporation as stated in subdivision A of the third paragraph of the articles, is as follows:

"To rehabilitate individuals and families as self-sustaining human beings by enabling them to secure

subsistence and gainful employment from the soil, from coordinate and affiliated industries and enterprises and otherwise, in accordance with economic and social standards of good citizenship. "

Subdivision E of such third paragraph authorizes the proposed corporation to manufacture certain articles.

Subdivision I of the third paragraph proposes to authorize the corporation

"To engage and assist in any kind of charitable, educational, relief and health activities whatsoever."

Subdivision J of the third paragraph authorizes the corporation to receive grants of money and financial aid from specified sources.

The proposed articles of association do not state the exact amount of capital stock nor that the same or a part thereof has been paid in or subscribed. We presume that the capital is to be established from gifts and donations received. It is provided that upon adissolution of the corporation the balance of funds on hand shall become a part of the General Fund of the State of Missouri, subject to appropriation by the state legislature.

Under the title 'Corporations' and the heading 'Manufacturing and Business Companies,' Section 4940 Revised Statutes 1929, Article 7, Chapter 32, after specifying for what purposes a corporation may be created as a manufacturing and business company, the thirteenth subdivision of the above section provides:

"For any other purpose intended for pecuniary profit, or gain not otherwise especially provided for\* \* \* \*."

The business in which the proposed corporation desires to engage is not covered by any of the specified powers set out in Section 4940, so that the same would be covered by

the thirteenth subdivision of Section 4940 if covered at all by such Article 7.

We think it is clear that the proposed corporation is not entitled to be chartered under Article 7, Chapter 32, Revised Statutes Missouri 1929, because it is stated that the same is organized for benevolent and non-profit purposes.

Article 10 of Chapter 32, Revised Statutes Missouri 1929, in Section 4996 thereof, provides:

"Any number of persons not less than three, who shall have associated themselves by articles of agreement in writing, as a society, company, association or organization formed for benevolent, religious, scientific, fraternal-beneficial, or educational purposes, may be consolidated and united into a corporation. Such articles of agreement may be organic regulations, or a constitution, or other form of association, and any corporate name, not already assumed by another corporation, may be chosen as the title of the corporation: Provided, always, that the purpose and scope of the association be clearly and fully set forth."

Section 4997 authorizes the incorporation of a society, company or association formed for the purposes set out in the last quoted section by the decree of the proper circuit court.

In reference to what associations may incorporate section 4999, in part, provides:

"Any association formed for benevolent purposes, including any purely charitable society, hospital, asylum, house of refuge, reformatory and eleemosynary institution, fraternal-beneficial associations, or any association whose object is to promote temperance or other virtue conducive to the well-being of the community, and, generally, any association formed to provide for some good in the order of benevolence, that is useful to the public,

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may become a body corporate and politic  
under this article\* \* \* \* \*."

We think the proposed 'Missouri Rural Rehabilitation Corporation' could be properly incorporated by the proper circuit court in this state under Article 10, Chapter 32, Revised Statutes Missouri 1929, and when so incorporated you would have power and authority to do the things set forth in your proposed articles of association.

Very truly yours,

GILBERT LAMB  
Assistant Attorney General

APPROVED:

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ROY McKITTRICK  
Attorney General.

GL:LC