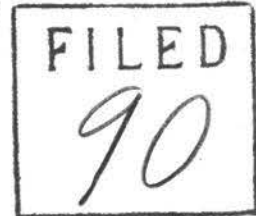


EMPLOYMENT CONTRACT:
USURY:

Contract charging 60% for
obtaining a job is not usury.

March 31, 1943

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Mr. Orville S. Traylor
Commissioner of Labor
Jefferson City, Missouri

Dear Sir:

This will acknowledge receipt of your letter
of March 12, 1943, as follows:

"You will find enclosed a copy of Applica-
tion Form and Agreement used by the Index
Employment Company of Kansas City.

"Our Deputy Commissioner in Kansas City, Mr.
James A. Young, would like to know if the
charge of 60% of the first month's salary,
paid in installments, as provided for in
Section (a) of the Agreement, can be inter-
preted as usury."

Section (a) of the agreement which you have
attached to your letter:

"(a) An amount equal to Fifty (50%) Percent
of my first month's salary for a position
giving me employment if paid in cash, or Six-
ty (60%) Percent if paid in installments."

You ask whether or not the charging of sixty
(60%) percent of one month's salary for obtaining a per-

Mr. Orville S. Traylor

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March 31, 1943

son employment constitutes usury under the laws of this State. In Williams v. American Exchange Bank, (Mo. Sup.) 280 S. W. (2d) 720, it is said (l. c. 723):

" * * * * * Usury is defined as 'the excess over the legal rate charged to a borrower for the use of money.' 3 Bouvier's Law Dict. p. 3380; McRackan v. Bank, 80 S. E. 184, 164 N. C. 24, 49 L. R. A. (N. S.) 1043, Ann. Cas. 1915D, 105. * * * * * "

It is, thus, to be seen that usury is confined only to the lending of money at rates in excess of that provided by law. By no stretch of the imagination could the term usury be said to include a fee which one charges for personal services rendered.

Respectfully submitted,

LAWRENCE L. BRADLEY
Assistant Attorney-General

APPROVED:

ROY McKITTRICK
Attorney-General

LLB:FS