

THE STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL
SALT LAKE CITY, UTAH

RULING NO. 11

July 25, 1935

Hon. Utah Securities Commission
B u i l d i n g

Attention: Audrey Boyd, Secretary

Gentlemen:

This has reference to your letter under date of July 20, 1935, in which you say:

"Will you please inform us whether a foreign corporation making application to sell securities in this State will be required to incorporate here if it transacts no business in the State other than the selling of its securities."

You will please be advised that under the laws of this State relating to the Securities Commission there is no provision requiring a foreign corporation to qualify as such before selling its securities within the State of Utah.

Our laws relating to foreign corporations provides that no such corporation shall do business in the State of Utah until it qualifies as provided by law. However, the selling of securities within the State is not doing business as contemplated by the section above referred to. It is generally held that the selling of such securities within a state by a foreign corporation is not doing business within such state.

Your attention is called to Corpus Juris 14-A, Section 3988 wherein the author says:

"It is generally held that the solicitation and acceptance by a foreign corporation of subscriptions to its capital stock is not the doing or transacting of business within the meaning of statutes imposing requirements, conditions, restrictions, etc., on foreign corporations doing or transacting business within the state."

It is my opinion, therefore, that a foreign corporation, such as mentioned in your letter, need not qualify as a foreign corporation within the State of Utah before selling its securities therein.

Most respectfully yours,

(Signed) JOSEPH CHEZ
Attorney General