

THE STATE OF UTAH

OFFICE OF THE ATTORNEY GENERAL
Salt Lake City

November 19, 1934.

Securities Commission
Building

Gentlemen:

I am in receipt of your favor of November 13, in which you enclosed a letter directed to the Securities Commissioner, State of Utah, by Collins-Moore & Co, in which they have the following to say:

"Please advise us if you have any current ruling regarding warehouse receipts for whiskey stores in Government bonded warehouses.

"Have these been ruled to be securities under your State laws?

"Is there any legal reason why individuals in your state may now own these receipts if the whiskey itself remains in Kentucky?"

You have requested my views on the inquiries thus submitted. In reply kindly be advised as follows:

Under title 82 of the Revised Statutes of Utah, 1933, among other things "security" is defined to include:

"A beneficial interest in, or title to property, profits or earnings; contract or agreement given, made or issued by, any corporation, association or organization where- in a privilege or right in or to the purchase of merchandise are held out or agreed to be given or made....."

By operation of law the transfer of a warehouse receipt constitutes a delivery of the property it represents. Thus, under the definition given above there is no question in my mind that warehouse receipts for whiskey stores in Government bonded warehouses constitute securities under the Utah law.

While laws of this state at present will not permit storage of hard liquor in warehouses in this state, except as it may be a necessary incident in interstate shipments, I know of no legal reason why the citizens of the state may not own warehouse receipts, if properly sold under the securities act, for whiskey stored in Kentucky.

I trust this answers your inquiry satisfactorily.

Yours
Very truly yours,
JOSEPH CHEZ,
Attorney General
By s/ G. A. GILLES.

GAG:DM