

CHAPTER 223

COMMISSION MERCHANTS

223.01 COMMISSION MERCHANT.

Dealing in commodity futures; illegal contracts. 18 MLR 544.

223.02 LICENSE; BOND.

L. 1879, c. 225, the origin of chapter 223 is constitutional. *State v Wagner*, 77 M 483, 80 NW 633, 778; *State v Edwards*, 94 M 225, 102 NW 697.

The statutes requiring licenses and bonds from wholesale dealers in farm products for the protection of their vendors, but excluding farmers selling their own produce, is not unconstitutional. The exemption of farmers' cooperatives having not more than 40 per cent of non-member patrons is not an arbitrary classification. The delegation to the commissioner of agriculture of authority to set the amount of the bond required is not an unconstitutional delegation of legislative authority. *State v Marcus*, 210 M 576, 299 NW 241.

Constitutionality of the statute requiring licensing and bonding of commission milk dealers. 15 MLR 339.

223.07 SUIT ON BOND; AMOUNT TO BE APPORTIONED.

An agreement between plaintiff, a country grain dealer, and a commission merchant, did not relieve defendant surety company from liability on its bond where the merchant failed to account for proceeds of sales of grain consigned to him by plaintiff. *Farmers Cooperative v Enge*, 126 M 485, 148 NW 465.

223.09 COMMISSION MERCHANTS PROHIBITED FROM BEING INTERESTED IN SALES.

Right of the Farmers Union Terminal Association to buy grain consigned to it for sale and charging a regular commission. 1944 OAG 294, Jan. 17, 1944 (215-B-3); 1944 OAG 295, June 7, 1944 (215-B-3).

In an action by plaintiff to enjoin defendant from purchasing for its own account grain consigned to defendant for sale as a commission merchant, the defendant, a cooperative association formed under the provisions of sections 308.05 to 308.18, and licensed as a commission merchant by the state railroad and warehouse commission, is exempt from the provisions of sections 223.09 to 223.10 which forbids any individual or corporation doing business as a commission merchant from buying on its own account grain consigned to it for sale as such commission merchant. *Clinton Ass'n v Farmers Union*, 223 M 253, 26 NW(2d) 118.

223.11 INDEBTEDNESS A LIEN UPON MEMBERSHIP, WHICH MAY BE SOLD.

L. 1919, c. 283, is not unconstitutional because it gives to shippers of grain a first lien upon memberships in grain exchanges to secure indebtedness arising from the consignment of grain to the owners of such memberships. Sale of memberships to satisfy the lien, in accordance with the rules of the exchange, is not an attempt to delegate judicial power. It is an administrative function subject to judicial direction and review. *Tait v Schmahl*, 164 M 122, 204 NW 637.