

## CHAPTER 332

## AIDS TO LIQUIDATION OF DEBTS

**332.01 COLLECTION AGENCIES.**

A collecting agent has no implied power to endorse checks in the name of his principal. *Deering v Kelso*, 74 M 41, 76 NW 792.

It is settled law that a collecting agent is without authority to accept for the debt of his principal anything but "that which the law declares to be legal tender, or which is by common consent considered and treated as money, and passes at par." The rule applies to a bank receiving commercial paper for collection, and if such bank accepts the check of the party to make payment and surrenders the paper, it is responsible to the owner for any resulting loss. *Hammerberg v Bank*, 170 M 15, 212 NW 16.

No one can become the agent of another except by the will of the principal either express or implied from the particular circumstances; that an agent cannot create in himself an authority to do a particular act merely by its performance. The extent of the authority of agent depends on the will of the principal, and the latter will be bound by the acts of the former only to the extent of the authority, actual or apparent, which he has conferred upon the agent; and where a mortgagee turns over the entire amount of the mortgage loan to a broker through whom the loan has been negotiated, the mortgagee thereby constitutes the broker his agent for the purpose of taking up a prior mortgage. *Dennhoff v Heinen*, 202 M 295, 278 NW 351.

Appellant was convicted of the crime of conspiracy and on appeal there was a reversal. Where the truth of representations is known to an employee but not to his employer, the latter cannot be held criminally liable for conspiracy to cheat and defraud by means of the representations. *State v Cook*, 215 M 183, 9 NW(2d) 518.

A collection agency operating by taking an assignment of choses of action in its own name, and suing in its own name, must comply with all the requirements of chapter 332. OAG July 5, 1938 (290-V).

An individual who has been imposed upon or defrauded by a collection agency must resort to the ordinary remedies of law, there being no state agency empowered to discipline bonded agencies. (See power of enforcement division of department of business research and development.) OAG Feb. 10, 1942 (828-B).

Secretary of state may in his discretion as based upon the facts, reject a bond offered by an agency applicant. OAG Dec. 29, 1942 (828-B).

Practicing law. 20 MLR 455.

Unauthorized practice of law. 25 MLR.617.

**332.04 WHO MAY LIQUIDATE DEBTS OF OTHERS.**

Business of liquidating debts. 20 MLR 63.

Unauthorized practice of law; effect of L. 1935, c. 347. 20 MLR 451.

**332.06 BOND.**

The statute contemplates a continuous bond. OAG Sept. 23, 1940 (301-A).

**332.11 VIOLATIONS; PENALTIES.**

Amended by L. 1947 c. 200 s. 1.