



THE ATTORNEY GENERAL
OF TEXAS
AUSTIN, TEXAS

Gerald J. Kneel
XXXXXXXXXXXX

Honorable Wm. J. Lawson
Secretary of State
Austin, Texas

Dear Sir:

Attention: Mr. Will Mann Richardson

Opinion No. 0-3490
Re: Foreign corporations -
Article 1530, V.A.C.A.

Your request for an opinion has been received and carefully considered by this Department. We quote from your request as follows:

"We have recently been furnished with an application for a permit for the above named corporation to do business in Texas.

"The application was denied because the corporation did not show to have met the capital stock requirements required of all foreign corporations by Article 1530.

"In resubmitting their application, the corporation points out that this is a new corporation in which all of the assets of two former corporations were transferred to the corporation for its stock. Among the assets of the two previous corporations which have been transferred to the present corporation there is an item of more than \$100,000.00 in cash and quite a bit of property.

"The question raised by the application at this time is whether the transfer of the assets of

Hon. Wm. J. Lawson, page 2

an old corporation into a new corporation in exchange for the stock of the new corporation meets the capital stock requirement of Article 1530, if the assets transferred to the new corporation include more than \$100,000.00 in cash.

"An early opinion on this question will be appreciated."

Article 1529, Vernon's Annotated Texas Civil Statutes, provides for the issuance of permits authorizing foreign corporations to transact business in Texas.

Article 1530, Vernon's Annotated Civil Statutes, (referring to foreign corporations) reads as follows:

"Before such permit is issued such corporation shall show to the satisfaction of the Secretary of State that at least one hundred thousand dollars in cash of their authorized capital stock has been paid in, or that fifty per cent of their authorized capital stock has been subscribed, and at least ten per cent thereof paid in."

Under the facts stated in your letter more than \$100,000.00 in cash has been paid into the corporation. We assume from your letter that same was paid in as authorized capital stock of the corporation. Under the facts stated and assumed, it is our opinion that the new corporation meets the capital stock requirement of Article 1530, Vernon's Annotated Civil Statutes, supra.

Very truly yours,

ATTORNEY GENERAL OF TEXAS

By /s/ Wm. J. Fanning
Wm. J. Fanning
Assistant

WJF:R
APPROVED MAY 14, 1941

/s/ Grover Sellers
FIRST ASSISTANT
ATTORNEY GENERAL