diction.[18] Thus, presence of a district representative to assist distributors in salesmanship and to aid in selling, to supervise service, and with authority to select distributors, has been held merely incidental to the sale of the corporation's products to distributors or dealers.[19] In another case,[20] a concern whose agent exercised like authority and in addition made collections was held to be "doing business" sufficient for the service of process.

The courts in deciding when a corporation is "doing business" for purposes of process must make an evaluation of two conflicting interests—the interest of the state in protecting its citizens affected by the corporation's activities and the protection of the corporation from unreasonable interference.[21] While evaluation is frequently difficult, the decision in the instant case seems sound and in accord with the general trend of the cases.

W. R. K.

CORPORATIONS—CONVERSION BY UNAUTHORIZED TRANSFER OF STOCK ON CORPORATION RECORDS—DUTY TO INQUIRE WHEN BY AGENT TO WIFE—[Federal].—At the request of *X*, the manager and president of *A* corporation, *B* corporation transferred on its books certain of its shares owned by *A* corporation, to *X*'s wife. The receiver of *A* corporation, contending that

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City Ct. 1929) 133 Misc. 630, 233 N. Y. S. 301 (office to solicit business and gather information); Union Associated Press v. Times-Star Co. (C. C. E. D. N. Y. 1898) 84 Fed. 419 (salaried agent to solicit advertisements, make contracts therefor, and receive payments, name on door); Davega, Inc. v. Lincoln Furniture Mfg. Co. (C. C. A. 2, 1928) 29 F. (2d) 164 (soliciting agent, orders f. o. b., sometimes aided in collecting overdue accounts, adjustments subject to company approval, trips by president into state for adjustments; Honeyman v. Colorado Fuel & Iron Co. (C. C. E. D. N. Y. 1904) 133 Fed. 96 (office, officers, facilities for registering stock, bank account, and the holding of directors' meetings).

18. Lamont v. S. R. Moss Cigar Co. (1920) 218 Ill. App. 435 (salesman had drawing account and traveling expenses, sold to retailers and wholesalers, made allowances to jobbers for advertising); St. Louis S. W. Ry. v. Alexander (1913) 227 U. S. 218 (company maintained an office where agent declined to make adjustments of a claim after investigation); Stark v. Howe Sound Co., Inc. (Sup. Ct. 1931) 141 Misc. 148, 252 N. Y. S. 233 (activities systematically and regularly controlled from headquarters in state); Schuman v. Nat. Pressure Cooker Co. (Sup. Ct. 1939) 10 N. Y. S. (2d) 743 (systematic and continuous course of business in solicitation of orders and shipment of merchandise to numerous customers); Ricketts v. Sun Printing & Publishing Ass'n (1906) 27 App. D. C. 222 (office for direct delivery of news reports to newspapers that contracted therefor, central office only received compensation contracted for, agent fixed the charge, collected the money, and used it for the benefit of corporation); Ruff v. Manhattan Oil Co. (1927) 172 Minn. 585, 216 N. W. 331 (ownership of controlling stock in domestic corporation, active control and supervision thereof, orders given to bookkeeping, agents sent into state with supervisory duties, traffic and marketing departments).

19. Southeastern Distributing Co. v. Nordyke & Marmon Co. (1924) 159 Ga. 150, 125 S. E. 171.

20. La Porte Heinekamp Motor Co. v. Ford Motor Co. (D. C. D. Md. 1928) 24 F. (2d) 861.

21. Note (1937) 23 Va. L. Rev. 307.

the transfer by *X* to his wife was in fraud of *A* corporation's rights, later brought an action against *B* corporation for conversion of its stock. *A* corporation claimed that *X* did not have apparent authority to make the transfer. *Held,* recovery allowed.[1]

A corporation is liable in conversion for transferring stock on its records where the shareholders has not authorized the transfer,[2] or where the corporation has notice of the fraud.[3] To justify transfer of stock by an agent, there must be express or apparent authority.[4] In absence of specific authority from his principal, an agent is not authorized to transfer shares to himself;[5] and, whenever he does, the corporation is put on inquiry concerning his authority.[6] Should such inquiry be required when there is a transfer by the agent to his wife? If actual knowledge of the marital relationship were present, the principal case would require investigation.[7] This is analogous to the doctrine that contracts by a corporation with the wife of a director are subject to the same infirmities as are imposed on contracts with the director, it being presumed that the husband is partial to his wife.[8]

Should an inquiry be required by reason of the similarity between the surnames of the agent purporting to authorize the transfer and the transferee, in the absence of actual knowledge on the part of a corporation that the transaction is between husband and wife, or in the absence of an indication in the instruments of transfer of the existence of such relationship? The principal case does not reveal whether defendant corporation had actual notice that the transaction was between husband and wife, or that there was any such indication in the transfer papers. Mere similarity in surnames of transferor and transferee should not require investigation by the company where the transaction takes place on a public security exchange,

1. Clark and Wilson Lumber Co. of Delaware v. McAllister (C. C. A. 9, 1939) 101 F. (2d) 709.

2. Western Union Telegraph Co. v. Davenport (1878) 97 U. S. 369; Geyser-Marion Gold-Mining Co. v. Stark (C. C. A. 8, 1901) 106 Fed. 558, 53 L. R. A. 684. See Mackenzie v. Engelhard & Sons Co. (1923) 266 U. S. 131, 143, 36 A. L. R. 416.

3. Peck v. Providence Gas Co. (1892) 17 R. I. 275, 21 Atl. 543, 23 Atl. 967, 15 L. R. A. 643; Rochester & C. T. Road Co. v. Paviour (1900) 164 N. Y. 281, 50 N. E. 114, 52 L. R. A. 790. See Loring v. Saulsbury Mills (1878) 125 Mass. 138, 150.

4. Camden Fire Ins. Ass'n v. Jones (1891) 53 N. J. L. 189, 21 Atl. 458.

5. Tafft v. Presidio and Ferries R. R. (1890) 84 Cal. 131, 24 Pac. 436, 18 Am. St. Rep. 166, 11 L. R. A. 125.

6. Third Nat. Bank of St. Paul v. Marine Lumber Co. (1890) 44 Minn. 65, 46 N. W. 145; Lee v. Smith (1884) 84 Mo. 304, 54 Am. Rep. 101. Similar inquiry is required in the transfer of negotiable instruments: McCullan v. Mermod, Jaccard, and King Jewelry Co. (Mo. App. 1920) 218 S. W. 345; Newman v. Newman (1914) 160 App. Div. 331, 145 N. Y. S. 325; Rochester & C. T. Road Co. v. Paviour (1900) 164 N. Y. 281, 58 N. E. 114.

7. Clark and Wilson Lumber Co. of Delaware v. McAllister (C. C. A. 9, 1939) 101 F. (2d) 709, 714.

8. Vorhees v. Nixon (1907) 72 N. J. L. 791, 66 Atl. 192. See Lingke v. Wilkinson (1874) 57 N. Y. 445; Davoue v. Fanning (N. Y. 1816) 2 Johns. Ch. 251; Reed v. Aubrey (1893) 91 Ga. 435, 44 Am. St. Rep. 49, 53.

it being improbable that such an exchange would be resorted to in such a transaction. But in a private transfer, where the possibility of fraud and adverse interest of the agent is greatly increased, a duty to inquire might more reasonably be imposed. It is unlikely, however, that most courts would demand inquiry on account of similarity of surnames alone, as this would necessitate added expense, delay, and trouble for the corporation. Where awareness of a marital relation is present, positive knowledge of suspicious factors in the transaction actually exists. Consequently, inquiry may reasonably be demanded, or the corporation charged with the consequences of its omission.

W. N.

TORTS—PARENT AND CHILD—LIABILITY OF PARENT TO CHILD FOR PERSONAL INJURY—[Missouri].—In an action by a minor adopted child against its foster parent for personal injuries wilfully and maliciously inflicted, the Kansas City Court of Appeals denied liability on the ground that a minor child cannot sue its parent for personal injuries.[1] The court repudiated *dicta* to the opposite effect in *Dix v. Martin*,[2] which indicated that the child could recover for injuries caused by wicked and excessive punishment.

This decision is supported by the great weight of authority in other jurisdictions.[3] Civil liability of the parent to the child,[4] or child to parent,[5] for personal injuries negligently[6] or intentionally[7] inflicted is refused on the ground of public policy. The courts seek to discourage any acts which might break the domestic tranquillity[8] and to give the parent the right to discipline the child free from fear of civil liability.[9] Furthermore, criminal liability is regarded as a sufficient restraint to protect the child.[10] Civil immunity is granted anyone who stands in *loco parentis* to the child.[11] The existence of this relation depends upon whether the parties intended to assume its obligations and is usually a question of fact for the jury.[12]

Nebraska, the only state which refuses to follow the broad majority rule, holds that a parent may be liable for injuries caused by punishment that

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1. Cook v. Cook (Mo. App. 1939) 124 S. W. (2d) 675.
2. (1913) 171 Mo. App. 266, 157 S. W. 133, 136.
3. Note (1923) 31 A. L. R. 1157; Note (1925) 42 A. L. R. 1363.
4. Ibid.
5. Duffy v. Duffy (1935) 117 Pa. Super. 500, 178 Atl. 165; Schneider v. Schneider (1930) 160 Md. 18, 152 Atl. 498, 72 A. L. R. 449.
6. Matarese v. Materese (1925) 47 R. I. 131, 131 Atl. 198, 42 A. L. R. 1360.
7. Roller v. Roller (1905) 37 Wash. 242, 79 Pac. 788.
8. Wick v. Wick (1927) 192 Wis. 260, 212 N. W. 787; Small v. Morrison (1923) 185 N. C. 577, 118 S. E. 12, 31 A. L. R. 1135; Roller v. Roller (1905) 37 Wash. 242, 79 Pac. 788.
9. Matarese v. Matarese (1925) 47 R. I. 131, 131 Atl. 198, 42 A. L. R. 1360; Wick v. Wick (1927) 192 Wis. 260, 212 N. W. 787.
10. Hewelette v. George (1891) 68 Miss. 703, 9 So. 885, 13 L. R. A. 682.
11. Fortinberry v. Holmes (1907) 89 Miss. 373, 42 So. 799.
12. Capek v. Kropik (1889) 129 Ill. 509, 21 N. E. 836; Martens v. Martens (1933) 11 N. J. Misc. 705, 167 Atl. 227.