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## Conflict Of Laws -- Doing Business -- Notice by Registered Mail to Foreign Corporations

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interests. This writer suggests that *reasonable compensation* should be considered as *reasonable under the surrounding circumstances*, and that instead of perfunctorily denying compensation where the attorney has represented conflicting interests, the court should consider the merits of the case and allow partial fees where warranted.

### CONFLICT OF LAWS—DOING BUSINESS—NOTICE BY REGISTERED MAIL TO FOREIGN CORPORATIONS

Appellant, a mutual insurance corporation, conducted all business by mail with citizens of another state, using existing members to solicit applicants. Appellant failed to comply with a state statute, where the insurance was solicited which required those selling certificates of insurance to register with the State Corporation Commission.<sup>1</sup> Acting under the statute, the State Corporation Commission issued a cease and desist order, based on service by registered mail, restraining further violation of the act. *Held*, that under the Fourteenth Amendment,<sup>2</sup> service by registered mail satisfied due process since the activities of the non-resident corporation constituted continuing relationships and obligations with citizens of the state, thereby subjecting it to the authority of the state. *Travelers Health Ass'n v. Virginia*, 70 Sup. Ct. 927 (1950).

It is established that an in personam judgment cannot be based on service by registered mail on an individual or corporation, neither of whom are present in the state issuing such judgment.<sup>3</sup> In determining whether a corporation, which is domiciled elsewhere, is present within a state, the courts have held that if a corporation is doing business within a state it is subject to the jurisdiction of the forum.<sup>4</sup> Whether a foreign corporation may be held to be doing business within a state is a question of fact, the determination of which depends on the effect of all actions in the state involved.<sup>5</sup> Generally the presence of corporate property and agents, conducting corporate activities, is requisite to doing business within another state.<sup>6</sup> However, in *International Shoe Company v. Washington*,<sup>7</sup> the Court re-

1. VA. CODE § 3848(47) et seq. (1942).

2. U.S. CONST. AMEND. XIV.

3. *Old Wayne Mutual Life Ass'n v. McDonough*, 204 U.S. 8 (1907); *Pennoyer v. Neff*, 95 U.S. 714 (1877).

4. *Louisville & N. R.R. v. Chatters*, 279 U.S. 320 (1929); *England Mutual Life Ins. Co. v. Woodworth*, 111 U.S. 138 (1884); *Union Mutual Life Ins. Co. of Iowa v. Bailey*, 99 Colo. 570, 64 P.2d 1267 (1937).

5. *Frene v. Louisville Cement Co.*, 134 F.2d 511 (1943); *Bootes Hatcheries & Packing Co. v. Superior Court*, 91 Cal.2d 526, 205 P.2d 31 (1949) (presence of single agent within state); *Union Mutual Life Ins. Co. of Iowa v. Bailey*, *supra* note 4; *Minnesota Tribune Co. v. Comm't*, 228 Minn. 452, 37 N.W.2d 737 (1949); *Hastings v. Piper Aircraft Corp.*, 84 N.Y.S.2d 580, 274 App. Div. 435 (1948).

6. *Philadelphia & Reading Ry. v. McKibbin*, 243 U.S. 264 (1917); *Allgeyer v. Louisiana*, 165 U.S. 578 (1897); *State v. Winstead*, 66 Idaho 504, 162 P.2d 894 (1945); *accord*, *Minnesota Commercial Men's Ass'n v. Benn*, 261 U.S. 140 (1923).

7. 326 U.S. 310, 324 (1945).

jected all rigid determinants in this regard. The Court held that due process does not require a corporation to be within the territorial jurisdiction of the court if it has such contacts with the territorial forum that the maintenance of the suit does not offend the traditional notions of fair play.

Foreign insurance corporations which depend on good will and voluntary solicitations of existing members for new business and which are not represented by agents or brokers in the state are generally held not to be doing business in a foreign state.<sup>8</sup> Some courts in reaching the same result consider the situs of the execution of the contract as controlling,<sup>9</sup> and since, in the absence of agents, the place of execution and performance is the corporation's home state, the result reached is in accord with the majority view. However, a distinction is recognized between doing business by a foreign corporation which would subject it to the jurisdiction of a foreign court (not of its domicile), and doing business of the character that would subject it to the power of the state to impose regulations on its activities.<sup>10</sup> In this latter respect the courts have realized that the state has an interest in the insurance of its citizens in order to protect them from loss,<sup>11</sup> and that in protecting that interest the state may impose regulations on the method of sale and distribution of insurance contracts.<sup>12</sup>

In the instant case, the Court does not decide that the corporation's superficial contacts in a foreign state are sufficient to constitute doing business in the sense that the corporation is subject to an in personam decree of a court of the foreign jurisdiction. What has been done in the instant case is to affirm the authority of the state, by a reasonable exercise of its police powers, to regulate the sale of securities within its borders.<sup>13</sup>

### CONSTITUTIONAL LAW—CIVIL LIBERTIES—SEGREGATION ON GRADUATE AND PROFESSIONAL SCHOOL LEVEL

In accordance with State law,<sup>1</sup> petitioner's application for admission to the University of Texas Law School was rejected solely because he was

8. *Sasnett v. Iowa State Traveling Men's Ass'n*, 90 F.2d 514 (8th Cir. 1937); *Shwyder v. Illinois Commercial Men's Ass'n*, 255 Fed. 797 (D. Colo. 1918); *Pembleton v. Illinois Commercial Men's Ass'n*, 289 Ill. 99, 124 N.E. 355 (1919); *Minnesota Commercial Men's Ass'n v. Benn*, *supra* note 6.

9. *Storey v. United Shoe Co.*, 64 F. Supp. 896 (E.D. S.C. 1946); *Allgeyer v. Louisiana*, *supra* note 5. *But cf.* *International Harvester Co. v. Kentucky*, 234 U.S. 579 (1914).

10. *Begole Aircraft Supplies, Inc. v. Pacific Airmotive Corp.*, 212 P.2d 860 (Colo. 1949).

11. *Alaska Packers Ass'n v. Industrial Accident Comm'n*, 294 U.S. 532 (1935).

12. *Hoopeston Canning Co. v. Cullen*, 318 U.S. 313 (1943); *Osborn v. Oslin*, 310 U.S. 53 (1940).

13. *Hall v. Geiger Jones Co.*, 242 U.S. 539 (1917); *Caldwell v. Sioux Falls Stock Yard Co.*, 242 U.S. 559 (1917); *Merrick v. N. W. Halsey Co.*, 242 U.S. 568 (1917) (in which the "Blue Sky" laws of Ohio, South Dakota and Michigan were upheld); *cf.* *Atlantic Refining Co. v. Virginia*, 302 U.S. 22 (1938); *Home Insurance Co. of N.Y. v. Morse*, 87 U.S. 445 (1874); *Paul v. State of Virginia*, 75 U.S. 168 (1868).

1. *TEX. CONST.* Art. VII, §§ 7, 14; *TEX. STAT. REV. CIV.* §§ 2643b, 2719, 2900, (Supp. 1949).