74-1

December 4, 1945

Hon. Mark Wilmer
Attorney for the Arizona
Grapefruit Program Committee
Heard Building
Phoenix, Arizona

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ARIZONA ATTORNEY GENERAL

Dear Mr. Wilmer:

In response to your request for [illegible] opinion, we understand your question to be as follows:

The Arizona Grapefruit Program Committee has funds in its hands at the end of the marketing season which are to be distributed to handlers and producers who contributed thereto in proportion [illegible] contribution as provided in Section 45-[illegible] (b), [illegible]. We understand the Arizona Grapefruit Program Committee, through its agent, Byron Showers, has requested [illegible] agreement from handlers and producers [illegible] to have a bond signed by the resident [illegible] as well as themselves. That the handlers have [illegible] the execution of this bond because the handlers [illegible] feel they are required under the law to give the [illegible] bond.

We are of [illegible] that where the handler has given a bond to the [illegible] Arizona as required under Section 45-[illegible], which provides in part as follows:

> "[illegible] shall be conditioned that the applicant will comply with the provisions of this act and will conduct and transact his business honestly and without fraud of any kind.".

This bond is broad enough to protect any fraud or dishonest business dealings and that the obligees on the bond would be required to pay to any person entitled to a refund under the section above quoted.

We are further of the opinion the liability of the Arizona Grapefruit Program Committee ceases when this payment is made to the person who contributed thereto. The Committee is under no legal duty to determine whether or not that person has acted honestly and without fraud. In the event there should

45-1489

be any fraud or failure to pay any sum due on the part of the producer or handler who has executed a bond as provided under Section 40-307, that bond would be liable to secure those persons who have been cheated or defrauded or failed to receive any sum due them.

Very truly yours,

JACK L.
Attorney General

Assistant Attorney
General

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