I've been seeing an increasing number of references to Bitcoin and other forms of virtual or crypto currencies in the news. For example, Jeffrey Sparshott and Robin Sidel of the Wall Street Journal reported last week that the Department of Homeland Security had frozen the account “tied to the largest Bitcoin exchange”. In March, the Financial Crimes Enforcement Network (“FinCEN”) issued this guidance to persons administering, exchanging or using virtual currencies.

Money And The General Corporation Law

The California General Corporation Law doesn’t define the word “money” but it does include a prohibition on its issuance. Section 107 prohibits any corporation, flexible purpose corporation, association or individual from issuing or putting in circulation, as money, anything but the lawful money of the United States. This prohibition apparently traces its roots to Article XII, Section 5 of the 1879 California Constitution. (Article XII of the 1879 Constitution contained numerous provisions with respect to corporations. In 1930, the voters approved the removal of several of these detailed provisions from the constitution and the following year they were included in California’s first general corporation law.) I’d be very surprised if the draftsmen of this prohibition had dipt so far into the future so as to see the advent of virtual currencies.

How Money Got Its Name

For those who are concerned about the worship of money, the word actually has divine overtones. It comes from the surname of the Roman Goddess Juno – Moneta. It was in or near Juno’s temple in ancient Rome that coins were minted. The Roman historian Livy, for example, refers to the mint in telling the story of Marcus Manlius, an early savior of Rome and protector of the plebeians who was rewarded for his efforts by being tossed from the Tarpeian Rock: “cum domus eius fuisset, ubi nunc aedes atque officina Monetae est” (where his [Manlius’] house had been, now there is the temple and workshop of [Juno] Moneta) (Livy, Book 6, Ch. 20. § 13) (my translation).

Statement of Pluto?

The word “currency” also has indirect associations with the divine. It is derived from the the Latin word, currere, which means to run or by extension to flow, as in a current. The Greek god Pluto (Πλούτων) was the god of wealth (πλούτος, or plutos, means wealth). His name is derived from the Proto-Indo-European, *pleu, which means to flow. The sense of money as something that flows can still be found in the name of one of the principal financial statements – the statement of cash flow.

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