

MAINE STATE LEGISLATURE

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CHAPTER 165

FINANCE

Sec.

1991. Report to members.

1992. Audits.

1993. Verification of accounts.

§ 1991. Report to members

Every association shall make available to its members annually a report of its financial condition by publishing a statement of its assets and liabilities as determined by its annual examination in form prescribed by the commissioner at least once in some newspaper published in the municipality where the principal office of the association is located, if any, otherwise in such newspaper as the commissioner may order.

1961, c. 198, § 1.

§ 1992. Audits

The directors of each association shall at least annually employ an independent public accountant or accountants, who shall examine and analyze the books, accounts, notes, mortgages, securities and operating systems of the association, in such manner as in their judgment is necessary and appropriate in accordance with generally accepted accounting standards for the protection of members and the efficient operation of the association, and shall make written report of the condition of the association to the president, for the board, in such manner and to such extent as said accountant or accountants may deem necessary or proper.

The commissioner, in the course of his regular official examination of the association shall, and at such other times as he deems advisable may, investigate the work of such accountant or accountants to determine its adequacy for the purposes set forth, and in case he deems it inadequate he shall forthwith report his findings, with recommendations, in writing to the directors, who shall, within 30 days thereafter, give full consideration to such findings and recommendations, and take such steps relative thereto as in their judgment the situation requires.

Such audit may include a verification of accounts of members which, if deemed adequate by the commissioner, shall relieve him from all responsibility for such verification imposed upon

him by section 1993, so far as applicable to said association; and shall relieve said association of the expense of such verification by the banking department which might otherwise have been assessed against it under section 2.

In lieu of the employment, election or appointment of an accountant or accountants in the manner provided, the association may enter into an arrangement with the commissioner, approved by the directors by duly recorded vote, and by the commissioner in writing, under which the auditing function may be assumed and discharged by the commissioner, who, unless otherwise stipulated in the agreement, shall have sole responsibility for its supervision and operation. The expense of such audit shall be chargeable to and paid by the association. Such arrangement may be terminated by either party on at least 30 days' notice in writing.

Whenever the directors of an association shall have provided for such audit by either of the methods above prescribed and, in the cases of the employment, election or appointments of an accountant or accountants by them, shall have taken such action to remedy conditions as may reasonably be deemed necessary in the light of information disclosed by any report of said accountant or accountants and shall have complied with all reasonable recommendations of the commissioner relative thereto within the time hereinbefore prescribed, they shall not be personally liable for any loss suffered by such association, due to any subsequent wrongdoing by any officer or employee of the association, in the absence of other facts indicating negligence on the part of said directors.

1961, c. 198, § 1; c. 417, § 155.

§ 1993. Verification of accounts

The commissioner, at least once in every 3 years, shall cause the accounts of members in savings and loan associations to be verified by such methods and under such rules as he may prescribe.

The commissioner, deputy commissioner and all examiners and employees of the banking department acting under chapters 141 to 167 shall have full access to every part of the association under examination, and to all books, papers, vouchers, resources and all other records and property belonging to said association, whether in its immediate possession or otherwise, for the purpose of facilitating such verification.

9 § 1993 **BANKS—FINANCIAL INSTITUTIONS** **Title 9**

If any representative of the banking department designated to make such audit or verification shall communicate or impart to any person or persons, except as authorized by law, any information obtained by said audit or verification, he shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 6 months, or by both.

1961, c. 198, § 1.