

# MAINE STATE LEGISLATURE

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*Charles F. Rice*

DOCUMENTS

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THE LEGISLATURE,

OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1840.

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AUGUSTA:

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1840.

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**TWENTIETH LEGISLATURE.**

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**NO. 27.**

**HOUSE.**

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**A N A C T**

TO INCORPORATE THE

**F A R M E R S ' B A N K .**

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[Wm. R. SMITH & Co.....Printers to the State.]



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# STATE OF MAINE.

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IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED  
AND FORTY.

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## AN ACT to incorporate the Farmers' Bank.

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SECT. 1. *Be it enacted by the Senate and  
2 House of Representatives in Legislature  
3 assembled, That Stephen Webb, Jr., Thomas  
4 Mayberry, Rufus Porter, Sylvanus Higgins,  
5 Samuel Miller, Edward Anderson, Herman  
6 M. Brown, Edmund Mann, James Grant, S.  
7 C. Clement, Samuel Hill, Robert Files, Benj.  
8 Moshier, Josiah Little, Stephen A. Partrick,  
9 John Johnson, William Burton, Jr., Adams  
10 True, William Harris, and one hundred and  
11 seventeen others, their associates, successors  
12 and assigns, shall be and hereby are created a  
13 corporation by the name of "The President,  
14 Directors and Company of the Farmer's*

15 Bank," and shall so continue until the first day  
16 of October, in the year of our Lord one thou-  
17 sand eight hundred and ———.

SECT. 2. *Be it further enacted,* That the  
2 capital stock of said Corporation shall consist of  
3 the sum of Fifty Thousand Dollars, in Ameri-  
4 can gold or silver, and shall be divided into two  
5 thousand five hundred Shares of Twenty Dol-  
6 lars each.

SECT. 3. *Be it further enacted,* That said  
2 Bank shall be established in the city of Port-  
3 land, in the county of Cumberland.

SECT. 4. *Be it further enacted,* That for  
2 the well ordering of the affairs of said Corpor-  
3 ation, a meeting of the Stockholders shall be  
4 holden at such place as they shall direct, on the  
5 first Monday of October, annually, and at any  
6 other time and place that may be appointed by  
7 the President and Directors for the time being,  
8 by giving public notification fourteen days previ-  
9 ous thereto, at which annual meeting there shall  
10 be chosen by ballot, nine Directors, to continue  
11 in office the year ensuing their election.

SECT. 5. *Be it further enacted,* That said

2 Corporation shall be entitled to all the privileges,  
3 and subject to all the duties, liabilities and  
4 requirements contained in “an Act to regulate  
5 Banks and Banking,” passed March thirty-first,  
6 in the year of our Lord one thousand eight hun-  
7 dred and thirty-one, subject however, to the  
8 following limitations and restrictions, to wit :—

9 *Art. 1.* No individual or firm shall hold and  
10 own more than two per cent. of said capital  
11 stock.

12 *Art. 2.* No foreign coin, either gold or silver,  
13 shall be paid out in the redemption of the bills  
14 of said Bank, except for the purpose of a legal  
15 tender.

16 *Art. 3.* While the liability of any Stock-  
17 holder, either as promisor or endorser, upon any  
18 note, bill or draft, shall be held by said Bank,  
19 no transfer of the stock of said Stockholder,  
20 shall be held as valid against said Bank.

21 *Art. 4.* Loans shall in no case be made solely  
22 upon individual security, unless upon three  
23 names satisfactory to the Board of Directors.

24 *Art. 5.* No note, draft or bill of exchange  
25 due said Bank, shall be renewed, at or after

26 maturity, without additional security satisfactory  
27 to the Board of Directors.

28 *Art. 6.* No name shall be received by said  
29 Bank, either as promisor or endorser, or as  
30 surety, for any loan which may be made by said  
31 Bank, while any such name may remain dishon-  
32 ored at said Bank.

33 *Art. 7.* The liability of any Director to said  
34 Bank, either as promisor or endorser, or both,  
35 shall in no case, upon any security whatsoever,  
36 at any one time, whether due or undue, exceed  
37 the value of the stock actually owned by said  
38 Director.

39 *Art. 8.* All loans made by said Bank shall  
40 be made with the written assent of a majority  
41 of the Board of Directors.

SECT. 6. *Be it further enacted,* That  
2 Stephen Webb, Jr., and their [his] associates or  
3 any five of them, may call the first meeting of said  
4 Corporation, to be holden in Portland aforesaid,  
5 by advertisement in any of the newspapers  
6 printed in Portland, twenty days at least before  
7 the time of said meeting.

SECT. 7. *Be it further enacted,* That the



2 limitations and restrictions mentioned in the  
3 fifth section of this Act, together with the by-  
4 laws of said Corporation, shall be published in  
5 one or more of the newspapers printed in Port-  
6 land. An attested copy of the monthly reports,  
7 of the state of said Bank made in conformity  
8 to the requirements of a law passed March  
9 thirty-first, in the year of our Lord one thousand  
10 eight hundred and thirty-one, shall also be pub-  
11 lished as above, by said Bank.

SECT. 8. *Be it further enacted,* That said  
2 Bank shall at all times, have within its control,  
3 at least one dollar in specie, for every *two* dol-  
4 lars of its circulation, and that it shall be fraud  
5 in the Board of Directors to increase said cir-  
6 culation beyond said *two* dollars in paper, to one  
7 in specie actually in the vaults of said Bank, or  
8 specie funds to the credit of said Bank in its  
9 redeeming Bank in Boston, (one fourth) or one  
10 half of which specie being actually in the vaults  
11 of said Bank.

SECT. 9. *Be it further enacted,* That two  
2 Directors of said Bank, shall go out of said  
3 office of Directors, each year, according to seni-

4 ority of election, except the President who shall  
5 be *chosen by the Stockholders*, and who may  
6 remain in office during their pleasure, and that  
7 the said Directors so going out of office, shall not  
8 be eligible to a re-election until after an absence  
9 of two years from the said Board of Directors.

SECT. 10. *Be it further enacted*, That the  
2 Cashier shall, under oath, keep a record of the  
3 liabilities of every individual to said Bank, to  
4 be exhibited to any officer of any other Bank  
5 within the State, upon application therefor, and  
6 to the Bank Commissioners.

SECT. 11. *Be it further enacted*, That,  
2 whenever said Bank shall refuse to redeem its  
3 bills at its counter, in specie, it shall be the duty  
4 of the holder of said bills so refused to be  
5 redeemed, to notify the Governor of the State,  
6 who shall forthwith appoint Commissioners to  
7 take immediate possession of the effects of said  
8 Bank, for the redemption of the bills thereof,  
9 provided said Bank shall refuse or neglect to  
10 redeem said bills within ten days of the present-  
11 ation of said bill for redemption, and provided  
12 said bill holder shall not have commenced a suit

13 against any Stockholder, as is provided in sec-  
14 tion twelfth, prior to the proper notice to the  
15 Governor.

SECT. 12. *Be it further enacted,* That the  
2 whole effects of said Bank, together with the  
3 private property of Stockholders shall be liable  
4 to double (or treble) the amount of his stock for  
5 the redemption of the bills of said Bank, and  
6 that the liability of said Stockholders shall con-  
7 tinue five years after the sale of his stock, and  
8 that a suit may be commenced against any such  
9 Stockholder, at any time succeeding ten days  
10 after the refusal of said Bank to redeem its bills.

SECT. 13. *Be it further enacted,* That if  
2 any loan shall be made to any individual or firm,  
3 solely upon personal security, unaccompanied by  
4 pledge of property, beyond five per cent. of the  
5 capital of said Bank, or beyond the amount  
6 which may be fixed by the by-laws of said  
7 Bank, the said Bank shall forfeit to the person  
9 or persons obtaining such loan, the whole amount  
10 of said loan, and the said Bank or its assigns,  
11 shall, in no case of such excessive loan, be  
12 allowed or permitted in law or equity to collect  
13 the demands given for such excessive loan.

SECT. 14. *Be it further enacted,* That said  
2 Bank shall not in any case, either directly or  
3 indirectly, as interest, premium or exchange  
4 upon any discount of bill, note or draft, discount  
5 upon said loan a sum (except postage) greater  
6 than would amount to six per cent. interest;  
7 such excessive charge or discount, shall disena-  
8 ble said Bank or its assigns from collecting said  
9 note, bill or draft, either in law or equity.

SECT. 15. *Be it further enacted,* That said  
2 Bank shall have nine months after the passage  
3 of this Act, to go into operation.—Provided  
4 however, That said Bank shall not go into  
5 operation until the whole amount of the capital  
6 stock is paid in, and actually within the vaults  
7 of said Bank, in American gold and silver.

SECT. 16. *Be it further enacted,* That  
2 unless the incorporators, herein named, shall  
3 actually subscribe for at least one third part of  
4 the capital stock of said Bank, [before it] shall  
5 go into operation, then this Act shall be null  
6 and void, otherwise to remain in full force.



# STATE OF MAINE.

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HOUSE OF REPRESENTATIVES, }  
March 2, 1840. }

This Bill having been read twice, was laid on the table, and three hundred copies ordered to be printed for the use of the Legislature.

[Extract from the Journal.]

ELBRIDGE GERRY, *Clerk.*