

MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE

OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1848.

Augusta:

WILLIAM T. JOHNSON, PRINTER TO THE STATE.

1849.

TWENTY-EIGHTH LEGISLATURE.

No. 13.

HOUSE.

STATE OF MAINE.

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

AN ACT additional, regulating banks and banking.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :

SECTION 1. If any bank that is or may be incorporated under the laws of this state shall at any time, neglect or refuse to pay its bills or deposits in specie, on demand at its counter in its usual hours of business, such bank shall, at the same time suspend and cease to pay out or part with, directly or indirectly, by discount or otherwise, its moneys or means of every name; and, its banking operations shall continue suspended, as aforesaid, until such bank shall resume

10 the payment of its bills and deposits, and actually pay
11 the same on demand, in specie, as aforesaid.

SEC. 2. The bank commissioners on being informed
2 that any bank in this state has suspended the payment
3 of its bills or deposits, or refused to pay the same as
4 aforesaid, shall forthwith repair to such bank and
5 examine strictly and minutely into its condition, and
6 as soon as may be report the same in writing to the
7 secretary of state, stating according to their best
8 judgment the cause or causes which led to its suspen-
9 sion, as aforesaid. And the secretary of state shall
10 forthwith transmit a true copy of said report to the
11 state printer, to be published in the state paper; and
12 shall also lay said report before the governor and
13 council at their next meeting.

SEC. 3. If upon examination as aforesaid the com-
2 missioners shall be satisfied that any bank is unable to
3 pay its debts, they shall forthwith make complaint of
4 such bank in writing, to any judge of the supreme or
5 district court, whose duty it shall be forthwith to
6 proceed, as is provided in section sixty-two, chapter
7 seventy-seven of the revised statutes. And the com-
8 missioners who may be appointed by such judge, shall

9 proceed according to the provisions of sections sixty-
10 eight, sixty-nine and seventy of the said seventy-
11 seventh chapter. And if any bank shall continue to
12 suspend, or refuse to pay its bills or deposits as afore-
13 said, longer than thirty days, it shall forfeit its charter,
14 and the same is hereby declared forfeited; or if hav-
15 ing resumed the payment of its bills and deposits,
16 within the thirty days aforesaid it shall again suspend,
17 or refuse to pay the same, within six months there-
18 after, it shall forfeit its charter as aforesaid. And it
19 shall be the duty of the bank commissioners, or either
20 of them, in either case, as aforesaid, to make com-
21 plaint forthwith, to any judge of the supreme or dis-
22 trict court, who shall thereupon, forthwith cause the
23 president and cashier of such bank to be notified to
24 appear before him, at such time and place, as he may
25 appoint, and as soon as may be, allowing reasonable
26 notice thereof, to answer such complaint; such judge
27 shall also cite the complainant to appear to support
28 his complaint. And if upon the evidence it shall
29 appear that such bank has in either case forfeited its
30 charter, such judge shall thereupon appoint commis-
31 sioners, who, after being qualified as provided in the

32 sixty-seventh section shall proceed according to the
33 provisions of the sixty-eighth, sixty-ninth and seven-
34 tieth sections of chapter seventy-seven of the revised
35 statutes. The private property of all the stockhold-
36 ers in any bank which has forfeited its charter, as
37 aforesaid, and of all persons who have held stock in
38 such bank, within one year previous to such forfeiture,
39 shall be holden for the payment of the liabilities of
40 such bank, for an amount equal to the amount of
41 stock so held by such persons.

SEC. 4. It shall be the duty of such bank to deliver
2 to the commissioners appointed to close its affairs,
3 on demand, all the books, papers, estates, demands
4 and property of every description of such bank. And
5 if any president, director, cashier, or other officer or
6 officers or servant of any bank, shall violate the fore-
7 going provisions of this section, he or they so offend-
8 ing shall on conviction thereof, be punished by im-
9 prisonment in the state prison for not less than three
10 nor more than ten years, according to the aggrava-
11 tion of the offense, and shall forfeit all his or their
12 private property for the use and benefit of the cred-
13 itors of such bank: and the commissioners appointed

14 as aforesaid to close up the concerns of such bank,
15 after such conviction shall have power to prosecute
16 and defend suits at law, for the recovery and posses-
17 sion of such property ; and shall proceed to sell the
18 same, in the manner provided for the sale of corporate
19 property by chapter seventy-seven of the revised stat-
20 utes. And no sale or transfer of any of the private
21 property of such offending officers or servants, made
22 after such bank has refused the payment of its bills or
23 deposits in specie, (where such refusal shall result in
24 the appointment of commissioners to close its con-
25 cerns) shall be valid against the claims of the creditors
26 of such bank, or shall be a bar to, or affect the validity
27 of the sale of such property, by commissioners, as
28 herein provided.

SEC. 5. If the commissioners so appointed, shall be
2 unable within one year, to pay the creditors of such
3 bank by collections from the debtors thereof, and by
4 the sale of corporate property or by the sale of the
5 private property of offending officers as aforesaid,
6 they shall give notice to the stockholders and to all
7 persons who have held stock within one year as afore-
8 said, requiring them to make up and pay over thereon

9 whatever deficiency may exist ; and if they neglect
10 or refuse to pay such deficiency for thirty days after
11 such notice, said commissioners shall cause suits to be
12 prosecuted in their name, in behalf of the creditors
13 aforesaid against any or all of the stockholders, or
14 those who have held stock as aforesaid : *provided*,
15 judgment shall not be recovered in any suit for more
16 than the amount of stock so held and costs of prose-
17 cution.

SEC. 6. All banks whose charters have expired, or
2 may hereafter expire, or whose charters have been or
3 may hereafter be surrendered, shall continue subject
4 to all the foregoing provisions and penalties, during
5 the time allowed their stockholders to act in their
6 corporate capacity, for the purpose of closing its con-
7 cerns ; and it shall be the duty of the bank commis-
8 sioners to examine and proceed against any such bank
9 in the same manner as against banks whose charters
10 have not expired or been surrendered.

SEC. 7. From and after the first day of May next,
2 no bank shall issue any bills, make any loans, or renew
3 more than seventy-five per cent. of any demands due
4 it, when the amount of its bills in circulation, and its

5 liabilities for deposits, (special deposits excepted)
6 compared with the amount of specie in its vaults,
7 shall exceed the ratio of four to one. And from and
8 after the first day of May in the year eighteen hun-
9 dred and fifty, the operations of all banks shall be
10 subject to the same restrictions whenever its liabilities
11 as aforesaid compared with its specie as aforesaid,
12 shall exceed the ratio of three to one, or three dollars
13 of bills in circulation and deposits to one dollar of
14 specie in its vaults. No deposit shall be considered a
15 special deposit, unless the same shall be made, and
16 remain, under the seal and lock of the depositor ;
17 and shall not be used as a part of the available funds
18 of the bank. And all the bills of a bank taken there-
19 from for any purpose whatever, shall be entered in its
20 daily account, and be deemed a part of its circulation.

SEC. 8. If any bank shall violate the provisions of
2 the seventh section of this act, it shall forfeit its char-
3 ter. And it shall be the duty of the bank commis-
4 sioners to make complaint in the same manner, and
5 the judge to whom such complaint is made, shall pro-
6 ceed in the same manner as is hereinbefore provided
7 for closing the business of banks that have forfeited

8 their charter by refusing or neglecting to pay their
9 bills or deposits in specie. And the officers and ser-
10 vants of such banks, and all the stockholders and
11 persons who have held stock in such bank within one
12 year from the date of the offense, shall be subject to
13 all the liabilities, restrictions and penalties in such
14 case made and provided.

SEC. 9. The cashiers of each bank shall keep an
2 account of the daily receipts and disbursements of its
3 specie, specifying the objects for which the disburse-
4 ments were made, and by balance, the amount of
5 specie remaining in its vaults at the close of each
6 day's transaction; and he shall also keep a daily ac-
7 count of its bills issued and returned, showing by
8 balance the amount in circulation at the close of each
9 day's transactions; also a similar account of its re-
10 ceipts and disbursements, on account of deposits;
11 and also a daily account of its loans and receipts.
12 And whenever any violation of the seventh section of
13 this act shall appear by the accounts aforesaid, it shall
14 be deemed conclusive evidence of the fact, against
15 the bank. If any bank shall violate any of the pro-
16 visions of this section, it shall be liable to a fine of

17 not less than one hundred nor more than one thou-
18 sand dollars for each and every offense.

SEC. 10. The bank commissioners in their exami-
2 nation of banks shall note and report to the secretary
3 of state all violations of law for which fines are
4 imposed, and the secretary of state shall notify the
5 attorney general of all such violations, who upon the
6 receipt of such notice shall proceed at once for the
7 recovery of such fine.

SEC. 11. Sections sixteen and seventeen of chapter
2 seventy-seven of the revised statutes are hereby
3 repealed.

STATE OF MAINE.

HOUSE OF REPRESENTATIVES, June 26, 1848.

ORDERED, That 350 copies of the foregoing Bill, laid on the table by Mr. Cary of Houlton, be printed for the use of the Legislature.

SAMUEL BELCHER, *Clerk.*