

# MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE

OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1850.

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Augusta:

WILLIAM T. JOHNSON, PRINTER TO THE STATE.

1850.

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# THIRTIETH LEGISLATURE.

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No. 25.]

[SENATE

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## STATE OF MAINE.

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

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AN ACT to authorize the business of banking.

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

SECTION 1. The treasurer of this state is hereby  
2 authorized and required to cause to be engraved and  
3 printed, in the best manner to guard against counter-  
4 feiting, such quantity of circulating notes, in the  
5 similitude of bank notes in blank, of the different de-  
6 nominations authorized to be issued by the incorpo-  
7 rated banks of this state, as he may from time to time  
8 deem necessary to carry into effect the provisions of  
9 this act, and of such form as he may prescribe ;

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10 such blank circulating notes shall be countersigned,  
11 numbered and registered in proper books to be pro-  
12 vided and kept for that purpose in the office of said  
13 treasurer, under his direction, by such person as the  
14 said treasurer shall appoint for that purpose, so that  
15 each denomination of such notes shall bear the uni-  
16 form signature of such register.

SECT. 2. Whenever any person, or association of  
2 persons formed for the purpose of banking, under the  
3 provisions of this act, shall lawfully transfer to the  
4 treasurer of this state any portion of the public stock  
5 issued, or that shall be hereafter issued by this state,  
6 or by the United States, or by the states of Massa-  
7 chusetts, New York, and Ohio, or by any incorporated  
8 city in this state, such person or association of per-  
9 sons shall be entitled to receive from said treasurer an  
10 equal amount of such circulating notes of different  
11 denominations, registered, numbered and counter-  
12 signed as aforesaid; but such public stock shall in all  
13 cases be, or be made to be, equal to a stock of this  
14 state producing six per cent. per annum; and it shall  
15 not be lawful for the treasurer to take such stock at a  
16 rate above its par value, nor above its current market

17 value. *Provided, however,* that no association of  
18 persons shall commence the business of banking un-  
19 der said act, or receive circulating notes under the  
20 same, until such association shall have deposited with  
21 the treasurer of this state the securities required by  
22 law, to the amount of fifty thousand dollars; and no  
23 individual banker shall commence the business of  
24 banking under this act, or receive circulating notes  
25 under the same, until such individual banker shall  
26 have deposited with the treasurer the securities re-  
27 quired by law, to the amount of twenty-five thousand  
28 dollars; and it shall not be lawful for the treasurer or  
29 other officer, to countersign bills or notes for any  
30 person, or association of persons, to an amount in the  
31 aggregate exceeding the public debt, as provided in  
32 the second section of this act, or public debt and  
33 bonds and mortgages at their value, as provided here-  
34 after in and by this act, deposited with the treasurer  
35 by such person or association; and any treasurer or  
36 other officer who shall violate the provisions of this  
37 section, shall, upon conviction, be adjudged guilty of  
38 a misdemeanor, and shall be punished by a fine not  
39 less than five thousand dollars, or be imprisoned not

40 less than five years, or by both such fine and impris-  
41 onment. But it shall be the duty of the treasurer to  
42 receive mutilated circulating notes issued by him,  
43 and to deliver in lieu thereof other circulating notes  
44 to the same amount.

SECT. 3. Such persons or association of persons,  
2 are hereby authorized, after having executed and  
3 signed such circulating notes in the manner required  
4 by law to make them obligatory promissory notes, to  
5 loan, and circulate the same as money according to  
6 the ordinary course of banking business as regulated  
7 by the law and usages of this state; but no such in-  
8 dividual banker or association, shall issue or put in  
9 circulation any bill or note, under the provisions of  
10 this act, unless the same shall be made payable on  
11 demand, without interest, at the place of business  
12 within this state of such banker, or association; and  
13 every violation of this section by any officer or mem-  
14 ber of a banking association, or by any individual  
15 banker, shall be deemed and judged a misdemeanor,  
16 punishable by fine or imprisonment, or both, in the  
17 discretion of the court having cognizance thereof.

SECT. 4. In case the maker or makers of any such

2 circulating note or notes, countersigned and regis-  
3 tered as aforesaid, shall at any time hereafter, on  
4 lawful demand, during the usual hours of business  
5 between the hours of ten and three o'clock, at the  
6 place where such note or notes is or are payable, fail  
7 or refuse to redeem such note in the lawful money  
8 of the United States, or to pay any deposits made  
9 by any person in such bank, the holder of such note  
10 or notes, or such depositor, making such demand,  
11 may cause the same to be protested for nonpayment  
12 by a notary public under his seal of office, in the  
13 usual manner ; and the treasurer of state, on receiv-  
14 ing and filing in his office such protest, shall forthwith  
15 give notice in writing to the maker or makers of such  
16 note or notes, to pay the same ; and if he or they  
17 shall omit to do so for fifteen days after such notice,  
18 the treasurer shall immediately thereupon (unless he  
19 shall be satisfied that there is a good and legal de-  
20 fense against the payment of such note or notes,)  
21 give notice in the state paper, that all the circulating  
22 notes issued by such person, or association, will be  
23 redeemed out of the trust funds in his hands for that  
24 purpose ; and he shall be required to apply the pro-

25 ceeds of said trust funds belonging to the maker or  
26 makers of such protested notes, to the payment *pro*  
27 *rata* of all such circulating notes, whether protested  
28 or not, put in circulation by the maker or makers of  
29 such protested notes, pursuant to the provisions of  
30 this act; and to adopt such measures for the payment  
31 of such notes as will in his opinion most effectually  
32 prevent loss to the holders thereof; and to this end,  
33 if he deem it expedient, he may proceed to sell at  
34 public auction said funds, or any or either of them,  
35 and pay and cancel, with the proceeds thereof, said  
36 bills or notes; and such association shall be liable to  
37 pay the holder of every bill or note put in circulation  
38 as money, the payment of which shall have been  
39 demanded and refused, damages for nonpayment  
40 thereof, in lieu of interest, at and after the rate of  
41 twenty-four per cent. per annum, from the time of  
42 such refusal until the payment of such evidence of  
43 debt, and the damages thereon; but nothing in this  
44 act contained shall be considered as implying any  
45 pledge on the part of the state for the payment of  
46 said bills or notes, beyond the proper application of  
47 the securities pledged to the treasurer of this state for



48 their redemption. And for the payment of all such  
49 notes, bills, deposits, and other debts of such associa-  
50 tions, and of such individual banks, the private prop-  
51 erty of the stockholders in such association or bank,  
52 to the amount of such shares as they shall have ac-  
53 quired therein respectively, and also according to the  
54 provisions of the forty-first section of the seventy-  
55 seventh chapter, as amended, of the revised statutes,  
56 shall be liable to be attached on mesne process, and  
57 levied upon, and as well for the damages, as for the  
58 original demand and interest and costs.

SECT. 5. The treasurer may give to any person or  
2 association of persons so transferring stock in pursu-  
3 ance of the provisions of this act, powers of attorney  
4 to receive interest or dividends thereon, which such  
5 person or association may receive and apply to their  
6 own use ; but such powers may be revoked upon such  
7 person or association failing to redeem the circulating  
8 notes so issued, or whenever, in the opinion of the  
9 treasurer, the principal of such stock shall become  
10 an insufficient security ; and the said treasurer upon  
11 the application of the owner or owners of such trans-  
12 ferred stock in trust, may, in his discretion, change or

13 transfer the same for other stocks of the kinds before  
14 specified in this act, or may retransfer the said stocks,  
15 or any part thereof, or the mortgages, or any of them  
16 hereinafter mentioned and provided for, upon receiv-  
17 ing and cancelling an equal amount of such circulating  
18 notes delivered by him to such person or association,  
19 in such manner that the circulating notes shall always  
20 be secured in full, either by stocks or by stocks and  
21 mortgages as is in this act provided.

SECT. 6. The bills or notes so to be countersigned,  
2 and the payment of which shall be so secured by the  
3 transfer of public stocks, shall be stamped on their  
4 face, "*secured by the pledge of public stocks trans-*  
5 *ferred to the state treasurer.*"

SECT. 7. Instead of transferring public stocks as  
2 aforesaid, to secure the whole amount of such bills  
3 or notes, it shall be lawful for such person, or asso-  
4 ciation of persons, in case they so elect before re-  
5 ceiving any of the said bills or notes, to secure the  
6 payment of one half of the whole amount so to be  
7 issued, by transferring to the treasurer of this state  
8 bonds and mortgages upon real estate, bearing at  
9 least six per cent. interest, of this state, payable an-

10 nually, or semi-annually ; in which case all such bills  
11 or notes issued by the said person or association of  
12 persons, shall be stamped on their face, "*secured by*  
13 *pledge of public stocks and real estate, transferred to*  
14 *the state treasurer.*" And it shall be lawful for the  
15 president of any banking association, or any individ-  
16 ual banker, to make or execute bonds and mortgages,  
17 direct to the treasurer to secure the payment of cir-  
18 culating bills or notes, issued under the provision of  
19 this act.

SECT. 8. Such mortgages shall be only upon im-  
2 proved, productive, unincumbered lands within this  
3 state, exclusive of any buildings thereon, to an amount  
4 not exceeding two-fifths of the value of said lands ;  
5 and the treasurer of this state shall prescribe such reg-  
6 ulations for ascertaining the title and the value of such  
7 lands as he may deem necessary ; and such mortgages  
8 shall be payable within such time as the treasurer shall  
9 direct ; but no mortgage to be deposited as security  
10 as aforesaid, shall be for a greater amount than five  
11 thousand dollars each.

SECT. 9. The treasurer may re-assign, in his dis-  
2 cretion, such bonds and mortgages, or any of them

3 to the person or association who transferred the same,  
4 on receiving other approved bonds and mortgages of  
5 equal amount; and when any sum of the principal of  
6 the bonds and mortgages transferred to the treasurer  
7 shall be paid to him, he shall notify the person or as-  
8 sociation that transferred the bonds and mortgages of  
9 such payment, and may pay the same to such person  
10 or association on receiving other approved bonds and  
11 mortgages of equal amount; and every assignment  
12 of any bond or mortgage executed by the treasurer  
13 under his official seal, in pursuance of the provisions  
14 of the said act, or which may be otherwise authorized  
15 by law, may be recorded in the same manner and  
16 with the like effect as a deed regularly acknowledged  
17 or proved before any officer authorized by law to take  
18 the proof and acknowledgment of deeds.

SECT. 10. The person or association of persons  
2 assigning such bonds and mortgages to the treasurer,  
3 may receive the annual or semi-annual interest to  
4 accrue thereon, unless default shall be made in paying  
5 the bills or notes to be countersigned as aforesaid, or  
6 unless in the opinion of the treasurer, the bonds and  
7 mortgages or stocks so pledged, shall become an in-

8 sufficient security for the payment of such bills or  
9 notes; but whenever the securities deposited for the  
10 redemption of circulating notes shall, in the opinion  
11 of the treasurer, become insufficient for that purpose,  
12 he may receive the dividend of all stocks as well as  
13 the interest on bonds and mortgages, and shall deposit  
14 the same in some safe bank or banking association in  
15 the city of Portland in his name, in trust for the asso-  
16 ciation or banker to whom the same may belong.  
17 The deposit to be made on such terms and at such  
18 rate of interest as the treasurer may deem most con-  
19 ducive to the interest of such association or banker,  
20 and to be withdrawn and paid over, whenever, in the  
21 opinion of the treasurer the securities of such associa-  
22 tion or banker shall be sufficient to warrant it.

SECT. 11. The public debt and bonds and mort-  
2 gages to be deposited with the treasurer by any such  
3 person or association, shall be held by him exclusively  
4 for the redemption of the bills or notes of such person  
5 or association put in circulation as money, until the  
6 same are paid.

SECT. 12. The plates, dies and materials to be pro-  
2 cured by the treasurer for the printing and making of

3 the circulating notes provided for hereby, shall remain  
4 in his custody and under his direction ; and the ex-  
5 penses necessarily incurred in executing the provis-  
6 ions of this act, shall be audited, and settled by the  
7 treasurer, and paid out of any moneys in the treasury  
8 not otherwise appropriated ; and for the purpose of  
9 reimbursing the same, the said treasurer is hereby  
10 authorized and required to charge against and receive  
11 from such person or association applying for such  
12 circulating notes such rate per cent. thereon as may  
13 be sufficient for that purpose, and as may be just and  
14 reasonable.

SECT. 13. Every individual banker who shall obtain  
2 circulating notes of the treasurer of state, under this  
3 act, shall thereupon and before issuing the same on  
4 loan or otherwise, file in the office of said treasurer a  
5 certificate signed by him, and verified by oath, stating  
6 the town, or city, in which he resides ; and thereafter  
7 it shall not be lawful for such individual banker to  
8 transact business under said act in any other place  
9 than in which he resides, or usually transacts business ;  
10 and in case of any change of residence of such in-  
11 dividual banker, he shall forthwith file a notice thereof

12 in the treasurer's office as aforesaid. Said certificate  
13 shall also set forth :

14 1. The name assumed to distinguish the bank so  
15 established and to be used in its dealings.

16 2. The amount of capital stock paid in or invested  
17 according to law, designating the proportion consist-  
18 ing of public stocks, and the proportion consisting of  
19 bonds and mortgages of real estate, and the number  
20 of shares into which the same shall be divided.

21 3. The period for which such bank shall be insti-  
22 tuted ; and any person neglecting to comply with the  
23 requirements of this section, or either of them, shall  
24 for each neglect or violation forfeit one thousand dol-  
25 lars, to be sued for and recovered by the attorney  
26 general, in the name of and for the benefit of the  
27 people of this state. But nothing in this section con-  
28 tained shall prohibit the employment of agents for the  
29 redemption of the notes of any individual banker in  
30 the city of Portland, as is in and by this act herein-  
31 after provided.

SECT. 14. Every banking association formed under  
2 this act, when first obtaining notes for circulation of  
3 the treasurer of this state, shall file a certificate, signed

4 by the persons so associated, and verified by their  
5 oaths, with the said treasurer, which certificate shall  
6 specify :

7 1. The name assumed to distinguish such associa-  
8 tion, and to be used in its dealings.

9 2. The place where the operation of issue, dis-  
10 count and deposit of such association are to be car-  
11 ried on, designating the particular city or town.

12 3. The amount of capital stock of such associa-  
13 tion, and the number of shares into which the same  
14 shall be divided.

15 4. The names and places of residence of the share-  
16 holders and the number of shares held by each of  
17 them respectively.

18 5. The period at which such association shall com-  
19 mence and terminate.

SECT. 15. Copies of any certificate filed as required  
2 by either of the last two preceding sections of this  
3 act, duly verified under the hand and seal of the  
4 treasurer of this state, may be used in evidence in all  
5 courts and places for or against any person or associa-  
6 tion intrusted therein, and so may be copies of each  
7 and every other certificate, authenticated as aforesaid,



8 made at any time pursuant to the requirements of  
9 this act.

SECT. 16. Every such association, and individual  
2 banker, instituting a bank under this act, shall have  
3 power to carry on the business of banking, by dis-  
4 counting bills, notes, and other evidences of debt; by  
5 receiving deposits; by buying and selling gold and  
6 silver bullion, foreign coins and bills of exchange, in  
7 the manner specified in their articles of association  
8 for the purposes authorized by this act; by loaning  
9 money on real and personal security; and by exercis-  
10 ing such incidental powers as shall be necessary to  
11 carry on such business; to appoint a president, and a  
12 cashier, and such other officers and agents as their  
13 business may require, and to remove each at pleasure,  
14 and appoint others in their place; and all such banks  
15 shall be banks of discount and deposit, as well as of  
16 circulation.

SECT. 17. The shares of all banking capital insti-  
2 tuted under this act, shall be deemed personal pro-  
3 perty, and transferable pursuant to the provisions of  
4 chapter seventy-six of the revised statutes; and the  
5 same shall be subject to attachment and sale on exe-  
6 cution as provided in chapter one hundred and four-

7 teen and one hundred and seventeen of the revised  
8 statutes; and every person becoming a shareholder  
9 by such transfer, or sale, shall, in proportion to his  
10 shares, succeed to all the rights and liabilities of prior  
11 shareholders; and no change shall be made in the  
12 articles of association by which the rights, remedies  
13 or security of its existing creditors shall be weakened  
14 or impaired. Such banks shall not be dissolved by  
15 the death or insanity of any of the shareholders there-  
16 in, if there be more than one shareholder in such  
17 bank.

SECT. 18. It shall be lawful for any association of  
2 persons organized under this act, by their articles of  
3 association, to provide for an increase of their capital,  
4 and the number of the associates, from time to time,  
5 as they may think proper.

SECT. 19. Contracts made by any such association  
2 or individual bank, and all notes and bills by them  
3 issued and put in circulation as money, shall be signed  
4 by the president and cashier thereof; and all suits,  
5 actions and proceedings brought or prosecuted by or  
6 in behalf of such association or bank, shall be brought  
7 or prosecuted in the name assumed by the same; and  
8 they shall respectively possess the powers, and be

9 subject to the duties prescribed by the first, sixth, and  
10 thirteenth sections of chapter seventy-six of the re-  
11 vised statutes.

SECT. 20. It shall be lawful for every such bank to  
2 purchase, hold and convey real estate for the follow-  
3 ing purposes :

- 4 1. Such as shall be necessary for its immediate  
5 accommodation in the convenient transaction of  
6 business ; or,
- 7 2. Such as shall be mortgaged to it in good faith,  
8 by way of security for loans made by, or moneys due  
9 to such bank ; or,
- 10 3. Such as shall be conveyed to it in satisfaction of  
11 debts previously contracted in the course of its deal-  
12 ings ; or,
- 13 4. Such as it shall purchase at sales under judg-  
14 ments, decrees or mortgages held by such bank. But  
15 no such bank shall purchase, hold, or convey real  
16 estate in any other case or for any other purpose ;  
17 and all conveyances of such real estate shall be made  
18 to the bank in its corporate name, and said bank,  
19 from time to time, may sell, assign and convey the  
20 same, free from any claim thereon, against any of

21 the shareholders or any person claiming under  
22 them.

SECT. 21. The cashier of each bank doing busi-  
2 ness under the provisions of this act, shall at the  
3 times that are specified by law for semi-annual returns  
4 to be made by other incorporated banks in this state,  
5 make returns to the treasurer of this state, under  
6 oath, exhibiting the state and condition of their res-  
7 pective banks, on the day and hour of the day pre-  
8 scribed for such other bank returns, and specifying  
9 the following named particulars :

10 1. The amount of capital stock of the banking  
11 association or individual bank paid in, or invested  
12 according to law, or in pursuance of its articles of  
13 association, and the amount of such stock as then  
14 possessed.

15 2. The value of the real estate of the association  
16 or individual bank, specifying what portion is occu-  
17 pied by the association or individual bank for the  
18 transaction of business.

19 3. The shares of stock held by such association,  
20 or individual banker, whether absolutely or as col-  
21 lateral security, specifying each kind and description

22 of stock, and the number and value of the shares of  
23 each.

24 4. The amount of debts owing to the association,  
25 or individual bank, specifying such as are from mon-  
26 eyed or other corporations or associations, the names  
27 of such corporations or associations, and the amount  
28 due from each, and also specifying the amount se-  
29 cured by bond and mortgage, or judgment; the  
30 amount which ought to be included in the computa-  
31 tion of losses, and the total amount of such debts  
32 then collectable.

33 5. The amount of debts owing by the association,  
34 or individual bank, specifying such as are payable on  
35 demand, and such as are to moneyed or other corpo-  
36 rations, associations or individual banks; the names  
37 of such corporations or associations, or individual  
38 banks, and the amount due to each.

39 6. The amount of claims against the association or  
40 individual bank, not acknowledged by it as debts.

41 7. The amount for which the association or indi-  
42 vidual is bound as surety, or for which it may become  
43 liable on the happening of contingent events.

44 8. The amount of the notes or bills then in circu-

45 lation, of said association or individual bank, of loans  
46 and discounts, and of specie on hand.

47 9. The amount on the first of July next preceding,  
48 of notes or bills in circulation, of loans and discounts,  
49 and of specie on hand, of such association or individ-  
50 ual bank.

51 10. The amount of the losses of the association or  
52 individual bank (if any) charged, specifying whether  
53 charged on its capital or profits since the last preced-  
54 ing statement, and of the dividends declared and made  
55 during the same period.

56 11. The amount of real estate mortgages, and of  
57 public stocks, together with the description of such  
58 stocks deposited with the treasurer, as security for the  
59 circulating notes issued; the market value of said  
60 stocks, as near as the same can be ascertained, and  
61 the date to which payment of interest has been made  
62 upon such real estate mortgages, and stocks; and  
63 whether said interest has been paid to such banking  
64 association or individual banker, or passed to their or  
65 his credit on the books of the treasurer; and each  
66 and every individual banker doing business under this  
67 act, shall state in his semi-annual returns whether any

68 person or persons, and who are interested with such  
69 individual banker, directly or indirectly, in the securi-  
70 ties deposited with the treasurer for the circulating  
71 notes obtained by such individual banker, or in the  
72 business of circulating said notes, or the benefits or  
73 advantages thereof; and if it shall appear from such  
74 report that any other person is so interested with said  
75 banker, and in case two successive reports of said  
76 banker shall not contain such statement, or if he omit  
77 twice in succession to make such semi-annual returns,  
78 such banker shall forfeit one thousand dollars for each  
79 and every omission to make such statement, or to file  
80 such reports as aforesaid, to be sued for and recov-  
81 ered by the attorney general, in the name and for the  
82 benefit of the people of this state.

SECT. 22. The cashier of each bank shall make a  
2 return of the particulars relative to its condition spe-  
3 cified in the last preceding section of this act, when-  
4 ever thereto required by either the treasurer or the  
5 governor of the state; and every association that  
6 shall neglect to make out and transmit either state-  
7 ment required, as aforesaid, may be proceeded against  
8 and dissolved as an insolvent association; and every

9 individual banker subject to this law, who shall so  
10 neglect, shall be restrained from the further prosecu-  
11 tion of his business under this act.

SECT. 23. It shall be the duty of the treasurer of  
2 this state to prepare forms of the statements, and to  
3 transmit a copy thereof, together with such instruc-  
4 tions as he may deem necessary, to every association  
5 or individual banker, which is or shall be bound to  
6 furnish such statements under the provisions of this  
7 act. The expenses of printing the forms of said  
8 statements and instructions shall be paid by the treas-  
9 urer out of the interest of the securities deposited  
10 with him by the said associations and individual bank-  
11 ers, in proportion to the amount of securities depos-  
12 ited by each.

SECT. 24. Whenever in the opinion of the treasurer  
2 of this state, there shall be good cause to suspect that  
3 any banking association, or individual banker has  
4 made an incorrect or imperfect return, or is in an  
5 unsound or unsafe condition to do banking business,  
6 it shall be his duty to have the books, papers and  
7 affairs of such banking association, or individual  
8 banker, examined by some competent person to be



9 designated by him, who shall examine fully into its  
10 books, papers and affairs forthwith, and report to the  
11 treasurer, on oath, the result of such examination, a  
12 copy of which report shall be forthwith published in  
13 the manner prescribed in respect to the publication of  
14 semi-annual returns. The reasonable costs and ex-  
15 penses of every such examination shall be defrayed  
16 in the manner prescribed in the            section of this  
17 act for paying the expenses of publishing the quarterly  
18 returns.

SECT. 25. All fees for protesting the circulating  
2 notes issued by any banking association or individual  
3 banker, shall be paid by the person procuring the  
4 services to be performed, for which each association  
5 or banker shall be liable ; but no part of the securities  
6 deposited by such association or banker, shall be ap-  
7 plied to the payment of such fees.

SECT. 26. Every banking association and individual  
2 banker who shall carry on banking business under  
3 this act, shall be subject to the inspection and super-  
4 vision of the bank commissioners, whose powers and  
5 duties shall be the same in respect to said banking  
6 association or individual banker, as they are, or may

7 be, in respect to any of the incorporated banks of  
8 this state, and in case any such association or indi-  
9 vidual bank, shall refuse to submit its books, papers  
10 and concerns to the inspection of said commissioners,  
11 or either of them, or whose officers shall refuse to  
12 submit to be examined upon oath, touching the con-  
13 cerns of such bank, by said commissioners or either  
14 of them, or which shall be found to have violated any  
15 law of this state, binding upon each association or  
16 banker, such association or banker shall be liable to  
17 be proceeded against by said commissioners, in the  
18 same manner and with like effect as any incorporated  
19 bank may be proceeded against for a similar violation  
20 of its charter.

SECT. 27. Upon the application of creditors or  
2 shareholders of any such association, whose debts or  
3 shares shall amount to one thousand dollars, and  
4 stating facts verified by affidavit, the treasurer may,  
5 in his discretion, order a strict examination to be  
6 made by some competent person, of all the affairs of  
7 such association, for the purpose of ascertaining the  
8 safety of its investments, and the prudence of its  
9 management; and the result of every such examina-

10 tion, together with the opinion of the treasurer  
11 thereon, shall be published in such manner as he shall  
12 direct, and the expenses of such examination and  
13 publication shall be paid out of the trust funds of such  
14 association in his office. And if in the judgment of  
15 the treasurer from such examination made, there shall  
16 have been any willful violation of any of the provis-  
17 ions of this act, whereby the holders of the bills or  
18 notes of such banking association shall be exposed to  
19 loss, or any fraud shall have been contemplated or  
20 attempted by such associations, then such proceedings  
21 shall be by him in respect to such association and the  
22 property thereof, as are prescribed by the seventy-  
23 seventh chapter of the revised statutes, and by the  
24 act amending the same, in case of the failure of any  
25 incorporated bank to pay any of its bills; but the  
26 proceeds of all sales of the property or effects of such  
27 association shall be paid by the receivers to the trea-  
28 surer of state, which, together with the securities de-  
29 posited with the treasurer, shall be holden to indemnify  
30 the bill holders of such association.

SECT. 28. The shareholders, or a majority of them  
2 in amount, who shall be owners of any incorporated  
3 bank continuing the business of banking until the

4 expiration of their charter, and who shall have asso-  
5 ciated themselves for the purpose of banking under  
6 the provisions of this act, shall be entitled to receive  
7 from the treasurer of state, who is hereby authorized  
8 to issue to the association so formed, circulating notes,  
9 in amounts of not less than ten thousand dollars, upon  
10 the deposit of securities of the kind required by the  
11 provisions of this act to an amount equal to the cir-  
12 culating notes so issued. But if such banking asso-  
13 ciation so formed shall not have deposited with the  
14 treasurer during the three years next following the  
15 date of their articles of association, an amount equal  
16 to that now required by law of banking associations,  
17 as security for circulating notes, previous to com-  
18 mencing the business of banking, the treasurer is  
19 hereby empowered to retain the interest accruing  
20 upon securities so deposited, until such association  
21 has complied with the provisions of the act above  
22 recited in relation to the amount of security to be  
23 deposited in the office of the treasurer.

SECT. 29. If the shareholders, or a majority of  
2 them in amount, of any incorporated bank, within one  
3 year of the expiration of its charter, shall file with  
4 the president thereof a note in writing that they in-

5 tend to avail themselves of the provisions of this act,  
6 to associate for the purpose of banking, it shall be  
7 lawful for the directors of said bank to purchase and  
8 hold such stock and other securities as the treasurer  
9 is or may be authorized to receive for circulating  
10 notes, under the provisions of this act, to such an  
11 amount as they shall deem for the interest of the  
12 shareholders thereof. And any association heretofore  
13 or hereafter formed to take the place of an incorpo-  
14 rated bank, whose charter has expired or is about  
15 expiring, may, where all the stockholders of such  
16 incorporated bank have assented to its organization  
17 under the act to authorize the business of banking,  
18 take and hold, in addition to such real estate as is  
19 prescribed by the section of this act to authorize the  
20 business of banking, such other real estate as at the  
21 time of the transfer of the property of the incorpo-  
22 rated bank having been received by it in payment of  
23 debts previously contracted to such bank, or purchased  
24 by it under judgments or decrees in chancery, in favor  
25 of said incorporated bank according to law.

SECT. 30. It shall be unlawful for any association,  
2 or any individual or individuals, authorized to carry  
3 on the business of banking by virtue of this act, to

4 receive, pay out, give or offer in payment, as money,  
5 to circulate or attempt to circulate as money, any bill,  
6 note or other evidence of debt, issued, or purporting  
7 to have been issued, by any corporation, association  
8 or individual, situated or residing without this state,  
9 and which bill, note or other evidence of debt, shall,  
10 upon any part thereof, purport to be payable or re-  
11 deemable at any place, or by any person, association  
12 or corporation within this state.

SECT. 31. It shall not be lawful for any association,  
2 or individual or individuals, authorized to carry on the  
3 business by virtue of this act, directly or indirectly to  
4 procure or receive from any corporation, association  
5 or individual, situated or residing without this state,  
6 any bank bill or note, or other evidence of debt in  
7 the similitude of a bank bill or note, issued, or pur-  
8 porting to have been issued, by such last mentioned  
9 corporation, association or individual, with the intent  
10 to issue and pay out, or in any way to utter or circu-  
11 late the same as money, or to issue, pay out, or to  
12 utter or circulate the same when procured or received  
13 as aforesaid, as money. But nothing in this section  
14 contained shall prohibit the said banking associations  
15 and individual bankers from receiving from their

16 dealers and customers such foreign notes as are al-  
17 lowed by law to be circulated within this state, in the  
18 regular and usual course of business, or from paying  
19 out the same when so received as last aforesaid.

SECT. 32. It shall not be lawful for any such asso-  
2 ciation, or any such individual banker, directly or  
3 indirectly to lend, or pay out for paper discounted, or  
4 purchased by them, any bank bill, or note, or other  
5 evidence of debt, which is not received at par by the  
6 said association or banker, for debts due to the said  
7 banking institution, association or individual.

SECT. 33. Every such association and individual,  
2 authorized to carry on the business of banking, who  
3 shall offend against any of the provisions of the three  
4 last previous sections of this act, shall forfeit for each  
5 and every offense the sum of one thousand dollars;  
6 to be recovered with costs of suit in the name and for  
7 the use of any person who shall sue for the same, and  
8 prosecute such suit to judgment in any court having  
9 cognizance thereof; and every officer and cashier of  
10 such association, and every such individual banker  
11 and his cashier, clerks and servants, who shall know-  
12 ingly act or assist in any violation of any provision of  
13 this act, shall, upon conviction, be deemed guilty of a

14 misdemeanor, and shall be punished by fine or im-  
15 prisonment, or both, in the discretion of the court be-  
16 fore which such conviction shall be had ; but such  
17 fine shall not exceed five hundred dollars, and such  
18 imprisonment shall not exceed six months.

SECT. 34. Every banking association and individual  
2 banker, carrying on banking business under this act,  
3 except those whose place of business shall be in the  
4 city of Portland, shall within thirty days after receiv-  
5 ing notes or bills for circulation from the treasurer of  
6 state, appoint an agent who shall keep an office in the  
7 city of Portland for the redemption of all circulating  
8 notes issued by such association, or individual banker,  
9 which shall be presented to such agent for payment  
10 or redemption. Such agent shall be appointed in  
11 writing, and notice thereof in writing shall be deliv-  
12 ered to the treasurer within five days thereafter, by  
13 the bank making the appointment, and filed in his  
14 office ; and any corporation having banking powers,  
15 or banking association, or banker or other person,  
16 may be an agent for the purposes of this act ; and if  
17 any such association or banker, shall omit to appoint  
18 such agent within the time abovementioned, the treas-  
19 urer of this state shall appoint such agent for such  
20 association or banker.



SECT. 35. The treasurer, immediately after the first  
2 day of January next, shall publish, during such time  
3 and as often as he may deem proper, a list of such  
4 agents in the state paper, and in at least two daily  
5 newspapers in the city of Portland, the expense  
6 whereof shall be paid by the associations and bank-  
7 ers abovementioned.

SECT. 36. It shall be the duty of every banking  
2 association and individual banker, doing business un-  
3 der the provisions of this act, out of the city of  
4 Portland, to redeem and pay on demand all circulat-  
5 ing notes issued by such banking association or indi-  
6 vidual banker, presented for redemption or payment  
7 at the office of the said agent in the city of Portland,  
8 at a rate of discount not exceeding one quarter of one  
9 per cent. And every such banking association or  
10 individual banker, whose agent shall neglect or refuse  
11 to redeem their notes on demand as aforesaid, shall  
12 pay to the person making such demand, interest upon  
13 the notes so demanded, at the rate of twenty-four per  
14 cent. per annum; and if such redemption and pay-  
15 ment of interest is not made at said office within  
16 fifteen days from the time when first demanded, such  
17 banking association or individual banker, shall be lia-

18 ble to be proceeded against by the bank commission-  
19 ers, in the same manner and with the like effect as  
20 any incorporated bank may be proceeded against for  
21 a violation of its charter ; and such banking association  
22 or individual banker, shall not thereafter issue or put in  
23 circulation any of their bills or notes ; and the treas-  
24 urer shall, in that case, proceed in the same manner  
25 as is directed in the fourth section of this act. Ap-  
26 pointments of agents made in pursuance of this act,  
27 may be revoked, and new appointments of agents  
28 may be made, from time to time, by delivering such  
29 revocation and appointment to the treasurer, who  
30 shall cause the same to be published as aforesaid.

SECT. 37. It shall be lawful for any number of  
2 banking associations and private bankers, by agree-  
3 ment, to associate together for raising a joint fund to  
4 be placed in the hands of their common agent, for  
5 the redemption of their circulating notes in the city  
6 of Portland, and also the circulating notes of other  
7 incorporated banks, banking associations and indi-  
8 vidual bankers, in such manner and under such regu-  
9 lations as may be agreed upon, and to employ such  
10 agents and clerks as they may deem necessary to  
11 carry on the business of such common agency ; but

12 nothing in this section contained shall authorize the  
13 redemption, or purchase by such agency, of any such  
14 circulating notes, issued by the principal of such  
15 agent, at a discount of more than one quarter of one  
16 per cent. ; nor to relieve or discharge such incorpo-  
17 rated bank, banking association or individual banker,  
18 from any duty or liability required or imposed by this  
19 act ; and nothing in this act contained shall be so  
20 construed as to authorize any bank, banking associa-  
21 tion or individual banker, to purchase, buy in, or take  
22 up, directly or indirectly, their circulating notes at  
23 any amount less than what purports to be due thereon  
24 at any other place, or in any other manner than is  
25 directed in and by this act.

SECT. 38. When any individual banker, or the of-  
2 ficers of any banking association shall have redeemed  
3 ninety per cent. of the circulating notes, and shall  
4 produce to the treasurer of this state a certificate of  
5 deposit to his credit in such bank as he shall approve,  
6 to an equal amount with the circulating notes of such  
7 bank unredeemed, it shall be lawful for him to receive  
8 the same and give up all the securities heretofore  
9 deposited by such banker or association, for the re-  
10 demption of circulating notes issued.

SECT. 39. Such association or individual banker,  
2 after having complied with the provisions of the pre-  
3 ceding section, may give notice for two years in the  
4 state paper, and also in at least one newspaper printed  
5 in the county where the said association or bank shall  
6 have been located, that all circulating notes issued by  
7 such association or bank must be presented at the  
8 treasurer's office within two years from the date of  
9 such notice, or that the funds deposited for the re-  
10 demption of the notes will be given up to the bank  
11 or association; and on receiving satisfactory proof  
12 of the giving such notice for the time aforesaid, the  
13 treasurer shall surrender to the order of the said  
14 association or banker, any securities which he may  
15 hold for the payment of any unredeemed notes of  
16 said association or bank.

## STATE OF MAINE.

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IN SENATE, July 30, 1850.

ORDERED, That 350 copies of the foregoing bill, (reported by the committee on banks and banking,) be printed for the use of the Legislature.

FRED. E. SHAW, *Secretary pro tem.*