

MAINE STATE LEGISLATURE

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November 15, 1930

To Sanger N. Annis, Bank Commissioner
Re: Liability of Trustees of Savings Banks

Your inquiry regarding the liability of trustees of savings banks can best be answered by quoting the enclosed summary of the law on the point from 3 R. C. L., page 701*.

The leading case is Greenfield Savings Bank v. Abercrombie, 211 Mass. 252; Annotated Cases 1913 B, 420; 39 L. R. A., (N.S.) 173. The other cases on the general subject are summarized in careful notes appended to the case in the last two references above mentioned.

In this Greenfield Savings Bank case, on a bill in equity filed to hold trustees liable for losses, the court overruled a demurrer and held that salaried trustees of a savings bank are liable for loss of its funds which they loaned in excess of a statutory limit for security, where by the exercise of reasonable care and prudence they ought to have known that they were exceeding the limit. Such statutory requirements were held to be mandatory, and the trustees become personally liable if the requirements were not conformed to.

Clement F. Robinson
Attorney General

*No copy of summary with this correspondence.