

MAINE STATE LEGISLATURE

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April 29, 1932

Hon. Sanger N. Annis, Bank Commissioner

Re: Application for loan from the Reconstruction Finance Corporation
made by the Receiver of a Maine Trust Company.

I do not find any provision of our statutes relative to the power of a receiver of a trust company to borrow money, and I do not know of any decision of our court of last resort concerning such power. Under our statutes the Receiver of a Trust Company is appointed by one of the Justices of the Supreme Judicial Court or of the Superior Court on application of the Bank Commissioner. Such Receiver, when qualified, takes possession of the property and effects of the company,

"subject to such rules and orders as are from time to time prescribed by the Supreme Judicial Court or Superior Court, or by any justice thereof in vacation."

Our general law relative to the "authority of receivers of corporations" provides:

"Such receiver shall have power to institute or defend suits at law or in equity, in his own name as receiver, to demand, collect and receive all property and assets of said corporation, to sell, transfer, or otherwise convert the same into cash, and to conduct and carry on the business of said corporation as ordered by the Court, if it appears for the best interests of all concerned."

In the instant case, the Chief Justice of our Supreme Judicial Court appointed the Receiver and is directing the receivership proceedings, and I have no doubt as to his power to authorize the receiver to borrow money necessary to conserve the best interests of the company and its depositors, and to pledge the assets in his possession for that purpose.

Sanford L. Fogg
Deputy Attorney General