

MAINE STATE LEGISLATURE

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January 27, 1958

To Carleton L. Bradbury, Bank Commissioner
Re: Bank Holding Companies

. . . You request an opinion on the following matter set forth by the Federal Reserve Bank of Boston:

"We would appreciate it if you would inform us of any legislation in your state that substantially affects the powers of bank holding companies, particularly with respect to acquisition and retention of bank stocks and nonbanking interests. While some states have enacted legislation relating specifically to bank holding companies, it may be that in some states including yours, the authority of corporations to own bank stocks, for example, is limited by the provisions of laws of broader applicability, or by judicial or administrative interpretations of such laws."

Our laws contain a section which is the usual section granting power to a corporation to become a holding company: Section 22 of Chapter 53 of the Revised Statutes of 1954:

"Any corporation organized under this chapter and any corporation organized for manufacturing, mechanical, mining or quarrying business under special act of the legislature may purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bonds, securities or evidence of indebtedness created by, any other corporation or corporations of this or any other state, territory or country, and while owners of such stock may exercise all the rights, powers and privileges of ownership, including the right to vote thereon."

To our knowledge, the above Section 22 is not limited by other laws.

James Glynn Frost
Deputy Attorney General

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