

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

(New Title)
NEW DRAFT OF: S. P. 348; L. D. 1127

ONE HUNDRED AND SECOND LEGISLATURE

Legislative Document

No. 1479

S. P. 509

In Senate, April 20, 1965

Reported by Senator Bernard, from Committee on Business Legislation.
Printed under Joint Rules No. 10.

EDWIN H. PERT, Secretary

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-FIVE

AN ACT Relating to Organization of Loan Companies.

Be it enacted by the People of the State of Maine, as follows:

R. S., T. 9, part 7-A, additional. Title 9 of the Revised Statutes is amended by adding a new part 7-A, to read as follows:

‘PART 7-A
LOAN COMPANIES
CHAPTER 301
ORGANIZATION

§ 3201. Formation; powers

Three or more persons who associate themselves by an agreement in writing for the purpose of forming a loan company may, upon compliance with this chapter, become a corporation, subject to all the duties, restrictions and liabilities set forth in the general laws now or hereafter in force relating to such corporations, with power:

1. Loans. To borrow and loan money, subject to the restrictions set forth in this chapter and, for small loan companies, chapters 281 to 289;

2. Real and personal estate. To hold and enjoy all such estate, real, personal and mixed, as may be obtained by investment of its capital stock or any other moneys and funds that may come into its possession in the course of its business and dealings, and the same sell, grant and dispose of;

3. General business. To do in general all the business that may lawfully be done by loan companies;

4. Charitable gifts. To contribute to community funds, or to charitable, philanthropic, educational or benevolent instrumentalities conducive to public welfare, or civil betterment or the economic advantage of the community, such sums as a majority of the board of directors may deem expedient.

§ 3202. Articles of agreement

The agreement of association of a loan company shall set forth that the subscribers thereto associate themselves with the intention of forming a corporation and shall specifically state:

1. Name. The name by which the corporation shall be known;
2. Purpose. The purpose for which it is founded;
3. Municipality. The city or town, which shall be within this State, where its business is to be transacted;
4. Capital stock. The amount of its capital stock and the number of shares into which the same is to be divided.

Each associate shall subscribe to the articles his name, residence, post office address and the number of shares of stock which he agrees to take.

§ 3203. Notice of intention

A notice of the intention of the subscribers to form a loan company shall be given to the Bank Commissioner. A notice in such form as said commissioner shall approve shall be published at least once a week, for 3 successive weeks, in one or more newspapers designated by said commissioner and circulated in the county in which it is proposed to establish the company. Such notice shall specify the names of the proposed incorporators, the name of the corporation and the location of the same, as set forth in the agreement of association. Within 30 days after the first publication of said notice, the subscribers to said agreement shall apply to said commissioner for a certificate of authority to organize a loan company. The commissioner shall issue such a certificate if, after investigation, he shall find that the financial responsibility, experience, character and general fitness of the subscribers are such as to command the confidence of the community and warrant the belief that the business will be operated honestly, fairly and efficiently within the purposes of this chapter and, for small loan companies, chapters 281 to 289. If the commissioner refuses to issue such certificate, no further proceedings shall be had, but the application may be renewed after one year from the date of such refusal without further notice or publication unless the commissioner shall order the same. Any appeal from such refusal may be taken in accordance with Title 5, chapters 305 and 307.

§ 3204. First meeting; elections; bylaws

The first meeting of the subscribers to the agreement of association of a loan company shall be called by a notice signed by that subscriber to the agreement who is designated for the purpose, or by a majority of the subscribers. Such

notice shall state the time, place and purposes of the meeting. A copy of the notice shall, 7 days at least before the day appointed for the meeting, be given to each subscriber or left at his residence or usual place of business or deposited in the post office, postage prepaid and addressed to him at his residence or usual place of business and another copy thereof and an affidavit of one of the signers that the notice has been duly served shall be recorded with the records of the corporation. If all the incorporators shall, in writing indorsed upon the agreement of association, waive such notice and fix the time and place of the meeting, no notice shall be required. The subscribers to the agreement of association shall hold the franchise until the organization has been completed. At such first meeting or at any adjournment thereof, the incorporators shall organize by the choice by ballot of a temporary clerk, by the adoption of bylaws and by the election in such manner as the bylaws may determine of directors, a president, a clerk and such other officers as the bylaws may prescribe. All the officers so elected shall be sworn to the faithful performance of their duties. The temporary clerk shall make and attest a record of the proceedings until the clerk has been chosen and sworn, including a record of such choice and qualification.

§ 3205. Bylaws

Any loan company organized under this chapter may adopt all necessary bylaws, not inconsistent with the general laws of the State, for the management of its affairs. The clerk shall file with the commissioner a copy of such bylaws and all amendments thereto. All bylaws and amendments shall be submitted to the commissioner for his approval as to their legality, and shall not take effect until such approval is given. In case the commissioner shall refuse or unreasonably delay to give such approval, the directors of the company may submit such bylaws or amendments to a Justice of the Superior Court for his approval and, if he shall approve them as legal, they shall thereupon take effect.

§ 3206. Filing of documents; certificate of incorporation

The president, and a majority of the directors who are elected at such first meeting provided for in section 3204, shall make, sign and make oath to, in duplicate, articles setting forth: A true copy of the agreement of association, the names of the subscribers thereto and the name, residence and post-office address of each of the officers of the company; and the date of the first meeting and the successive adjournments thereof, if any.

One of such certificates shall be submitted to the commissioner and the other, together with the records of the proposed corporation, to the Attorney General, who shall examine the same and who may require such amendment thereof or such additional information as he may consider necessary. If he finds that the articles conform to the sections relative to the organization of the corporation and that section 3203 has been complied with, he shall so certify and indorse his approval thereon. Subject to approval of the articles by the commissioner, they shall thereupon be filed in the office of the Secretary of State, who shall cause the same, with the indorsement thereon, to be recorded, and shall thereupon issue a certificate of incorporation in the following form:

“STATE OF MAINE

Be it know that whereas” (the names of the subscribers to the agreement of

association) "have associated themselves with the intention of forming a corporation under the name of" (the name of the corporation) "for the purpose" (the purpose declared in the agreement of association) "with a capital stock of" (the amount fixed in the agreement of association, "and have complied with the provisions of the statutes of this State in such case made and provided, as appears from the articles of organization of said corporation, duly approved by the Attorney General, and recorded in this office; now, therefor, I" (the name of the secretary), "Secretary of the State of Maine, do hereby certify that said" (the names of the subscribers to the agreement of association), "their associates and successors, are legally organized and established as, and are hereby made, an existing corporation under the name of" (name of corporation), "with the powers, rights and privileges, and subject to the limitations, duties and restrictions, which by law appertain thereto.

Witness my official signature hereunto subscribed, and the Great Seal of the State of Maine hereunto affixed, this day of in the year ." (the date of the filing of the articles of organization).

The Secretary of State shall sign the certificate of incorporation and cause the Great Seal of the State to be thereto affixed, and such certificate shall have the force and effect of a special charter. The existence of every corporation which is not created by special law shall begin upon the filing of the articles of organization in the office of the Secretary of State. The Secretary of State shall cause a record of the certificate of incorporation to be made and such certificate or such record, or a certified copy thereof, shall be conclusive evidence of the existence of such corporation.

§ 3207. Issue of shares; list of stockholders; examination by commissioner

When the whole capital stock has been issued, a complete list of the stockholders, with the name, residence and post-office address of each and the number of shares held by each, shall be filed with the commissioner, which list shall be verified by the president and the treasurer of the corporation. Upon receipt of such statement said commissioner shall cause an examination to be made, and if, after such examination, it appears that the whole capital stock has been paid in cash or an equivalent as determined by the commissioner and that all requirements of law have been complied with, said commissioner shall issue a certificate authorizing such corporation to begin the transaction of business. Such certificate shall be conclusive as to the facts stated herein. It shall be unlawful for any such corporation to begin the transaction of business until such a certificate has been granted and if the purpose of a corporation is to engage in the business of making loans of \$2500 or less, such corporation must obtain a license as provided in chapter 283.

§ 3208. Fee required

The written articles of association mentioned in section 3201 shall not be regarded as sufficient unless they shall be accompanied by satisfactory evidence that the sum of \$500 has been paid to the Treasurer of State. Such fees shall become general revenue of the State.

§ 3209. Capital stock

The corporation may determine the amount of capital stock and the division

of same into shares, either of par or nonpar, common or preferred, and the amount of dividend to be paid or declared therein; with the right to change the capital stock by majority vote of the holders of stock issued and outstanding, and having voting power, the fees therefor to be paid as prescribed by the laws of Maine. Before actually issuing any increased capital stock, a certified copy of the vote authorizing such increase shall be filed with the commissioner within 10 days after its passage, and thereupon he shall issue his approval or disapproval of the action so taken and if approved shall issue a certificate allowing such increase, a copy of which shall be filed in the office of the Secretary of State.

§ 3210. Business commenced or charter forfeited

Every loan company shall forfeit its charter unless it shall actually commence to do business within one year from the date of the issuance of its charter.'