

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

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Legislative Document

No. 680

H. P. 467

House of Representatives, February 8, 1967

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Allen of Caribou.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-SEVEN

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**AN ACT Prohibiting Use of the Name Industrial Bank.**

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

**Sec. 1. R. S., T. 9, § 2301, amended.** Section 2301 of Title 9 of the Revised Statutes is amended to read as follows:

**§ 2301. Definitions**

The term “~~industrial bank loan companies~~” means any corporation organized under and subject to chapters 201 to 205. **Every corporation so organized shall be known as an industrial loan company and may use said expression as a part of its corporate title.**

**Sec. 2. R. S., T. 9, § 2302, repealed.** Section 2302 of Title 9 of the Revised Statutes is repealed.

**Sec. 3. R. S., T. 9, § 2303, amended** The 2nd sentence of section 2303 of Title 9 of the Revised Statutes is amended to read as follows:

Section 402, subsections 1 and 2, section 473, subsection 3 and sections 691 to 696 shall apply to industrial ~~banks~~ **loan companies.**

**Sec. 4. R. S., T. 9, § 2341, amended.** Section 2341 of Title 9 of the Revised Statutes is amended to read as follows:

**§ 2341. Procedure**

Industrial ~~banks~~ **loan companies** may be organized in the same manner as is provided for the organization of trust companies, so far as applicable and not inconsistent with chapters 201 to 205.

**Sec. 5. R. S., T. 9, § 2343, amended.** The first sentence of section 2343 of Title 9 of the Revised Statutes is amended to read as follows:

The capital stock of an industrial ~~bank loan company~~ shall not be less than \$50,000 in any town or city having a population of less than 50,000 inhabitants, and shall not be less than \$100,000 in any town or city having 50,000 or more inhabitants and less than 150,000 inhabitants, and shall not be less than \$200,000 in any town or city having 150,000 inhabitants or more, according to the last official census.

**Sec. 6. R. S., T. 9, § 2344, amended.** Section 2344 of Title 9 of the Revised Statutes is amended to read as follows:

**§ 2344. Examination and issuance of certificate**

Upon receipt by the commissioner of the certificate showing that 25% of the capital stock has been paid into the treasury of an industrial ~~bank loan company~~ in cash as provided, said commissioner shall cause an examination to be made, and if after such examination it appears that the required amount of capital stock has been paid in in cash, 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. It shall be unlawful for any such corporation to begin the transaction of business until such a certificate has been granted.

**Sec. 7. R. S., T. 9, § 2345, amended.** The first paragraph of section 2345 of Title 9 of the Revised Statutes is amended to read as follows:

In addition to the powers conferred upon corporations by the general corporation law, every industrial ~~bank loan company~~ shall have the following powers:

**Sec. 8. R. S., T. 9, § 2345, sub-§§ 1 and 2, amended.** Subsections 1 and 2 of section 2345 of Title 9 of the Revised Statutes are amended to read as follows:

**1. To borrow and lend money; maximum rate of interest.** To borrow money, to lend money and discount notes and bills of exchange, including trade acceptances, and to deduct interest thereon in advance at a rate no greater than 12% annually; ~~and in addition to receive uniform weekly, semi-monthly or monthly installments on its certificates of indebtedness or deposit purchased by the borrower simultaneously with a loan transaction, or otherwise, and pledged with the corporation as security for the said loan, with or without an allowance of interest on such installment;~~

**2. To sell or negotiate bonds, etc.** To sell or negotiate bonds, notes ~~certificates of investment and choses in action~~ for the payment of money at any time, either fixed or uncertain, and to receive payments in installments or otherwise, with or without an allowance of interest upon such installments;

**Sec. 9. R. S., T. 9, § 2381, amended.** The first clause of section 2381 of Title 9 of the Revised Statutes is amended to read as follows:

No industrial ~~bank loan company~~ shall:

**Sec. 10. R. S., T. 9, § 2381, sub-§ 1, amended.** The first 2 sentences of subsection 1 of section 2381 of Title 9 of the Revised Statutes are amended to read as follows:

Hold at any one time the direct obligation or obligations of any one person, firm or corporation for more than 4% of the amount of capital and surplus of such industrial ~~bank loan company~~ or the indirect obligation or obligations of any one person, firm or corporation for more than 15% of the amount of capital and surplus of such industrial ~~bank loan company~~. Nothing in this subsection shall be construed to limit the holdings of an industrial ~~bank loan company~~ in the obligations of the United States or the State of Maine, and in amounts authorized by a vote of a majority of the directors or the executive committee.

**Sec. 11. R. S., T. 9, § 2382, additional.** Title 9 of the Revised Statutes is amended by adding a new section 2382, as follows:

**§ 2382. Prohibition of use of name "industrial bank"**

**After January 1, 1968 no person, firm or corporation shall use, hold himself out as being, or advertise with the name "industrial bank." This prohibition shall not apply to any industrial bank properly licensed and doing business on or before January 1, 1967.**