

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 160

H. P. 137

House of Representatives, January 11, 1973

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

E. LOUISE LINCOLN, Clerk

Presented by Mr. Soulas of Bangor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Relating to the Holding of Securities by Fiduciaries and by
Custodians for Fiduciaries.

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

Sec. 1. R. S., T. 9, § 1096, additional. Title 9 of the Revised Statutes is amended by adding a new section 1096, to read as follows:

§ 1096. Deposit of securities

Notwithstanding any other provision of law, any fiduciary, as defined in Title 13, section 642, holding securities in its fiduciary capacity, any bank, trust company or private banker holding securities as a custodian or managing agent, and any bank, trust company or private banker holding securities as custodian for a fiduciary, is authorized to deposit or arrange for the deposit of such securities in a clearing corporation, as defined in Title 11, Article 8. When such securities are so deposited, certificates representing securities of the same class of the same issuer may be merged and held in bulk in the name of the nominee of such clearing corporation with any other such securities deposited in such clearing corporation by any person regardless of the ownership of such securities and certificates of small denomination may be merged into one or more certificates of larger denomination. The records of such fiduciary and the records of such bank, trust company or private banker acting as custodian, as managing agent or as custodian for a fiduciary shall at all times show the name of the party for whose account the securities are so deposited. Title to such securities may be transferred by bookkeeping entry on the books of such clearing corporation without physical delivery of certificates representing such securities. A bank, trust company or private banker so depositing securities pursuant to this section shall be

subject to such rules and regulations as, in the case of state chartered institutions, the Bank Commissioner and, in the case of national banking associations, the Comptroller of the Currency may from time to time issue. A bank, trust company or private banker acting as custodian for a fiduciary shall, on demand by the fiduciary, certify in writing to the fiduciary the securities so deposited by such bank, trust company or private banker in such clearing corporation for the account of such fiduciary. A fiduciary shall, on demand by any party to a judicial proceeding for the settlement of such fiduciary's account or on demand by the attorney for such party, certify in writing to such party the securities deposited by such fiduciary in such clearing corporation for its account as such fiduciary.

This section shall apply to any fiduciary holding securities in its fiduciary capacity, and to any bank, trust company or private banker holding securities as a custodian, managing agent or custodian for a fiduciary, acting on the effective date of this Act or who thereafter may act regardless of the date of the agreement, instrument or court order by which it is appointed and regardless of whether or not such fiduciary, custodian, managing agent or custodian for a fiduciary owns capital stock of such clearing corporation.

STATEMENT OF FACT

This Act is intended to permit the deposit of securities with a Clearing Corporation as defined under the Uniform Commercial Code.