

MAINE STATE LEGISLATURE

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FORTY-NINTH LEGISLATURE.

HOUSE.

No. 56.

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND SEVENTY.

AN ACT concerning banks.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :

SECTION 1. Any persons, not less than five in number, may organize themselves into a banking corporation, by such name as they may see fit to adopt, with a capital of not less than fifty thousand dollars, to be divided into shares of one hundred dollars each, in the manner, and with all the rights prescribed in the fifty-fifth chapter of the revised statutes.

SECT. 2. In addition to the powers described in the previous section, such corporations shall have and may exercise all the usual powers, rights and privileges of banks, except only the right to issue bills as money or currency. They shall annually elect a board of five

6 or seven directors, one of whom the directors shall
7 elect as president. The board shall also annually elect
8 a cashier, who shall also be clerk of the corporation,
9 and shall give bond and be under oath for the faithful
10 discharge of his duties. Every stockholder shall be
11 entitled to one vote for each share of the stock held by
12 him and he may vote by proxy.

SECT. 3. As soon as the organization shall be effect-
2 ed, the cashier shall inform the bank examiner of the
3 fact, with the place of location, amount of capital,
4 names of stockholders and officers, and the date of
5 organization.

SECT. 4. The cashier shall annually make to the
2 examiner under oath, at such time as he may require,
3 a statement of the business and condition of the bank,
4 which statement or an abstract thereof, shall be incor-
5 porated into the examiner's annual report to the legis-
6 ture.

SECT. 5. Such corporation may hold real estate to
2 an amount not exceeding one-tenth of their capital, in
3 addition to such as they may hold as security for
4 loans, or which they may receive in payment of debts,
5 which real estate may be sold and conveyed by them
6 at the discretion of the directors.

SECT. 6. Any corporation thus formed may hold
2 their charter for twenty years from their organization,

3 subject to be surrendered at any time by a vote of a
4 majority in number and interest of the stockholders,
5 at a meeting called for that purpose by notice specify-
6 ing the object of the meeting. And two years shall
7 be allowed for any such bank to close their business
8 after the charter has expired or been surrendered.

SECT. 7. The examiner may at any time examine
2 into the condition of any such corporation and ascertain
3 the true state of its affairs whenever he may deem it
4 for the interest of the public or stockholders or credi-
5 tors, and the cashier and other officers shall at his call
6 exhibit to him for examination any books or papers of
7 the bank, and answer all questions put to him relative
8 thereto under oath. And if they or either of them
9 shall refuse to produce such books or papers on call, or
10 to be sworn, or to answer such questions as may be
11 asked as aforesaid he shall forfeit a penalty of not more
12 than five hundred dollars.

SECT. 8. If at any time the examiner is of opinion
2 that any such bank is insolvent, or that the interests
3 of the stockholders or creditors require it, he may apply
4 to any justice of the supreme judicial court setting forth
5 the fact, and thereupon with or without notice the said
6 justice may grant a temporary injunction against the
7 bank further prosecuting its business, and afterwards
8 on notice the justice may modify, vacate or perpetuate

9 such injunction, appoint master or receivers, and pass
10 such orders and decrees and enforce the same such as
11 he may regard necessary and in conformity with the
12 general rules of equity practice, until a full close of
13 the business and distribution or appropriation of the
14 assets has been effected. In the absence of the justice
15 who may have initiated the proceedings, any other
16 justice may act in his place with like authority and
17 effect. All proceedings shall be at once entered by
18 the clerk of the court for the county on his docket,
19 who shall place all papers of the case on file and cor-
20 rectly record the proceedings in the records of the
21 court. For his fees when audited by the justice, pay-
22 ment shall be made out of the assets of the bank.
23 The receiver or receivers appointed as aforesaid shall
24 have authority to sell and convey any property, real
25 or personal, belonging to the bank, and collect de-
26 mands due it, subject to all equities of previous par-
27 ties, in their own name or in the name of the corpo-
28 ration.

SECT. 9. If any president, director or cashier or
2 other officer of the bank shall convert to his own use,
3 or without authority deliver to another person to be so
4 converted, any of the money or other effects of the
5 bank, or if without authority shall deliver to any stock-
6 holder any portion of the earnings or capital of the

7 bank or for him or to his use, or shall so convert or
8 deliver to others without authority any money or other
9 value deposited with said bank for safe keeping or
10 otherwise, the person so offending shall be regarded
11 and adjudged on conviction as guilty of embezzlement
12 and be punished accordingly.

SECT. 10. Every stockholder shall be liable for the
2 debts of the bank to the amount of stock held by him
3 at the time the debt was contracted, and he shall con-
4 tinue to be holden for one year after he shall transfer
5 his stock, but no longer, unless an action shall be com-
6 menced within that time.

SECT. 11. Any bank of discount doing business in
2 this state at the time this act takes effect, may by
3 authority hereof become a corporation under its pro-
4 visions by the same name, provided a majority in num-
5 ber and amount of interest at a legal meeting called
6 for the purpose shall so vote. The shares of the
7 corporation may continue to be for the same amount
8 each as before the conversion, and the directors and other
9 officers may continue to hold their office until others
10 are chosen under this act. The new corporation shall
11 have the same powers and privileges, and be subject to
12 the same duties and responsibilities in all respects as
13 are prescribed for corporations herein, and shall be re-
14 garded in every respect the same. All the money,

15 effects and property, real and personal, of the old shall
16 vest in the new corporation, and all the indebtedness
17 and liabilities shall be alike binding and valid as before
18 the conversion. Stockholders shall have the same inter-
19 est in the new stock as in the old, subject to the same
20 liens and charges, so that the rights of all persons
21 shall be unaffected in any respect by the change. The
22 cashier shall at once upon the organization inform the
23 examiner thereof as hereinbefore provided.

SECT. 12. Any bank may increase or reduce its
2 capital stock at any time by a vote of the majority in
3 number and interest of its stockholders.

SECT. 13. Chapter forty-seven of the revised statutes,
2 except so far as pertains to savings banks, is hereby
3 repealed. Saving however all rights already accrued,
4 and also continuing in force all the provisions of said
5 act necessary to a full and complete settlement and
6 closing up of all the business of the banks which have
7 been chartered or now hold charters under said chapter.

STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES, }
February 17, 1870. }

Presented by Mr. BIRD of Rockland, ordered printed, and
referred to the Committee on Banks and Banking.

S. J. CHADBOURNE, *Clerk.*