

MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE

OF THE

STATE OF MAINE,

DURING THE SESSION

A. D. 1891.



AUGUSTA:
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1892.

Sixty-Fifth Legislature.

SENATE.

No. 29.

STATE OF MAINE.

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

AN ACT to incorporate the Commercial Safe Deposit and
Trust Company.

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

SECTION 1. Clarence Hale, Stephen R. Small, William
2 H. Conant, Jacob S. Winslow, James H. Hamlen, George
3 P. Wescott, Samuel A. True, Payson Tucker, John F.
4 Randall, James C. Jordan, Charles S. Morrill, Joseph H.
5 Short, Elisha W. Conley, Charles J. Walker, Edward H.
6 Daveis, Dennis W. Clark, Ammi Whitney, their associates
7 and successors, are made a corporation by the name of
8 the Commercial Safe Deposit & Trust Company, to be
9 located at Portland, Maine, for the purpose of receiving
10 on deposit, storage or otherwise, moneys, government
11 securities, stocks, bonds, coin, jewelry, plate, valuable

12 papers and documents, evidences of debt, and other prop-
13 erty of every kind, upon such terms or conditions as may
14 be obtained or agreed upon, and of investing moneys so
15 received ; and, at the request of any depositor, of collect-
16 ing and disbursing the interest or income upon such of
17 said property received on deposit as produces interest or
18 income, and of collecting and disbursing the principal of
19 such of said property as produces interest or income when
20 it becomes due, upon terms to be prescribed by the corpor-
21 ation, and for the purpose of loaning money on real and
22 personal security, and issuing letters of credit on terms
23 that may be agreed upon, and for the purpose of borrow-
24 ing or receiving money and investing the same ; and all
25 the powers and privileges necessary for the execution of
26 these purposes are granted, subject nevertheless to the
27 duties and restrictions and liabilities set forth in all the
28 general laws which now are or hereafter may be in force
29 in relation to such corporations.

SECT. 2. Such corporation shall at all times have on
2 hand, as a reserve, in lawful money of the United States
3 an amount equal to at least fifteen per centum of the
4 aggregate amount of all its deposits which are subject to
5 withdrawal upon demand ; and whenever said reserve of
6 such corporation shall be below said per centum of such
7 deposits, it shall not increase its liabilities by making any
8 new loans until the required proportion between the
9 aggregate amount of such deposits and its reserve fund
10 shall be restored : Provided that in lieu of lawful money
11 three-fifths of said fifteen per centum may consist of
12 balances, payable on demand, due from any national bank,
13 or from any state bank, or other trust company.

SECT. 3. Any court of law or equity, including courts
2 of probate and insolvency of this State, may by decree or
3 otherwise, direct any moneys or properties under its con-
4 trol, or that may be paid into court by parties to any
5 legal proceedings, or which may be brought into court
6 by reason of any order or judgment in equity or other-
7 wise, to be deposited with said corporation, upon such
8 terms and subject to such instructions as may be deemed
9 expedient: *Provided, however,* that said corporation
10 shall not be required to assume or execute any trust with-
11 out its own assent. Said corporation shall also have
12 power to receive moneys or property in trust or on
13 deposit, from executors, administrators, assignees, guar-
14 dians and trustees, upon such terms or conditions as may
15 be obtained or agreed upon: *Provided, also,* that all
16 such moneys or property received under the provisions of
17 this section, shall be loaned on or invested in the author-
18 ized loans of the United States, or of any of the New
19 England States, or cities, or counties, or towns thereof,
20 or of the states of Illinois, Iowa, Michigan, Minnesota and
21 Wisconsin or the cities thereof, or stocks of state or
22 national banks organized within this State, or in the bonds
23 of any railroad company which has earned and paid
24 regular dividends on its stock for five years next preced-
25 ing such loan or investment, or in the stock of any rail-
26 road company in the New England States unencumbered
27 by mortgage, which has earned and paid regular dividends
28 on its stock for two years next preceding such loan or
29 investment, or in first mortgages on real estate not exceed-
30 ing one-half the fair valuation thereof to be certified by
31 two or more of the finance committee, or in any securities

32 in which Maine savings banks are allowed to invest, or
33 upon notes of individuals with a sufficient pledge as collat-
34 eral of any of the aforesaid securities; but all real estate
35 acquired by foreclosure of mortgages or by levy of execu-
36 tion shall be sold within five years after such foreclosure
37 or levy: *Provided, also*, that all such money or property
38 received, invested or loaned under this section shall be a
39 special deposit in said corporation and the accounts thereof
40 shall be kept separate, and such funds, and the investment
41 or loans of them shall be specially appropriated to the
42 security and payment of such deposits and not to be
43 subject to the other liabilities of the corporation; and for
44 the observance of this proviso, said corporation shall have
45 a trust department into which all business authorized by
46 this section shall be kept separate and distinct from its
47 general business.

SECT. 4. Said corporation may also be appointed
2 executor, administrator, assignee, guardian or trustee
3 under any will or instrument creating a trust for the care
4 and management of property, under the same circum-
5 stances, in the same manner, and subject to the same
6 control by the court having jurisdiction of the same, as in
7 the case of a legally qualified person. The capital stock
8 of said corporation, with the liabilities of the stockholders
9 existing thereunder, shall be held as security for the faith-
10 ful discharge of the duties undertaken by virtue of this
11 act, and no surety shall be required upon the bonds filed
12 by said corporation. In all proceedings in the probate
13 court or elsewhere, connected with any authority exer-
14 cised under this act, all accounts, returns and other
15 papers may be signed and sworn to in behalf of the cor-

16 poration by any officer thereof duly authorized by it, and
17 the answers and examinations, under oath, of such officer,
18 shall be received as the answers and examinations of the
19 corporation, and the court may order and compel any and
20 all officers of said corporation to answer and attend said
21 examinations in the same manner as if they were parties
22 to the proceedings or inquiry, instead of the corporation :
23 *Provided, however,* that said corporation shall not be
24 required to receive or hold any property or moneys, or to
25 execute any trust contrary to its own desires.

SECT. 5. In the management of money or property held
2 by it as trustees under the powers conferred in the fore-
3 going section, said corporation shall invest the same in
4 the general trust fund of the company referred to in sec-
5 tion three of this act : *Provided,* that it shall be competent
6 for the authority making the appointment to direct, upon
7 the conferring of the same, whether such money and
8 property shall be held separately or invested in the gen-
9 eral trust fund of the company ; and *Provided, also,* that
10 said corporation shall always be bound to follow and be
11 entirely governed by all directions contained in any will
12 or instrument under which it may act.

SECT. 6. No money, property or securities received or
2 held by said company under the provisions of sections
3 three, four and five of this act shall be mingled with the
4 investments of the capital stock or property belonging to
5 said corporation, or be liable for the debts or obligations
6 thereof.

SECT. 7. The said corporation is also authorized to act
2 as agent for the purpose of issuing, registering or coun-
3 tersigning the certificates of stocks, bonds or other evi-

4 dences of indebtedness of any corporation, association,
5 municipality, state or public authority, on such terms as
6 may be agreed upon, and may also act as trustee or finan-
7 cial agent for any person or firm, corporation, association,
8 municipality, government, state or national authority,
9 and in their behalf to negotiate loans and to sell and
10 negotiate the sale of securities; and may also act as trus-
11 tee for the bondholders of corporations, and to this end
12 is empowered to receive transfers of real and personal
13 property upon such terms as may be agreed upon.

SECT. 8. The total liabilities to this corporation of any
2 person, firm or corporation other than cities or towns, for
3 money borrowed, including in the liabilities of a company
4 or firm the liabilities of its several members, shall at no
5 time exceed one-fifth part of such amount of the capital
6 stock of this corporation as is actually paid up, and one-
7 tenth part of its deposits. But the discount of bills of
8 exchange drawn in good faith against actually existing
9 values and the discount of commercial or business paper
10 actually owned by the party negotiating the same, shall
11 not be considered as money borrowed.

SECT. 9. The capital stock of said corporation shall be
2 one hundred thousand dollars, with the privilege of
3 increasing the same from time to time to not exceeding
4 one million dollars, and the same shall be paid for at such
5 time and in such manner as the board of directors shall
6 decide: *Provided*, that no business shall be transacted
7 by the corporation until fifty thousand dollars of the capi-
8 tal stock is subscribed for and actually paid in, and no
9 shares shall be issued until the par value of such shares
10 shall have been actually paid in in cash.

SECT. 10. Said corporation shall be entitled to purchase
2 and hold real estate in the city of Portland, Me., suitable
3 for the transaction of its business, to an amount not exceed-
4 ing in value fifty per cent of the capital stock.

SECT. 11. The stockholders of said corporation shall be
2 held individually liable equally and ratably, and not one
3 for another, for all contracts, debts and engagements of
4 such association to the extent of the amount of their stock
5 therein at the par value thereof, in addition to the amount
6 invested in such shares.

SECT. 12. Every director of this corporation who shall
2 knowingly violate, or knowingly permit any of the officers,
3 agents or servants of the association to violate any of the
4 provisions of this act, or of the general laws in force in
5 relation to such corporations, shall be liable in his personal
6 and individual capacity for all damages which the associa-
7 tion, its shareholders, or any other person, shall have
8 sustained in consequence of such violation.

SECT. 13. This corporation shall have power to pre-
2 scribe by its shareholders, by-laws not inconsistent with
3 law, regulating the manner in which its stock shall be
4 transferred, its directors elected or appointed, its officers
5 appointed, its property transferred, its general business
6 conducted, and the privileges granted to it by law exercised
7 and enjoyed.

SECT. 14. The commissioner of savings banks shall
2 have access to the vaults, books and papers of the com-
3 pany, and it shall be his duty to inspect, examine and
4 inquire into its affairs, and to take proceedings in regard
5 to them in the same manner and to the same extent as if

6 this corporation was a savings bank, subject to all the
7 general laws which are now or may hereafter be in force
8 relating to such institutions in this regard.

SECT. 15. This act shall take effect when approved.

STATE OF MAINE.

IN SENATE, February 2, 1891.

On motion Mr. WILBUR of Franklin, laid on table to be printed, pending reference, in concurrence, to the Committee on Banks and Banking.

KENDALL M. DUNBAR. *Secretary.*