

MAINE STATE LEGISLATURE

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Sixty-Seventh Legislature.

SENATE.

No. 221.

STATE OF MAINE.

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

AN ACT to incorporate the Phillips Trust and Banking
Company.

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

SECTION 1. F. E. Timberlake, J. E. Thompson, E.
2 M. Robinson, J. H. Byron, J. W. Butterfield, M. H.
3 Keniston, H. S. Wing, Fremont Scamman, J. W. Carl-
4 ton, F. H. Wilbur, Harry P. Dill, James Smith, W. H.
5 Bangs, William T. Bangs, C. M. Davis, Joel Wilbur and
6 Mason Parker, or such of them as may by vote accept
7 this charter, with their associates, successors and assigns
8 are hereby made a body corporate and politic, to be
9 known as the Phillips Trust and Banking Company, and
10 as such shall be possessed of all the powers, privileges
11 and immunities and subject to all the duties and obliga-
12 tions conferred on corporations by law.

SECT. 2. The corporation hereby created shall be
2 located at Phillips, Franklin county, Maine.

SECT. 3. The purposes of said corporation and the
2 business which it may perform, are: first, to receive on
3 deposit, money, coin, bank notes, evidences of debt,
4 accounts of individuals, companies, corporations, munici-
5 palities and states, allowing interest thereon, if agreed, or
6 as the by-laws of said corporation may provide; second,
7 to borrow money, to loan money on credits or real estate
8 or personal security, and to negotiate loans and sales for
9 others; third, to own and maintain safe deposit vaults,
10 with boxes, safes, and other facilities therein to be rented
11 to other parties for the safe keeping of moneys, securities,
12 stocks, jewelry, plate, valuable papers and documents,
13 and other property susceptible of being deposited therein,
14 and may receive on deposit for safe keeping, property of
15 any kind entrusted to it for that purpose; fourth, to act
16 as agent for issuing, registering and countersigning cer-
17 tificates, bonds, stocks, and all evidences of debt or
18 ownership in property; fifth, to hold by grant, assign-
19 ment, transfer, devise or bequest, any real or personal
20 property or trusts duly created, and to execute trusts of
21 every description; sixth, to act as assignee, receiver,
22 executor, and no surety shall be necessary upon the bond
23 of the corporation, unless the court or officer approving
24 such bond shall require it; seventh, to do in general all the
25 business that may lawfully be done by a trust and banking
26 company, but said corporation shall not have the power or
27 authority to establish branches.

SECT. 4. The capital stock of said corporation shall not
2 be less than fifty thousand dollars, divided into shares of

3 one hundred dollars each, with the right to increase the
4 said capital stock at any time by a vote of the shareholders
5 to any amount not exceeding five hundred thousand dollars.
6 Said corporation shall not commence business as a trust or
7 banking company, until stock to the amount of at least
8 fifty thousand dollars shall have been subscribed and paid
9 in in cash.

SECT. 5. Said corporation shall not make any loan or
2 discount on the security of the shares of its own capital
3 stock, nor be the purchaser or holder of any such shares
4 unless necessary to prevent loss upon a debt previously
5 contracted in good faith; and no stock so acquired shall
6 within six months from the time of its acquisition be dis-
7 posed of at public or private sale.

SECT. 6. All the corporate powers of this corporation
2 shall be exercised by a board of trustees, who shall be
3 residents of this state, whose number and term of office
4 shall be determined by a vote of the shareholders at the
5 first meeting held by the incorporators and at each annual
6 meeting thereafter. The affairs and powers of the cor-
7 poration may, at the option of the shareholders, be
8 entrusted to an executive board of five members, to be,
9 by vote of the shareholders, elected from the full board of
10 trustees. The trustees of said corporation shall be sworn
11 to the proper discharge of their duties, and they shall hold
12 office until others are elected and qualified in their stead.
13 If a trustee or director dies, resigns, or becomes disquali-
14 fied for any cause, the remaining trustees or directors
15 may appoint a person to fill the vacancy until the next
16 annual meeting of the corporation. The oath of office of
17 such trustee or director shall be taken within thirty days

18 of his election, or his office shall become vacant. The
19 clerk of such corporation shall, within ten days, notify
20 such trustees or directors of their election, and within
21 thirty days shall publish the list of all persons who have
22 taken the oath of office as trustees or directors.

SECT. 7. The board of trustees or directors of said cor-
2 poration shall constitute the board of investment of said
3 corporation. Said trustees or directors shall keep in a
4 separate book, specially provided for the purpose, a record
5 of all loans and investments of every description made by
6 said institution substantially in the order of time when
7 such loans or investments are made, which shall show that
8 such loans or investments have been made with the ap-
9 proval of the investment committee of said corporation,
10 which shall indicate such particulars respecting such loans
11 or investments as the bank examiner shall direct. This
12 book shall be submitted to the trustees or directors and
13 to the bank examiner whenever requested. Such loans or
14 investments shall be classified in the book as the bank
15 examiner may direct. No loan shall be made to an officer
16 or director of said banking or trust company except by
17 the unanimous approval of the executive board in writing,
18 and said corporation shall have no authority to hire money
19 or to give notes unless by vote of the said board duly
20 recorded.

SECT. 8. No person shall be eligible to the position of
2 a director or trustee of said corporation who is not the
3 actual owner of ten shares of the stock.

SECT. 9. Said corporation, after beginning to receive
2 deposits, shall, at all times, have on hand in lawful money,
3 as a reserve, not less than fifteen per cent of the aggregate

4 amount of its deposits which are subject to withdrawal on
5 demand, provided, that in lieu of lawful money, two-thirds
6 of said fifteen per cent may consist of balances payable on
7 demand, due from any national or state bank.

SECT. 10. All the property or money held in trust by
2 this corporation shall constitute a special deposit, and the
3 accounts thereof and of said trust department shall be
4 kept separate, and such funds and the investment or loans
5 of them shall be especially appropriated to the security
6 and payment of such deposits, and not be subject to any
7 other liabilities of the corporation ; and for the purpose of
8 securing the observance of this proviso, said corporation
9 shall have a trust department in which all business per-
10 taining to such trust property shall be kept separate and
11 distinct from its general business.

SECT. 11. An administrator, executor, assignee, guar-
2 dian or trustee, any court of law or equity, including courts
3 of probate and insolvency, officers and treasurers of towns,
4 cities, counties and savings banks of the state of Maine
5 may deposit any moneys, bonds, stocks, evidences of debt
6 or of ownership in property, or any personal property, with
7 said corporation, and any of said courts may direct any
8 person deriving authority from them to so deposit the same.

SECT. 12. Each shareholder of this corporation shall
2 be individually responsible for all contracts, debts and
3 engagements of said corporation to a sum equal to the
4 amount of the par value of the shares owned by him, in
5 addition to the amount invested in said shares.

SECT. 13. Such corporation shall set apart as a guar-
2 anty fund not less than ten per cent of its net earnings in
3 each and every year until such fund with the accumulated

4 interest thereon shall amount to one-fourth of the capital
5 stock of said corporation.

SECT. 14. The shares of said corporation shall be sub-
2 ject to taxation in the same manner and rate as are the
3 shares of national banks.

SECT. 15. Said corporation shall be subject to exami-
2 nation by the bank examiner, who shall visit it at least once
3 in every year, and as much oftener as he may deem expe-
4 dient. At such visits he shall have free access to its
5 vaults, books and papers, and shall thoroughly inspect
6 and examine all the affairs of said corporation, and make
7 such inquiries as may be necessary to ascertain its
8 condition and ability to fulfill all its engagements.
9 If upon examination of said corporation, the exam-
10 iner is of the opinion that its investments are not in
11 accordance with law, or said corporation is insol-
12 vent, or its condition is such as to render its fur-
13 ther proceedings hazardous to the public or to those
14 having funds in its custody, or is of the opinion that it
15 has exceeded its powers or failed to comply with any of
16 the rules or restrictions provided by law, he shall have
17 such authority and take such action as is provided for in
18 the case of savings banks by chapter 47 of the Revised
19 Statutes. He shall preserve in a permanent form a full
20 record of his proceedings, including a statement of the
21 condition of said corporation. A copy of such statement
22 shall be published by said corporation immediately after
23 the annual examination of the same in some newspaper
24 published where said corporation is established. If no
25 paper is published in the town where said corporation is
26 established, then it shall be published in a newspaper

27 printed in the nearest city or town. The necessary
28 expenses of the bank examiner while engaged in making
29 such examination shall be paid by said corporation.

SECT. 16. Any five of the corporators named in this
2 act may call the first meeting of this corporation by mailing
3 a written notice, signed by all, postage paid, to each of the
4 other corporators, seven days at least before the day of the
5 meeting, naming the time, place and purpose of such meet-
6 ing, and at such meeting the necessary officers may be
7 chosen, by-laws adopted and any other corporate business
8 transacted.

SECT. 17. This act shall take effect when approved.

STATE OF MAINE,

IN SENATE, March 12, 1895.

Reported by Mr. HUME, from Committee on Banks and Banking, and
laid on table to be printed under joint rules.

KENDALL M. DUNBAR, *Secretary*.