

# MAINE STATE LEGISLATURE

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NEW DRAFT.

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# Sixty-Eighth Legislature.

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HOUSE.

No. 216.

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## STATE OF MAINE.

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

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AN ACT to incorporate the Mercantile Trust Company.

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

Section 1. William H. Milliken, Weston Lewis, Isaiah  
2 K. Stetson, and Seth L. Larrabee, or such of them as may  
3 by vote accept this charter, with their associates, succes-  
4 sors and assigns are hereby made a body corporate and  
5 politic, to be known as the Mercantile Trust Company, and  
6 as such shall be possessed of all the powers, privileges and  
7 immunities and subject to all the duties and obligations  
8 conferred on corporations by law.

Sect. 2. The corporation hereby created shall be located  
2 at Portland, Cumberland county, Maine.

Sect. 3. The purposes of said corporation and the business which it may perform, are: first, to receive on deposit, money, coin, bank notes, evidences of debt, accounts of individuals, companies, corporations, municipalities, and states, allowing interest thereon, if agreed, or as the by-laws of said corporation may provide; second, to borrow money, to loan money on credits, real estate, personal or collateral security, and to negotiate loans and sales for others; third, to own and maintain safe deposit vaults, with boxes, safes, and other facilities therein to be rented to other parties for the safe keeping of moneys, securities, stocks, jewelry, plate, valuable papers and documents, and other property susceptible of being deposited therein, and may receive on deposit for safe keeping, property of any kind entrusted to it for that purpose; fourth, to act as agent for issuing, registering and countersigning certificates, bonds, stocks, and all evidences of debt or ownership in property; fifth, to hold by grant, assignment, transfer, devise or bequest, any real or personal property or trusts duly created, and to execute trusts of every description; sixth, to act as assignee, receiver, executor, and no surety shall be necessary upon the bond of the corporation, unless the court or officer approving such bond shall require it; seventh, to do in general all the business that may lawfully be done by a trust and banking company, but said corporation shall not have the power or authority to establish branches.

Sect. 4. The capital stock of said corporation shall not be less than fifty thousand dollars, divided into shares of one hundred dollars each, with the right to increase the said capital stock at any time by a vote of the shareholders to any amount not exceeding five hundred thousand dollars. Said

6 corporation shall not commence business as a trust or bank-  
7 ing company until stock to the amount of at least fifty thou-  
8 sand dollars shall have been subscribed and paid in, in cash.

Sect. 5. Said corporation shall not make any loan or dis-  
2 count on the security of the shares of its own capital stock,  
3 nor be the purchaser or holder of any such shares unless  
4 necessary to prevent loss upon a debt previously contracted  
5 in good faith; and all stock so acquired shall within six  
6 months from the time of its acquisition be disposed of at  
7 public or private sale.

Sect. 6. All the corporate powers of this corporation shall  
2 be exercised by a board of trustees, who shall be residents  
3 of this State, whose number and term of office shall be deter-  
4 mined by a vote of the shareholders at the first meeting held  
5 by the incorporators and at each annual meeting thereafter.  
6 The affairs and powers of the corporation may, at the option  
7 of the shareholders, be entrusted to an executive board of  
8 five members, to be, by vote of the shareholders, elected from  
9 the full board of trustees. The trustees of said corporation  
10 shall be sworn to the proper discharge of their duties, and  
11 they shall hold office until others are elected and qualified  
12 in their stead. If a trustee or director dies, resigns, or  
13 becomes disqualified for any cause, the remaining trustees  
14 or directors may appoint a person to fill the vacancy until  
15 the next annual meeting of the corporation. The oath of  
16 office of such trustee or director shall be taken within thirty  
17 days of his election, or his office shall become vacant. The  
18 clerk of such corporation shall, within ten days, notify such  
19 trustees or directors of their election, and within thirty days  
20 shall publish the list of all persons who have taken the oath  
21 of office as trustees or directors.

Sect. 7. The board of trustees or directors of said corporation shall constitute the board of investment of said corporation. Said trustees or directors shall keep in a separate book, specially provided for the purpose, a record of all loans, and investments of every description, made by said institution substantially in the order of time when such loans or investments are made, which shall show that such loans or investments have been made with the approval of the investment committee of said corporation, which shall indicate such particulars respecting such loans or investments as the bank examiner shall direct. This book shall be submitted to the trustees or directors and to the bank examiner whenever requested. Such loans or investments shall be classified in the book as the bank examiner shall direct. No loan shall be made to any officer or director of said banking or trust company except by the unanimous approval of the executive board in writing, and said corporation shall have no authority to hire money or to give notes unless by vote of the said board duly recorded.

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

Sect. 9. Said corporation, after beginning to receive deposits, shall, at all times, have on hand in lawful money, as a reserve, not less than fifteen per cent of the aggregate amount of its deposits which are subject to withdrawal on demand, provided, that in lieu of lawful money, two-thirds of said fifteen per cent may consist of balances payable on demand, due from any national or state bank.

Sect. 10. All the property or money held in trust by this corporation shall constitute a special deposit and the

3 accounts thereof and of said trust department shall be kept  
4 separate, and such funds and the investment or loans of them  
5 shall be specially appropriated to the security and pay-  
6 ment of such deposits, and not be subject to any other liabil-  
7 ities of the corporation; and for the purpose of securing  
8 the observance of this proviso, said corporation shall have  
9 a trust department in which all business pertaining to such  
10 trust property shall be kept separate and distinct from its  
11 general business.

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

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

Sect. 13. Such corporation shall set apart as a guaranty  
2 or surplus fund not less than ten per cent of its net earnings  
3 in 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 subject  
2 to taxation in the same manner and rate as are the shares of  
3 national banks.

Sect. 15. Said corporation shall be subject to examination  
2 by the bank examiner, who shall visit it at least once in every  
3 year, and as much oftener as he may deem expedient. At  
4 such visits he shall have free access to its vaults, books and  
5 papers, and shall thoroughly inspect and examine all the  
6 affairs of said corporation, and make such inquiries as may  
7 be necessary to ascertain its condition and ability to  
8 fulfill all its engagements. If upon examination of said cor-  
9 poration the examiner is of the opinion that its investments  
10 are not in accordance with law, or said corporation is insolv-  
11 ent, or its condition is such as to render its further proceed-  
12 ings hazardous to the public or to those having funds in its  
13 custody, or is of the opinion that it has exceeded its powers  
14 or failed to comply with any of the rules or restrictions pro-  
15 vided by law, he shall have such authority and take such  
16 action as is provided for in the case of savings banks by chap-  
17 ter forty-seven of the Revised Statutes. He shall preserve  
18 in a permanent form a full record of his proceedings, includ-  
19 ing a statement of the condition of said corporation. A  
20 copy of such statement shall be published by said corporation  
21 immediately after the annual examination of the same in  
22 some newspaper published where said corporation is estab-  
23 lished. If no paper is published in the town where said  
24 corporation is established, then it shall be published in a  
25 newspaper printed in the nearest city or town. The neces-  
26 sary expenses of the bank examiner while engaged in mak-  
27 ing such examination shall be paid by said corporation.

Sect. 16. Any three of the corporators named in this act  
2 may call the first meeting of this corporation by mailing a  
3 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.

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HOUSE OF REPRESENTATIVES,  
March 3, 1897.

Reported by Mr. CURRIER of Farmington, from Committee on Banks  
and Banking, and ordered printed under joint rules.

**W. S. COTTON,** *Clerk.*