

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

NEW DRAFT.

---

---

# Sixty-Ninth Legislature.

---

---

HOUSE.

No. 144.

---

---

## STATE OF MAINE.

---

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

---

AN ACT to incorporate the Citizens' Trust Company.

---

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

Section 1. Robert McArthur of Biddeford; Elmer E. Page,  
2 Fred C. Bradbury, Harry A. McNeally, Phineas Kelly, Mel-  
3 ville H. Kelly, William J. Maybury, James B. Gregory,  
4 James H. Miles, and James O. Bradbury, all of Saco; Frank  
5 H. Hargraves of Buxton, and B. Frank Milliken of Old  
6 Orchard, or such of them as may by vote accept this charter,  
7 with their associates, successors and assigns, are hereby  
8 made a body corporate and politic to be known as the Citi-  
9 zens' Trust Company, and as such shall be possessed of all

10 the powers, privileges and immunities and subject to all the  
11 duties and obligations conferred on corporations by law.

Sect. 2. The corporation hereby created shall be located  
2 at Biddeford, in the county of York and State of Maine.

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

Sect. 4. The capital stock of said corporation shall not be  
2 less than fifty thousand dollars, divided into shares of one  
3 hundred dollars each, with the right to increase the said

4 capital stock at any time by a vote of the shareholders to any  
5 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 of  
3 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.

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,  
9 elected from the full board of trustees. The trustees  
10 of said corporation shall be sworn to the proper  
11 discharge of their duties, and they shall hold office  
12 until others are elected and qualified in their stead.  
13 If a trustee or director dies, resigns, or becomes dis-  
14 qualified for any cause, the remaining trustees or directors  
15 may appoint a person to fill the vacancy until the next annual  
16 meeting of the corporation. The oath of office of such  
17 trustee or director shall be taken within thirty days of his  
18 election, or his office shall become vacant. The clerk of such  
19 corporation shall, within ten days, notify such trustees or  
20 directors of their election, and within thirty days shall publish

21 the list of all persons who have taken the oath of office as  
22 trustees or directors.

Sect. 7. The board of trustees or directors of said corpo-  
2 ration shall constitute the board of investment of said corpo-  
3 ration. Said trustees or directors shall keep in a separate  
4 book, specially provided for the purpose, a record of all  
5 loans, and investments of every description, made by said  
6 institution substantially in the order of time when such loans  
7 or investments are made, which shall show that such loans  
8 or investments have been made with the approval of the  
9 investment committee of said corporation, which shall indi-  
10 cate such particulars respecting such loans or investments  
11 as the bank examiner shall direct. This book shall be sub-  
12 mitted to the trustees or directors and to the bank examiner  
13 whenever requested. Such loans or investments shall be  
14 classified in the book as the bank examiner shall direct.

No loans shall be made to any officer or director of said  
16 banking or trust company except by the unanimous approval  
17 of the executive board in writing, and said corporation shall  
18 have no authority to hire money or to give notes unless by  
19 vote of the said board duly recorded.

Sect. 8. No person shall be eligible to the position of a  
2 director or a trustee of said corporation who is not the actual  
3 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, as  
3 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 this  
2 corporation shall constitute a special deposit and the accounts

3 thereof and of said trust department shall be kept separate,  
4 and such funds and the investment or loans of them shall  
5 be specially appropriated to the security and payment of  
6 such deposits, and not be subject to any other liabilities of  
7 the corporation; and for the purpose of securing the observ-  
8 ance of this proviso, said corporation shall have a trust  
9 department in which all business pertaining to such trust  
10 property shall be kept separate and distinct from its general  
11 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 fund not less than ten per cent of its earnings in each and  
3 every year until such fund with the accumulated interest  
4 thereon, shall amount to one-fourth of the capital stock of  
5 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 fulfill  
8 all its engagements. If upon examination of said corpo-  
9 ration the examiner is of the opinion that its investments are  
10 not in accordance with law, or said corporation is insolvent,  
11 or its condition is such as to render its further proceedings  
12 hazardous to the public or to those having funds in its custody,  
13 or is of the opinion that it has exceeded its powers or failed  
14 to comply with any of the rules or restrictions provided by  
15 law, he shall have such authority and take such action as is  
16 provided for in the case of savings banks by chapter forty-  
17 seven of the Revised Statutes. He shall preserve in a per-  
18 manent form a full record of his proceedings, including a  
19 statement of the condition of said corporation. A copy of  
20 such statement shall be published by said corporation imme-  
21 diately after the annual examination of the same in some  
22 newspaper published where said corporation is established.  
23 If no paper is published in the town where said corporation  
24 is established, then it shall be published in a newspaper  
25 printed in the nearest city or town. The necessary expenses  
26 of the bank examiner while making such examination shall  
27 be paid by corporation.

Sect. 16. Any five of the corporators named in this act  
2 may call the first meeting of the 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 meeting,  
6 and at such meeting the necessary officers may be chosen,  
7 by-laws adopted and any other corporate business transacted.

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





STATE OF MAINE.

---

HOUSE OF REPRESENTATIVES,

Augusta, February 21, 1899.

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

W. S. COTTON, *Clerk.*