

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.

Seventieth Legislature.

HOUSE.

No. 56

STATE OF MAINE.

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

AN ACT to incorporate Machias Banking Company.

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

Section 1. Phineas H. Longfellow, Clement B. Donworth,
2 Deola C. Getchell, Isaac P. Longfellow, Richard Allen and
3 George F. Cary, or such of them as may by vote accept this
4 charter, with their associates, successors and assigns, are
5 hereby made a body corporate and politic to be known as
6 Machias Banking Company and as such shall be possessed
7 of all the powers, privileges and immunities and subject to
8 all the duties and obligations conferred on corporations by
9 law.

Sect. 2. The corporation hereby created shall be located
2 at Machias in the county of Washington and state of Maine.

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

Sect. 4. The capital stock of said corporation shall not be
2 less than twenty-five thousand dollars, divided into shares
3 of one hundred dollars each, with the right to increase the
4 said capital stock at any time, by vote of the stockholders, to
5 any amount not exceeding two hundred thousand dollars.
6 Said corporation shall not commence business as a trust

7 or banking company, until stock to the amount of at least
8 twenty-five thousand dollars shall have been subscribed and
9 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 accrued shall, within six
6 months from the time of its acquisition, be disposed of at
7 private or public sale.

Sect. 6. All the corporate powers of this corporation shall
2 be exercised by a board of five or more directors, who shall
3 be residents of this state, and who shall be elected by a vote
4 of the stockholders at the first meeting held by the incorpor-
5 ators and at each annual meeting thereafter. The directors
6 of said corporation shall be sworn to the proper discharge of
7 their duties, and they shall hold office until others are elected
8 and qualified in their stead. If a director dies, resigns, omits
9 to qualify, or become disqualified for any cause, the remain-
10 ing directors may appoint a person to fill the vacancy until
11 the next annual meeting of the corporation. The oath of
12 office of each director shall be taken within thirty days of his
13 election or appointment, or his office shall become vacant.
14 The clerk of such corporation shall, within ten days, notify
15 such directors of their election or appointment, and within
16 thirty days after each annual meeting shall publish in a news-
17 paper, published in Machias, the list of all persons who have
18 taken the oath of office as directors.

Sect. 7. The board of directors of said corporation shall
2 constitute the board of investment. The treasurer shall keep
3 in a separate book, specially provided for the purpose, a
4 record of all loans, and investments of every description,
5 made by said institution substantially in the order of time

6 when such loans or investments are made, which shall show
7 that such loans or investments have been made with the
8 approval of the board of investment, and which shall indicate
9 such particulars respecting such loans or investments as the
10 bank examiner shall direct. This book shall be submitted to
11 the directors and to the bank examiner whenever requested.
12 Such loans or investments shall be classified in the book as
13 the bank examiner shall direct. No loan shall be made to any
14 officer or director of said institution, except by the unani-
15 mous approval of the executive board in writing, and said
16 corporation shall have no authority to hire money or to give
17 notes unless by vote of the said board duly recorded.

Sect. 8. No person shall be eligible to the position of a
2 director of said corporation who is not the actual owner of
3 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, or state bank-
8 ing or trust company.

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 such
6 deposits, and not be subject to any other liabilities of the
7 corporation; and for the purpose of securing the observance
8 of this proviso, said corporation shall have a trust depart-
9 ment in which all business pertaining to such trust property
10 shall be kept separate and distinct from its general business.

Sect. 11. An administrator, executor, assignee, guardian, 2 or trustee, or other fiduciary officer, any court or law or 3 equity, including courts of probate and insolvency, officers 4 and treasurers of towns, cities, counties, and savings banks 5 of the State of Maine, may deposit any moneys, bonds, 6 stocks, evidences of debt or of ownership in property, or any 7 personal property, with said corporation, and any of said 8 courts may direct any person deriving authority from them 9 to so deposit the same.

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

Sect. 13. Such corporation shall set apart as a guaranty 2 fund not less than ten per cent of its net 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 3 of national banks.

Sect. 15. Said corporation shall be subject to examination 2 by the bank examiner, who shall visit it at least once in 3 every year, and as much oftener as he may deem expedient. 4 At such visits he shall have free access to its vaults, books 5 and papers, and shall thoroughly inspect and examine all the 6 affairs of said corporation, and make such inquiries as may be 7 necessary to ascertain its condition and ability to fulfill all 8 its engagements. If, upon examination of said corporation 9 the examiner is of the opinion that its investments are not 10 in accordance with law, or said corporation is insolvent, or 11 its condition is such as to render it further proceed-

ings hazardous to the public or to those having funds in its custody, or is of the opinion that it has exceeded its powers or failed to comply with any of the rules or restrictions provided by law, he shall have such authority and take such action as is provided for in the case of savings banks by chapter forty-seven of the revised statutes. He shall preserve in a permanent form a full record of his proceedings, including a statement of the condition of said corporation. A copy of such statement shall be published by said corporation immediately after the annual examination of the same in some newspaper published where said corporation is established. If no newspaper is published in the town where said corporation is established, then it shall be published in a newspaper printed in the nearest city or town. The necessary expenses of the bank examiner while engaged in making such examination shall be paid by the corporation.

Sect. 16. Any three of the corporators named in this act may call the first meeting of the corporation by mailing a written notice, signed by all said three corporators, postage paid, to each of the other corporators, seven days at least before the day of the meeting, naming the time, place and purpose of such meeting, and at such meeting the necessary officers may be chosen, by-laws adopted, and any other corporate business transacted.

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

STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES,

AUGUSTA, January 31, 1901.

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

W. S. COTTON, *Clerk.*