

# MAINE STATE LEGISLATURE

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# Seventieth Legislature.

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HOUSE.

No. 209

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## STATE OF MAINE.

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

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AN ACT relating to Trust and Banking Companies.

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

Section 1. Every trust and banking company shall set apart  
2 as a guaranty fund not less than ten per cent of its net earn-  
3 ings in each and every year until such fund, with the accumu-  
4 lated interest thereon, shall amount to one-fourth of the cap-  
5 ital stock of the company. The said surplus shall be kept  
6 to secure against losses and contingencies, and whenever the  
7 same becomes impaired it shall be reimbursed in the manner  
8 provided for its accumulation.

Sect. 2. No such company shall make any loan to its direc-  
2 tors, officers, agents or other persons in its employ, until the

3 proposition to make such loan shall have been submitted by  
4 the person desiring the same to the board of directors of such  
5 bank, or to the executive committee of such board, if any,  
6 and accepted and approved by a majority of such board or  
7 committee. Such approval, if the loan is made, shall be  
8 spread upon the records of the corporation; and this record  
9 shall, in every instance, give the names of the directors au-  
10 thorizing the loan.

Sect. 3. Such corporations shall not make loans or dis-  
2 counts on the security of the shares of their own capital stock,  
3 nor be the purchasers or holders 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 a reas-  
6 onable time after its acquisition, be disposed of at public or  
7 private sale.

Sect. 4. No trust and banking company shall establish a  
2 branch or agency in any city or town other than that in which  
3 the parent institution has its location until the same be author-  
4 ized by a special act of the legislature. This provision shall  
5 not apply to branches and agencies already established and in  
6 operation under existing charter rights.



STATE OF MAINE.

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IN HOUSE OF REPRESENTATIVES,

AUGUSTA, February 22, 1901.

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

W. S. COTTON, *Clerk.*