

MAINE STATE LEGISLATURE

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Seventieth Legislature.

HOUSE.

No. 280

STATE OF MAINE.

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

AN ACT to incorporate the Old Orchard Trust and Banking
Company.

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

Section 1. Wesley G. Smith, F. G. Staples, H. W. Staples,
2 H. A. G. Milliken, F. H. Hazelton, T. L. Cleaves, C. H. Fiske,
3 E. A. Eastman, Fred I. Luce, J. A. Randall, G. W. Leighton,
4 Percy F. Googins, all of Old Orchard, or such of them as
5 may by vote accept this charter, with their associates, suc-
6 cessors and assigns, are hereby made a body corporate and
7 politic to be known as the Old Orchard Trust and Banking
8 Company, and as such shall be possessed of all the powers,
9 privileges and immunities and subject to all the duties and
10 obligations conferred on corporations by law.

Sect. 2. The corporation hereby created shall be located
2 at Old Orchard, York county, 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 indi-
4 viduals, companies, corporations, municipalities and states,
5 allowing interest thereon, if agreed, or as the by-laws of said
6 corporation shall provide; second, to borrow money, to loan
7 money on credits, or real estate, or personal security, and to
8 negotiate loans and sales for others; third, to own and main-
9 tain safe deposit vaults, with boxes, safes and other facilities
10 therein, to be rented to other parties for the safe keeping
11 of moneys, securities, stocks, jewelry, plate, valuable papers
12 and documents, and other property susceptible of being de-
13 posited therein, and may receive on deposit for safe keeping,
14 property of any kind entrusted to it for that purpose; fourth,
15 to act as agent for issuing, registering and countersigning
16 certificates, bonds, stocks, and all evidences of debt or owner-
17 ship in property; fifth, to hold by grant, assignment, trans-
18 fer, 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 fifty thousand dollars, divided into shares of one
3 hundred dollars each, with the right to increase the said cap-
4 ital stock at any time, by 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 at least of 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 determ-
4 ined 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 in
12 their stead. If a trustee or director dies, resigns, or becomes
13 disqualified for any cause, the remaining trustees or directors
14 may appoint a person to fill the vacancy until the next an-
15 nual meeting of the corporation. The oath of office of such
16 trustee or director shall be taken within thirty days of his
17 election, or his office shall become vacant. The clerk of said
18 corporation shall, within ten days, notify such trustees or
19 directors of their election, and within thirty days shall pub-
20 lish the list of all persons who have taken the oath of office
21 as trustees or directors.

Sect. 7. The board of trustees or directors of said corpor-
2 ation shall constitute the board of investment of said corpor-
3 ation. Said trustees or directors shall keep in a separate

4 book, specially provided for the purpose, a record of all loans,
5 and investments of every description, made by said institu-
6 tion substantially in the order of time when such loans or in-
7 vestments are made, which shall show that such loans or
8 investmens have been made with the approval of the invest-
9 ment committee of said corporation, which shall indicate
10 such particulars respecting such loans or investments as the
11 bank examiner shall direct. This book shall be submitted
12 to the trustees or directors or to the bank examiner when-
13 ever requested. Such loans or investments shall be classi-
14 fied in the book as the bank examiner shall direct. No loan
15 shall be made to any officer or director of said banking or
16 trust company except by the unanimous approval of the ex-
17 ecutive board in writing, and said corporation shall have no
18 authority to hire money or to give notes unless by vote of
19 the said board duly recorded.

Sect. 8. No person shall be eligible to the position of a di-
2 rector 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 de-
2 posits, 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 of
6 said fifteen per cent may consist of balances payable on de-
7 mand, 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 be
5 specially appropriated to the security and payment of such
6 deposits, and not to 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 or
2 trustee, any court of law or equity, including courts of pro-
3 bate and insolvency, officers and treasurers of towns, cities,
4 counties, and savings banks of the state of Maine may de-
5 posit 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 in-
2 dividually responsible for all contracts, debts and engage-
3 ments of said corporation to a sum equal to the amount of the
4 par value of the shares owned by him, in addition to the
5 amount of the par value of the shares owned by him, in ad-
6 dition to the 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 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 rates 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 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 its further proceedings
12 hazardous to the public or to those having funds in its cus-
13 tody, or is of the opinion that it has exceeded its powers or
14 failed to comply with any of the rules or restrictions pro-
15 vided by law, he shall have such authority and take such ac-
16 tion 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 all his proceedings, in-
19 cluding 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 cor-
24 poration is established, then it shall be published in a news-
25 paper printed in the nearest city or town. The necessary
26 expense of the bank examiner while engaged in making such
27 examination shall be paid by said corporation.

Sect. 16. Any five of the incorporators 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 incorporators, 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 chosen,
7 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, March 1, 1901.

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

W. S. COTTON, *Clerk.*