

MAINE STATE LEGISLATURE

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Seventieth · Legislature.

HOUSE.

No. 281

STATE OF MAINE.

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

AN ACT to incorporate the State Trust Company.

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

Section 1. M. V. B. Chase, Lewis A. Burleigh, Fred G.
2 Kinsman, William G. Boothby and Nathan Weston, or such
3 of them as may by vote accept this charter, with their asso-
4 ciates, successors and assigns, are hereby made a body cor-
5 porate and politic to be known as the State Trust Company,
6 and as such shall be possessed of all the powers, privileges
7 and immunities and subject to all the duties and obligations
8 conferred on corporations by law.

Sect. 2. The corporation hereby created shall be located at
2 Augusta, Kennebec 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
6 said corporation may provide; second, to borrow money,
7 to loan money on credits, real estate, personal or collateral
8 security, and to negotiate loans and sales for others; third,
9 to own and maintain safe deposit vaults, with boxes,
10 safes and other facilities therein, to be rented to other parties
11 for the safe keeping of moneys, securities, stocks, jewelry,
12 plate, valuable papers and documents, and other property sus-
13 ceptible of being deposited therein, and may receive on deposit
14 for safe keeping, property of any kind entrusted to it for that
15 purpose; fourth, to act as agent for issuing, registering and
16 countersigning certificates, bonds, stocks, and all evidences of
17 debt or ownership in property; fifth, to hold by grant, assign-
18 ment, transfer, devise or bequest, any real or personal prop-
19 erty or trusts duly created, and to execute trusts of every
20 description; sixth, to act as assignee, receiver, executor, and
21 no surety shall be necessary upon the bond of corporation,
22 unless the court or officer approving such bond shall require
23 it; seventh, to do in general all the business that may lawfully
24 be done by a trust and banking company.

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 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, whose number and term
3 of office shall be determined by a vote of the shareholders at
4 the first meeting held by the incorporators and at each an-
5 nual meeting thereafter.

The affairs and powers of the corporation may, at the op-
7 tion of the shareholders, be entrusted to an executive board
8 of five members to be, by vote of the shareholders, elected
9 from the full board of trustees. The trustees of said cor-
10 poration shall be sworn to the proper discharge of their du-
11 ties, and they shall hold office until others are elected and
12 qualified in their stead. If a trustee or director dies, resigns,
13 or becomes disqualified for any cause, the remaining trustees
14 or directors may appoint a person to fill the vacancy until the
15 next annual meeting of the corporation. The oath of office
16 of such trustee or director shall be taken within thirty days
17 of his election, or his office shall become vacant. The clerk
18 of such corporation shall, within ten days, notify such trus-
19 tees of their election, and within thirty days shall publish the
20 list of all persons who have taken the oath of office as trus-
21 tees or directors.

Sect. 7. The board of trustees or directors of said cor-
2 poration shall constitute the board of investment of said
3 corporation. Said trustees or directors shall keep in a sep-
4 arate book, specially provided for the purpose, a record of
5 all 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 in-
9 vestment 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 to
12 the trustees or directors and to the bank examiner whenever
13 requested. Such loans or investments shall be classified in
14 the book as the bank examiner shall direct. No loan shall
15 be made to any officer or director of said banking or trust
16 company except by the unanimous approval of the executive
17 board in writing, and said corporation shall have no author-
18 ity to hire money or to give notes unless by vote of the said
19 board duly recorded.

Sect. 8. No person shall be eligible to the position of a
2 director or 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
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 be
5 specially appropriated to the security and payment of such
6 deposits, and not be subject to any other liabilities of the cor-
7 poration; and for the purpose of securing the observance of
8 this proviso, said corporation shall have a trust department
9 in which all business pertaining to such trust property shall
10 be kept separate and distinct from its general business.

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

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

Sect. 13. Such corporation shall set apart as a guaranty or surplus fund not less than ten per cent of its net earnings in each and every year until such fund with the accumulated interest thereon, shall amount to one-fourth of the capital stock of said corporation.

Sect. 14. The shares of said corporation shall be subject to taxation in the same manner and rate as are the shares of national banks.

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

12 hazardous to the public or those having funds in its custody, or
13 is of the opinion that it has exceeded its powers or failed to
14 comply with any of the rules or restrictions provided by law,
15 he shall have such authority and take such action as is pro-
16 vided for in the case of savings banks by chapter forty-seven
17 of the Revised Statutes. He shall preserve in a permanent
18 form a full record of his proceedings, including a statement
19 of the condition of said corporation. A copy of such state-
20 ment shall be published by said corporation immediately
21 after the annual examination of the same in some newspaper
22 published where said corporation is established. If no paper
23 is published in the town where said corporation is established,
24 then it shall be published in a newspaper printed in the near-
25 est city or town. The necessary expenses of the bank exam-
26 iner while engaged in making such examination shall be
27 paid by said corporation.

Sec. 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 chosen,
7 by-laws adopted, and any other corporate business trans-
8 acted.

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.*