

MAINE STATE LEGISLATURE

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Seventieth Legislature.

HOUSE.

No. 434

STATE OF MAINE,

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

AN ACT to incorporate the Knox Trust and Banking
Company.

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

Section 1. F. S. Walls of Vinalhaven and H. I. Hix,
2 Maynard S. Bird, E. E. Payson, S. T. Kimball, all of Rock-
3 land, or such of them as may by vote accept this charter,
4 with their associates, successors and assigns, are hereby
5 made a body corporate and politic to be known as the Knox
6 Trust and Banking Co., and as such shall be possessed of
7 all the powers, privileges and immunities and subject to all
8 duties and obligations conferred on corporations by law.

Sect. 2. The corporation hereby created shall be located
2 at Rockland, Knox county, Maine, and may have two
3 offices for the transaction of business in said city.

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, and
8 to negotiate loans and sales for others; third, to own and
9 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 pur-
15 pose; fourth, to hold and enjoy all such estate real, personal
16 and mixed as may be obtained by the investment of its capi-
17 tal stock or any other moneys and funds that may come into
18 its possession in the course of its business and dealings, and
19 the same sell, grant, and dispose of; fifth, to act as agent for
20 issuing, registering and countersigning certificates, bonds,
21 stocks, and all evidences of debt or ownership in property;
22 sixth, to hold by grant, assignment, transfer, devise or
23 bequest, any real or personal property or trusts duly created,
24 and to execute trusts of every description; seventh, to act as
25 assignee, receiver, executor, and no surety shall be neces-
26 sary upon the bond of the corporation, unless the court or
27 officer approving such bond shall require it; eighth, to do in
28 general all the business that may lawfully be done by trust
29 and banking companies.

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 shareholders,
5 to any amount not exceeding two hundred thousand dollars.
6 Said corporation shall not commence business as a trust or

7 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 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 directors, who shall be residents
3 of this state, whose number and term of office shall be de-
4 termined by a vote of the shareholders at the first meeting
5 held by the incorporators and at each annual meeting there-
6 after. The affairs and powers of the corporation may, at the
7 option of the shareholders, be entrusted to an executive
8 board of five members to be, by vote of the shareholders
9 elected from the full board of directors. The directors of
10 said corporation shall be sworn to the proper discharge
11 of their duties, and they shall hold office until others are
12 elected and qualified in their stead. If a director dies, re-
13 signs, or becomes disqualified for any cause, the remaining
14 directors may appoint a person to fill the vacancy until
15 the next annual meeting of the corporation. The oath of
16 office of such director shall be taken within thirty days of
17 his election, or his office shall become vacant. The clerk
18 of such corporation shall, within ten days, notify such di-
19 rectors 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 directors.

Sect. 7. The board of directors of said corporation shall
2 constitute the board of investment of said corporation.

3 Said directors shall keep in a separate book, specially pro-
4 vided for the purpose, a record of all loans, and invest-
5 ments of every description, made by said institution, sub-
6 stantially in the order of time when such loans or invest-
7 ments are made, which shall show that such loans or in-
8 vestments 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 directors and to the bank examiner whenever re-
13 quested. 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 approval of a majority of the execu-
17 tive 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 as a member of the
2 executive committee of said corporation who is not the act-
3 ual owners 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 ac-
3 counts thereof and of said trust department shall be kept
4 separate, and such funds and the investment or loans of
5 them shall be specially appropriated to the security and
6 payment of such deposits, and not be subject to any other

7 liabilities of the corporation ; and for the purpose of secur-
8 ing the observance of this proviso, said corporation shall
9 have a trust department in which all business pertaining to
10 such trust property shall be kept separate and distinct from
11 its general 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
5 may deposit any moneys, bonds, stocks, evidences of debt
6 or of ownership in property, or any personal property, with
7 said corporation, and any of said courts may direct any
8 person deriving authority from them to so deposit the same.

Sect. 12. Each shareholder of this corporation shall be in-
2 dividually responsible, equally and ratably, and not one for
3 the other, for all contracts, debts and engagements of such
4 corporation, to a sum equal to the amount of the par value
5 of the shares owned by each in addition to the amount in-
6 vested in said shares.

Sect. 13. Such corporation shall set apart as a surplus
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
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
6 the affairs of said corporation, and make such inquiries as

7 may be necessary to ascertain its condition and ability to
8 fulfill all its engagements. If upon examination of said cor-
9 poration the examiner is of the opinion that its investments
10 are not in accordance with law, or said corporation is insol-
11 vent, or its condition is such as to render its further pro-
12 ceedings hazardous to the public or to those having funds
13 in its custody, or is of the opinion that it has exceeded its
14 powers or failed to comply with any of the rules or restric-
15 tions provided by law, he shall have such authority and take
-16 such action as is provided for in the case of savings banks
17 by chapter forty-seven of the Revised Statutes. He shall
18 preserve in a permanent form a full record of his proceed-
19 ings, including a statement of the condition of said corpora-
20 tion. A copy of such statement shall be published by said
21 corporation immediately after the annual examination of the
22 same in some newspaper published where said corporation
23 is established. If no paper is published in the town where
24 said corporation is established, then it shall be published in
25 a newspaper printed in the nearest city or town. The
26 necessary expenses of the bank examiner while making
27 such examination shall be paid by the corporation.

Sect. 16. Any three 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 meet-
6 ing, and at such meeting the necessary officers may be
7 be chosen, by-laws adopted, and any other corporate busi-
8 ness transacted.

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



STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES,

AUGUSTA, March 14, 1901.

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

W. S. COTTON, *Clerk.*