

MAINE STATE LEGISLATURE

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Seventieth Legislature.

HOUSE.

No. 435

STATE OF MAINE.

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

AN ACT to incorporate the South Portland Trust and Banking
Company.

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

Section 1. Edward C. Reynolds, David E. Moulton, Albert
2 A. Cole, Frank S. Willard, J. C. Knapp, F. G. Hamilton and
3 Willis B. Moulton, or such of them as may by vote accept
4 this charter, with their associates, successors and assigns are
5 hereby made a body corporate and politic, to be known as the
6 South Portland Trust and Banking Company, and as such
7 shall be possessed of all the powers, privileges and immuni-
8 ties and subject to all the duties and obligations conferred
9 on corporations by law.

Sect. 2. The corporation hereby created shall be located at
2 South Portland, Cumberland county, Maine.

Sect. 3. The purposes of said corporation and the business which it may perform, are: first, to receive on deposit, money, coin, bank notes, evidences of debt, accounts of individuals, companies, corporations, municipalities and states, allowing interest thereon, if agreed, or as the by-laws of said corporation may provide; second, to borrow money, to loan money on credits or real estate or personal security, and to negotiate loans and sales for others; third, to own and maintain safe deposit vaults, with boxes, safes and other facilities therein to be rented to other parties for the safe keeping of moneys, securities, stocks, jewelry, plate, valuable papers and documents, and other property susceptible of being deposited therein, and may receive on deposit for safe keeping, property of any kind entrusted to it for that purpose; fourth, to act as agent for issuing, registering and countersigning certificates, bonds, stocks, and all evidences of debt or ownership in property; fifth, to hold by grant, assignment, transfer, devise or bequest, any real or personal property or trusts duly created, and to execute trusts of every description; sixth, to act as assignee, receiver, executor, and no surety shall be necessary upon the bond of the corporation, unless the court or officer approving such bond shall require it; seventh, to do in general all the business that may lawfully be done by a trust and banking company, but said corporation shall not have the power or authority to establish branches.

Sect. 4. The capital stock of said corporation shall not be less than fifty thousand dollars, divided into shares of one hundred dollars each, with the right to increase said capital stock at any time by a vote of the shareholders to any amount not exceeding five hundred thousand dollars. Said corporation shall not commence business as a trust or banking

7 company until stock to the amount of at least fifty thousand
8 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 share 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 a
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
3 of this state, whose number and term of office shall be deter-
4 mined 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 shareholder 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 annual
15 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 such
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 corpo-
2 ration shall constitute the board of investment of said corpo-
3 ration. 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
7 investments 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 such
10 particulars respecting such loans or investments as the bank
11 examiner shall direct. This book shall be submitted to the
12 trustees or directors and to the bank examiner whenever re-
13 quested. Such loans or investments shall be classified in the
14 book as the bank examiner may direct. No loan shall be
15 made to an officer or director of said banking or trust com-
16 pany 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 di-
2 rector 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 de-
5 mand, 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 investments 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 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 administration, executor, assignee, guardian
2 or trustee, any court or law of equity, including courts of
3 probate 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 invested in said shares.

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

Sect. 14. The shares of said corporation shall be subject to
2 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 every
3 year, and as much oftener as he may deem expedient. At
4 such visits he shall 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 its
11 condition is such to render its further proceedings hazardous
12 to the public or to those having funds in its custody, or is of
13 the opinion that it has exceeded its powers or failed to com-
14 ply with any of the rules or restrictions provided by law, he
15 shall have such authority and take such action as is provided
16 for in the case of savings banks by chapter forty-seven of the
17 Revised Statutes. He shall preserve in a permanent form a
18 full record of his proceedings, including a statement of the
19 condition of said corporation. A copy of such statement shall
20 be published by said corporation immediately after the annual
21 examination of the same in some newspaper published where
22 said corporation is established. If no paper is published in
23 the town where said corporation is established, then it shall
24 be published in a newspaper printed in the nearest city or
25 town. The necessary expenses of the bank examiner while
26 engaged in making such examinations shall be paid by said
27 corporation.

Sect. 16. Any five of the corporators named in this act may
2 call the first meeting of this corporation by mailing a written
3 notice, signed by all, postage paid, to each of the other cor-
4 porators, seven days at least before the day of the meeting,
5 naming the time, place and purpose of such meeting, and at
6 such meeting the necessary officers may be chosen, by-laws
7 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 14, 1901.

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

W. S. COTTON, *Clerk.*