

MAINE STATE LEGISLATURE

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Seventieth Legislature.

HOUSE.

No. 437

STATE OF MAINE.

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

AN ACT to incorporate the Hallowell Trust Company.

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

Section 1. John Graves, Austin D. Knight, B. F. Warner,
2 John W. Church and Joseph F. Bodwell, or such of them as
3 may by vote accept this charter, with their associates, suc-
4 cessors and assigns, are hereby made a body corporate and
5 politic to be known as the Hallowell Trust Company, and as
6 such shall be possessed of all the powers, privileges and im-
7 munities, and subject to all the duties and obligations con-
8 ferred on corporations by law.

Sect. 2. The corporation hereby created shall be located at
2 Hallowell, 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 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
20 for issuing, registering and countersigning certificates,
21 bonds, stocks and all evidences of debt or ownership in
22 property; sixth, to hold by grant, assignment, transfer,
23 devise or bequest, any real or personal property or trusts
24 duly created, and to execute trusts of every description;
25 seventh, to act as assignee, receiver, executor, and no surety
26 shall be necessary upon the bond of the corporation, unless
27 the court or officer approving such bond shall require it;
28 eighth, to do in general all the business that may lawfully
29 be done by trust 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 twenty-
8 five thousand dollars shall have been subscribed and paid in,
9 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
3 of this state, whose number and term of office shall be de-
4 termined by a vote of the shareholder 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 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
15 the next annual meeting of the corporation. The oath of
16 office of such trustee or director shall be taken within thirty
17 days of his election, or his office shall become vacant. The
18 clerk of such corporation shall, within ten days, notify such
19 trustees or directors of their election, and within thirty days
20 shall publish the list of all persons who have taken the oath
21 of office as trustees or directors.

Sect. 7. The board of directors or trustees of said corpo-
2 ration shall constitute the board of investment of said corpo-

3 ration. Said directors or trustees 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 institution
6 substantially in the order of time when such loans or invest-
7 ments are made, which shall show that such loans or invest-
8 ments 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 au-
18 thority to hire money or to give notes unless by vote of the
19 said 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 five 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 of said trust department shall be kept sep-
4 arate, and such funds and the investment or loans of them
5 shall be specially appropriated to the security and payment
6 of such deposits, and not be subject to any other liabilities

7 of the corporation; and for the purpose of securing the
8 observance of this proviso, said corporation shall have a
9 trust department in which all business pertaining to such
10 trust property shall be kept separate and distinct from its
11 general business.

Sect. 11. An administrator, executor, assignee, guardian
2 or trustee, any court of law or equity, including court 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 per-
8 son deriving authority from them to so deposit the same.

Sect. 12. Each shareholder of this corporation shall be
2 individually responsible, equally and ratably, and not one
3 for the other, for all contracts, debts and engagements of
4 such corporation, to a sum equal to the amount of the par
5 value of the shares owned by each in addition to the amount
6 invested 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 ev-
3 ery 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 proceed-
12 ings hazardous to the public or to those having funds in its
13 custody, or is of the opinion that it has exceeded its powers
14 or 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 his proceedings, includ-
19 ing a statement of the condition of said corporation. A copy
20 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
24 corporation is established, then it shall be published in a
25 newspaper printed in the nearest city or town. The neces-
26 sary expenses of the bank examiner while making such ex-
27 amination 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 chosen, by-laws adopted, and any other corporate business
8 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.*