

MAINE STATE LEGISLATURE

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NEW DRAFT.

Seventieth Legislature.

SENATE.

No. 95

STATE OF MAINE.

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

AN ACT to incorporate the Cumberland Trust Company.

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

Section 1. Arthur W. Merrill, Isaac W. Dyer, Edward C.
2 Hersey and Stephen C. Perry, or such of them as may by
3 vote accept this charter, with their associates, successors and
4 assigns, are hereby made a body corporate and politic to be
5 known as the Cumberland Trust Company, and as such shall
6 be possessed of all the powers, privileges and immunities and
7 subject to all the duties and obligations conferred on corpo-
8 rations by law.

Sect. 2. The corporation hereby created shall be located
2 at Portland, Cumberland 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 purpose ;
15 fourth, to hold and enjoy all such estate, real, personal and
16 mixed as may be obtained by the investment of its capital
17 stock or any other moneys and funds that may come into its
18 possession in the course of its business and dealings, and the
19 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 necessary
26 upon the bond of the corporation, unless the court or officer
27 approving such bond shall require it ; eighth, to do in general
28 all the business that may lawfully be done by trust and bank-
29 ing companies.

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 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 neces-
4 sary to prevent loss upon a debt previously contracted in
5 good faith; and all stock so acquired shall, within six months
6 from the time of its acquisition, be disposed of at public or
7 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 board
8 of five members to be, by vote of the shareholders, elected
9 from the full board of directors. The directors 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 director dies, resigns,
13 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
17 days of his election, or his office shall become vacant. The

18 clerk of such corporation shall, within ten days, notify such
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 directors.

Sect. 7. The board of directors of said corporation
2 shall constitute the board of investment of said corpora-
3 tion. Said directors shall keep in a separate book,
4 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 investment
9 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
12 the 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 shall direct. No loan shall be
15 made to any officer or director of said banking or trust com-
16 pany except by the approval of a majority 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 of said corporation who is not the actual owner of ten
3 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
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 may
5 deposit 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, equally and ratably, and not one for the
3 other, for all contracts, debts and engagements of such cor-
4 poration, to a sum equal to the amount of the par value of the
5 shares owned by each in addition to the amount invested in
6 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 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 af-
6 fairs of said corporation, and make such inquiries as may be
7 necessary to ascertain its condition and ability to fulfill all
8 its engagements. If upon examination of said corporation
9 the examiner is of the opinion that its investments are not in
10 accordance with law, or said corporation is insolvent, or its
11 condition is such as to render its further proceedings hazard-
12 ous to the public or to 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 after
21 the annual examination of the same in some newspaper pub-
22 lished where said corporation is established. If no paper is
23 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 making such examination shall be paid by the cor-
27 poration.

Sect. 16. Any three of the corporators named in this act may
2 call the first meeting of the corporation by mailing a written
3 notice, signed by all, postage paid, to each of the other corpo-
4 rators, seven days at least before the day of the meeting, nam-
5 ing the time, place and purpose of such meeting, and at such

6 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 SENATE, March 5, 1901.

Reported by Mr. VIRGIN from Committee on the Judiciary, and laid
on table to be printed under joint rules.

KENDALL M. DUNBAR, *Secretary.*