

MAINE STATE LEGISLATURE

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NEW DRAFT.

Seventy-first Legislature.

HOUSE.

No. 127

STATE OF MAINE.

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

AN ACT to incorporate the Central Trust Company.

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

Section 1. George Burnham, Jr., Franklin R. Barrett,
2 Charles S. Fobes, Herbert T. Brown, Franklin C. Payson,
3 Arthur K. Hunt and George H. Richardson, all of Portland,
4 county of Cumberland, State of Maine, or such of them as
5 may by vote accept this charter, with their associates, suc-
6 cessors and assigns, are hereby made a body corporate and
7 politic to be known as the Central Trust Company, and as
8 such shall be possessed of all the powers, privileges and
9 immunities and subject to all the duties and obligations con-
10 ferred on corporations by law.

Sect. 2. The corporation hereby created shall be located at
2 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 business
2 which it may perform, are: first, to receive on deposit, money,
3 coin, bank notes, evidences of debt, accounts of individuals,
4 companies, corporations, municipalities and states, allowing
5 interest thereon, if agreed, or as the by-laws of said corpora-
6 tion may provide; second, to borrow money, to loan money
7 on credits, or real estate, or personal or collateral security,
8 and to negotiate loans and sales for others; third, to erect,
9 construct, own, maintain and operate safe deposit vaults, with
10 boxes, safes and other facilities therein, to be rented to other
11 parties for the safe keeping of moneys, securities, stocks,
12 jewelry, plate, valuable papers and documents, and other
13 property susceptible of being deposited therein, and to receive
14 on deposit for safe keeping, property of any kind entrusted
15 to it for that purpose; fourth, to hold and enjoy all such
16 estate, real, personal and mixed as may be obtained by the
17 investment of its capital stock or any other moneys and funds
18 that may come into its possession in the course of its business
19 and dealings, and the same sell, grant, and dispose of; fifth,
20 to act as agent for issuing, registering and countersigning
21 certificates, bonds, stocks, and all evidences of debt or owner-
22 ship in property; sixth, to hold by grant, assignment, transfer,
23 devise or bequest, any real or personal property or trusts duly
24 created, and to execute trusts of every description; seventh,
25 to act as executor, receiver or assignee, with the same powers
26 and duties as are conferred and imposed by law upon natural
27 persons acting in the same capacities and subject to the same
28 control of the court having jurisdiction of the same in all
29 proceedings relating to the exercise of these powers; all
30 papers may be signed and sworn to by any officer designated
31 by the corporation for that purpose, and the officers shall be

32 subject to citation and examination in the same manner and
33 to the same extent as natural persons acting in the same
34 capacities. No sureties shall be required upon the bond of
35 the corporation when acting in said capacities, unless the
36 court or officer approving said bond shall require it; eighth,
37 to guarantee the payment of the principal and interest of all
38 obligations secured by mortgages of real estate running to
39 said Central Trust Company; to issue its own bonds or obli-
40 gations based upon real or personal property conveyed to it
41 in trust to secure the payment of such bonds or obligations
42 and the interest thereon; ninth, to hold for safe keeping all
43 kinds of personal or mixed property and to act as agents for
44 the owners thereof, and of real estate for the collection of
45 income on the same and for the sale of the same; tenth, to do
46 in general all the business that may lawfully be done by trust
47 and banking 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 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 directors or trustees, who shall be
3 residents of this State, whose number and term of office shall

4 be determined by a vote of the shareholders at the first meet-
5 ing held by the incorporators and at each annual meeting
6 thereafter. The affairs and powers of the corporation may,
7 at the 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 or trustees. The
10 directors or trustees of said corporation shall be sworn to the
11 proper discharge of their duties, and they shall hold office
12 until others are elected and qualified in their stead. If a
13 director or trustee dies, resigns, or becomes disqualified for
14 any cause, the remaining directors or trustees may appoint a
15 person to fill the vacancy until the next annual meeting of the
16 corporation. The oath of office of such director or trustee
17 shall be taken within thirty days of his election, or his office
18 shall become vacant. The clerk of such corporation shall,
19 within ten days, notify such directors or trustees of their elec-
20 tion, and within thirty days shall publish the list of all per-
21 sons who have taken the oath of office as directors or trustees.

Sect. 7. The board of directors or trustees of said corpo-
2 ration shall constitute the board of investment of said cor-
3 poration. 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 executive
9 committee of said corporation, which shall indicate such par-
10 ticulars respecting such loans or investments as the bank
11 examiner shall direct. This book shall be submitted to the
12 directors or trustees 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 officers, director or agent of said company or
16 to other persons in its employ, until the proposition to make

17 such loan shall have been submitted by the person desiring
18 the same to the board of directors of such bank, or to the
19 executive committee of such board, if any, and accepted and
20 approved by a majority of such board or committee. Such
21 approval, if the loan is made, shall be spread upon the records
22 of the corporation; and this record shall, in every instance,
23 give the names of the directors authorizing the loan. Said
24 corporation shall have no authority to hire money or to give
25 notes unless by vote of the said board or of said committee
26 duly recorded.

Sect. 8. No person shall be eligible to the position of a
2 director or a trustee of said corporation who is not the actual
3 owner of ten shares of stock.

Sect. 9. Said corporation, after beginning to receive
2 money on deposit shall at all times have on hand, as a reserve,
3 in lawful money of the United States, an amount equal to at
4 least fifteen per cent of the aggregate amount of all its
5 deposits which are subject to withdrawal upon demand or
6 within ten days; and whenever said reserve of such corpora-
7 tion shall be below said percentage of such deposits, it shall
8 not increase its liabilities by making any new loans until the
9 required proportion between the aggregate amount of such
10 deposits and its reserve fund shall be restored; provided, that
11 in lieu of lawful money two-thirds of said fifteen per cent
12 may consist of balances payable on demand, due from any
13 national bank, and one-third of said fifteen per cent may con-
14 sist of lawful money and bonds of the United States or of
15 this State, the absolute property of such corporation.

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

7 corporation ; and for the purpose of securing the observance
8 of 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
2 individually 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 of
5 the shares owned by each, in addition to the amount invested
6 in said shares.

Sect. 13. Said corporation shall set apart as a guaranty
2 fund not less than ten per cent of its net earnings in each
3 and every year until such fund with the accumulated interest
4 thereon, shall amount to one-fourth of the capital stock of
5 the company. The said surplus shall be kept to secure
6 against losses and contingencies, and whenever the same
7 becomes impaired it shall be reimbursed in the manner pro-
8 vided for its accumulation.

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

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 corpora-
9 tion the examiner is of the opinion that its investments are
10 not in accordance with law, or said corporation is insolvent,
11 or its condition is such as to render its further proceedings
12 hazardous to the public or to those having funds in its cus-
13 tody, or is of the opinion that it has exceeded its powers or
14 failed to comply with any of the rules or restrictions provided
15 by law, he shall have such authority and take such action as
16 is provided for in the case of the savings banks by chapter
17 forty-seven of the Revised Statutes. He shall preserve in a
18 permanent form a full record of his proceedings, including a
19 statement of the condition of said corporation. A copy of
20 such statement shall be published by said corporation imme-
21 diately after the annual examination of the same in some
22 newspaper published where said corporation is established.
23 If no paper is published in the town where said corporation
24 is established, then it shall be published in a newspaper
25 printed in the nearest city or town. The necessary expenses
26 of the bank examiner while making such examination shall
27 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 chosen,
7 by-laws adopted, and any other corporate business transacted.

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

STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES,

AUGUSTA, February 13, 1903.

**Reported by Mr. MAYBURY of Saco, from Committee on Banks and
Banking, and ordered printed under joint rules.**

W. S. COTTON, Clerk.