

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

Seventy-first Legislature.

HOUSE.

No. 203

STATE OF MAINE.

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

AN ACT to incorporate the Security Trust 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, May-
2 nard S. Bird, S. T. Kimball, all of Rockland, or such of them
3 as 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 Security Trust Company, and as
6 such shall be possessed of all the powers, privileges and
7 immunities and subject to all the duties and obligations con-
8 ferred on corporations by law.

Sect. 2. The corporation hereby created shall be located
2 at Rockland, Knox county, Maine, and may have two offices
3 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 security, and to
8 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
11 safe keeping of moneys, securities, stocks, jewelry, plate,
12 valuable papers and documents, and other property
13 susceptible of being deposited therein, and may receive
14 on deposit for safe keeping, property of any kind
15 entrusted to it for that purpose; fourth, to hold and enjoy
16 all such estate, real, personal and mixed, as may be obtained
17 by the investment of its capital stock or any other moneys
18 and funds that may come into its possession in the course of
19 its business and dealings, and the same sell, grant and dis-
20 pose of; fifth, to act as agent for issuing, registering and
21 countersigning certificates, bonds, stocks, and all evidences
22 of debt or ownership in property; sixth, to hold by grant,
23 assignment, transfer, devise, or bequeath, any real or personal
24 property or trusts, duly created, and to execute trusts of every
25 description; seventh, to act as assignee, receiver, executor,
26 and no surety shall be necessary upon the bond of the cor-
27 poration, unless the court or officer approving such bond shall
28 require it; eighth, to do in general all the business that may
29 lawfully 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, to
5 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 fifty
8 thousand dollars shall have been subscribed and paid in, in
9 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
6 six months from the time of its acquisition, be disposed of
7 at 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 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 seven 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
11 duties, and they shall hold office until others are elected and
12 qualified in their stead. If a director dies, resigns, or
13 becomes disqualified for any cause, the remaining 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 direc-
16 tor shall be taken within thirty days of his election, or his
17 office shall become vacant. The clerk of such corporation
18 shall, within ten days, notify such directors of their election,
19 and within thirty days shall publish the list of all persons who
20 have taken the oath of office as directors.

Sect. 7. The board of directors of said corporation shall
2 constitute the board of investment of said corporation. Said
3 directors shall keep a separate book, specially provided for
4 the purpose, a record of all loans, and investments of every

5 description, made by said institution, substantially in the
6 order of time when such loans or investments are made,
7 which shall show that such loans or investments have been
8 made with the approval of the investment committee of said
9 corporation, which shall indicate such particulars respecting
10 such loans or investments as the bank examiner shall direct.
11 This book shall be submitted to the directors and to the bank
12 examiner whenever requested. Such loans or investments
13 shall be classified in the book as the bank examiner shall
14 direct. No loan shall be made to any officer or director of
15 said banking or trust company except by the approval of a
16 majority of the executive board in writing, and said corpo-
17 ration shall have no authority to hire money or to give notes
18 unless by vote of 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 actual
3 owner of ten shares of the stock.

Sect. 9. Said corporation, after beginning to receive
2 deposits, shall, at all times, have on hand in lawful money,
3 as 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
5 be 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 depart-
9 ment in which all business pertaining to such trust property
10 shall 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, equably 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 6 invested in said shares.

Sect. 13. Such corporation shall set apart as a surplus fund 2 not less than ten per cent of its 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 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 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 to-day, 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 savings banks by chapter forty-
17 seven of the Revised Statutes. He shall preserve in a per-
18 manent 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 immedi-
21 ately after the annual examination of the same in some news-
22 paper published where said corporation is established. If
23 no paper is published in the town where said corporation is
24 established, then it shall be published in a newspaper printed
25 in the nearest city or town. The necessary expenses of the
26 bank examiner while making examination shall be paid by the
27 corporation.

Section 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 such 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 26, 1903.

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

W. S. COTTON, *Clerk.*