

MAINE STATE LEGISLATURE

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Seventy-first Legislature.

HOUSE.

No. 347

STATE OF MAINE.

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

AN ACT to incorporate the Somerset Trust Company.

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

Section 1. C. H. Clark, K. C. Gray, C. A. Wilbur, John F.
2 Hill, George E. Macomber, Byron Boyd, F. G. Kinsman, J. Man-
3 chester Haynes and Arthur W. Whitney, or such of them as
4 may by vote accept this charter, with their associates, suc-
5 cessors and assigns, are hereby made a body corporate and
6 politic to be known as the Somerset Trust Company, and as
7 such shall be possessed of all the powers, privileges and im-
8 munities and subject to all the duties and obligations con-
9 ferred on corporations by law.

Sect. 2. The corporation hereby created shall be located
2 at Madison, Somerset County, Maine.

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, municipalities and states, allowing interest
5 thereon, if agreed, or as the by-laws of said corpo-
6 ration may provide; second, to borrow money, to loan money
7 on credits, or real estate, or personal security, and to nego-
8 tiate loans and sales for others; third, to own and maintain
9 safe deposit vaults, with boxes, safes and other facilities
10 therein, to be rented to other parties for the safe keeping of
11 moneys, securities, stocks, jewelry, plate, valuable papers and
12 documents, and other property susceptible of being deposited
13 therein, and may receive on deposit for safe keeping, property
14 of any kind entrusted to it for that purpose; fourth,
15 to act as agent for issuing, registering and countersigning
16 certificates, bonds, stocks, and all evidences of debt or owner-
17 ship, in property; fifth, to hold by grant, assignment, trans-
18 fer, devise or bequest, any real or personal property or trusts
19 duly created, and to execute trusts of every description; sixth,
20 to act as assignee, receiver, executor, and no surety shall be
21 necessary upon the bond of the corporation unless the court
22 or officer approving such bond shall require it; seventh, to do
23 in general all the business that may lawfully be done by trust
24 and banking companies, but said corporation shall not have
25 the power or authority to establish branches.

Sect. 4. The capital stock of said corporation shall not be
2 less than fifty thousand dollars, divided into shares of
3 one hundred dollars each, with the right to increase the said
4 capital stock at any time, by a vote of the shareholders, to
5 any amount not exceeding five 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 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,
2 shall be exercised by a board of trustees who shall be resi-
3 dents of this State, whose number and term of office shall be
4 determined 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 trustees. The trustees of said corpo-
10 ration shall be sworn to the proper discharge of their duties,
11 and they shall hold office until others are elected and quali-
12 fied in their stead. If a trustee or director dies, resigns, or
13 becomes disqualified for any cause, the remaining trustees or
14 directors may appoint a person to fill the vacancy until the
15 next annual meeting of the corporation. The oath of office
16 of such trustee or director shall be taken within thirty days
17 of his election, or his office shall become vacant. The clerk
18 of such corporation shall, within ten days, notify such trust-
19 ees or directors of their election, and within thirty days shall
20 publish 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 book,
4 specially provided for the purpose, a record of all loans, and
5 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 partic-
10 ulars respecting such loans or investments as the bank exam-
11 iner shall direct. This book shall be submitted to the trustees
12 and directors and to the bank examiner whenever requested.
13 Such loans or investments shall be classified in the book as the
14 bank examiner shall direct. No loan shall be made to any
15 officer or director of said banking or trust company except by
16 the unanimous approval of the executive board in writing,
17 and said corporation shall have no authority to hire money or
18 to give notes unless by vote of the said board 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 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 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 provision, 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 or
2 trustee, any court of law or equity, including courts of pro-
3 bate and insolvency, officers and treasurers of towns, cities,

4 counties and savings banks of the State of Maine, may deposit
5 any moneys, bonds, stocks, evidences of debt or of ownership
6 in property, or any personal property with said corporation,
7 and any of said courts may direct any person deriving author-
8 ity 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. Such corporation shall set apart as a guarantee
2 fund 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 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 nearest
25 city or town. The necessary expenses of the bank examiner
26 while making such examination shall be paid by the corpora-
27 tion.

Sect. 16. Any two of the corporators named in this act
2 may call the first meeting of the corporation by mailing a
3 written notice, signed by both, 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 meeting,
6 and at such meeting the necessary officers may be chosen, by-
7 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, March 12, 1903.

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

W. S. COTTON, *Clerk.*