

# MAINE STATE LEGISLATURE

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NEW DRAFT.

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# Seventy-first Legislature.

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SENATE.

No. 170

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## STATE OF MAINE.

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

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AN ACT to incorporate the City Trust Company, of Bangor,  
Maine.

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

Section I. Geo. W. E. Barrows, Wm. E. Brown, Arthur  
2 Chapin, Geo. H. Nutter, J. Albert Dole, Joseph G. Blake,  
3 Augustus B. Farnham, William P. Dickey, J. Norman Towle,  
4 Eugene Danforth, Charles E. Woodward, and E. C. Ryder,  
5 all of Bangor, county of Penobscot, State of Maine, or such  
6 of them as may by vote accept this charter, with their asso-  
7 ciates, successors and assigns, are hereby made a body cor-  
8 porate and politic to be known as the City Trust Company,  
9 and as such shall be possessed of all the powers, privileges  
10 and immunities and subject to all the duties and obligations

11 conferred on corporations by law, except as otherwise pro-  
12 vided herein.

Sect. 2. The corporation hereby created shall be located  
2 at Bangor, Penobscot county, Maine.

Sect. 3. The purposes of said corporation and the business  
2 which it may perform, are:

First, to receive on deposit, money, coin, bank notes, evi-  
4 dences of debt, accounts of individuals, companies, corpo-  
5 rations, municipalities and states, allowing interest thereon,  
6 if agreed, or as the by-laws of said corporation may provide;

Second, to borrow money, to loan money on credits, or real  
8 estate, or personal or collateral security, and to negotiate loans  
9 and sales for others;

Third, to erect, construct, own, maintain and operate safe  
11 deposit vaults, with boxes, safes and other facilities therein,  
12 to be rented to other parties for the safe keeping of moneys,  
13 securities, stocks, jewelry, plate, valuable papers and docu-  
14 ments, and other property susceptible of being deposited  
15 therein, and to receive on deposit for safe keeping, property  
16 of any kind entrusted to it for that purpose;

Fourth, to hold and enjoy all such estate, real, personal and  
18 mixed, as may be obtained by the investment of its capital  
19 stock or any other moneys and funds that may come into its  
20 possession in the course of its business and dealings, and the  
21 same sell, grant, and otherwise dispose of;

Fifth, to act as agent for issuing, registering and counter-  
23 signing certificates, bonds, stocks, and all evidences of debt  
24 or ownership in property;

Sixth, to hold by grant, assignment, transfer, devise or  
26 bequest, any real or personal property or trusts duly created,  
27 and to execute trusts of every description;

Seventh, to act as agent for a person or corporation, and  
29 also to act as executor, receiver or assignee, with the same  
30 powers and duties as are conferred and imposed by law upon

31 natural persons acting in the same capacities and subject to  
32 the same control of the court having jurisdiction of the same  
33 in all proceedings relating to the exercise of these powers;  
34 all papers may be signed and sworn to by any officer desig-  
35 nated by the corporation for that purpose, and the officers  
36 shall be subject to citation and examination in the same man-  
37 ner and to the same extent as natural persons acting in the  
38 same capacities. No sureties shall be required upon the bond  
39 of the corporation when acting in said capacities, unless the  
40 court or officer approving said bond shall require it;

Eighth, to guarantee the payment of the principal and inter-  
42 est of all obligations secured by mortgages of real estate run-  
43 ning to said City Trust Company;

Ninth, to hold for safe keeping all kinds of personal or  
45 mixed property and to act as agents for the owners thereof,  
46 and of real estate for the collection of income on the same  
47 and for the sale of the same;

Tenth, to do in general all the business that may lawfully  
49 be done by trust 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 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 nec-  
4 essary to prevent loss upon debt previously contracted in good  
5 faith; and all stock so acquired shall, within six months from  
6 the time of its acquisition, be disposed of at public or private  
7 sale.

Sect. 6. All the corporate powers of this corporation shall  
2 be exercised by a board of directors or trustees, who shall  
3 be residents of this State, whose number and term of office  
4 shall be determined by a vote of the shareholders at the first  
5 meeting held by the incorporators and at each annual meet-  
6 ing thereafter. The affairs and powers of the corporation  
7 may, at the option of the shareholders, be entrusted to an  
8 executive board of five members to be, by vote of the share-  
9 holders, elected from the full board of directors or trustees.  
10 The directors or trustees of said corporation shall be sworn  
11 to the proper discharge of their duties, and they shall hold  
12 office until others are elected and qualified in their stead. If  
13 a director or trustee dies, resigns, or becomes disqualified  
14 for any cause, the remaining directors or trustees may appoint  
15 a person to fill the vacancy until the next annual meeting of  
16 the corporation. The oath of office of such director or trus-  
17 tee, shall be taken within thirty days of his election. or his  
18 office shall become vacant. The clerk of such corporation  
19 shall, within ten days, notify such directors or trustees of  
20 their election, and within thirty days shall publish the list of  
21 all persons who have taken the oath of office as directors or  
22 trustees.

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, 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 trustee of said corporation who is not the actual  
3 owner of ten shares of stock.

Sect. 9. Said corporation after beginning to receive money  
2 on deposit shall at all times have on hand, as a reserve, in  
3 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 corpo-  
7 ration 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 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, 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  
5 of the shares owned by each in addition to the amount  
6 invested 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 and  
3 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 same rate as are  
3 the 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 enquiries 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 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 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 other 4 corporators, seven days at least before the day of the meet- 5 ing, naming the time, place and purpose of such meeting, 6 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.

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IN SENATE, March 5, 1902.

Reported by Mr. TITCOMB from Committee on Banks and Banking,  
and laid on table to be printed under joint rules.

KENDALL, M. DUNBAR, *Secretary*.