

MAINE STATE LEGISLATURE

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Seventy-first Legislature.

SENATE.

No. 257

STATE OF MAINE.

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

AN ACT to incorporate the Phillips Trust Company.

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

Section 1. Joel Wilbur, E. H. Shepard, Frank H. Wilbur,
2 F. N. Beal, Weston Lewis, G. A. French, N. P. Noble, Josiah
3 S. Maxcy, F. E. Timberlake, Edward Greenwood, A. M.
4 Greenwood, Fremont Scamman, J. W. Brackett, or such of
5 them as may by vote accept this charter, with their associates,
6 successors and assigns, are hereby made a body corporate
7 and politic to be known as the Phillips Trust Company, and
8 as 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
2 at Phillips, Maine.

Sect. 3. The purposes of said corporation and the business which it may perform, are : first, to receive on deposit, money, coin, bank notes, evidences of debt, accounts of individuals, companies, corporations, municipalities and states, allowing interest thereon, if agreed, or as the by-laws of said corporation may provide ; second, to borrow money, to loan money on credits, or real estate, or personal security, and to negotiate loans and sales for others ; third, to own and maintain safe deposit vaults, with boxes, safes and other facilities therein, to be rented to other parties for the safe keeping of moneys, securities, stocks, jewelry, plate, valuable papers and documents, and other property susceptible of being deposited therein, and may receive on deposit for safe keeping, property of any kind entrusted to it for that purpose ; fourth, to act as agent for issuing, registering and counter-signing certificates, bonds, stocks, and all evidences of debt, or ownership in property ; fifth, to hold by grant, assignment, transfer, devise or bequest, any real or personal property or trusts duly created, and to execute trusts of every description ; sixth, to act as assignee, receiver, executor, and no surety shall be necessary upon the bond of the corporation, unless the court or officer approving such bond shall require it ; seventh, to do in general all the business that may lawfully be done by trust and banking companies.

Sect. 4. The capital stock of said corporation shall not be less than twenty-five thousand dollars, divided into shares of one hundred dollars each, with the right to increase the said capital stock at any time, by vote of the shareholders, to any amount not exceeding five hundred thousand dollars. Said corporation shall not commence business as a trust or banking company, until stock to the amount of at least twenty-five thousand 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 trustees, 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 five members to be, by vote of the shareholders, elected from
9 the full board of trustees. The trustees of said corporation
10 shall be sworn to the proper discharge of their duties, and
11 they shall hold office until others are elected and qualified in
12 their stead. If a trustee or director dies, resigns, or becomes
13 disqualified for any cause, the remaining trustees or 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 trustee
16 or director shall be taken within thirty days of his election, or
17 his office shall become vacant. The clerk of such corporation
18 shall, within ten days, notify such trustee or directors of their
19 election, and within thirty days shall publish the list of all per-
20 sons who have taken the oath of office 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 cor-
3 poration. Said trustees or directors 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 institu-
6 tion substantially in the order of time when such loans or
7 investments are made, which shall show that such loans or

8 investments have been made with the approval of the invest-
9 ment 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 the
12 trustees or directors 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 officer or director of said banking or trust
16 company except by the unanimous approval 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
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, 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
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
5 may deposit any moneys, bonds, stocks, evidences of debt or
6 of 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. Such corporation shall set apart as a guaranty
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
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 pro-

15 vided by law, he shall have such authority and take such
16 action as is provided for in the case of savings banks by
17 chapter forty-seven of the Revised Statutes. He shall pre-
18 serve in a permanent form a full record of his proceedings,
19 including a statement of the condition of said corporation.
20 A copy of such statement shall be published by said corpo-
21 ration immediately after the annual examination of the same
22 in some newspaper published where said corporation is
23 established. If no paper is published in the town where said
24 corporation is established, then it shall be published in a
25 newspaper printed in the nearest city or town. The neces-
26 sary expenses of the bank examiner while making such exam-
27 ination shall be paid by the corporation.

Sect. 16. Any one 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 trans-
8 acted.

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

STATE OF MAINE.

IN SENATE, March 19, 1903.

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

KENDALL M. DUNBAR, *Secretary*