

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)

NEW DRAFT.

SEVENTY-SECOND LEGISLATURE

HOUSE.

No. 30

STATE OF MAINE.

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

AN ACT to incorporate the State Trust Company.

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

Section 1. John F. Hill, Thomas J. Lynch, Frederick G.
2 Kinsman, George W. Vickery, or such of them as may by
3 vote accept this charter, with their associates, successors or
4 assigns, are hereby made a body corporate and politic to be
5 known as the State Trust Company, and as such shall be
6 possessed of all the powers, privileges and immunities and
7 subject to all the duties and obligations conferred on corpo-
8 rations by law.

Sect. 2. The corporation hereby created shall be located at
2 Augusta, Kennebec 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, corporations, municipalities and states, allowing
5 interest 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, prop-
14 erty of any kind entrusted to it for that purpose; fourth, to
15 hold and enjoy all such estate, real, personal and mixed as
16 may be obtained by the investment of its capital stock or any
17 other moneys and funds that may come into its possession in
18 the course of its business and dealings, and the same sell,
19 grant, and dispose of; fifth, to act as agent for issuing,
20 registering and countersigning certificates, bonds, stocks,
21 and all evidences of debt or ownership in property; sixth,
22 to hold by grant, assignment, transfer, devise or bequest,
23 any real or personal property or trusts duly created, and to
24 execute trusts of every description; seventh, to act as
25 assignee, receiver, executor, and no surety shall be necessary
26 upon the bond of the corporation, unless the court or officer
27 approving such bond shall require it; eighth, to do in gen-
28 eral all the business that may lawfully be done by trust and
29 banking companies.

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 vote of the stockholders, to any
5 amount not exceeding two hundred thousand dollars. Said
6 corporation shall not commence business as a trust or bank-

ing company, until stock to the amount of at least fifty thousand dollars shall have been subscribed and paid in, in cash.

Sect. 5. Said corporation shall not make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares unless necessary to prevent loss upon a debt previously contracted in good faith; and all stock so acquired shall, within six months from the time of its acquisition, be disposed of at public or private sale.

Sect. 6. All the corporate powers of this corporation shall be exercised by a board of trustees, who shall be residents of this state, whose number and term of office shall be determined by a vote of the stockholders at the first meeting held by the incorporators and at each annual meeting thereafter. The affairs and powers of the corporation may, at the option of the stockholders, be entrusted to an executive board of not less than five members to be, by vote of the stockholders, elected from the full board of trustees. The trustees of said corporation shall be sworn to the proper discharge of their duties, and they shall hold office until others are elected and qualified in their stead. If a trustee dies, resigns, or becomes disqualified for any cause, the remaining trustees may elect a person to fill the vacancy until the next annual meeting of the corporation. The oath of office of such trustee shall be taken within thirty days of his election, or his office shall become vacant. The clerk of such corporation shall, within ten days, notify such trustees of their election, and within thirty days shall publish the list of all persons who have taken the oath of office as trustees.

Sect. 7. The board of trustees or the executive board of said corporation shall constitute the board of investment of said corporation. Said directors or executive board shall

4 keep in a separate book, specially provided for the purpose,
5 a record of all loans, and investments of every description,
6 made by said institution substantially in the order of time
7 when such loans or investments are made, which shall show
8 that such loans or investments have been made with the
9 approval of the investment board of said corporation, which
10 shall indicate such particulars respecting such loans or invest-
11 ments as the bank examiner shall direct. This book shall
12 be submitted to the trustees, stockholders, and to the bank
13 examiner whenever requested. Such loans or investments
14 shall be classified in the book as the bank examiner shall
15 direct. No loan shall be made to any officer or trustee of
16 said banking or trust company except by the approval of a
17 majority of the trustees or executive board in writing, and
18 said corporation shall have no authority to hire money or to
19 give notes unless by vote of the said board duly recorded.

Sect. 8. No person shall be eligible to the position of a
2 trustee of said corporation who is not the actual owner of ten
3 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 bank or any bank created
8 under the laws of this state.

Sect. 10. All the property or money held in trust by this
2 corporation, shall constitute a special deposit and the
3 accounts thereof of said trust department shall be kept sepa-
4 rate, and such funds and the investment or loans of them
5 shall be specially appropriated to the security and payment of
6 such 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 stockholder 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 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 corpo-
5 ration.

Sect. 14. The shares of said corporation shall be subject to
2 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
10 in accordance with law, or said corporation is insolvent, or
11 its condition is such as to render its further proceedings
12 hazardous to the public or to those having funds in its
13 custody, or is of the opinion that it has exceeded its powers
14 or 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-eight 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 corpora-
21 tion immediately after the annual examination of the same
22 in some newspaper published where said corporation is estab-
23 lished. 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
27 examination shall 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.

HOUSE OF REPRESENTATIVES,
Augusta, January 27, 1905.

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

E. M. THOMPSON, *Clerk.*