

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-SECOND LEGISLATURE

HOUSE.

No. 156

STATE OF MAINE.

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

AN ACT to incorporate the Merchants' Trust Company.

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

Section 1. George Burnham, Jr., Jeremiah W. Tabor,
2 Charles S. Fobes, Herbert J. Brown and Franklin C. Payson,
3 all of Portland, county of Cumberland, State of Maine, or
4 such of them as may by vote accept this charter, with their
5 associates, successors and assigns, are hereby made a body
6 corporate and politic to be known as the Merchants' Trust
7 Company, and as such shall be possessed of all the powers,
8 privileges and immunities and subject to all the duties and
9 obligations conferred on corporations by law.

Sect. 2. The corporation hereby created shall be located
2 at Portland, Cumberland county, Maine, and may have two
3 offices for the transaction of business in said city.

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 or collateral security, and to negotiate purchases, loans and sales for others; third, to erect, construct, own, maintain, and operate 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 to receive on deposit for safe keeping, property of any kind entrusted to it for that purpose; fourth, to hold and enjoy all such estate, real, personal and mixed as may be obtained by the investment of its capital stock or any other moneys and funds that may come into its possession in the course of its business and dealings, and the same sell, grant and dispose of; fifth, to act as agent for issuing, registering and countersigning certificates, bonds, stocks, and all evidences of debt or ownership in property; sixth, 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; seventh, to act as executor, receiver or assignee, with the same powers and duties as are conferred and imposed by law upon natural persons acting in the same capacities and subject to the same control of the court having jurisdiction of the same in all proceedings relating to the exercise of these powers; all papers may be signed and sworn to by any officer designated by the corporation for that purpose, and the officers shall be subject to citation and examination in the same manner and to the same extent as natural persons acting in the same capacities. No sureties shall be required

35 upon the bond of the corporation when acting in said capaci-
36 ties, unless the court or officer approving said bond shall
37 require it; eighth, to guarantee the payment of the principal
38 and interest of all obligations secured by mortgages of real
39 estate running to said Merchants' Trust Company; ninth, to
40 hold for safe keeping all kinds of personal or mixed prop-
41 erty and to act as agents for the owners thereof, and of real
42 estate for the collection of income on the same and for the
43 sale of the same; tenth, to do in general all the business that
44 may lawfully 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 capi-
4 tal stock at any time, by a vote of the shareholders, to any
5 amount not exceeding one million dollars. Said corporation
6 shall not commence business as a trust or banking company,
7 until stock to the amount of at least fifty thousand dollars
8 shall have been subscribed and paid in, in cash.

Sect. 5. Said corporation shall not make loans or discounts
2 on the security of the shares of its own capital stock, nor be
3 the purchaser or holder of any such shares unless necessary
4 to prevent loss upon a debt previously contracted in good
5 faith; and all stock so acquired shall, within a reasonable
6 time after 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 be
3 residents of this State, whose number and term of office shall
4 be determined by a vote of the shareholders at the first meet-
5 ing held by the incorporators and at each annual meeting
6 thereafter. The affairs and powers of the corporation may,
7 at the option of the shareholders, be entrusted to an execu-
8 tive board of not less than five members to be, by vote of the

9 shareholders, elected from the full board of directors or trust-
10 tees. The trustees or directors of said corporation shall be
11 sworn to the proper discharge of their duties, and they shall
12 hold office until others are elected and qualified in their stead.
13 If a director or trustee dies, resigns, or becomes disqualified
14 for any cause, the remaining directors or trustees may
15 appoint a person to fill the vacancy until the next annual
16 meeting of the corporation. The clerk of such corporation
17 shall, within ten days, notify such directors or trustees of
18 their election, and within thirty days shall publish the list of
19 all persons who have taken the oath of office as directors or
20 trustees.

Sect. 7. The board of trustees or the executive board of
2 said corporation shall constitute the board of investment of
3 said corporation. Said trustees or executive board shall keep
4 in a separate book, specially provided for the purpose, a
5 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 indi-
8 cate such particulars respecting such loans or investments as
9 the bank examiner shall direct. This book shall be sub-
10 mitted to the directors or trustees and to the bank examiner
11 whenever requested. Such loans or investments shall be
12 classified in the book as the bank examiner shall direct. No
13 loans shall be made to any officers, director, trustee or agent
14 of said company or to other persons in its employ, until the
15 proposition to make such loan shall have been submitted by
16 the person desiring the same to the board of directors of such
17 bank, or to the executive committee of such board, if any,
18 and accepted and approved by a majority of such board or
19 committee. Such approval, if the loan is made, shall be
20 spread upon the records of the corporation; and this record
21 shall, in every instance, give the names of the directors

22 authorizing the loan. Said corporation shall have no author-
23 ity to hire money or to give notes unless by vote of the said
24 board or of said committee duly recorded.

Sect. 8. Said corporation, after beginning to receive money
2 on deposit shall at all times have on hand, as a reserve, in
3 lawful money or national bank notes of the United States,
4 an amount equal to at least fifteen per cent of the aggregate
5 amount of its deposits which are subject to withdrawal upon
6 demand or within ten days; provided, that in lieu of such
7 cash reserve two-thirds of said fifteen per cent may consist
8 of balances payable on demand, due from any national bank
9 or trust company created under the laws of this State, or
10 from any trust company located in any of the other New
11 England States or New York and approved by the bank
12 examiner in writing; and one-third of said fifteen per cent
13 may consist of the bonds of the United States, the District of
14 Columbia, and any of the New England States and the states
15 of New York, Pennsylvania, Maryland, Ohio, Indiana, Ken-
16 tucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Mis-
17 souri, Kansas and Nebraska, the absolute property of such
18 corporation. Whenever said reserve shall be below said
19 percentage of such deposits, such corporation shall not fur-
20 ther diminish the amount of its legal reserve by making any
21 new loans until the required proportion between the aggre-
22 gate amount of such deposits and its cash reserve shall be
23 restored. All provisions of charters in conflict with this
24 section are void.

Sect. 9. 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. 10. 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. 11. 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. 12. 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
8 provided for its accumulation.

Sect. 13. The shares of said corporation shall be subject to
2 taxation in the same manner and at the same rate as are the
3 shares of national banks.

Sect. 14. 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 and whether it has complied with the law,
9 and its officers shall, whenever required to do so by the bank
10 examiner, furnish him with statements and full information
11 relating to the condition and standing of their institution,
12 and of all matters pertaining to its business affairs and
13 management.

Sect. 15. 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 trans-
8 acted.

Sect. 16. This act shall take effect when approved.

STATE OF MAINE.

HOUSE OF REPRESENTATIVES,
Augusta, February 15, 1905.

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

E. M. THOMPSON, *Clerk.*