

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-SECOND LEGISLATURE

HOUSE.

No. 424

STATE OF MAINE.

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

AN ACT to incorporate the United States Trust Company.

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

Section 1. Oakley C. Curtis, Frederick Hale and Morrill
2 N. Drew of Portland, A. Ledyard Smith of Madison, F. G.
3 Kinsman of Augusta and Eugene Hale, Jr., of New York
4 City, or such of them as may by vote accept this charter, with
5 their associates, successors and assigns, are hereby made a
6 body corporate and politic to be known as the United States
7 Trust Company, and as such shall be possessed of all the
8 powers, privileges and immunities and subject to all the
9 duties and obligations conferred on corporations by law.

Sect. 2. The corporation hereby created shall be located
1 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
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 corpora-
6 tion may provide; second, to borrow money, to loan money
7 on credits, or real estate, or personal or collateral security,
8 and to negotiate purchases, loans and sales for others; third,
9 to erect, construct, own, maintain, and operate safe deposit
10 vaults, with boxes, safes and other facilities therein, to be
11 rented to other parties for the safe keeping of moneys, securi-
12 ties, stocks, jewelry, plate, valuable papers and documents,
13 and other property susceptible of being deposited therein, and
14 to receive on deposit for safe keeping, property of any kind
15 entrusted to it for that purpose; fourth, to hold and enjoy
16 all such estate, real, personal and mixed, as may be obtained
17 by the investment of its capital stock or any other moneys
18 and funds that may come into its possession in the course of
19 its business and dealings, and the same sell, grant and dis-
20 pose of; fifth, to act as agent for issuing, registering and
21 countersigning certificates, bonds, stocks, and all evidences
22 of debt or ownership in property; sixth, to hold by grant,
23 assignment, transfer, devise or bequest, any real or personal
24 property or trusts duly created, and to execute trusts of every
25 description; seventh, to act as executor, receiver or assignee,
26 with the same powers and duties as are conferred and
27 imposed by law upon natural persons acting in the same
28 capacities and subject to the same control of the court having
29 jurisdiction of the same in all proceedings relating to the
30 exercise of these powers; all papers may be signed and sworn
31 to by any officer designated by the corporation for that pur-
32 pose, and the officers shall be subject to citation and examina-
33 tion in the same manner and to the same extent as natural

34 persons acting in the same capacities. No sureties shall be
35 required upon the bond of the corporation when acting in said
36 capacities, unless the court or officer approving said bond
37 shall require it; eighth, to guarantee the payment of the prin-
38 cipal and interest of all obligations secured by mortgages of
39 real estate running to said United States Trust Company;
40 ninth, to hold for safe keeping all kinds of personal or mixed
41 property and to act as agents for the owners thereof, and of
42 real estate for the collection of income on the same and for
43 the sale of the same; tenth, to do in general all the business
44 that 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 cap-
4 ital 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 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 submit-
10 ted 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, and
18 accepted and approved by a majority of such board or com-
19 mittee. Such approval, if the loan is made, shall be spread
20 upon the records of the corporation; and this record shall, in
21 every instance, give the names of the directors authorizing

22 the loan. Said corporation shall have no authority to hire
23 money or to give notes unless by vote of the said board or of
24 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 cash
7 reserve two-thirds of said fifteen per cent may consist of
8 balances payable on demand, due from any national bank or
9 trust company created under the laws of this State, or from
10 any trust company located in any of the other New England
11 states or New York and approved by the bank examiner in
12 writing; and one-third of said fifteen per cent may consist of
13 the bonds of the United States, the District of Columbia, and
14 any of the New England states and the states of New York,
15 Pennsylvania, Maryland, Ohio, Indiana, Kentucky, Michigan,
16 Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas and
17 Nebraska, the absolute property of such corporation. When-
18 ever said reserve shall be below said percentage of such
19 deposits, such corporation shall not further diminish the
20 amount of its legal reserve by making any new loans until the
21 required proportion between the aggregate amount of such
22 deposits and its cash reserve shall be restored. All provisions
23 of charters in conflict with this 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 cor-
7 poration; and for the purpose of securing the observance of
8 this proviso, said corporation shall have a trust department in

9 which all business pertaining to such trust property shall be
10 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, 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. 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
5 of the shares owned by each, in addition to the amount
6 invested 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 against
6 losses and contingencies, and whenever the same becomes
7 impaired it shall be reimbursed in the manner provided for
8 its accumulation.

Sect. 13. 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. 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 man-
13 agement.

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 transacted.

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

STATE OF MAINE.

HOUSE OF REPRESENTATIVES,

Augusta, March 8, 1905.

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

E. M. THOMPSON, *Clerk.*