

MAINE STATE LEGISLATURE

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SEVENTY-SECOND LEGISLATURE

HOUSE.

No. 425

STATE OF MAINE.

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

AN ACT to incorporate the Old Town Trust Company.

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

Section 1. E. W. Conant, Albert H. Brown, Geo. H. Rich-
2 ardson, Josiah W. Harmon, C. J. McLeod, Eben C. Webster,
3 Edgar B. Weeks, C. M. White, David Carr, Geo. A. Gray,
4 or 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 Old Town 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 Old Town, 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,

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 tion 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 act as agent for issuing, registering and countersigning cer-
16 tificates, bonds, stocks, and all evidences of debt or owner-
17 ship in property; fifth, to hold by grant, assignment, transfer,
18 devise or bequest, any real or personal property or trusts
19 duly created, and to execute trusts of every description; sixth,
20 to act as assignee, receiver, executor, and no surety shall be
21 necessary upon the bond of the corporation, unless the court
22 or officer approving such bond shall require it; seventh, to
23 do in general all the business that may lawfully be done by
24 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
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 directors, 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 power 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 directors. The directors 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
12 in their stead. If a director dies, resigns, or becomes dis-
13 qualified for any cause, the remaining directors may appoint
14 a person to fill the vacancy until the next annual meeting of
15 the corporation. The oath of office of such director shall be
16 taken within thirty days of his election, or his office shall
17 become vacant. The clerk of such corporation shall, within
18 ten days, notify such directors of their election, and within
19 thirty days shall publish the list of all persons who have taken
20 the oath of office as directors.

Sect. 7. The board of directors of said corporation shall
2 constitute the board of investment of said corporation. Said
3 directors shall keep in a separate book, specially provided for
4 the purpose, a record of all loans, and investments of every
5 description, made by said institution substantially in the order
6 of time when such loans or investments are made, which shall
7 show that such loans or investments have been made with
8 the approval of the investment committee of said corpora-
9 tion, which shall indicate such particulars respecting such
10 loans or investments as the bank examiner shall direct. This
11 book shall be submitted to the trustees or directors and to

12 the bank examiner whenever requested. Such loans or
13 investments shall be classified in the book as the bank exam-
14 iner shall direct. No loan shall be made to any officer or
15 director of said banking or trust company except by the
16 unanimous approval of the executive board in writing, and
17 said corporation shall have no authority to hire money or to
18 give notes unless by vote of the said board duly recorded.

Sect. 8. No person shall be eligible to the position of direc-
2 tor 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,
3 as 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 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. The shareholders 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 said
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 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 said corporation.

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 in
10 accordance with law, or said corporation is insolvent, or its
11 condition is such as to render its further proceedings hazar-
12 dous to the public or to those having funds in its custody,
13 or is of the opinion that it has exceeded its powers or failed
14 to comply with any of the rules or restrictions provided by
15 law, he shall have such authority and take such action as is
16 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 five of the corporators named in this act may
2 call the first meeting of the corporation by mailing a written
3 notice, signed by all, postage paid, to each of the other corpo-
4 rators, seven days at least before the day of the meeting,
5 naming the time, place and purpose of such meeting, and at
6 such meeting the necessary officers may be chosen, by-laws
7 adopted, and any other corporate business transacted.

Sect. 17. 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.*