

MAINE STATE LEGISLATURE

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SEVENTY-SECOND LEGISLATURE

SENATE.

No. 128

STATE OF MAINE.

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

AN ACT to incorporate the Mt. Desert Trust Company.

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

Section 1. Tobias L. Roberts, R. H. Kittredge, William
2 M. Roberts, Thomas F. Moran, Charles B. Pineo, William
3 H. Sherman, Milton Rodick, William B. Higgins, and E. S.
4 Clark, or such of them as may by vote accept this charter,
5 with their associates, successors and assigns are hereby made
6 a body corporate and politic to be known as the Mt. Desert
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
2 at Bar Harbor in the town of Eden, Hancock county, Maine,
3 and may establish and maintain a branch at Southwest
4 Harbor, 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 corpora-
6 tion may provide; second, to borrow money, to loan on
7 credits, or real estate, or personal security, and to negotiate
8 loans and sales for others; third, to own and maintain safe
9 deposit vaults, with boxes, safes and other facilities therein,
10 to be rented to other parties, for the safe keeping of moneys,
11 securities, stocks, jewelry, plate, valuable papers and docu-
12 ments, and other property susceptible of being deposited
13 therein, and to receive on deposit for safe keeping, property
14 of any kind entrusted to it for that purpose; fourth, to hold
15 and enjoy all such estate, real, personal and mixed as may
16 be obtained by investment of the capital stock or any other
17 moneys and funds that may come into its possession in the
18 course of its business and dealings, and the same sell, grant
19 and otherwise dispose of;

Fifth, to act as agent for issuing, registering and counter-
21 signing certificates, bonds, stocks, and all evidences of debt
22 or ownership in property;

Sixth, to hold by grant, assignment, transfer, devise or
24 bequest, any real or personal property or trusts duly created,
25 and to execute trusts of every description;

Seventh, to act as agent for a person or corporation, and
27 also to act as executor, receiver or assignee, with the same
28 powers and duties as are imposed and conferred by law upon
29 natural persons acting in the same capacities and subject to
30 the same control of the court having jurisdiction of the same
31 in all proceedings relating to the exercise of these powers;
32 all papers may be signed and sworn to by any officer desig-
33 nated by the corporation for that purpose, and the officers

34 shall be subject to citation and examination in the same man-
35 ner and to the same extent as natural persons acting in the
36 same capacities. No sureties shall be required upon the
37 bond of the corporation when acting in such capacities, unless
38 the court or officer approving said bond shall require it;

Eighth, to guarantee the payment of the principal and inter-
40 est of all obligations secured by mortgages of real estate
41 running to the Mt. Desert Trust Company;

Ninth, to hold for safe keeping all kinds of personal or
43 mixed property and to act as agents for the owners thereof,
44 and of real estate for the collection of income on the same
45 and for the sale of the same;

Tenth, to do in general all the business that may be done by
47 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
4 capital 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 debt previously contracted in
5 good faith; and all stock so acquired shall, within six months
6 from the time of its acquisition be disposed of at public or
7 private sale.

Sect. 6. All corporate powers of this corporation shall be
2 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 five members to be, by vote of the shareholders,
9 elected from the full board of directors or trustees. The
10 directors or trustees of said corporation shall be sworn to the
11 proper discharge of their duties, and they shall hold office
12 until others are elected and qualified in their stead. If a
13 director or trustee dies, resigns, or becomes disqualified for
14 any cause, the remaining directors or trustees may appoint
15 a person to fill the vacancy until the next annual meeting of
16 the corporation. The oath of office of such director or
17 trustee, shall be taken within thirty days of his election, or
18 his office shall be vacant. The clerk of such corporation
19 shall within ten days notify such directors or trustees of their
20 election, and within thirty days shall publish the list of all
21 persons who have taken the oath of office as directors or
22 trustees.

Sect. 7. The board of directors or trustees of said corpo-
2 ration shall constitute the board of investment of said corpo-
3 ration. Said directors or trustees shall keep in a separate
4 book, specially provided for the purpose, 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 execu-
9 tive 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 directors or trustees 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 officers, director or agent of said company
16 or to other persons in its employ, until the proposition to
17 make such loan shall have been submitted by the person

18 desiring the same to the board of directors of such bank, or
19 to the executive committee of such board, if any, and
20 accepted and approved by a majority of such board or com-
21 mittee. Such approval, if the loan is made, shall be spread
22 upon the records of the corporation; and this record shall,
23 in every instance, give the names of the directors authorizing
24 the loan. Said corporation shall have no authority to hire
25 money or give notes unless by vote of the said board or of
26 said committee duly recorded.

Sect. 8. No person shall be eligible to the position of a
2 director or trustee of said corporation who is not the actual
3 owner of ten shares of stock.

Sect. 9. Said corporation after beginning to receive money
2 on deposit shall at all times have on hand, as a reserve, in
3 lawful money of the United States, an amount equal to at
4 least fifteen per cent of the aggregate amount of all its
5 deposits which are subject to withdrawal upon demand or
6 within ten days; and whenever said reserve of such corpo-
7 ration shall be below said percentage of such deposits, it shall
8 not increase its liabilities by making any new loans until the
9 required proportion between the aggregate amount of such
10 deposits and its reserve fund shall be restored; provided, that
11 in lieu of lawful money two-thirds of said fifteen per cent
12 may consist of balances payable on demand, due from any
13 national bank, and one-third of said fifteen per cent may con-
14 sist of lawful money and bonds of the United States or of
15 this State, the absolute property of such corporation.

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
5 be 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. 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. 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 pro-
8 vided for its accumulation.

Sect. 14. 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. 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 provided
15 by law, he shall have such authority and take such action as
16 is provided for in the case of savings banks by chapter forty-
17 eight 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 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 other
4 corporators, seven days at least before the day of the meet-
5 ing, naming the time, place and purpose of such meeting,
6 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 1, 1905.

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

KENDALL M. DUNBAR, *Secretary*.