

MAINE STATE LEGISLATURE

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SEVENTY-THIRD LEGISLATURE

SENATE.

No. 245

STATE OF MAINE.

SENATE AMENDMENT "A" TO SENATE DOCUMENT NO. 172.

Senate document one hundred and seventy-two (No. 172) is hereby amended as follows:

Section 1. Section 16 of said document is hereby amended
2 by inserting after the word "board" in the sixth line thereof,
3 the words 'unless secured by collateral, which in the judgment
4 of said majority of said investment board shall be,' so
5 that said section as amended shall read as follows:

'Sect. 16. No trust company shall loan to any person, firm,
7 business syndicate, or corporation, an amount, or amounts,
8 at any time outstanding in excess of ten per cent of its total
9 capital, unimpaired surplus and net undivided profits, except
10 on approval of a majority of its entire investment board,

11 unless secured by collateral, nor in excess of twenty-five per
12 cent thereof, except on such approval and secured by col-
13 lateral, which in the judgment of said majority of said
14 investment board shall be of a value equal to the excess of
15 said loan above said twenty-five per cent; provided, that in
16 determining said amount every person, firm, syndicate or
17 corporation appearing on any loan as endorser, guarantor
18 or surety, shall be regarded as an original promissor. But
19 the discount of bills of exchange drawn in good faith against
20 actually existing values, and the discount of commercial or
21 business paper actually owned by the person negotiating the
22 same, shall not be considered as money borrowed. Pro-
23 vided, however, that any such company now having loans
24 outstanding in excess of any of the aforesaid restrictions
25 may permit the same to be renewed from time to time as
26 they mature, for periods not exceeding six months each, if
27 an amount equal to not less than ten per cent of every loan
28 so maturing shall have first been paid in in cash, and if an
29 equivalent amount shall be paid in at the end of every six
30 months on all demand loans in such aggregate. In all cases
31 where loans in excess of said ten per cent are granted, the
32 records of the company shall show who voted in favor
33 thereof, and said records and those required by section seven-
34 teen of this act shall constitute *prima facie* evidence of the
35 truth of all facts stated therein in prosecutions and suits to
36 enforce the several provisions and penalties enumerated in
37 section twenty-two of this act.'

Sect. 2. Section 17 of said document is hereby amended by
2 adding the words 'Nothing in this section or in section six-

3 teen of this act shall make it unlawful for a trust
4 company to give any person, firm, syndicate or corporation,
5 a line of credit to an amount not exceeding twenty-five per
6 cent of its total capital, unimpaired surplus and net undivided
7 profits, subject to the several restrictions as to percentage
8 of entire board and right of interested persons to vote on
9 same contained in said sections. The records of the com-
10 pany shall show how every director voted on the same, and
11 when such line of credit is given the treasurer may pay out
12 loans in accordance therewith without further approval. A
13 line of credit so given shall expire in six months unless
14 renewed in the same manner in which it is originally given,'
15 so that said section as amended shall read as follows:

'Sect. 17. Section eighty-two of chapter forty-eight of the
17 Revised Statutes is hereby amended so as to read as follows:
18 Sect. 82. No trust company shall make any loan to its
19 directors, officers, agents or other persons in its employ, or
20 on which any such director, officer, agent or employee is an
21 endorser, guarantor or surety, or to any firm or business
22 syndicate of which such director, officer, agent or employee
23 is a member, or to any person or on the endorsement or
24 guaranty of any person who is a partner of, or member of
25 a business syndicate with, such director, officer, agent or
26 employee, or to any corporation of which any such director,
27 officer, agent or employee is a director, officer, superin-
28 tendent or manager, until the proposition to make such loan
29 shall have been submitted by the person desiring the same
30 to the board of directors of such company, or to the execu-
31 tive committee thereof, if any, and accepted and approved
32 by a majority of the entire membership of such board or

33 committee; provided, however, that no director of such com-
34 pany who is interested in said loan in any of the above capac-
35 ities, or who is connected or associated with the borrower
36 in any of the above ways, shall be regarded as voting in the
37 affirmative on such loan. Such approval, if the loan is
38 made, shall be spread upon the records of the company; and
39 this record shall, in every instance, give the names of the
40 directors authorizing the loans. Nothing in this section or
41 in section sixteen of this act shall make it unlawful for a
42 trust company to give any person, firm, syndicate or corpo-
43 ration a line of credit to an amount not exceeding twenty-
44 five per cent of its total capital, unimpaired surplus and net
45 undivided profits, subject to the several restrictions as to
46 percentage of entire board and right of interested persons to
47 vote on same contained in said sections. The records of the
48 company shall show how every director voted on the same,
49 and when such line of credit is given the treasurer may pay
50 out loans in accordance therewith without further approval.
51 A line of credit so given shall expire in six months unless
52 renewed in the same manner in which it is originally given.'

Sect. 3. Section nineteen of said document is hereby
2 amended by striking out the word "twice" in the first line
3 and inserting in its place the word 'once,' so that said section
4 as amended shall read as follows:

'Sect. 19. Two of the directors, at least, shall once in each
6 year thoroughly examine the affairs of the company, settle
7 the treasurer's account, and report under oath to the bank
8 examiner the standing of the company, the situation of its
9 funds, and all other matters which the examiner requires, in

10 the manner and according to the form that he prescribes,
11 and publish an abstract thereof, if required. The examiner
12 shall seasonably give notice of the time and furnish blanks
13 for said examination and report.'

Sect. 4. Section twenty-two of said document is hereby
2 amended by striking out the words "ten days" in the twen-
3 tieth line and inserting in place thereof the words 'thirty
4 days or such further time as said bank examiner shall deter-
5 mine,' so that said section as amended shall read as follows:

'Sect. 22. Every director, officer, agent and employee of
7 such company, who authorizes, or assists in procuring, grant-
8 ing or causing the granting of, a loan in violation of section
9 sixteen of this act, or pays, or wilfully permits the payment
10 of, any funds of the company on such loan, and every
11 director of a company who votes on a loan in violation of
12 any of the provisions of section seventeen of this act, and
13 every director, officer, agent or employee who wilfully and
14 knowingly pays out any of said funds on a loan granted in
15 violation of said section seventeen, or who wilfully and
16 knowingly permits or causes the same to be done, shall be
17 personally responsible for the payment thereof, and shall be
18 guilty of a misdemeanor. All loans granted in violation of
19 either of said sections shall be due and payable immediately
20 and without demand, whether they appear on their face to
21 be time loans or otherwise. When the bank examiner shall
22 find any loans outstanding in violation of either of said sec-
23 tions, he shall notify the president or treasurer of the com-
24 pany to cause the same to be paid forthwith. And if they
25 are not paid within thirty days or such further time as said
26 bank examiner shall determine, he shall report the facts to

27 the attorney general, who shall commence suit in the name
28 and for the benefit of such company for the collection of the
29 same. The attorney general may employ special counsel to
30 prosecute said suit, and said company shall pay all expenses
31 thereof, to be recovered in an action of debt in the name of
32 the state.'

Sect. 5. Section twenty-three of said document is hereby
2 amended by striking out the whole thereof and substituting
3 in its place the following section :

'Sect. 23. Neither the enumeration of powers in section
5 one of this act, nor the provisions governing the number and
6 election of directors and members of the executive board in
7 section eleven, nor the requirements as to eligibility of
8 directors in section thirteen shall be construed as revoking
9 any rights already possessed by a trust company by virtue of
10 the express provisions of its charter or of its by-laws already
11 lawfully adopted. The passage of this act shall not invalidate
12 a charter previously granted or hereafter granted by special
13 legislation during the present session of the legislature,
14 except to make it conform to all regulations and restrictions
15 herein established, and the right so granted to any trust
16 company to establish a branch or agency shall continue in
17 force for a period of two years from the passage of the act
18 granting the same. Except as herein otherwise provided,
19 all acts and parts of acts inconsistent herewith are hereby
20 repealed, and all acts and parts of acts not so inconsistent
21 are hereby expressly made to apply to all trust companies
22 organized under this act.'

Sect. 6. Section twenty-four of said document is hereby
2 stricken out.

SEVENTY-THIRD LEGISLATURE

STATE OF MAINE.

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

AN ACT additional to and amendatory of chapter 48 of the
Revised Statutes of the State of Maine, as amended, relating
to the organization and management of Trust Companies.

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

Section 1. Five or more persons, a majority of whom shall
2 be residents of the state, who associate themselves by an
3 agreement in writing for the purpose of forming a trust
4 company, may, upon compliance with the provisions of this
5 act, become a corporation, subject to all the duties, restric-
6 tions and liabilities set forth in all general laws now or here-
7 after in force relating to such corporations, with power;
8 first, to receive on deposit, money, coin, bank notes, evidences
9 of debt, accounts of individuals, companies, corporations,
10 municipalities and states, allowing interest thereon, if agreed,
11 or as the by-laws of said corporation may provide; second,

12 to borrow money, to loan money on credits, or real estate,
13 or personal security, and to negotiate loans and sales for
14 others; third, to own and maintain safe deposit vaults, with
15 boxes, safes and other facilities therein, to be rented to other
16 parties for the safe keeping of moneys, securities, stocks,
17 jewelry, plate, valuable papers and documents, and other
18 property susceptible of being deposited therein, and may
19 receive on deposit for safe keeping, property of any kind
20 entrusted to it for that purpose; fourth, to hold and enjoy
21 all such estate, real, personal and mixed as may be obtained
22 by the investment of its capital stock or any other moneys
23 and funds that may come into its possession in the course of
24 its business and dealings, and the same sell, grant, and dis-
25 pose of; fifth, to act as agent for issuing, registering and
26 countersigning certificates, bonds, stocks, and all evidences
27 of debt or ownership in property; sixth,, to hold by grant,
28 assignment, transfer, devise, or bequest, any real or personal
29 property or trusts duly created, and to execute trusts of
30 every description; seventh, to act as assignee, receiver, exe-
31 cutor, and no surety shall be necessary upon the bond of the
32 corporation, unless the court or officer approving such bond
33 shall require it; eighth, to do in general all the business that
34 may lawfully be done by trust and banking companies.

Sect. 2. Said agreements shall set forth that the sub-
2 sscribers thereto associate themselves with the intention of
3 forming a corporation, and shall specifically state:

First, The name by which the corporation shall be known.

Second, The purpose for which it is formed.

Third, The city or town, which shall be within this state,
7 where its business is to be transacted.

Fourth, The amount of its capital stock, and the number of
9 shares into which the same is to be divided.

Each associate shall subscribe to the articles his name, resi-
11 dence, post office address and the number of shares of stock
12 which he agrees to take.

Sect. 3. A notice of the intention of the subscribers to
2 form such a trust company shall be given to the bank exam-
3 iner. A notice in such form as said examiner shall approve
4 shall be published at least once a week, for three successive
5 weeks, in one or more newspapers designated by said exam-
6 iner, and published in the county in which it is proposed to
7 established the company. Such notice shall specify the
8 names of the proposed incorporators, the name of the corpo-
9 ration and the location of the same, as set forth in the above
10 mentioned agreement of association. Within thirty days
11 after the first publication of said notice the subscribers to
12 said agreement shall apply to said examiner for a certificate
13 that public convenience and advantage will be promoted by
14 the establishment of such trust company. If the examiner
15 refuses to issue such certificate, no further proceedings shall
16 be had, but the application may be renewed after one year
17 from the date of such refusal, without further notice or pub-
18 lication unless the examiner shall order the same.

Sect. 4. The first meeting of the subscribers to the agree-
2 ment of association shall be called by a notice signed either
3 by that subscriber to the agreement who is designated therein
4 for the purpose, or by a majority of the subscribers; and

5 such notice shall state the time, place and purposes of the
6 meeting. A copy of the notice shall, seven days at least
7 before the day appointed for the meeting, be given to each
8 subscriber or left at his residence or usual place of business,
9 or deposited in the post office, postage prepaid, and addressed
10 to him at his residence or usual place of business, and
11 another copy thereof and an affidavit of one of the signers
12 that the notice has been duly served shall be recorded with
13 the records of the corporation. If all the incorporators shall
14 in writing, endorsed upon the agreement of association,
15 waive such notice and fix the time and place of the meeting,
16 no notice shall be required. The subscribers to the agree-
17 ment of association shall hold the franchise until the organ-
18 ization has been completed. At such first meeting, or at any
19 adjournment thereof, the incorporators shall organize by the
20 choice by ballot of a temporary clerk, by the adoption of
21 by-laws and by the election in such manner as the by-laws
22 may determine, of directors, a president, a clerk, and such
23 other officers as the by-laws may prescribe. All the officers
24 so elected shall be sworn to the faithful performance of their
25 duties. The temporary clerk shall make and attest a record
26 of the proceedings until the clerk has been chosen and sworn,
27 including a record of such choice and qualification.

Sect. 5. The president, and a majority of the directors
2 who are elected at such first meeting, shall make, sign and
3 make oath to, in duplicate, articles setting forth:

a. A true copy of the agreement of association, the names
5 of the subscribers thereto, and the name, residence and post
6 office address of each of the officers of the company;

b. The date of the first meeting and the successive
8 adjournments thereof, if any.

One of such certificates shall be submitted to the bank
10 examiner and the other, together with the records of the
11 proposed corporation, to the attorney general, who shall
12 examine the same, and who may require such amendment
13 thereof or such additional information as he may consider
14 necessary. If he finds that the articles conform to the pro-
15 visions of the preceding sections relative to the organization
16 of the corporation and that the provisions of section three
17 have been complied with, he shall so certify and endorse his
18 approval thereon. Thereupon the articles shall be filed in
19 the office of the secretary of state, who shall cause the same,
20 with the endorsement thereon, to be recorded, and shall
21 thereupon issue a certificate of incorporation in the following
22 form:

STATE OF MAINE.

Be it known that whereas (the names of the subscribers to
25 the agreement of association) have associated themselves
26 with the intention of forming a corporation under the name
27 of (the name of the corporation), for the purpose (the pur-
28 pose declared in the agreement of association), with a capi-
29 tal stock of (the amount fixed in the agreement of associa-
30 tion), and have complied with the provisions of the statutes
31 of this state in such case made and provided, as appears
32 from the articles of organization of said corporation, duly
33 approved by the attorney general, and recorded in this
34 office: now, therefore, I (the name of the secretary), secre-
35 tary of the state of Maine, do hereby certify that said (the

36 names of the subscribers to the agreement of association),
37 their associates and successors, are legally organized and
38 established as, and are hereby made, an existing corporation
39 under the name of (name of the corporation), with the
40 powers, rights and privileges, and subject to the limitations,
41 duties and restrictions, which by law appertain thereto.

Witness my official signature hereunto subscribed, and the
43 great seal of the state of Maine hereunto affixed this day of
44 in the year (the date of the filing of the
45 articles of organization).

The secretary shall sign the certificate of incorporation and
47 cause the great seal of the state to be thereto affixed, and
48 such certificate shall have the force and effect of a special
49 charter. The existence of every corporation which is not
50 created by special law shall begin upon the filing of the
51 articles of organization in the office of the secretary of state.
52 The secretary of state shall also cause a record of the certi-
53 ficate of incorporation to be made, and such certificate, or
54 such record, or a certified copy thereof, shall be conclusive
55 evidence of the existence of such corporation.

Sect. 6. Such corporation shall not issue any shares of
2 stock until the par value of such shares shall have been act-
3 ually paid in in cash. When the whole capital stock has
4 been issued, a complete list of the stockholders, with the
5 name, residence and post office address of each, and the
6 number of shares held by each, shall be filed with the bank
7 examiner, which list shall be verified by the president and
8 treasurer of the corporation. Upon receipt of such state-
9 ment said examiner shall cause an examination to be made,

10 and if, after such examination, it appears that the whole
11 capital stock has been paid in in cash, and that all require-
12 ments of law have been complied with, said examiner shall
13 issue a certificate authorizing such corporation to begin the
14 transaction of business. It shall be unlawful for any such
15 corporation to begin the transaction of business until such a
16 certificate has been granted.

Sect. 7. The written articles of association mentioned in
2 section one shall not be regarded as sufficient unless they
3 show that at least one-third of the proposed amount of capi-
4 tal stock has been subscribed for. And when filed with the
5 bank examiner they shall be accompanied by satisfactory
6 evidence that the sum of fifty dollars has been paid to the
7 state treasurer, to be credited to an account for "Expense
8 of Organizing Trust Companies," so much thereof to be
9 paid out for expenses of the several departments as the gov-
10 ernor and executive council shall find to have been actually
11 incurred.

Sect. 8. The minimum amount of paid-in capital stock on
2 which a trust company may be authorized to begin business
3 shall be twenty-five thousand dollars for a town or city of
4 not more than five thousand inhabitants, fifty thousand dol-
5 lars for from five thousand to ten thousand inhabitants,
6 seventy-five thousand dollars for from ten thousand to
7 twenty thousand inhabitants, one hundred thousand dollars
8 for from twenty thousand to thirty thousand inhabitants,
9 and one hundred and fifty thousand dollars for a town or
10 city of more than thirty thousand inhabitants. It shall be
11 lawful for the bank examiner in ascertaining the number of

12 inhabitants of such town or city for the purpose of deter-
13 mining the sufficiency of the capital stock, to require such
14 proof in addition to the last preceding United States census
15 as he may deem necessary; but no charter once granted shall
16 ever be deemed void for any error in computing the popula-
17 tion. The par value of the shares of stock shall be one
18 hundred dollars each.

Sect. 9. Every such company shall forfeit its charter unless
2 it shall actually commence to do business as a trust com-
3 pany within one year from the date thereof.

Sect. 10. Any company organized under this act may
2 increase its capital stock from time to time to an amount not
3 exceeding in the aggregate, one million dollars, at any stock-
4 holders' meeting at which a majority of shares issued and
5 outstanding is represented, notice of the intention so to do
6 having been given in the call therefor. A certified copy of
7 every such vote shall be filed with the bank examiner within
8 ten days after its passage.

Sect. 11. All the corporate powers of any such company
2 shall be exercised by a board of not less than five directors,
3 two-thirds of whom shall be residents of this state, whose
4 number and term of office shall be determined, and who shall
5 be elected by a vote of the stockholders at the first meeting
6 held by the incorporators and at each annual meeting there-
7 after. The affairs and powers of the company may, at the
8 option of the stockholders, be entrusted to an executive
9 board of not less than five members, two-thirds of whom
10 shall be residents of this state, to be, by vote of the stock-
11 holders, elected from the full board of directors. The

12 directors of such company shall be sworn to the proper dis-
13 charge of their duties, and they shall hold office until others
14 are elected and qualified in their stead. If a director dies,
15 resigns, or becomes disqualified for any cause, the remain-
16 ing directors may elect a person to fill the vacancy until the
17 next annual meeting of the corporation. The oath of office
18 of any director shall be taken within thirty days of his elec-
19 tion, or his office shall become vacant. The clerk of such
20 company shall, within ten days, notify such directors of their
21 election and within thirty days shall publish the list of all
22 persons who have taken the oath of office as directors. The
23 removal of any director from this state shall immediately
24 vacate his office, if such removal leaves less than two-thirds
25 of the membership resident in the state. The board of
26 directors or executive board shall elect a president from its
27 number, a clerk who shall be sworn to the faithful perform-
28 ance of his duties, a treasurer and such other officers, ser-
29 vants and employes as they may deem necessary.

Sect. 12. The board of directors or the executive board
2 of such company shall constitute the board of investment of
3 the company. Said directors 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 company 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 company, which
10 shall indicate such particulars respecting such loans or
11 investments as the bank examiner shall direct. This book

12 shall be submitted to the directors and stockholders, and to
13 the bank examiner whenever requested. Such loans or
14 investments shall be classified in the book as the bank exam-
15 iner shall direct.

Sect. 13. No person shall be eligible to the position of a
2 director of any such company who is not the actual owner
3 of ten shares of the stock.

Sect. 14. All the property or money held in trust by any
2 such company, 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
6 of such deposits, and not be subject to any other liabilities
7 of the company, and for the purpose of securing the observ-
8 ance of this proviso, such company 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. 15. 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
6 or of ownership in property, or any personal property, with
7 said corporation, and any of said courts may direct any
8 person deriving authority therefrom to so deposit the same.

Sect. 16. No trust company shall loan to any one person,
2 firm, business syndicate, or corporation, an amount, or
3 amounts, at any time outstanding in excess of ten per cent
4 of its total capital, unimpaired surplus and net undivided

5 profits, except on approval of a majority of its entire invest-
6 ment board, nor in excess of twenty-five per cent thereof,
7 except on such approval and secured by collateral of a value
8 equal to the excess of said loan above said twenty-five per
9 cent; provided, that in determining said amount every per-
10 son, firm, syndicate or corporation appearing on any loan
11 as endorser, guarantor or surety, shall be regarded as an
12 original promissor. But the discount of bills of exchange
13 drawn in good faith against actually existing values, and the
14 discount of commercial or business paper actually owned by
15 the person negotiating the same, shall not be considered as
16 money borrowed. Provided, however, that any such com-
17 pany now having loans outstanding in excess of any of the
18 aforesaid restrictions may permit the same to be renewed
19 from time to time as they mature, for periods not exceeding
20 six months each, if an amount equal to not less than ten per
21 cent of every loan so maturing shall have first been paid in
22 in cash, and if an equivalent amount shall be paid in at the
23 end of every six months on all demand loans in such aggre-
24 gate. In all cases where loans in excess of said ten per
25 cent are granted, the records of the company shall show
26 who voted in favor thereof, and said records and those re-
27 quired by section seventeen of this act shall constitute *prima*
28 *facie* evidence of the truth of all facts stated therein in
29 prosecutions and suits to enforce the several provisions and
30 penalties enumerated in section twenty-two of this act.

Sect. 17. Section eighty-two of chapter forty-eight of the
2 Revised Statutes is hereby amended so as to read as fol-
3 lows:

'Sect. 82. No trust company shall make any loan to its
5 directors, officers, agents or other persons in its employ, or
6 on which any such director, officer, agent or employee is an
7 endorser, guarantor or surety, or to any firm or business
8 syndicate of which such director, officer, agent or employee
9 is a member, or to any person or on the endorsement or
10 guaranty of any person who is a partner of, or member of
11 a business syndicate with, such director, officer, agent or
12 employee, or to any corporation of which any such director,
13 officer, agent or employee is a director, officer, superintend-
14 ent or manager, until the proposition to make such loan
15 shall have been submitted by the person desiring the same
16 to the board of directors of such company, or to the execu-
17 tive committee thereof, if any, and accepted and approved
18 by a majority of the entire membership of such board or
19 committee; provided, however, that no director of such com-
20 pany who is interested in said loan in any of the above
21 capacities, or who is connected or associated with the bor-
22 rower in any of the above ways, shall be regarded as voting
23 in the affirmative on such loan. Such approval, if the loan
24 is made, shall be spread upon the records of the company;
25 and this record shall, in every instance, give the names of
26 the directors authorizing the loan.'

Sect. 18. Every trust company shall make such report of
2 its condition from time to time as the bank examiner shall
3 require, and shall cause the same to be published as he may
4 direct.

Sect. 19. Two of the directors, at least, shall twice in each
2 year, thoroughly examine the affairs of the company, settle
3 the treasurer's account, and report under oath to the bank

4 examiner the standing of the company, the situation of its
5 funds, and all other matters which the examiner requires,
6 in the manner and according to the form that he prescribes,
7 and publish an abstract thereof, if required. The exam-
8 iner shall seasonably give notice of the time and furnish
9 blanks for said examination and report.

Sect. 20. Any trust company organized under this act
2 may adopt all necessary by-laws, not inconsistent with the
3 general laws of the state, for the management of its affairs.

Sect. 21. No trust company now or hereafter organized,
2 shall establish a branch or agency in any city or town other
3 than that in which the parent institution has its location
4 until it shall have received a warrant so to do from the bank
5 examiner, who shall issue such warrant only when satisfied
6 that public convenience and advantage will be promoted by
7 the establishment of such branch or agency and that the
8 unimpaired capital stock of the parent institution is suffi-
9 cient to comply with the conditions of section eight of this
10 act, reckoning the aggregate population of its home city or
11 town and of all cities or towns in which it is authorized by
12 its charter to establish branches or agencies, including the
13 one under consideration. The examiner may require such
14 notice on an application for a branch or agency as he deems
15 proper. No trust company shall be permitted to establish
16 a branch or agency except in its own or an adjoining county.
17 If granted, the bank examiner shall issue his warrant in
18 duplicate, one copy to be delivered to the trust company,
19 and the other to the secretary of state for record. The
20 company shall within ten days after opening said branch or
21 agency, file a certificate thereof, signed by its president and

22 treasurer, with the bank examiner. The right to open a
23 branch or agency shall lapse in one year from the date of
24 filing the examiner's warrant with the secretary of state
25 unless the same shall have been opened and business actually
26 begun in good faith. No application for permission to open
27 such branch or agency shall be acted upon until the petition-
28 ing company shall have paid to the state treasurer the sum
29 of fifty dollars for the benefit of the state, to be credited
30 and used as provided in section seven of this act.

Sect. 22. Every director, officer, agent or employee of
2 such company, who authorizes, or assists in procuring, grant-
3 ing or causing the granting of, a loan in violation of section
4 sixteen of this act, or pays, or wilfully permits the payment
5 of, any funds of the company on such loan, and every
6 director of a company who votes on a loan in violation of
7 any of the provisions of section seventeen of this act, and
8 every director, officer, agent or employee who wilfully and
9 knowingly pays out any of said funds on a loan granted in
10 violation of said section seventeen, or who wilfully and
11 knowingly permits or causes the same to be done, shall be
12 personally responsible for the payment thereof, and shall
13 also be guilty of a misdemeanor. All loans granted in vio-
14 lation of either of said sections shall be due and payable
15 immediately and without demand, whether they appear on
16 their face to be time loans or otherwise. When the bank
17 examiner shall find any loans outstanding in violation of
18 either of said sections, he shall notify the president or treas-
19 urer of the company to cause the same to be paid forthwith.
20 And if they are not paid within ten days, he shall report the
21 facts to the attorney general, who shall commence suit in

22 the name and for the benefit of such company for the col-
23 lection of the same. The attorney general may employ
24 special counsel to prosecute said suit, and said company
25 shall pay all expenses thereof, to be recovered in an action
26 of debt in the name of the state.

Sect. 23. The enumeration of powers in section one of
2 this act shall not be construed as revoking any power already
3 expressly granted to a trust company by special act of the
4 legislature. The passage of this act shall not invalidate a
5 charter previously granted or hereafter granted by special
6 legislation during the present session of the legislature,
7 except to make it conform to all regulations and restrictions
8 herein established, and the right so granted to any trust
9 company to establish a branch or agency shall continue in
10 force for a period of two years from the passage of the act
11 granting the same. All trust companies so chartered which
12 now have a right to entrust the management of their affairs
13 to a board constituted differently from that herein prescribed,
14 may continue so to do until their next annual meeting.
15 Except as herein otherwise provided, all acts and parts of
16 acts inconsistent herewith are hereby repealed, and all acts
17 and parts of acts not so inconsistent are hereby expressly
18 made to apply to all trust companies organized under this
19 act.

Sect. 24. This act shall take effect when approved.

STATE OF MAINE.

IN SENATE, March 12, 1907.

Bill as amended by Senate amendment "A" laid on table and ordered printed on motion by Mr. IRVING of Aroostook, pending adoption of the amendment.

F. G. FARRINGTON, *Secretary*.