

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-THIRD LEGISLATURE

SENATE.

No. 297

STATE OF MAINE.

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

AN ACT to incorporate the "Maine Title Guarantee Company."

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

Section 1. Edward E. Cheney, Arthur R. Alexander, John
2 H. Hill, Joseph B. Reed and Arthur W. Merrill of Portland,
3 Walter B. Reed of Bangor, and Thomas M. Bartlett of New
4 York City, or such of them as may vote to accept this charter,
5 with their associates, successors and assigns, are hereby made
6 a body corporate and politic to be known as the Maine Title
7 Guarantee 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,
10 except as otherwise provided herein.

Sect. 2. The corporation shall be located at Portland, Cum-
2 berland county, Maine.

Sect. 3. The purposes of said corporation and the business
2 which it may perform, are: first, to borrow money, to loan
3 money on credits, or real estate, or personal or collateral
4 security, and to negotiate loans and sales for others; second,
5 to hold and enjoy all such estate, real, personal and mixed,
6 as may be obtained by the investment of its capital stock or
7 any other moneys and funds that may come into its posses-
8 sion in the course of its business and dealings, acquired in
• 9 satisfaction of debts due the corporation under sales, judg-
10 ments and mortgages; or by subrogation under its guaran-
11 tees, and the same to sell, grant and otherwise dispose of;
12 third, to guarantee bonds and mortgages and titles to real
13 estate, and to make and cause to be made, and to purchase
14 and to pay for all such searches, abstracts, indices, maps
15 and copies of records as the directors may deem necessary;
16 fourth, to guarantee the payment of the principal and interest
17 of all obligations secured by mortgages of real estate; fifth,
18 to act as agent for the owners of real estate for the collection
19 of income on the same, and for the sale of the same.

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 a majority vote of the holders

5 of its stock then issued and outstanding, to any amount not
6 exceeding five hundred thousand dollars. Said corporation
7 shall not commence business until stock to the amount of at
8 least fifty thousand dollars shall have been subscribed and
9 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
5 in good faith; and all stock so acquired shall, within a rea-
6 sonable time after its acquisition, be disposed of at public or
7 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 and who shall be elected by the shareholders,
4 and whose number and term of office shall be determined
5 by a vote of the shareholders at the first meeting held by the
6 incorporators and at each annual meeting thereafter, unless
7 otherwise provided by by-laws of the corporation. Said
8 board of directors may annually choose three or five of its
9 members to act as an executive committee of said board with
10 such powers and duties as shall be provided herein, or by
11 any by-law of the corporation, or by any vote of said board
12 of directors not inconsistent therewith, and said board of
13 directors may annually choose a president and such vice
14 presidents, a treasurer, a clerk and such other officers and
15 agents as, from time to time, shall be required by the by-laws

16 of said corporation, or as are authorized by the board of
17 directors and for such terms and with such powers and
18 duties as shall be provided herein, or by any by-law of said
19 corporation, or vote of said directors not inconsistent there-
20 with. The directors of said corporation shall hold their office
21 until others are elected and qualified in their stead. If a
22 director dies, resigns, or becomes disqualified for any cause,
23 the remaining directors may appoint a person to fill the
24 vacancy until the next annual meeting of the corporation.
25 The board of directors shall also fill, for the unexpired term,
26 any vacancy in the executive committee.

Sect. 7. The executive committee, if elected, as provided
2 in section six, and if said committee shall not be elected, then
3 the board of directors of said corporation shall constitute the
4 board of investment of said corporation. Said directors, or
5 the executive committee thereof, shall keep in a separate
6 book, specially provided for the purpose, record of all loans,
7 and investments of every description, made by said institu-
8 tion substantially in the order of time when such loans or
9 investments are made, which shall show that such loans or
10 investments have been made with the approval of a majority
11 of the directors of said corporation, or of the executive com-
12 mittee thereof. No loan shall be made to any officers, direct-
13 or or agent of said company or to any other persons in its
14 employ, until the proposition to make such loan shall have
15 been submitted by the person desiring the same to the board
16 of directors of said corporation, or to the executive commit-

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

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

Sect. 9. Said corporation shall set apart a guaranty fund
2 not less than one-fourth of the capital stock of said corpora-
3 tion, which shall be kept as security against any losses or
4 contingencies by reason of its guaranty, and whenever the
5 same shall become impaired so that it shall amount to less
6 than one-fourth of the capital stock of said corporation, no
7 guaranty shall be issued by said corporation until said guar-
8 anty fund shall be made up to equal one-fourth of said capi-
9 tal stock. Said fund shall be invested in real estate, or in
10 such other securities as the insurance commissioner may
11 approve.

Sect. 10. 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 said three corporators, postage paid,
4 to each of the other coporators, seven days at least before
5 the day of the meeting, naming the time, place and purpose of

6 such meeting, and at such meeting the necessary officers may
7 be chosen, by-laws adopted and any other corporate business
8 transacted.

Sect. 11. Said corporation shall make no guaranty to any
2 title of real estate situated outside the county of Cumberland,
3 until its capital stock is increased to two hundred and fifty
4 thousand dollars.

Sect. 12. The guaranty department of this corporation
2 shall be kept separate and distinct from its other business,
3 and shall be under the direction and control of the insurance
4 commissioner to the same extent as insurance companies in
5 this state now are.

STATE OF MAINE.

IN SENATE, March 20, 1907.

Reported by Mr. HASTINGS from Committee on Judiciary, and laid
on table to be printed under joint rules.

F. G. FARRINGTON, *Secretary.*