

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-FIFTH LEGISLATURE

HOUSE

NO. 334

House of Representatives, March 1, 1911.

*Reported by Mr. Scates from Committee on Legal Affairs
and ordered printed under joint rules.*

C. C. HARVEY, Clerk.

STATE OF MAINE

HUNDRED AND ELEVEN.

IN THE YEAR OF OUR LORD ONE THOUSAND NINE

AN ACT to incorporate the Maine Title Insurance Company.

Be it enacted by the People of the State of Maine, as follows:

Section 1. *Sanford L. Fogg of Bath, Lewis A. Burlleigh
2 and Ernest L. McLean, both of Augusta, with their asso-
3 ciates, successors and assigns, are hereby made a body cor-
4 porate and politic to be known as the Maine Title Insur-
5 ance Company and as such shall be possessed of all the
6 powers, privileges and immunities and subject to all the
7 duties and obligations conferred on corporations by law,
8 except as otherwise provided herein.*

Sect. 2. *The corporation shall be located at Augusta,
2 Kennebec County, Maine.*

Sect. 3. *The purpose of said corporation and the busi-*

ness it may perform, are; first, to borrow money, to loan money on credits, or real estate, or personal or collateral security, and to negotiate loans and sales for others; second, to hold and enjoy all such estate, real, personal, and mixed, as may be obtained by the investment of its capital stock or any other moneys and funds that may come into its possession in the course of its business and dealings, acquired in satisfaction of debts due the corporation under sales, judgments and mortgages; or by subrogation under its guarantees, and the same to sell, grant and otherwise dispose of; third, to guarantee bonds and mortgages and titles to real estate, and to make and cause to be made, and to purchase and to pay for all such searches, abstracts, indices, maps and copies of records as the directors may deem necessary; fourth, to guarantee the payment of the principal and interest of all obligations secured by mortgages of real estate; fifth, to act as agent for the owners of real estate for the collection of income on the same, and for the sale of the same.

Sect. 4. The capital stock of said corporation shall not be less than fifty thousand dollars, divided into shares of one hundred dollars each, with the right to increase the said capital stock at any time, by a majority vote of the holders of its stock then issued and outstanding, to any amount not exceeding five hundred thousand dollars; and said stock shall be a legal investment for Maine Savings Banks. Said corporation shall not commence business un-

9 til stock to the amount of at least fifty thousand dollars
10 shall have been subscribed and paid in, in cash.

Sect. 5. Said corporation shall not make any loan or
2 discount on the security of the shares of its own capital
3 stock, nor be the purchaser or holder of any such shares
4 unless necessary to prevent loss upon debt previously con-
5 tracted in good faith; and all stock so acquired shall,
6 within a reasonable time after its acquisition, be disposed
7 of at public or private sale.

Sect. 6. All the corporation powers of this corporation
2 shall be exercised by a board of directors a majority of
3 whom shall be residents of this state and who shall be
4 elected by the shoreholders, and whose number and term
5 of office shall be determined by a vote of the shareholders
6 at the first meeting held by the incorporators and at each
7 annual meeting thereafter, unless otherwise provided by
8 by-laws of the corporation. Said board of directors may
9 annually choose three or five of its members to act as an
10 executive committee of said board with such powers and
11 duties as shall be provided herein, or by any by-laws of
12 the corporation, or by any vote of said board of directors
13 may annually choose a president and such vice-presidents.
14 a treasurer, a clerk and such other officers and agents as
15 from time to time, shall be required by the by-laws of
16 said corporation, or as are authorized by the board of di-
17 rectors and for such terms and with such powers and du-
18 ties as shall be provided herein, or by any by-laws of said

19 corporation, or vote of said directors not inconsistent there-
20 with. The directors of said corporation shall hold their
21 office until others are elected and qualified in their stead.
22 If a director dies, resigns, or becomes disqualified for any
23 cause, the remaining directors may appoint a person to fill
24 the vacancy until the next annual meeting of the corpora-
25 tion. The board of directors shall also fill, for the un-
26 expired term, any vacancy in the executive committee.

Sect. 7. The executive committee, if elected, as provided
2 in Section 6, and if said committee shall not be elected,
3 then the board of directors of said corporation shall con-
4 stitute the board of investment of said corporation. Said
5 directors or the executive committee thereof, shall keep
6 in a separate book, specially provided for the purpose, rec-
7 ord of all loans and investments of every description, made
8 by said institutions, substantially in the order of time when
9 such loans or investments are made, which shall show that
10 such loans or investments have been made with the approval
11 of a majority of the directors of said corporation, or of the
12 executive committee thereof. No loan shall be made to
13 any officer, director or agent of said company or to any
14 other person in its employ until the proposition to make
15 such loan shall have been submitted by the person desiring
16 the same to the board of directors of said corporation, or
17 to the executive committee, or to the executive committee
18 of such board, if any, and accepted and approved by a
19 majority of such board or committee. Such approval, if

20 the loan is made, shall be spread upon the records of the
21 corporation; and this record shall, in every instance, give
22 the names of the directors authorizing the loan. Said cor-
23 poration shall have no authority to hire money or to give
24 notes unless by vote of said board or of said executive com-
25 mittee duly recorded.

Sect. 8. No person shall be eligible to the position of
2 a director of said corporation who is not the actual owner
3 of 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 cor-
3 poration, which shall be kept as security against any losses
4 or contingencies by reason of its guaranty, and whenever
5 the same shall become impaired so that it shall amount to
6 less than one-fourth of the capital stock of said corporation,
7 no guaranty shall be issued by said corporation until said
8 guaranty fund shall be made up to equal one-fourth of
9 said capital stock. Said fund shall be invested in real es-
10 tate, or in such other securities as the insurance commis-
11 sioner may approve.

Sect. 10. Any three of the corporators named in this
2 act may call the first meeting of the corporation by mailing
3 a written notice signed by said three corporators, postage
4 paid, to each of the other corporations, seven days at least
5 before the day of the meeting, naming the time, place and
6 purpose of such meeting and at such meeting the necessary

7 officers may be chosen, by-laws adopted and any other cor-
8 porate business transacted.

Sect. 11. Said corporation shall make no guaranty to
2 any title of real estate situated outside the County of Ken-
3 nebec until its capital stock is increased to two hundred
4 and fifty 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 insur-
4 ance commissioner to the same extent as insurance com-
5 panies in this state now are.