

MAINE STATE LEGISLATURE

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NEW DRAFT

EIGHTY-FIRST LEGISLATURE

SENATE

NO. 199

In Senate, March 2, 1923.

Reported by Mr. Eaton from committee on Banks and Banking and ordered printed under joint rules.

L. ERNEST THORNTON, Secretary

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND TWENTY-THREE

AN ACT to Revise and Consolidate the Banking Laws of
this State.

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

THE BANK COMMISSIONER

RESTRICTIONS UPON BANKING

Section 1. *Appointment of bank commissioner.* The
2 governor, with the advice and consent of the council, shall
3 appoint a bank commissioner, who shall hold his office for
4 four years, and until his successor is appointed and quali-
5 fied, and who may be removed from office by the governor
6 and council for cause, and shall not during his continuance

7 in office hold any office in any bank in the State, nor receive
8 directly or indirectly any remuneration or fee of any kind
9 from any bank, banking house, corporation, association or
10 individual for examining any property or properties or
11 securities. He shall give bond with sureties or authorized
12 surety company in the sum of twenty thousand dollars, to
13 be approved by the State Treasurer for the faithful per-
14 formance of his duties, and the expense of securing said
15 bond shall be paid by the State. No information derived
16 by or communicated to the commissioner, deputy commis-
17 sioner or any examiner or employee of the department in
18 the course of official duty shall be disclosed except, first;
19 to United States government officials charged with the
20 duty of supervising national banks; second, to Federal
21 Reserve officials; third, to banking departments of other
22 states. Whoever violates the foregoing provision shall be
23 punished by a fine of not more than one thousand dollars
24 or by imprisonment not exceeding six months, or by both
25 such fine and imprisonment.

Sect. 2. *Banking business must be authorized; banking
2 defined.* No person, copartnership, association, or corpo-
3 ration shall do a banking business in this state unless duly
4 authorized under the laws of this state or the United States,
5 except as provided by section four. The soliciting, receiv-
6 ing, or accepting of money or its equivalent on deposit as a
7 regular business by any person, copartnership, association,
8 or corporation shall be deemed to be doing a banking

9 business, whether such deposit is made subject to check or
10 is evidenced by a certificate of deposit, a pass-book, a note,
11 a receipt, or other writing; provided that nothing herein
12 shall apply to or include money left with an agent, pending
13 investment in real estate or securities for or on account of
14 his principal. Any corporation engaged in the business
15 within the State of Maine of deriving profit from the loan
16 or use of money shall be deemed to be doing a banking
17 business.

Sect. 3 *Penalty for violation.* Whoever violates section
2 two of this chapter, either individually or as an interested
3 party in any copartnership, association, or corporation shall
4 be punished by a fine of not less than three hundred dollars
5 nor more than one thousand dollars, or by imprisonment in
6 the county jail for not less than sixty days nor more than
7 one year, or by both such fine and imprisonment.

Sect. 4. *Application of mercantile corporation to the bank
2 commissioner; shall file statement of financial condition;
3 license and bond.* A corporation desiring to encourage
4 thrift among its employees by receiving deposits subject to
5 interest at a specified rate, may apply to the bank commis-
6 sioner for a license to receive such deposits and shall, at the
7 same time, file with the commissioner a complete statement of
8 its financial condition, sufficient to satisfy the commissioner of
9 its solvency. If satisfied that the applying corporation is
10 solvent and reputable, the commissioner may, at his dis-
11 cretion, issue a license to such corporation, authorizing it

12 to receive such deposits from its employees only, upon
13 filing with the Treasurer of State its bond, payable to him
14 and his successors in office for the use of its depositors,
15 and secured by a surety company, authorized to do business
16 in this state, in such amount as the bank commissioner may
17 specify in such license, conditioned for the payment of all
18 such deposits and interest thereon. All such bonds shall at
19 the expiration of five years from the date thereon be
20 deemed insufficient and shall be renewed by the giving of a
21 new bond to be approved as above provided. The bank
22 commissioner may order a new bond to be given at any
23 time when he deems the existing obligation to be insuffi-
24 cient.

Sect. 5. *Only banks and trust companies may use as part*
2 *of name the words "bank," "savings," "trust" and kindred*
3 *words.* No person or partnership, and no association or
4 corporation, organized after the twenty-third day of April,
5 nineteen hundred and five, unless duly authorized under the
6 laws of this state or of the United States to conduct a
7 banking or trust company business, shall use as a part of
8 their name or title, or as designating their business, the
9 word or words, "bank," "savings," "savings bank," "sav-
10 ings department," "trust," "trust company," "banking"
11 or "trust and banking company," or the plural of any such
12 word or words in, or in connection with, any other business
13 than that of a bank or trust company duly authorized as
14 aforesaid. Any person, partnership, association or cor-

15 poration violating the provisions of this section may be
16 enjoined therefrom by any court having general equity
17 jurisdiction, on application of the bank commissioner or of
18 any person, corporation, or association injured or affected
19 by such use, and any person or persons violating the provi-
20 sions of this section either individually, as members of any
21 association or copartnership, or as interested in any such
22 corporation, shall be punished by a fine not exceeding one
23 thousand dollars, or by imprisonment for not less than
24 sixty days nor more than one year, or by both fine and
25 imprisonment.

ORGANIZATION OF SAVINGS BANKS

Sect. 6. *Powers of savings banks as corporations.* All
2 savings banks or institutions for savings, lawfully organized,
3 are corporations possessed of the powers and functions of
4 corporations generally, and as such have power:

I. To have perpetual succession, each by its corporate
2 name.

II. To sue and be sued, complain and defend, in any
2 court of law or equity.

III. To adopt and use a common seal.

IV. To make by-laws not inconsistent with the laws of the
2 state or of the United States, for the management of their
3 property and the regulation of their affairs. The clerk shall
4 file with the bank commissioner a copy of such by-laws and
5 all amendments thereto.

V. To receive money on deposit, to invest the same, to

2 own, maintain and let safe deposit boxes and vaults, and
3 further to transact the business of a savings bank, as here-
4 inafter provided. But no savings bank shall be liable for
5 any loss of property deposited in said boxes or vaults for
6 safekeeping, beyond the sum paid for the rental thereof
7 for the term within which such loss is discovered.

Sect. 7. *Organization.* Any number of persons, not less
2 than thirteen, may associate themselves for the purpose of
3 organizing a savings bank in accordance with this chapter;
4 three-fourths of such number shall reside in the county
5 where the proposed bank is to be located, and may fill
6 vacancies and add to their number from time to time as
7 they desire. All incorporators shall be residents of the
8 state.

Sect. 8. *Certificates to be sent to the secretary of state
2 and bank commissioner.* Such persons shall execute
3 duplicate certificates, sworn to before a justice of the peace,
4 one of which shall be deposited with the secretary of state
5 for record, and the other sent to the bank commissioner,
6 in which shall be set forth: the name of the bank; the
7 names of all the corporators and the places where they
8 reside; their business occupations; and the place where its
9 business is to be transacted; together with the reasons why
10 a bank is needed in such place.

Sect. 9. *Notice of intention to organize.* A notice of
2 intention to organize such bank, signed by all the corpor-
3 ators, shall be published once a week for three weeks in

4 some newspaper published in said county where said bank
5 is to be located, if any, otherwise in some newspaper pub-
6 lished in an adjoining county.

Sect. 10. *Duty of bank commissioner.* When the com-
2 missioner receives the certificate, with the published order
3 of notice, if he finds that the foregoing provisions have
4 been complied with, he shall, from the best information at
5 his command, ascertain whether public convenience and
6 advantage will be promoted by the establishment of such
7 savings bank.

Sect. 11. *Commissioner shall issue certificate of authori-
2 zation to corporators, and file duplicate with secretary of
3 state.* If the commissioner is so satisfied, he shall, within
4 sixty days after the same has been received by him for
5 examination, issue under his hand a certificate of authori-
6 zation to the persons named therein, or to a portion of
7 them, together with such other persons as a majority of
8 those named in such certificate of association, in writing,
9 approve; also a duplicate to the secretary of state; which
10 certificate, so issued by him, shall authorize the persons
11 named therein to open an office for the deposit of savings,
12 as designated in the certificate of association, subject to the
13 five preceding sections.

Sect. 12. *Corporation, when authorized to transact busi-
2 ness.* Upon the filing of such certificate with the secre-
3 tary of state, the persons named therein, and their succes-
4 sors, are, thereupon and thereby, constituted a body corpo-

5 rate and politic, vested with all the powers conferred, and
6 charged with all the liabilities imposed by the six preceding
7 sections.

MANAGEMENT OF SAVINGS BANKS

Sect. 13. *Savings banks, their powers and liabilities.* Sav-
2 ings banks and institutions for savings, incorporated under
3 the authority of the state, may exercise the powers and
4 shall be governed by the rules and be subject to the duties,
5 liabilities and provisions in their charters, in the following
6 sections, and in the general laws relating to corporations,
7 unless otherwise specially provided.

Sect. 14. *Institutions, legally organized.* Savings banks
2 and institutions for savings which have exercised the privi-
3 leges thereof and done business as such for one year shall
4 be held to be legally organized.

Sect. 15. *Membership in corporation.* Every such corpo-
2 ration shall consist of not less than thirty members, and
3 may, at any legal meeting, by a vote of at least two-thirds
4 of those present, elect by ballot any citizen of the county
5 wherein the corporation is located, or of an adjacent
6 county, to be a member thereof. No person shall continue
7 to be a member after removing from the state. Any mem-
8 ber who fails to attend the annual meetings for two succes-
9 sive years ceases to be a member, unless re-elected by a
10 vote of the corporation.

Sect. 16. *Officers; trustees, number and restrictions.* The
2 officers of every such corporation shall consist of a presi-

3 dent, treasurer and, when in the opinion of the trustees
4 necessary, a vice-president and an assistant treasurer, and
5 not less than five trustees, not more than two of whom
6 shall be directors of any one national bank, trust company
7 or other banking institution, who shall elect from their
8 number or otherwise such other officers as they see fit.
9 All officers shall be annually sworn to the faithful perform-
10 ance of their duties, and shall hold their several offices
11 until others are chosen and qualified in their stead. The
12 trustees, in their discretion, may appoint an investment
13 board to have charge of the loans and investments of the
14 bank, but all doings of such board shall be reported to the
15 trustees at their regular meetings.

Sect. 17. *Officers of savings banks shall not act as agents*
2 *for certain corporations; treasurers and trustees, regu-*
3 *lations relating to.* No president, treasurer, clerk or
4 employee of any savings bank shall act as agent or rep-
5 resentative of any corporation engaged in the business of
6 selling or negotiating any bonds, mortgages, notes or other
7 choses in action, nor receive directly or indirectly any fee,
8 commission, bonus or other compensation for the sale or
9 transfer of any security. No cashier in a national bank or
10 trust and banking company shall be treasurer of any sav-
11 ings bank, the deposits of which exceed one hundred and
12 fifty thousand dollars; and if the treasurer of a savings
13 bank, having deposits not exceeding one hundred and fifty
14 thousand dollars, is cashier in a national bank or trust and

15 banking company, the board of trustees of such savings
16 bank shall not include more than one director, nor more
17 than two stockholders in the national bank or trust and
18 banking company so connected therewith. No treasurer or
19 assistant treasurer shall, directly or indirectly, engage in
20 any other business or occupation without the consent of the
21 majority of the trustees evidenced by resolution duly
22 recorded.

Sect. 18. *Trustees, their election and duties; office, how
2 vacated.* The members of the corporation shall annually,
3 at such times as may be provided in their by-laws, elect
4 from their number not less than five trustees, who shall
5 have the entire supervision and management of the affairs
6 of the institution, except so far as may be otherwise pro-
7 vided by their by-laws. Any trustee who becomes a
8 a trustee or officer in any other savings bank or institution
9 for savings, thereby vacates his office as such trustee.
10 Trustees shall hold regular meetings at least monthly, and
11 shall cause full and complete records of their proceedings
12 to be kept.

Sect. 19. *Officers, their election and term; treasurer, ex-
2 officio clerk; bonds of treasurer and assistant treasurer,
3 and their annual examination; compensation of officers
4 fixed by trustees; compensation of trustees.* The trustees,
5 immediately after their election and qualification, shall
6 elect one of their number president, who shall also be
7 president of the corporation. They shall also elect a treas-

8 urer, and when deemed necessary, a vice-president and an
9 assistant treasurer, to hold their offices during the pleasure
10 of the trustees. The treasurer, and in his absence, the
11 assistant treasurer, if there is one, shall be, ex-officio,
12 clerk of the corporation, and of the trustees. The presi-
13 dent, treasurer, assistant treasurer and all other officials
14 and employees handling or having access to moneys or
15 securities shall give bonds to the corporation, for the faith-
16 ful discharge of the duties of their office, in such sums as
17 the trustees decide to be necessary for the safety of the
18 assets, and such bonds shall continue and be valid from
19 year to year, so long as they act in such capacities, subject
20 to renewal whenever ordered by the trustees or commis-
21 sioner. Each president and treasurer shall be bonded for a
22 sum not less than fifteen thousand dollars, each assistant
23 treasurer, or other official or employee having access to
24 moneys or securities for not less than five thousand dollars.
25 All bonds shall be approved as to form by the bank com-
26 missioner and copies furnished the banking department by
27 the clerks of the several banks. Said bonds shall be re-
28 corded upon the books of the institutions, and the com-
29 missioner shall annually examine the same and inquire into
30 and certify to the sufficiency thereof, and when he deems
31 any such bond insufficient, he shall order a new bond to be
32 given within a time by him specified. All such bonds
33 shall, at the expiration of five years from the date thereof,
34 be deemed insufficient. All such bonds hereinafter given

35 under the provision of this section shall be executed by the
36 principal and one or more surety companies authorized to
37 transact business in this State, and bonds with personal
38 sureties shall no longer be regarded as complying with the
39 provisions hereof. The trustees may, in lieu of such bonds,
40 insure at the expense of the bank with some surety com-
41 pany which shall be satisfactory to the bank commissioner
42 for the faithful performance of the duties of such officials
43 and employees as are required by this section to be bonded,
44 in such sums as they shall decide to be necessary for the
45 safety of the assets in the custody of the corporation, but
46 in no event less than twenty-five thousand dollars; subject,
47 however, to the same right of the bank commissioner, as
48 above provided, to require a new bond if at any time he
49 shall deem the one provided by the corporation to be insuffi-
50 cient and unsatisfactory in amount or form. The treas-
51 urer, assistant treasurer and clerks shall receive a compen-
52 sation fixed by the trustees. The trustees may receive
53 such compensation for their services in making examination
54 and returns required by their by-laws and the state laws,
55 for making examinations of property and for attendance
56 at any regular or special meetings of the board of trustees
57 or any committee thereof as may be fixed by the corpo-
58 ration at any legal meeting thereof, or as may be fixed by
59 the board of trustees and approved by the bank commis-
60 sioner in writing.

Sect. 20. *Clerks to publish list of officers and corporators;*
2 *shall return copy of list to bank commissioner.* Within
3 thirty days after the annual election in the several savings
4 banks, the clerks thereof shall cause to be published in
5 some local newspaper, if any, otherwise in the nearest
6 newspaper, a list of the officers and corporators thereof.
7 They shall also return a copy of such list of officers and
8 corporators to the bank commissioner within said thirty
9 days, which shall be kept on file in his office for public
10 inspection. Any clerk who neglects to give such notice or
11 make such return shall be liable to a penalty of fifty dollars.

Sect. 21. *Vacancies. Meetings of the corporation.* If any
2 office becomes vacant during the year, the trustees may fill
3 the same until it is filled at the next annual meeting, and
4 vacancies occurring in the board of trustees shall be
5 immediately filled whenever the number of trustees shall
6 fall below the statutory minimum. Special meetings of the
7 corporation may be held at any time by order of the
8 trustees; the treasurer shall also call special meetings upon
9 application in writing of ten members of the corporation.
10 Seven days' notice of all annual meetings shall be given by
11 public advertisement in some newspaper of the county
12 where the corporation is established, if any; otherwise, in
13 the state paper.

Sect. 22. *Regulation of deposits, and their amount;*
2 *deposits in trust.* Savings banks and institutions for sav-
3 ings may receive on deposit, for the use and benefit of

4 depositors, sums of money offered for that purpose; but
5 shall not receive, except for deposits of unmarried women,
6 minors, administrators, executors, guardians, charitable or
7 religious institutions and as trust funds, from any one
8 depositor over five thousand dollars, and no dividends shall
9 be paid, excepting upon the aforesaid excepted deposits, to
10 any one depositor upon any amount of deposit exceeding
11 said sum, but exclusive of dividends on said deposit, which
12 may continue to be added thereto and receive dividends
13 thereon. Deposits in more than one name may be received,
14 provided the total of the amounts in any number of
15 deposits in which the same name, excepting unmarried
16 women, minors, administrators, executors, guardians,
17 charitable or religious institutions and as trust funds,
18 appears either singly or with others, shall not exceed,
19 exclusive of dividends as aforesaid, ten thousand dollars,
20 and also provided the amount of an individual deposit shall
21 at no time exceed, exclusive of dividends, as aforesaid,
22 five thousand dollars. Whenever a deposit is made in trust
23 the name and residence of the person for whom it is made,
24 or the purpose for which the trust is created, shall be dis-
25 closed in writing to the bank, and the deposit shall be
26 credited to the depositor as trustee for such person or pur-
27 pose; and if no other notice of the existence and terms of
28 a trust has been given in writing to the corporation, the
29 deposit, with the interest thereon, may, in the event of the
30 death of the trustee, be paid to the person for whom such

31 deposit was made, or to his legal representative, or to
32 some trustee appointed by the court for that purpose. The
33 trustees may refuse any deposit at their pleasure.

Sect. 23. *Authority to pay any order notwithstanding death
2 of drawer.* Such corporations may pay any order
3 drawn by any person who has funds on deposit to meet
4 the same, notwithstanding the death of such drawer in the
5 interval of time between signing such order and its
6 presentation for payment when said presentation is made
7 within thirty days after the date of such order; and at any
8 subsequent period provided the corporation has not re-
9 ceived actual notice of the death of the drawer.

Sect. 24. *Deposits of married women or minors are
2 property of depositors.* Money deposited in a bank,
3 institution for savings, or trust company, by a married
4 woman, is her property and she may maintain an action in
5 her own name to recover it. Money deposited in the name
6 of a minor is his or her property, and the corporation may,
7 in the discretion of the officer making the payment, pay the
8 same to such minor or upon his or her order or to his or
9 her guardian, and such payment shall be valid. The fore-
10 going provisions as to ownership do not apply to money
11 belonging to a third person and fraudulently deposited by
12 or in the name of a married woman or minor, but payment
13 to such married woman or minor by said bank, institution
14 for savings, or trust company, without notice of such
15 fraud, shall be valid. The receipt of such married woman

16 or minor for such deposits and interest, or any part thereof,
17 is a valid release and shall discharge the corporation.

Sect. 25. *Deposits in the names of two persons.* When a
2 deposit has been made or shall hereafter be made in any
3 bank, institution for savings, trust company, or loan and
4 building association transacting business in this state, in the
5 names of two persons, payable to either, or payable to either
6 or the survivor, such deposit, or any part thereof, or the
7 interest or dividends thereon, may be paid to either of said
8 persons, whether the other be living or not, or to the legal
9 representative of the survivor of said persons, and the
10 receipt or acquittance of the person to whom said pay-
11 ment is so made shall be a valid and sufficient release and
12 discharge to such bank, institution for savings, trust
13 company or loan and building association, for any pay-
14 ment so made.

Sect. 26. *Duplicate book of deposit, in case of loss of*
2 *original.* When the person to whom a book of deposit was
3 issued by any savings bank or by any trust company for a
4 deposit in its savings department, or his executor, or
5 administrator, or guardian, in writing notifies the treas-
6 urer of the bank or trust company issuing the same, that
7 such book is lost, and that he desires to have a duplicate
8 book of deposit issued to him, said treasurer shall give pub-
9 lic notice of such application by publishing at the expense
10 of such applicant, an advertisement for three weeks suc-
11 cessively, in some newspaper published in the town in

12 which said bank or trust company is located, if any, other-
13 wise in one published in the county, if any, and if not, then
14 in the state paper. If such missing deposit book is not
15 presented to said treasurer within sixty days after the last
16 advertisement, then he shall issue a duplicate book of
17 deposit to the person thus requesting the same, and such
18 delivery of a duplicate relieves said bank from all lia-
19 bility on account of the original book of deposit so adver-
20 tised.

Sect. 27. *Investment of deposits.* Savings banks and
2 institutions for savings may hereafter invest their funds
3 as follows, and not otherwise:

I. GOVERNMENT OBLIGATIONS

(a) In the bonds and other interest-bearing obligations of
2 the United States, including those for the payment of
3 the principal and interest of which the faith and credit of
4 the United States government is pledged.

(b) In bonds constituting a direct and primary obligation
2 of the Dominion of Canada, the principal and interest of
3 which are payable in United States funds.

II. OBLIGATIONS OF STATES

1. In the bonds or other interest-bearing obligations of any
2 state in the United States that has not, for a period or
3 more than ninety days, defaulted in the payment of the
4 principal or interest of any obligation within a period
5 of ten years immediately preceding the investment.

III. OBLIGATIONS OF COUNTIES

(a) In the bonds or other interest-bearing obligations of
2 any county in this state.

(b) In the bonds or other interest-bearing obligations of
2 any county in any other state in the United States which
3 at the date of the investment has more than fifty thousand
4 inhabitants and whose net debt does not exceed three per
5 cent of the last preceding valuation of the taxable property
6 therein; provided, however, that neither such county nor
7 the state in which it is situated shall have defaulted for
8 more than ninety days in payment of principal or interest
9 of any obligation within a period of ten years immediately
10 preceding the investment, that all issues for highway
11 purposes shall be payable serially to mature in not more
12 than twenty years, and that the principal and interest are
13 payable from a direct tax to be levied on all the taxable
14 property within such county; provided, however, that only
15 such portion of such highway issue shall be legal as will be
16 due and payable in not less than fifteen years from date of
17 issue.

(c) The term "net debt" shall be construed to include all
2 bonds which are a direct obligation of the county, less the
3 amount of any sinking fund available in the reduction of
4 such debt.

IV. MUNICIPAL OBLIGATIONS

(a) In the bonds or other interest-bearing obligations of
2 any municipal or quasi-municipal corporation of this state,

3 provided such securities are a direct obligation on all the
4 taxable property thereof.

(b) In the bonds or other interest-bearing obligations of
2 any city or town in any other state in the United States,
3 incorporated at least twenty-five years prior to the date of
4 investment, and having, according to each of the last two
5 censuses of the Federal Government, a population of not
6 less than ten thousand; provided that neither such
7 municipality nor the state in which it is situated shall, for
8 more than ninety days, have defaulted in the payment of
9 principal or interest of any obligation within a period of
10 ten years immediately preceding the investment, that the
11 net debt of any such municipality whose population is less
12 than five hundred thousand shall not exceed five per cent
13 of the assessed valuation of the taxable property therein,
14 and that the net debt of any such municipality whose
15 population is in excess of five hundred thousand shall not
16 exceed eight per cent of the assessed valuation of the tax-
17 able property therein. The obligations of any municipality
18 which comply with the provisions of this section except for
19 the fact that such municipality has been incorporated
20 within twenty-five years of the date of the investment
21 shall be held to be legal for the purposes of this section if
22 the territory comprising such municipality shall for more
23 than twenty years have had a population of not less than
24 ten thousand, and have been during said time a part of one
25 or more towns or cities having a population of not less than

26 ten thousand, or have contained within its limits a
27 municipality having a population of not less than ten
28 thousand.

(c) In the bonds or other interest-bearing obligations of
2 any quasi municipal corporation, other than an irrigation
3 or drainage districts, within the territorial limits of any city
4 or town whose obligations are eligible under the provisions
5 of sub-section b., of this section, or comprising within its
6 limits one or more such municipalities; provided, however,
7 that the population and valuation of any such quasi munic-
8 ipal corporation incorporated within a single city or town
9 shall be at least seventy-five per cent of the population and
10 valuation of the city or town in which it is located; and
11 provided, further, that such obligations shall be enforceable
12 by a direct tax levied on all the taxable property within
13 such corporation.

(d) The term "net debt" as applied to a municipality
2 shall be construed to include not only all bonds which are
3 a direct obligation of the municipality, but also all bonds
4 of quasi municipal corporations within the same, exclusive
5 of any such debt created for a water supply and of the
6 amount of any sinking fund available in reduction of such
7 debt. The securities of any municipality or quasi munic-
8 ipal corporation shall not be held to be a direct obligation
9 on all the taxable property thereof within the meaning of
10 the foregoing provisions in any state which by statute or
11 constitutional provision prevents the levying of sufficient
12 taxes to meet such obligations.

V. FEDERAL LAND BANKS

In the bonds or other interest-bearing obligations of any
2 Federal Land Bank or Joint Stock Land Bank organized
3 under any act of Congress enacted prior to the passage
4 of this act.

VI. OBLIGATIONS OF STEAM RAILROADS

(a) In the bonds, notes or other interest-bearing obliga-
2 tions of any Maine corporation owning and operating a
3 steam railroad located principally within this state, having
4 a mileage of not less than five hundred miles of road,
5 exclusive of sidings, including all obligations assumed or
6 guaranteed by such railroad, and issued by subsidiary or
7 lessor steam railroad corporations.

(b) In the bonds or notes issued, or assumed, by any
2 steam railroad corporation organized under the laws of
3 any other state in the United States; provided,

1. Such corporation shall own in fee not less than five
2 hundred miles of standard-gauge railroad, exclusive of
3 sidings, within the United States, or shall own not less
4 than one hundred miles and have received each year for a
5 period of five successive years next preceding the invest-
6 ment a gross operating income of not less than ten million
7 dollars.

2. Such obligations shall be secured (a) by a first mort-
2 gage, or a mortgage of trust indenture which is in effect a
3 first mortgage, on at least seventy-five per cent of all the
4 mileage of such corporation owned in fee, or (b) by a re-

5 funding mortgage providing for the retirement of all prior
6 lien bonds outstanding at the date of issue and covering at
7 least seventy-five per cent of the mileage owned in fee by
8 said corporation; provided, however, that all bonds secured
9 by said refunding mortgage shall mature at a later date
10 than any bond which it is given to refund, or if any such
11 bonds are to mature at an earlier date the mortgage must
12 provide that such bonds shall be retired by a like amount
13 re-issued under said mortgage, or (c) by a mortgage prior
14 to a refunding mortgage above described covering some
15 part of the railroad property included in such refunding
16 mortgage, if the bonds secured by such prior mortgage are
17 to be refunded by said refunding mortgage and the prop-
18 erty covered by such prior mortgage is operated by the
19 corporation issuing the refunding mortgage, or (d) by a
20 first mortgage on the property of a leased road forming a
21 substantial portion of the system of the operating company.

3. Such corporation shall have earned and received for a
2 period of five successive calendar or fiscal years next
3 preceding the investment a net income of not less than
4 one and one-half times the annual interest on its debts out-
5 standing during that period and secured by the mortgage
6 under which the bonds in question are issued and all prior
7 liens, and also shall have earned and received for a period
8 of twelve consecutive months within the fifteen months
9 next preceding investment a net income of not less than
10 one and one-half times the annual interest on its debt out-

11 standing at the time of investment, secured as aforesaid.
12 The time during which any railroad may have been
13 operated by the government of the United States under the
14 provisions of any act or acts of Congress heretofore
15 enacted, and a period of two years thereafter, may be
16 excluded in determining whether the bonds of any rail-
17 road corporation are able to qualify under the provisions of
18 this paragraph.

In determining the income of any corporation for the
2 purposes of the foregoing paragraph there shall be included
3 the income of any corporation or corporations out of which
4 it shall have been formed through consolidation or merger,
5 and of any corporation whose business and income-produc-
6 ing property has been wholly acquired by the corporation
7 issuing, assuming or guaranteeing the bonds in question.
8 The net income of a railroad for the purposes of the fore-
9 going paragraph shall be determined after deducting all
10 operating expenses, maintenance charges, depreciation,
11 rentals, taxes and guaranteed interest and dividends paid
12 by or due from it.

4. The total of the bonds and notes issued under the
2 mortgage securing the bonds in question and all prior liens,
3 exclusive of those issued for refunding or otherwise retir-
4 ing prior lien obligations, shall not exceed three times the
5 outstanding capital stock of such corporation at the date
6 of investment.

c-1. In equipment bonds or notes issued under the

2 Philadelphia plan, so-called, and secured by standard
3 equipment leased to any steam railroad corporation in
4 the United States any of whose mortgage bonds are eligible
5 under the provisions of this section; provided, however,
6 that the amount of such securities outstanding shall at no
7 time exceed eighty per cent of the cost of the equipment
8 by which they are secured.

2. In the prior lien equipment obligations or equipment
2 trust certificates issued by the National Railway Service
3 Corporation in pursuance of any equipment trusts financed
4 in whole or in part through a loan or loans made or
5 approved by the Interstate Commerce Commission, pro-
6 vided such securities are issued for not exceeding in par
7 value sixty per cent of the cost of standard railway equip-
8 ment and that such obligations shall mature in approxi-
9 mately equal annual or semi-annual installments over a
10 period not exceeding fifteen years; provided, however,
11 that not more than two per cent of the deposits of any
12 bank be invested in the foregoing obligations.

(d) In the first mortgage bonds of any terminal or bridge
2 company guaranteed as to principal and interest by any
3 railroad corporation any of whose mortgage obligations
4 are eligible under the provisions of this section.

(e) Not more than twenty-five per cent of the deposits of
2 any one bank shall be invested in steam railroad obligations
3 and not more than two per cent of such deposits in the

4 obligations of any single railroad corporation whose mile-
5 age is located principally outside the State of Maine.

VII. PUBLIC UTILITY OBLIGATIONS

(a) In the bonds or notes issued or assumed by any Maine
2 corporation subject to the jurisdiction of the Maine pub-
3 lic utilities commission and carrying on in this state the
4 business for which it was organized; provided, however,
5 that such securities shall first have been duly authorized by
6 said commission under the laws of Maine, if at the time
7 of their issue such authorization was required by law.

(b) In the mortgage bonds, or other interest-bearing
2 obligations secured by mortgage, issued or assumed by any
3 corporation, at least seventy-five per cent of whose gross
4 income is derived from the operation of an electric rail-
5 road, electric light and power business, artificial gas
6 business or a combination thereof, or from furnishing
7 municipal and domestic users with a water supply; pro-
8 vided,

1. Such corporation shall be subject to the jurisdiction of
2 a public utilities commission, public service commission or
3 some other tribunal exercising supervisory functions,
4 ordinarily incident to such commission, and the issuance
5 of the securities in question shall have been duly authorized
6 by such commission, if at the time of their issue such
7 authorization was required by law.

2. At least fifty-one per cent of the corporation's property

2 shall be located in, and fifty-one per cent of its business
3 transacted within the United States.

3. Such corporation shall own in fee not less than fifty-
2 one per cent of the property used by it in the carrying on of
3 its business.

4. Such corporation shall have received average gross
2 earnings of at least five hundred thousand dollars per
3 year in each of its three fiscal years, or three nearer periods
4 of one year next preceding investment.

5. Such corporation shall have earned and received an
2 average net income, including income from investments,
3 for a period of three fiscal years, or a nearer period of
4 three years next preceding such investment, of not less
5 than twice the annual interest on its debt outstanding during
6 that period and secured by the mortgage under which the
7 bonds in question are issued and all prior liens, and also
8 shall have earned and received for a period of twelve
9 consecutive months within the fifteen months next preced-
10 ing investment a net income of not less than one and one-
11 half times the annual interest on its debt outstanding at the
12 time of investment, secured as aforesaid, and shall not have
13 defaulted on any of its obligations during the same period.
14 The net income of such corporation for the purposes of
15 this section shall be determined after deducting all
16 operating expenses, maintenance charges, depreciation,
17 rentals, taxes, and guaranteed interest and dividends paid
18 by or due from it.

6. Such obligations shall mature at least three years before
2 the expiration of the principal franchise or franchises under
3 which such corporation is operating, or there shall exist
4 some statute or definite agreement or contract with the
5 grantors whereby such franchise or franchises may be
6 renewed or extended from time to time throughout and
7 beyond the life of the bonds in question, under which
8 statute, agreement or contract the security of such obliga-
9 tion is adequately protected, except where such company
10 is operating under an indeterminate franchise granted by a
11 public utilities commission or public service commission.

7. Such obligations shall be secured (a) by a first mort-
2 gage, or a mortgage or trust indenture which is in effect a
3 first mortgage, on at least seventy-five per cent of all the
4 property of such corporation owned in fee, or (b) by a
5 refunding mortgage providing for the retirement of all
6 prior lien bonds outstanding at the date of investment and
7 covering at least seventy-five per cent of the property
8 owned in fee by said corporation; provided, however, that
9 all bonds secured by said refunding mortgage shall mature
10 at a later date than any bond which it is given to refund,
11 or if any such bonds are to mature at an earlier date the
12 mortgage must provide that such bonds shall be retired by
13 a like amount re-issued under said mortgage, or (c) by a
14 mortgage prior to a refunding mortgage above described
15 covering some part of the public utility property included
16 in such refunding mortgage, if the bonds secured by such

17 prior mortgage are to be refunded by said refunding mort-
18 gage and the property covered by such prior mortgage is
19 operated by the corporation issuing the refunding mort-
20 gage, or (d) by a first mortgage on the property of a lessor
21 public utility forming a substantial portion of the system
22 of the operating company.

8. The total of the bonds and notes issued under the mort-
2 gage securing the bonds in question and all prior liens,
3 exclusive of those authorized for refunding or otherwise
4 retiring prior lien obligations, shall not exceed three times
5 the outstanding capital stock of such corporation at the
6 date of investment.

(c) Not more than thirty-five per cent of the deposits of
2 any one bank shall be invested in the obligations of the
3 above specified public utility corporations and not more
4 than two per cent of such deposits in the obligations of
5 any single utility whose business is transacted principally
6 outside the State of Maine.

VIII. OBLIGATIONS OF TELEPHONE COMPANIES

(a) In the mortgage bonds, and other interest-bearing
2 obligations secured by mortgage, issued or assumed by
3 any telephone company incorporated under the laws of
4 any state of the United States whose property is located
5 chiefly in the United States; provided,

1. Such corporation shall have received gross revenues
2 of at least five million dollars per year in each of its three

3 fiscal years, or three nearer periods of one year, next pre-
4 ceding such investment.

2. Such corporation shall have earned and received a net
2 income, including income from investments, in each of its
3 three fiscal years, or three nearer periods of one year, next
4 preceding such investment, not less than twice the annual
5 interest on its debt secured by the mortgage under which
6 the bonds in question are issued and all prior liens, and shall
7 not have defaulted on any of its obligations during the
8 same period. The net income of such corporation for the
9 purpose of this section shall be determined after deducting
10 all operating expenses, including maintenance and
11 depreciation charges, rentals, taxes, and guaranteed interest
12 and dividends paid by or due from it.

3. Such obligations shall be secured (a) by a first mort-
2 gage on at least seventy-five per cent of all the property
3 of such corporation owned in fee, or (b) by a refunding
4 mortgage providing for the retirement of all prior lien
5 bonds outstanding at the date of investment and covering
6 at least seventy-five per cent of the property owned in fee
7 by said corporation; provided, however, that all bonds
8 secured by said refunding mortgage shall mature at a
9 later date than any bond which it is given to refund, or if
10 any bonds are to mature at an earlier date the mortgage
11 must provide that such bonds shall be retired by a like
12 amount re-issued under said mortgage, or (c) by a mort-
13 gage prior to a refunding mortgage above described cover-

14 ing some part of the telephone company property included
15 in such refunding mortgage, if the bonds secured by such
16 prior mortgage are to be refunded by said refunding mort-
17 gage and the property covered by such prior mortgage is
18 operated by the corporation issuing the refunding mort-
19 gage, or (d) by a first mortgage on the property of a lessor
20 company forming a substantial portion of the system of the
21 operating company.

(b) Collateral trust bonds of any such telephone company
2 secured by the deposit with a trust company or national
3 bank of bonds and £ or of shares of stock of subsidiaries
4 or other telephone companies, under an indenture of trust
5 which limits the amount of bonds so secured to not more
6 than seventy-five per cent of the value of the securities
7 deposited as stated and determined in said indenture, and
8 provided that the company issuing such collateral trust
9 bonds shall have received average gross revenues of not
10 less than seventy-five million dollars in each of its three
11 fiscal years, or three nearer periods of one year, next pre-
12 ceding such investment, and provided, further, that such
13 telephone company shall for the same period have earned
14 and received a net income, including income from invest-
15 ments, not less than three times the annual interest on the
16 bonds in question and all prior liens.

(c) Not more than ten per cent of the deposits of any one
2 bank shall be invested in obligations of telephone companies,
3 and not more than two per cent in the obligations of any
4 single telephone company.

IX. BONDS OF MAINE CORPORATIONS

In the bonds or other interest-bearing obligations of any
2 Maine corporation, other than those hereinbefore
3 specifically mentioned, actually conducting in this state the
4 business for which such corporation was created, which for
5 a period of three successive fiscal years, or three nearer
6 periods of one year, next preceding the investment, has
7 earned and received an average net income of not less
8 than twice the interest on the obligations in question and
9 all prior liens. Not more than twenty-five per cent of the
10 deposits of any one bank shall be invested in the obligations
11 of such corporations and not more than two per cent of
12 such deposits in the obligations of any single corporation.

X. STOCKS OF MAINE CORPORATIONS

(a) In the stock of any Maine corporation other than a
2 banking corporation actually conducting in this state the
3 business for which such corporation was created, provided
4 such corporation has for a period of three years next pre-
5 ceding the investment earned and received an average net
6 income equivalent to at least six per cent upon the entire
7 outstanding issue of the stock in question.

(b) The aggregate of all investments made by any bank
2 in stock shall at no time exceed five per cent of its deposits
3 and not more than one per cent of the deposits of such
4 bank shall be invested in the stock of any single corpo-
5 ration. No such bank shall hold by way of investment or
6 as security for loans, or both, more than one-fifth of the

7 capital stock of any corporation; but this limitation shall
8 not apply to assets acquired in good faith upon judgments
9 for debts or in settlements to secure debts.

XI. MORTGAGE LOANS

In notes or bonds secured by first mortgages of real estate
2 in Maine and New Hampshire to an amount not exceeding
3 sixty per cent of the market value of such real estate. No
4 bank shall have more than sixty per cent of its deposits
5 invested in such mortgages.

XII. COLLATERAL LOANS

(a) In notes with a pledge as collateral of any securities
2 which the institution itself may lawfully purchase under the
3 provisions of this section, provided the market value of
4 such collateral is at least ten per cent in excess of the
5 amount of the loan.

(b) In notes with a pledge as collateral of any savings
2 deposit book issued by any savings bank, trust company or
3 national bank in this state or in any of the other New Eng-
4 land states or the state of New York, or of a passbook or
5 share certificate issued by any loan and building associa-
6 tion in this State.

(c) In notes with a pledge as collateral of the stock of
2 any trust company organized under the laws of Maine, or
3 any national bank having its principal place of business in
4 this State, the market value of such collateral to be at all
5 times at least twenty per cent in excess of the amount of
6 the loan.

(d) In notes with a pledge as collateral of the stock or
2 bonds of any manufacturing, steam railroad, telephone,
3 telegraph, or any other public utility corporation, providing
4 such corporation shall, for each of the three years next
5 preceding the time when such loan is made, have paid
6 dividends upon such stock or any issue junior thereto at a
7 rate of not less than six per cent annum, or interest upon
8 such bonds at a rate of not less than five per cent per
9 annum; the market value of such collateral to be at all
10 times at least twenty per cent in excess of the loan.

(e) The aggregate of all collateral loans made by any
2 bank, other than those secured by obligations of the United
3 States government, shall at no time exceed ten per cent
4 of its deposits and not more than one per cent of its
5 deposits shall be loaned on the obligations and stock of any
6 single corporation.

XIII. LOANS TO MUNICIPAL CORPORATIONS

In loans to any municipal or quasi-municipal corporation
2 in this state when duly authorized by such municipality
3 or corporation.

XIV. LOANS TO MAINE CORPORATIONS

In loans to any religious, charitable, educational or fraternal
2 corporation organized under the laws of this state, or to the
3 trustees of any unincorporated religious, charitable, educa-
4 tional or fraternal association in this state, or to any log-
5 driving company incorporated under the laws of this state,
6 and in loans to any corporation whose stock may be pur-

7 chased under the provisions of sub-section X of this sec-
8 tion; provided, however, that the total amount of loans to
9 any corporation and of the par value of its stock owned by
10 the bank shall at no time exceed two per cent of the
11 deposits of said bank.

XV. ACCEPTANCES

(a) In bankers' acceptances and bills of exchange of the
2 kind and maturities made eligible by law for rediscount
3 with Federal Reserve banks, provided the same are ac-
4 cepted by a trust and banking company incorporated under
5 the laws of this state, or a member of the Federal Reserve
6 System located in any of the New England states or the
7 state of New York.

(b) In bills of exchange drawn by the seller on the
2 purchaser of goods sold and accepted by such purchaser
3 of the kind and maturities made eligible by law for redis-
4 count with Federal Reserve banks, provided the same are
5 indorsed by a trust and banking company incorporated
6 under the laws of this state, or a member of the Federal
7 Reserve System located in any of the New England states
8 or the state of New York.

(c) Not more than ten per cent of the assets of any sav-
2 ings bank or institutions for savings shall be invested in
3 such acceptances. The aggregate amount of the liability of
4 any trust and banking company or of any national bank to
5 any savings bank or institution for savings, whether as
6 principal or indorser, for acceptances held by such savings

7 bank or institution for savings, shall not exceed twenty per
8 cent of the paid-up capital and surplus of such trust and
9 banking company or national bank, and not more than five
10 per cent of the assets of any savings bank or institution
11 for savings shall be invested in the acceptances of a trust
12 and banking company or of a national bank of which a
13 trustee of such savings bank or institution for savings is
14 a director.

XVI. DEPARTMENT CERTIFICATES OF LEGALITY

The bank commissioner shall ascertain what bonds and
2 other interest-bearing obligations are legal investments
3 under the provisions of sub-sections I to VIII, inclusive,
4 of this section, and within the first ten days of May and
5 November of each year shall sent to each savings bank a
6 certificate stating, over his signature, that upon investi-
7 gation, he finds the obligations specified in said certificate
8 are legal investments under the provisions of this section.
9 Said certificate shall be prima facie evidence of the cor-
10 rectness of the findings of said commissioner and shall so
11 continue until the issuance of the next certificate of said
12 commissioner, or of an intermediate certificate correcting
13 and changing the list of legal investments in the certificate
14 last issued. Nothing herein contained shall be construed
15 to require any action by the bank commissioner as a con-
16 dition precedent to the right of any savings bank to
17 purchase any security conforming to the requirements of
18 the provisions of this section at the time of investment.

Any person or corporation financially interested in any such finding of the bank commissioner may take an appeal therefrom to any justice of the supreme judicial court, who, after such notice and hearing as he deems proper, may inquire into and render a judgment whether such obligation is a legal investment for savings banks under the provisions of this section.

The proper and necessary expenditures incurred by the bank commissioner in carrying out the provisions of this section, including the compensation of any person or persons specially employed for that purpose, shall be chargeable to the fund created by the payment of registration fees by dealers in securities and their agents and salesmen.

Sect. 28. *May acquire and hold stocks, bonds and other securities not authorized by law, to avoid loss.* Savings banks and institutions for savings may acquire and hold stocks, bonds and other securities not authorized by law, hereafter acquired in settlements and reorganizations and accepted to reduce or avoid loss on defaulted loans and investments held by said banks and institutions, and may continue to hold such stocks, bonds and other securities heretofore so acquired, and all other investments lawfully acquired, and shall not be obliged to sell or dispose of the same except at such times and in such manner as will prevent unnecessary loss or embarrassment to the business of the bank or institution. All outstanding collateral loans which could not lawfully be made hereafter under the

15 provisions of sub-section XII of section 27 of this act,
16 may be renewed, without requiring additional collateral,
17 for a period not to exceed two years from the date when
18 this act shall take effect.

Sect. 29. *Investments, value as carried on books; authority
2 of commissioner.* All investments having a fixed maturity,
3 shall be charged and entered on the books of the bank at
4 their cost to the bank. The bank commissioner may
5 require any investment charged down to such sum as in his
6 judgment represents its fair value. He may at any time
7 call for a report of the financial condition of any corpo-
8 ration offering, or likely to offer, its bonds, stocks or notes
9 to any savings bank in the state, or whose notes are held by
10 any such savings bank, as much in detail as he may require,
11 verified by the oath of such officers of said corporation as
12 he may specify. He may communicate any such report, or
13 an abstract thereof, to the officers of any of said savings
14 banks. If such report is not furnished the bank commis-
15 sioner within the time specified in his call therefor, or
16 within such extension of time as he may grant, the bonds,
17 stocks and notes of such corporation shall thereupon cease
18 to be a legal investment for savings banks under this sec-
19 tion and shall not again become a legal investment until a
20 report in all respects satisfactory to the bank commis-
21 sioner is furnished. Any officer of a corporation who
22 wilfully makes a false report hereunder, and any officer,
23 trustee, director, clerk or employee of a savings bank,

24 trust company or loan and building association who wil-
25 fully and knowingly undertakes in any manner to deceive
26 or mislead the bank commissioner, or any officer or rep-
27 resentative of the state banking department, as to the true
28 condition or value of any of the investments of such sav-
29 ings bank, trust company or loan and building association,
30 or wilfully conceals any material fact connected therewith
31 shall be punished by a fine not exceeding five hundred
32 dollars or imprisonment not exceeding two years, or by
33 both such fine and imprisonment.

Sect. 30. *Limitation of real estate holding.* Any such
2 bank or institution may hold real estate in the city or town
3 in which such bank or institution is located, to an amount
4 not exceeding five per cent of its deposits or to an amount
5 not exceeding its reserve fund, but these limitations shall
6 not apply to real estate acquired by the foreclosure of
7 mortgage thereon, or upon judgment for debts, or in settle-
8 ments to secure debts.

Sect. 31. *May deposit on call in banks and may deposit*
2 *collateral for time loans, made without the state.* Savings
3 banks and institutions for savings may deposit on call in
4 banks or banking associations incorporated under the au-
5 thority of this state, or the laws of the United States, or in
6 any member bank of the Federal Reserve System located
7 in any of the New England states or the state of New York,
8 and receive interest for the same; and may deposit subject
9 to the approval of the bank commissioner, with such banks

10 or banking associations any securities received as collateral
11 for time loans made to any person or corporation without
12 the state.

Sect. 32. *Authority to borrow money and pledge securities.* Savings banks and institutions for savings may, by
2 vote of the trustees of such corporation, when in the judg-
3 ment of said trustees such action is necessary to pay de-
4 positors and to prevent loss by sales of assets, borrow money
5 within or without the state and may pledge bonds, notes or
6 other securities as collateral therefor. The trustees of such
7 corporation shall cause a copy of said vote to be sent forth-
8 with to the bank commissioner, and shall also notify him
9 of any action taken thereunder.

Sect. 33. *Trustees to invest; no loan shall be made to any*
2 *officer.* The trustees shall see to the proper investment of
3 deposits and funds of the corporation, in the manner here-
4 inbefore prescribed. No loan shall be made directly or in-
5 directly to any officer of the corporation, or to any firm of
6 which such officer is a member.

Sect. 34. *Dividends from earnings; maintenance of re-*
2 *serve fund; excess, when to be divided. Dividends, declared*
3 *only by vote of trustees; not to exceed earnings of bank.*
4 The trustees, after passing to the reserve fund one-quarter
5 of one per cent of the average amount of deposits for the
6 six months previous to declaring a dividend, not subject
7 to be divided, shall declare dividends, not exceeding two
8 and one-half per cent semi-annually, except as hereinafter

9 provided, at such times as are required by their by-laws,
10 among depositors of three months standing at least before
11 dividend day. The corporation may by its by-laws include
12 deposits of less standing. The reserve fund shall be kept
13 constantly on hand, to secure against losses and contingen-
14 cies, until it amounts to five per cent of the deposits. All
15 losses shall be passed to the debit of said account. When
16 said reserve fund amounts to ten per cent of the average
17 amount of deposits for six months previous to declaring
18 a dividend, all net profits not otherwise divided, thereafter
19 made by said banks, may be divided every three years rat-
20 ably among depositors of one, two and three full years'
21 standing, as extra dividends. No dividends or interest shall
22 be declared, credited or paid, except by a vote of the board
23 of trustees, entered upon their records, whereon shall be
24 recorded the yeas and nays upon such vote. Trustees of
25 savings banks and savings institutions are forbidden to
26 make any semi-annual dividends of a rate per cent which
27 will make the aggregate amount of said dividend greater
28 than the actual earnings of the bank or institution, actually
29 collected in said six months period; provided, however, that
30 a temporary deficiency in actual collections may be supple-
31 mented by taking from the reserve fund, with the written
32 consent of the bank commissioner, an amount sufficient to
33 maintain the customary dividend rate.

Sect. 35. *Dividends shall be credited within sixty days.*

2 The treasurer of every savings bank or institution for sav-

3 ings shall, within sixty days after a dividend is declared,
4 credit the same to the deposit account. Any treasurer neg-
5 lecting or refusing so to do shall be punished by a fine of
6 not less than one hundred, nor more than two hundred dol-
7 lars.

Sect. 36. *Interest on deposits prohibited.* No deposit shall
2 be received under an agreement to pay any specified sum
3 of interest for its use, other than regular semi-annual and
4 extra dividends; provided, however, that savings banks may
5 contract, on terms to be agreed upon, for the deposit at in-
6 tervals within a period of twelve months, of sums of money
7 in the aggregate not in excess of the statutory limit on de-
8 posits in savings banks, and for the payment of interest on
9 the same at a rate not more than the rate of their last regu-
10 lar dividend on savings deposits. A sum thus accumulated,
11 if left in such a depository as a regular savings deposit,
12 within fifteen days after the date on which money ordinarily
13 begins to draw interest, may, if the depository so provides,
14 draw interest from such prior date.

Sect. 37. *Notice of withdrawal of deposits.* No savings
2 bank shall be required to pay any depositor more than fifty
3 dollars at any one time or in any one month until after
4 ninety days' notice.

Sect. 38. *Treasurer may assign, discharge and foreclose*
2 *mortgages.* The treasurer may, under the direction of the
3 trustees, assign, discharge and foreclose mortgages, and
4 convey real estate held as security for loans, or the title of

5 which accrued from foreclosure of mortgages, or judgments
6 of courts.

Sect. 39. *Trustees shall effect insurance.* The trustees
2 shall cause all real estate of an insurable character held by
3 them absolutely, or in mortgage, to be fully insured, and
4 the expense of such insurance in case of mortgage, if paid
5 by the bank, shall be added to the amount of the mortgage
6 debt to be refunded in case of redemption.

Sect. 40. *Assets of bank, connected with other bank, to
2 be kept separate.* All coins, bills, notes, bonds, securities
3 and evidences of debt, comprising the assets of any savings
4 bank connected with a national or stock bank, shall be kept
5 separate and apart from the assets or property of such
6 national or stock bank, and also separate and apart from
7 the assets or property of any other bank, banker, corpora-
8 tion, partnership, individual or firm.

Sect. 41. *Securities to be kept within the state.* All securi-
2 ties owned or held by savings banks shall be kept within
3 the state, except as provided in sections thirty-one and
4 thirty-two of this chapter, and except when a sale or ex-
5 change thereof shall require delivery out of the state, or
6 when necessary to send any of them out of the state tempo-
7 rarily for purposes incident to the business of owning or
8 managing such securities by savings banks; and the place
9 of their deposit shall be selected with reference to insuring
10 the greatest possible security for their safe-keeping, and
11 shall be subject to the approval of the bank commissioner.

Sect. 42. *Treasurer shall make trial balance weekly; annually to record net sum of each deposit.* The treasurer of every savings bank shall, every Saturday, make and declare a trial balance, which shall be recorded in a book kept for that purpose; and shall also, at least once in each year, cause to be entered on a suitable book, the net sum of each individual deposit at a fixed date, and ascertain the aggregate of all such deposits, and whether it agrees with the other books of said bank; and said books shall be open at all times for the inspection of the trustees, corporators and bank commissioner.

Sect. 43. *Treasurer shall make annual return to the bank commissioner.* The treasurer of every savings bank and institution for savings shall annually, and as much oftener as the bank commissioner may require, make return of the condition and standing thereof at such time as the bank commissioner designates, which return shall be made to said commissioner within fifteen days after the day designated in the blank form of such return furnished to every such bank or institution by the commissioner.

Sect. 44. *Treasurer shall annually publish statement of inactive accounts.* The treasurer of every savings bank and institution for savings shall on or before the first day of November annually cause to be published in a newspaper in the place where the bank or institution is located, if any, otherwise in a newspaper published in the nearest place thereto, a statement containing the name, the amount stand-

8 ing to his credit, the last known place of residence or post
9 office address and the fact of death, if known, of every
10 depositor in said bank who shall not have made a deposit
11 therein or withdrawn therefrom any part of his deposit or
12 any part of the dividends thereon, for a period of more
13 than twenty years next preceding; provided, however, that
14 this section shall not apply to the deposits of persons known
15 to the treasurer to be living, to a deposit the deposit book
16 of which has during such period been brought into the bank
17 to be verified or to have the dividends added, or to a deposit
18 which, with the accumulations thereon, shall be less than
19 ten dollars. Said treasurer shall also transmit a copy of
20 such statement to the bank commissioner to be placed on
21 file in his office for public inspection. Any treasurer neg-
22 lecting to comply with the provisions of this or the preceding
23 section shall be liable to a penalty of fifty dollars.

Sect. 45. *Annual examinations by trustees.* Two of the
2 trustees, at least, shall once in each year, thoroughly exam-
3 ine the affairs of the corporation, and report under oath to
4 the bank commissioner, and to the board of trustees, the
5 standing of the corporation, the situation of its funds, and
6 all other matters which the commissioner requires, in the
7 manner and according to the form that he prescribes. And
8 the commissioner shall seasonably give notice of the time
9 and furnish blanks for said examination and return.

Sect. 46. *No officer to receive gift, fee, or commission;
2 borrower to pay expenses.* No gift, fee, commission or

3 brokerage shall be received by any officer of a savings bank,
4 on account of any transaction to which the bank is a party,
5 under a penalty, for each offense, of one hundred dollars,
6 to be recovered in an action of debt, in the name, and to
7 the use of the state, provided, that nothing herein contained
8 applies to any expenses of examining titles, and making
9 conveyances upon loans made by savings banks. Parties
10 making a loan from a savings bank shall pay all expenses
11 incurred by reason thereof.

Sect. 47. *Funds not to be used by officer.* No officer of
2 the corporation shall use or appropriate any of its funds
3 for his own private purposes, under the penalties for em-
4 bezzlement.

Sect. 48. *Verification of depositors' books; examiner shall*
2 *have full access to institutions under examination. Punish-*
3 *ment for imparting information obtained by audit or verifi-*
4 *cation.* The bank commissioner, at least once in every three
5 years, shall cause the books of the savings depositors in
6 savings banks or institutions for savings, and in every trust
7 and banking company, to be verified, by such methods and
8 under such rules as he may prescribe.

All necessary expenses for the purpose of such verification,
2 publication, or printing of the results of such verification,
3 as may be necessary for the purpose of this act, shall be
4 appropriated and paid out of the fund received by the state
5 from the tax upon savings banks, institutions for savings
6 and trust companies.

The bank commissioner, deputy bank commissioner and
2 all examiners and employees of the department acting under
3 the foregoing provisions, shall have full access to every
4 part of the bank, institution for savings or trust company
5 under examination, and to all books, papers, vouchers, re-
6 sources and all other records and property belonging to
7 said bank, institution for savings or trust company, whether
8 in its immediate possession or otherwise, for the purpose of
9 facilitating such verification.

If any representative of the banking department desig-
2 nated to make such audit or verification as herein specified
3 shall communicate or impart to any person or persons, ex-
4 cept to said bank commissioner or as witness in court, any
5 information obtained by said audit or verification, he shall
6 be punished by imprisonment not exceeding one year or
7 by fine not exceeding one thousand dollars or both.

Sect. 49. *Annual examinations by bank commissioner;*
2 *proceedings, and statement of condition to be published;*
3 *joint examinations.* Savings banks and institutions for sav-
4 ings are under the charge of the bank commissioner for
5 the purposes of examination. He shall visit every savings
6 bank and institution for savings, incorporated by authority
7 of the state, once in every year and as much oftener as he
8 deems expedient. At such visits he shall have free access
9 to the vaults, books and papers, and thoroughly inspect and
10 examine all the affairs of each of said corporations, and
11 make such inquiries as are necessary to ascertain its con-

12 dition and ability to fulfil all its engagements, and whether
13 it has complied with the law, and its officers shall, whenever
14 required to do so by the bank commissioner, furnish him
15 with statements and full information relating to the con-
16 dition and standing of their institution, and of all matters
17 pertaining to its business affairs and management. He may
18 prescribe the manner and form of keeping the books and
19 accounts of said corporations, which, however, need not
20 be uniform. He shall preserve, in a permanent form, a
21 full record of his proceedings, including a statement of the
22 condition of each of said corporations, a copy of which
23 statement shall be published by such corporation immedi-
24 ately after the examination of the same, in a newspaper in
25 the place where it is established, if any, otherwise in a
26 newspaper published in the nearest place thereto. Joint
27 examinations of state and national banking institutions oc-
28 cupying the same rooms shall be made at least once in each
29 year at such times and under such conditions as the two
30 departments may, from time to time, agree upon.

Sect. 50. *Voluntary liquidation.* Whenever in the opinion
2 of the bank commissioner and a majority of the trustees
3 of any savings bank, or institution for savings, it is inex-
4 peditent, for any reason, for said bank to continue the fur-
5 ther prosecution of its business, said trustees may join
6 with the bank commissioner in an application to any justice
7 of the supreme judicial court for the liquidation of the
8 affairs of such corporation. Upon presentation of such

9 application, such justice may issue an injunction wholly
10 or partially restraining further payment of deposits until
11 further order of court. If, after notice and hearing on
12 such application, such justice is of the opinion that it is
13 inexpedient for said bank to continue the further prosecu-
14 tion of its business, he may make such orders and decrees
15 in the premises as seem proper for liquidating the affairs
16 of said bank, the distribution of its assets and the protection
17 of its depositors. Further proceedings on such application
18 may be in the manner provided for the liquidation of an
19 insolvent savings bank; or such justice may authorize the
20 president and trustees of such bank then in office to liquidate
21 its affairs under the direction of the court. The provisions
22 of section fifty-seven are hereby made applicable to such
23 applications.

Sect. 51. *Commissioner may summon officers and wit-
2 nesses; penalty for refusal to testify.* The commissioner
3 may summon all trustees, officers or agents of any such
4 corporation, and such other witnesses as he thinks proper,
5 in relation to the affairs, transactions and condition thereof,
6 and for that purpose may administer oaths; and whoever,
7 without justifiable cause, refuses to appear and testify when
8 thereto required, or obstructs said commissioner in the dis-
9 charge of his duty, shall be fined not exceeding one thou-
10 sand dollars, or imprisoned not exceeding two years.

Sect. 52. *Commissioner may apply for injunction to re-
2 strain insolvent corporation; powers and duties of the jus-*

3 *tice in such cases; may appoint receivers, who shall report*
4 *annually.* If, upon examination of any such corporation,
5 the commissioner is of the opinion that it is insolvent, or
6 that its condition is such as to render its further proceed-
7 ings hazardous to the public or to those having funds in
8 its custody, he shall apply, or if, upon such examination,
9 he is of the opinion that it has exceeded its powers or failed
10 to comply with any of the rules, restrictions or conditions
11 provided by law, he may apply to one of the justices of
12 the supreme judicial court to issue an injunction to restrain
13 such corporation in whole or in part from proceeding fur-
14 ther with its business until a hearing can be had. Such
15 justice may forthwith issue process for such purpose, and
16 after a full hearing of the corporation, may dissolve or
17 modify the injunction or make the same perpetual, and
18 make such orders and decrees to suspend, restrain or pro-
19 hibit the further prosecution of its business as may be need-
20 ful in the premises, according to the course of proceedings
21 in equity; and he may appoint one or more receivers or
22 trustees to take possession of its property and effects sub-
23 ject to such rules and orders as are from time to time pre-
24 scribed by the supreme judicial court, or by any justice
25 thereof in vacation. Such receivers or trustees shall an-
26 nually, in May, and at such other times as the commissioner
27 requires, make a report to him of the progress made in the
28 settlement of the affairs of said corporation; and the com-
29 missioner shall seasonably give notice of the time and fur-

30 nish blanks for the report. The court in its discretion may
31 appoint the bank commissioner or deputy bank commission-
32 er, receiver for such purpose, in which case no commission,
33 fee, or other perquisite shall be allowed such official for
34 his services in said capacity, but his expenses incurred in
35 the performance of his duty as said receiver, shall be charge-
36 able against the assets of the institution and allowed in his
37 account as receiver. The attorney-general shall render such
38 legal services in connection with such receivership as the
39 commissioner or deputy bank commissioner may require,
40 without additional compensation.

Sect. 53. *After decree of sequestration, commissioners*
2 *appointed; their duties and powers, payments of claims.*
3 After a decree of sequestration is passed as provided in
4 the preceding section, the court or any justice thereof, in
5 vacation, shall appoint commissioners who shall give such
6 notice of the times and places of their sessions as the court
7 or such justice orders; receive and decide upon all claims
8 against the institution, and make report to the court at
9 such time as the court orders of the claims allowed and
10 disallowed and of the amount due each depositor, which
11 shall be subject to exception and amendment, as reports
12 of masters in chancery. On application of any person in-
13 terested, the court may extend the time for hearing claims
14 by the commissioners, as justice may require. When the
15 amount due each person is established the court shall cause
16 others than depositors to be paid in full, and after deduct-

17 ing expenses the balance to be ratably distributed among
18 depositors. When it appears upon the settlement of the
19 account of the receiver of such an institution that there is
20 remaining in his hands funds due depositors who cannot
21 be found and whose heirs or legal representatives are un-
22 known, the court may order such unclaimed funds to be
23 paid into the state treasury, together with a statement giving
24 the names of such depositors and the amount due each,
25 the same to be held subject for twenty years thereafter to
26 be paid to the person or persons having established a lawful
27 right thereto when made to appear upon proper proceedings
28 instituted in the court ordering such disposition of such
29 unclaimed funds; provided, however, that whenever any
30 such unclaimed fund is in an amount less than two hundred
31 dollars, the claimant thereto may make application to any
32 justice of the supreme judicial court, who may after identifi-
33 cation to him satisfactory, issue an order under the seal of
34 the supreme judicial court directing the treasurer of state
35 to pay said fund to the claimant therein named and said
36 fund shall be paid as directed.

Sect. 54. *Attachments dissolved, and suits discontinued;*
2 *judgment recovered, to be added to claims.* All attachments
3 of the property of the bank shall be dissolved by the decree
4 of sequestration, and all pending suits discontinued and the
5 claim in suit presented to the commissioners, unless the
6 court, or some justice thereof in vacation, on application
7 of the plaintiff within three months from said decree, passes

8 an order allowing the receiver to be made a party to the
9 suit, and that the same may be prosecuted to final judgment.
10 After a decree of sequestration, no action at law shall be
11 maintained on any claim against the bank, unless the court
12 or a justice thereof in vacation, on application therefor
13 within the time above named, authorizes it, and in such
14 case the receiver shall be made a party; any judgment re-
15 covered as herein provided shall be added to the claims
16 against the bank.

Sect. 55. *Claims, when barred.* All claims not presented
2 to the commissioners within the time fixed by the court, or
3 litigated as aforesaid, are forever barred.

Sect. 56. *Supreme judicial court or justice thereof may
2 reduce deposit accounts.* Whenever a savings bank or in-
3 stitution for savings, is insolvent by reason of loss on, or
4 depreciation in the value of any of its assets, without the
5 fault of its trustees, the supreme judicial court, in term
6 time, or any justice thereof, in vacation, shall, on petition
7 in writing, of a majority of the trustees, and the bank com-
8 missioner, setting forth the facts, appoint a time for the
9 examination of the affairs of such corporation, and cause
10 notice thereof to be given to all parties interested, in such
11 manner as may be prescribed; and, if upon examination of
12 its assets and liabilities, and from other evidence, he is sat-
13 isfied of the facts set forth in said petition, and that the
14 corporation has not exceeded its powers, nor failed to com-
15 ply with any of the rules, restrictions and conditions pro-

16 vided by law, he may, if he deems it for the interest of the
17 depositors and the public, by proper decree, reduce the de-
18 posit account of each depositor, so as to divide such loss
19 pro rata among the depositors, thereby rendering the cor-
20 poration solvent, so that its further proceedings will not
21 be hazardous to the public, or those having or placing funds
22 in its custody; and the depositors shall not draw from such
23 corporation, a larger sum than is thus fixed by the court,
24 except as hereinafter authorized; provided, however, that
25 its treasurer shall keep an accurate account of all sums
26 received for such assets of the corporation held by it at
27 the time of filing such petition; and if a larger sum is real-
28 ized therefrom than the value estimated as aforesaid by
29 the court, he shall, at such times as the court prescribes,
30 render to the court a true account thereof, and thereupon
31 the court, after due notice to all parties interested, shall
32 declare a pro rata dividend of such excess among the de-
33 positors at the time of filing the petition. Such dividend
34 may be declared by the court, whenever the court deems
35 it for the interest of the depositors and the public, whether
36 all, or only a portion, of such assets has been reduced to
37 money; and any such dividend may at any time, in the dis-
38 cretion of the court, be declared to be a final one. No de-
39 posit shall be paid or received by such corporation after the
40 filing of the petition until the decree of the court, reducing
41 the deposits as herein provided. If the petition is denied,
42 the bank commissioner shall proceed to wind up the affairs
43 of the corporation as provided in section fifty-two.

Sect. 57. *Court may restrain payment to preserve assets or to protect depositors; order may be revoked or modified.*

Whenever it may become necessary to preserve the assets or protect depositors in a savings bank, the supreme judicial court in equity, on application of the bank commissioner or trustees of such bank, may, after due notice, make an order restraining the bank from paying out its funds or any portion thereof, or from declaring or paying any dividends or deposits for such time as the court shall deem advisable. The court may at any time revoke or modify the original order and authorize the bank to pay dividends upon its deposits, or pay any portion of its deposits to such as may desire to withdraw the same, or make any other or further order that may be necessary to protect the depositors in such institution. Nothing in this section shall be construed to take away the rights of the parties in interest to proceed under the provisions of sections fifty-two and fifty-six of this chapter.

Sect. 58. *Commissioner shall make annual report; distribution.* The commissioner shall, annually, make a report to the governor and council, of the general conduct and condition of each of the banks visited by him, making such suggestions as he deems expedient. Such report shall be printed and laid before the legislature at its next session, and one copy sent to each savings bank in the state.

Sect. 59. *Commissioner shall report violations of law.* If, in the opinion of the commissioner, any savings bank or its

3 officers or trustees have persistently violated any provision
4 of this chapter, he shall forthwith report the same, with
5 such remarks as he deems expedient, to the attorney-general,
6 who shall forthwith institute a prosecution therefor in be-
7 half of the state. The penalty for such violation, unless
8 otherwise prescribed, is not less than one hundred, nor more
9 than five hundred dollars.

Sect. 60. *Powers, privileges, duties and restrictions, con-*
ferred by charters, are modified so as to conform to this
3 *chapter.* The powers, privileges, duties and restrictions con-
4 ferred and imposed upon any savings corporation, by what-
5 ever name known, in its charter or act of incorporation,
6 are so far abridged, enlarged, or modified, that every such
7 charter or act shall conform to this chapter; and every such
8 corporation possesses the powers, rights and privileges, and
9 is subject to the duties, restrictions and liabilities herein con-
10 ferred and imposed, anything in their respective charters or
11 acts of incorporation to the contrary notwithstanding.

TRUST AND BANKING COMPANIES

Sect. 61. *Organization of trust companies; their powers.*
2 Five or more persons, a majority of whom shall be resi-
3 dents of the state, who associate themselves by an agree-
4 ment in writing for the purposes of forming a trust com-
5 pany, may, upon compliance with the provisions of sections
6 sixty-one to seventy, both inclusive, of this chapter, become
7 a corporation, subject to all the duties, restrictions and
8 liabilities set forth in all general laws now or hereafter in

9 force relating to such corporations, with power: first, to
10 receive on deposit, money, coin, bank notes, evidences of
11 debt, accounts of individuals, companies, corporations, mu-
12 nicipalities and states, allowing interest thereon, if agreed,
13 or as the by-laws of said corporation may provide; second,
14 to borrow money, to loan money on credits, or real estate,
15 or personal security, and to negotiate loans and sales for
16 others; third, to own and maintain safe deposit vaults, with
17 boxes, safes and other facilities therein, to be rented to
18 other parties for the safe-keeping of moneys, securities,
19 stocks, jewelry, plate, valuable papers and documents, and
20 other property susceptible of being deposited therein, and
21 may receive on deposit for safe-keeping property of any
22 kind entrusted to it for that purpose; fourth, to hold and
23 enjoy all such estate, real, personal and mixed, as may be
24 obtained by the investment of its capital stock or any other
25 moneys and funds that may come into its possession in the
26 course of its business and dealings, and the same sell, grant,
27 and dispose of; fifth, to act as agent for issuing, registering
28 and countersigning certificates, bonds, stocks, and all other
29 evidences of debt or ownership in property; sixth, to hold
30 by grant, assignment, transfer, devise, or bequest, any real
31 or personal property, or trusts duly created, and to execute
32 trusts of every description; seventh, to act as assignee, re-
33 ceiver, executor, administrator, conservator, or guardian;
34 provided, however, that any such appointment as guardian
35 shall apply to the estate of the ward only and not to the

36 person; eighth, subject to such restrictions as may be im-
37 posed by the bank commissioner, to accept for payment at
38 a future date drafts and bills of exchange drawn upon it,
39 and to issue letters of credit authorizing holders thereof
40 to draw drafts upon it, or its correspondents, at sight or
41 on time; provided, that such acceptances or drafts be based
42 upon actual values, but no trust company shall accept such
43 bills or drafts to an aggregate amount exceeding at any
44 one time one-half of its paid-up capital and surplus, except
45 with the approval of the bank commissioner, and in no
46 case to an aggregate amount in excess of its capital and
47 surplus; ninth, to do in general all the business that may
48 lawfully be done by trust and banking companies. No surety
49 shall be necessary upon the bond of the corporation in its
50 capacity as trustee, executor, administrator, conservator,
51 guardian, assignee or receiver, or in any other capacity, un-
52 less the court or officer approving such bond shall require
53 it.

Sect. 62. *Authority to engage in business of issuing surety*
2 *bonds.* No trust company shall engage in the business of
3 acting as surety on official bonds or bonds for the perform-
4 ance of other obligations, or guaranteeing the fidelity of per-
5 sons in positions of trust, private or public, and at the same
6 time engage in the business of receiving on deposit money,
7 coin, bank notes, evidences of debt, accounts of individuals,
8 companies, corporations, municipalities or states, subject
9 to check or payable on demand, other than deposits for the

10 payment of bonds and interest thereon and for sinking
11 funds. But nothing in this section shall be construed as
12 enlarging any of the corporate powers of any trust com-
13 pany. No trust company organized under the laws of this
14 state shall be authorized to guarantee the fidelity of persons
15 in positions of trust, private or public, and to act as surety
16 on official bonds and for the performance of other obliga-
17 tions, unless it shall have a capital stock, fully paid in, of
18 not less than two hundred and fifty thousand dollars.

Sect. 63. *Agreement of organization.* Said agreement
2 shall set forth that the subscribers thereto associate them-
3 selves with the intention of forming a corporation, and
4 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,
2 where its business is to be transacted.

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

Each associate shall subscribe to the articles his name,
2 residence, post-office address and the number of shares of
3 stock which he agrees to take.

Sect. 64. *Notice of intention to organize.* A notice of
2 the intention of the subscribers to form such a trust com-
3 pany shall be given to the bank commissioner. A notice
4 in such form as said commissioner shall approve shall be
5 published at least once a week, for three successive weeks,

6 in one or more newspapers designated by said commissioner
7 and published in the county in which it is proposed to estab-
8 lish the company. Such notice shall specify the names of
9 the proposed incorporators, the name of the corporation and
10 the location of the same, as set forth in the above mentioned
11 agreement of association. Within thirty days after the first
12 publication of said notice the subscribers to said agreement
13 shall apply to said commissioner for a certificate that public
14 convenience and advantage will be promoted by the estab-
15 lishment of such trust company. If the commissioner re-
16 fuses to issue such certificate, no further proceedings shall
17 be had, but the application may be renewed after one year
18 from the date of such refusal, without further notice or
19 publication unless the commissioner shall order the same.

Sect. 65. *First meeting of subscribers, how called; notice;*
2 *election of officers and adoption of by-laws.* The first
3 meeting of the subscribers to the agreement of association
4 shall be called by a notice signed either by that subscriber
5 to the agreement who is designated therein for the purpose,
6 or by a majority of the subscribers; and such notice shall
7 state the time, place and purposes of the meeting. A copy
8 of the notice shall, seven days at least before the day ap-
9 pointed for the meeting, be given to each subscriber or left
10 at his residence or usual place of business, or deposited in
11 the post office, postage prepaid, and addressed to him at his
12 residence or usual place of business, and another copy there-
13 of and an affidavit of one of the signers that the notice has

14 been duly served shall be recorded with the records of the
15 corporation. If all the incorporators shall, in writing, en-
16 dorsed upon the agreement of association, waive such no-
17 tice and fix the time and place of the meeting, no notice
18 shall be required. The subscribers to the agreement of
19 association shall hold the franchise until the organization
20 has been completed. At such first meeting, or at any ad-
21 journment thereof, the incorporators shall organize by the
22 choice by ballot of a temporary clerk, by the adoption of
23 by-laws and by the election in such manner as the by-laws
24 may determine, of directors, a president, a clerk, and such
25 other officers as the by-laws may prescribe. All the officers
26 so elected shall be sworn to the faithful performance of their
27 duties. The temporary clerk shall make and attest a record
28 of the proceedings until the clerk has been chosen and
29 sworn, including a record of such choice and qualification.

Sect. 66. *Articles of agreement; shall be submitted to
2 bank commissioner and attorney general, and filed in office
3 of secretary of state; certificate issued; has force and effect
4 of special charter; evidence of existence of corporation.* The
5 president, and a majority of the directors who are elected
6 at such first meeting, shall make, sign and make oath to,
7 in duplicate, articles setting forth:

a. A true copy of the agreement of association, the names
2 of the subscribers thereto, and the name, residence and
3 post-office address of each of the officers of the company.

b. The date of the first meeting and the successive ad-
2 journments thereof, if any.

One of such certificates shall be submitted to the bank
2 commissioner and the other, together with the records of
3 the proposed corporation, to the attorney general, who shall
4 examine the same, and who may require such amendment
5 thereof or such additional information as he may consider
6 necessary. If he finds that the articles conform to the pro-
7 visions of the preceding sections relative to the organization
8 of the corporation and that the provisions of section sixty-
9 four have been complied with, he shall so certify and en-
10 dorse his approval thereon. Thereupon the articles shall
11 be filed in the office of the secretary of state, who shall cause
12 the same, with the endorsement thereon, to be recorded, and
13 shall thereupon issue a certificate of incorporation in the
14 following form:

STATE OF MAINE

Be it known that whereas (the names of the subscribers
2 to the agreement of association) have associated themselves
3 with the intention of forming a corporation under the name
4 of (the name of the corporation), for the purpose (the
5 purpose declared in the agreement of association), with a
6 capital stock of (the amount fixed in the agreement of
7 association), and have complied with the provisions of the
8 statutes of this state in such case made and provided, as
9 appears from the articles of organization of said corpora-
10 tion, duly approved by the attorney general, and recorded
11 in this office; now, therefore, I (the name of the secretary),
12 secretary of the state of Maine, do hereby certify that said

13 (the names of the subscribers to the agreement of asso-
 14 ciation), their associates and successors, are legally organ-
 15 ized and established as, and are hereby made, an existing
 16 corporation under the name of (name of corporation), with
 17 the powers, rights and privileges, and subject to the limi-
 18 tations, duties and restrictions, which by law appertain
 19 thereto.

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

The secretary shall sign the certificate of incorporation and
 2 cause the great seal of the state to be thereto affixed, and
 3 such certificate shall have the force and effect of a special
 4 charter. The existence of every corporation which is not
 5 created by special law shall begin upon the filing of the
 6 articles of organization in the office of the secretary of
 7 state. The secretary of state shall also cause a record of
 8 the certificate of incorporation to be made, and such cer-
 9 tificate, or such record, or a certified copy thereof, shall
 10 be conclusive evidence of the existence of such corporation.

Sect. 67. *Issue of shares; list of stockholders, examina-*
 2 *tions by bank commissioner.* Such corporation shall not
 3 issue any shares of stock until the par value of such shares
 4 shall have been actually paid in in cash. When the whole
 5 capital stock has been issued, a complete list of the stock-
 6 holders, with the name, residence and post office address

7 of each, and the number of shares held by each, shall be
8 filed with the bank commissioner, which list shall be veri-
9 fied by the president and treasurer of the corporation. Upon
10 receipt of such statement said commissioner shall cause an
11 examination to be made, and if, after such examination,
12 it appears that the whole capital stock has been paid in in
13 cash, and that all requirements of law have been complied
14 with, said commissioner shall issue a certificate authoriz-
15 ing such corporation to begin the transaction of business.
16 It shall be unlawful for any such corporation to begin the
17 transaction of business until such a certificate has been
18 granted.

Sect. 68. *One-third of proposed capital stock shall be*
2 *subscribed for.* The written articles of association men-
3 tioned in section sixty-one shall not be regarded as suffi-
4 cient unless they show that at least one-third of the pro-
5 posed amount of capital stock has been subscribed for, and
6 when filed with the bank commissioner they shall be accom-
7 panied by satisfactory evidence that the sum of fifty dol-
8 lars has been paid to the treasurer of state to be credited
9 to an account for expense of organizing trust companies,
10 so much thereof to be paid out for expenses of the several
11 departments as the governor and council shall find to have
12 been actually incurred.

Sect. 69. *Minimum amount of capital stock authorized*
2 *to begin business; par value of shares.* The minimum
3 amount of paid-in capital stock on which a trust company

4 may be authorized to begin business shall be twenty-five
5 thousand dollars for a town or city of not more than five
6 thousand inhabitants, fifty thousand dollars for a town or
7 city having from five thousand to ten thousand inhabitants,
8 seventy-five thousand dollars for a town or city having from
9 ten thousand to twenty thousand inhabitants, one hundred
10 thousand dollars for a town or city having from twenty
11 thousand to thirty thousand inhabitants, and one hundred
12 and fifty thousand dollars for a town or city of more than
13 thirty thousand inhabitants. The bank commissioner, in
14 ascertaining the number of inhabitants of such town or
15 city for the purpose of determining the sufficiency of the
16 capital stock, may require such proof in addition to the
17 last preceding United States census as he may deem neces-
18 sary; but no charter once granted shall ever be deemed void
19 for any error in computing the population. The par value
20 of the shares of stock shall be one hundred dollars each.

Sect. 70. *Forfeiture of charter.* Every such company
2 shall forfeit its charter unless it shall actually commence
3 to do business as a trust company within one year from
4 the date thereof.

Sect. 71. *May increase capital stock.* Any company or-
2 ganized under sections sixty-one to seventy, both inclusive,
3 or any company organized under special act of the legis-
4 lature, may increase its capital stock from time to time to
5 an amount not exceeding in the aggregate one million dol-
6 lars, at any stockholders' meeting at which a majority of

7 shares issued and outstanding is represented, notice of the
8 intention so to do having been given in the call therefor.
9 Provided, however, that before actually issuing such capital
10 stock a certified copy of the vote authorizing the same shall
11 be filed with the bank commissioner within ten days after
12 its passage, and thereupon he shall issue his approval or
13 disapproval of the action so taken and shall thereupon issue
14 a certificate allowing such increase, a copy of which shall
15 be filed in the office of the secretary of state.

Sect. 72. *Board of directors; executive committee; vacancies among directors; election of president, clerk and treasurer.* All the corporate powers of any such company
4 shall be exercised by a board of not less than five directors,
5 two-thirds of whom shall be residents of this state, whose
6 number and term of office shall be determined, and who
7 shall be elected by a vote of the stockholders at the first
8 meeting held by the incorporators and at each annual meet-
9 ing thereafter. Directors shall hold a regular meeting at
10 least once each month. The stockholders at any annual
11 meeting may elect from the full board of directors an ex-
12 ecutive committee of not less than five members, two-thirds
13 of whom shall be residents of this state, and delegate to
14 such committee the powers of the directors in regard to
15 the ordinary operations of the business of the company;
16 such powers to be exercised by such committee at all times
17 when said board of directors are not in session, subject
18 always, however, to any specific vote of said board of di-

19 rectors. All such committees shall keep full minutes of
20 all business transacted by them and shall make such re-
21 ports of their transactions at each monthly meeting of the
22 board as said board or the bank commissioner may require.
23 The directors shall be annually sworn to the proper dis-
24 charge of their duties, and they shall hold office until others
25 are elected and qualified in their stead. If any vacancy
26 occurs in the board of directors or executive committee
27 through death, resignation or otherwise the remaining di-
28 rectors may elect a person to fill the vacancy until the next
29 annual meeting of the corporation. The oath of office of
30 any director shall be taken within thirty days of his elec-
31 tion, or his office shall become vacant. The clerk of such
32 company shall, within ten days, notify such directors of
33 their election and within thirty days shall publish the list
34 of all persons who have taken the oath of office as directors.
35 The removal of any director from this state shall imme-
36 diately vacate his office if such removal leaves less than
37 two-thirds of the membership resident in the state. The
38 board of directors shall elect a president from its number,
39 a clerk who shall be sworn to the faithful performance of
40 his duties, a treasurer and such other officers as they may
41 deem necessary. Any officer or employee of any trust com-
42 pany who shall wilfully or knowingly make a false return
43 to the bank commissioner, in response to any call for in-
44 formation issued by said commissioner, or by the deputy
45 bank commissioner, or upon making or filing of any reg-

46 ular or special report, shall be subject to a penalty of a
47 fine not exceeding five hundred dollars or by imprisonment
48 not exceeding one year, or by both such fine and imprison-
49 ment. The president, treasurer, assistant treasurer and all
50 other officials and employees having access to moneys or
51 securities shall be bonded as in the case of similar officials
52 in savings banks, and the provisions of section nineteen of
53 this act, so far as applicable, shall apply to the bonds
54 of trust company officials and employees.

Sect. 73. *Duties of board of directors and executive com-
2 mittee; shall keep a record of loans.* The directors or ex-
3 ecutive committee shall keep or cause to be kept in a book
4 or books appropriate therefor, a record of all loans and
5 investments of every description made by said company,
6 substantially in the order of time when such loans or in-
7 vestments are made. Such record shall show that such
8 loans or investments have been made with the approval of
9 the directors or executive committee of said company and
10 shall indicate such particulars respecting such loans and
11 investments as the bank commissioner shall direct. When-
12 ever requested, such record shall be submitted to the bank
13 commissioner or to any meeting of the directors or stock-
14 holders. Such loans and investments shall be classified in
15 said book or books of record as the bank commissioner shall
16 direct. The treasurer or other officer having charge of
17 such loans shall submit to the directors or executive com-
18 mittee at intervals of not more than six months a full and

19 complete list of all outstanding demand obligations owed to
20 the company.

Sect. 74. *Qualification of director.* No person shall be
2 eligible to the position of a director of any such company
3 who is not the actual owner of ten shares of stock, free
4 from encumbrance.

Sect. 75. *Trust assets.* All securities, money and prop-
2 erty received by any such company to be held in trust shall
3 be kept, separate and apart from the other assets of the
4 company, in a trust department to be established and main-
5 tained by such company; the assets belonging to each trust
6 being listed and kept separate from those belonging to any
7 other trust. A proper record of all matters relating to
8 each such trust shall be separately kept in said trust de-
9 partment and shall indicate such particulars respecting each
10 such trust as the bank commissioner shall direct. Pro-
11 vided, however, that nothing herein contained shall be con-
12 strued to prohibit any such company from depositing, sub-
13 ject to proper rates of interest, in its commercial or savings
14 department, in an account specifically stating the trust to
15 which the same belongs, any cash income or cash principal
16 received and held by it pending distribution or permanent
17 investment in accordance with the terms of the trust under
18 which the same is held; or such cash balances may be in-
19 cluded in an aggregate deposit including like balances for
20 other trusts, the books of the trust department showing the
21 specific interest of each trust in such general deposit. The

22 trust assets held by any such company shall not be subject
23 to any other liabilities of said company.

Sect. 76. *Administrators, etc., may deposit.* An admin-
2 istrator, executor, assignee, guardian, conservator, receiver
3 or trustee, any court of law or equity, including courts of
4 probate and insolvency, officers and treasurers of towns,
5 cities, counties, and savings banks of the state, may deposit
6 any moneys, bonds, stocks, evidences of debt or of owner-
7 ship in property, or any personal property with said cor-
8 poration, and any of said courts may direct any person de-
9 riving authority therefrom to so deposit the same.

Sect. 77. *Regulation of loans.* No trust company shall
2 loan to any person, firm, business syndicate, or corporation,
3 an amount or amounts, at any time outstanding in excess
4 of ten per cent of its total capital, unimpaired surplus and
5 net undivided profits, except on approval of a majority of
6 its entire board of directors or executive committee, unless
7 secured by collateral which shall be of value equal to the
8 excess of said loans above said ten per cent, and the total
9 amount of loans to any person, firm, business syndicate
10 or corporation, shall at no time exceed twenty-five per cent
11 of said total capital, unimpaired surplus and net undivided
12 profits; provided, that in determining said amount every
13 person, firm, syndicate, or corporation appearing on any
14 loan as endorser, guarantor or surety, shall be regarded as
15 an original promissor. But the discount of bills of ex-
16 change drawn in good faith against actually existing values,

17 and the discount of commercial or business paper actually
18 owned by the person negotiating the same, shall not be con-
19 sidered as money borrowed. Provided, however, that any
20 such company having on the first day of August, in the
21 year nineteen hundred and nineteen, loans outstanding in
22 excess of the aforesaid restrictions may permit the same
23 to be renewed from time to time as they mature, for periods
24 not exceeding six months each, if an amount equal to not
25 less than ten per cent of every loan so maturing shall have
26 first been paid in in cash, and if an equivalent amount shall
27 be paid in at the end of every six months on all demand
28 loans in such aggregate. In all cases where loans in ex-
29 cess of said ten per cent are granted, without collateral, the
30 records of the company shall show who voted in favor
31 thereof, and said records and those required by section sev-
32 enty-eight of this chapter shall constitute prima facie evi-
33 dence of the truth of all facts stated therein in prosecu-
34 tions and suits to enforce the several provisions and pen-
35 alties enumerated in section seventy-nine of this chapter.

Sect. 78. *Loans to officers; approval of loan shall be re-
2 corded; records shall show vote of directors; credit expires
3 in six months.* No trust company shall make any loan to
4 its directors, officers, agents or other persons in its employ,
5 or on which any such director, officer, agent or employee
6 is an endorser, guarantor, or surety, or to any firm or busi-
7 ness syndicate of which such director, officer, agent or em-
8 ployee is a member, or to any person or on the endorse-

9 ment or guaranty of any person who is a partner of, or
10 member of a business syndicate with, such director, officer,
11 agent or employee, or to any corporation of which any such
12 director, officer, agent or employee is a director, officer,
13 superintendent or manager, until the proposition to make
14 such loan shall have been submitted by the person desiring
15 the same to the board of directors of such company, or to
16 the executive committee thereof, if any, and accepted and
17 approved by a majority of the entire membership of such
18 board or committee; provided, however, that no director
19 of such company who is interested in said loan in any of
20 the above capacities, or who is connected or associated with
21 the borrower in any of the above ways, shall be regarded
22 as voting in the affirmative on such loan. For the pur-
23 poses of this section each renewal shall be considered as
24 an original loan. Such approval, if the loan is made, shall
25 be spread upon the records of the company; and this rec-
26 ord shall, in every instance, give the names of the directors
27 authorizing the loans. Nothing in this section or section
28 seventy-seven shall make it unlawful for a trust company
29 to give any person, firm, syndicate or corporation a line
30 of credit to an amount not exceeding twenty-five per cent
31 of its total capital, unimpaired surplus and net undivided
32 profits, subject to the several restrictions as to percentage
33 of entire board and right of interested persons to vote on
34 same contained in said sections. The records of the com-
35 pany shall show how every director voted on the same, and

36 when such line of credit is given, the treasurer or other
37 authorized officer may pay out loans in accordance there-
38 with without further approval. A line of credit so given
39 shall expire in six months unless renewed in the same man-
40 ner in which it is originally given. No loan shall hereafter
41 be made to the treasurer, assistant treasurer or any em-
42 ployee of the company upon the security of corporation
43 stocks as collateral; provided, however, that this provision
44 shall not apply to the renewal of existing loans.

Sect. 79. *Directors and officers personally responsible and
2 guilty of misdemeanor, for violation of sections 77-78.*

3 Every director, officer, agent and employee of such com-
4 pany, who authorizes, or assists in procuring, granting or
5 causing the granting of, a loan in violation of section sev-
6 enty-seven of this chapter, or pays, or wilfully permits the
7 payment of, any funds of the company on such loan, and
8 every director of a company who votes on a loan in viola-
9 tion of any of the provisions of section seventy-eight of this
10 chapter, and every director, officer, agent or employee who
11 wilfully and knowingly permits or causes the same to be
12 done, shall be personally responsible for the payment there-
13 of, and shall be guilty of a misdemeanor. All loans granted
14 in violation of either of said sections shall be due and pay-
15 able immediately and without demand, whether they ap-
16 pear on their face to be time loans or otherwise. When
17 the bank commissioner shall find any loans outstanding in
18 violation of either of said sections, he shall notify the pres-

19 ident or treasurer of the company to cause the same to be
20 paid forthwith. And if they are not paid within thirty
21 days or such further time as said bank commissioner shall
22 determine, he shall report the facts to the attorney general,
23 who shall commence suit in the name and for the benefit
24 of such company for the collection of the same. The at-
25 torney general may employ special counsel to prosecute said
26 suit, and said company shall pay all expenses thereof, to
27 be recovered in an action of debt in the name of the state.

Sect. 80. *Cash reserve.* Every trust and banking com-
2 pany having authority to receive money on deposit shall
3 at all times have on hand in the lawful money or national
4 bank notes of the United States, as a cash reserve, an
5 amount equal to at least fifteen per cent of the aggregate
6 amount of its deposits which are subject to withdrawal
7 upon demand or within ten days; provided, that in lieu of
8 such cash reserve, two-thirds of said fifteen per cent may
9 consist of balances payable on demand due from any na-
10 tional bank or trust company created under the laws of
11 this state, or from any trust company located in any of
12 the other New England states or New York, and approved
13 by the bank commissioner in writing; and one-third of said
14 fifteen per cent may consist of the bonds of the United
15 States or the state of Maine. Whenever said reserve shall
16 be below said percentage of such deposits, such corporation
17 shall not further diminish the amount of its legal reserve
18 by making any new loans until the required proportion be-

19 tween the aggregate amount of such deposits and its cash
20 reserve shall be restored. Provided, further, that any trust
21 company may become a stockholder in a federal reserve
22 bank within the federal reserve district where said trust
23 company is situated, and while such trust company con-
24 tinues as a member bank under the provisions of the United
25 States "Federal Reserve Act," approved December twenty-
26 third, nineteen hundred thirteen, or any acts in amendment
27 thereof, shall be subject to the provisions of said "Federal
28 Reserve Act" and any amendments thereof relative to bank
29 reserves in substitution for the requirements of this sec-
30 tion. Every such trust company may have any exercise
31 any and all of the corporate powers and privileges which
32 may be exercised by member banks under provisions of
33 the "Federal Reserve Act" or any acts in amendment there-
34 of or in addition thereto. All provisions of charters in
35 conflict with this section are void.

Sect. 81. *Surplus which shall be kept to secure against*
2 *loss.* Every trust and banking company shall set apart as
3 a surplus not less than ten per cent of its net earnings in
4 each and every year until such surplus, together with any
5 unimpaired surplus paid in, shall amount to one-half of
6 the capital stock of the company. The said surplus shall
7 be kept to secure against losses and contingencies, and
8 whenever the same becomes impaired it shall be reimbursed
9 in the manner provided for its accumulation.

Sect. 82. *Shall not make loans on shares of its capital*

2 *stock.* Such corporations shall not make loans or discounts
3 on the security of the shares of their own capital stock,
4 nor be the purchasers or holders of any such shares unless
5 necessary to prevent loss upon a debt previously contracted
6 in good faith, and all stock so acquired shall, within one
7 year after its acquisition, be disposed of at public or pri-
8 vate sale; provided, however, that the time for such dis-
9 position may be extended by the bank commissioner, for
10 good cause shown upon application to him in writing.

Sect. 83. *Borrowing capacity limited.* No trust company
2 not a member of the Federal Reserve System shall be
3 at any time indebted for borrowed money to an amount
4 in excess of its capital, surplus and net undivided profits,
5 except that by vote of a majority of its entire board of
6 directors or executive committee, setting forth the reasons
7 therefor, it may borrow to meet withdrawals of depositors
8 or to prevent loss by sales of assets. Copies of all votes
9 authorizing such excess borrowings shall be promptly for-
10 warded by the clerk to the bank commissioner. Redis-
11 counts, other than those of drafts or bills of exchange se-
12 cured by bills of lading of agricultural products and pay-
13 able at sight or upon arrival, shall be considered as bor-
14 rowed money for the purpose of this section. The pro-
15 visions of this section shall not go into effect until Jan-
16 uary first, nineteen hundred and twenty-four. Nothing
17 herein contained shall apply to any indebtedness incurred

18 prior to the time when this section shall take effect; or to
19 any necessary renewal thereof.

Sect. 84. *Report to bank commissioner.* Every trust and
2 banking company shall make such report of its condition
3 from time to time as the bank commissioner shall require, and
4 shall cause the same to be published as he may direct. Each
5 return shall be rendered within fifteen days after the day
6 designated in the blank form furnished for the purpose.
7 Any treasurer who shall wilfully or negligently fail to com-
8 ply with the provisions hereof shall be subject to a fine not
9 exceeding fifty dollars.

Sect. 85. *Authority of bank commissioner over trust and*
2 *banking companies; shall make annual report.* The bank
3 commissioner shall at all times have the same authority
4 over all trust and banking companies incorporated under
5 the laws of this state that he now has over savings banks
6 or savings institutions, and shall perform, in reference to
7 such companies, the same duties as are required of him
8 in reference to savings banks. He shall, annually, make a
9 report to the governor and council of the general conduct
10 and condition of each of said companies, making such sug-
11 gestions as he deems expedient or the public interest re-
12 quires. Such report shall be printed and laid before the
13 legislature at its next session and one copy sent to each
14 trust and banking company in the state. The provisions
15 of sections forty-nine, fifty-one, fifty-two, fifty-three, fifty-
16 four, fifty-five and fifty-six of this chapter shall apply to

17 trust and banking companies, excepting so much as relates
18 to the distribution of assets after a decree of sequestration,
19 as provided in section fifty-three. Such distribution of as-
20 sets of trust and banking companies shall be made under
21 order of the court.

Sect. 86. *Affairs of the company shall be examined an-
2 nually.* Two of the directors, at least, shall once in each
3 year thoroughly examine the affairs of the company, settle
4 the treasurer's account, and report under oath to the bank
5 commissioner the standing of the company, the situation
6 of its funds, and all other matters which the commissioner
7 requires, in the manner and according to the form that he
8 prescribes and publish an abstract thereof, if required. The
9 commissioner shall seasonably give notice of the time and
10 furnish blanks for said examination and report.

Sect. 87. *May adopt by-laws.* Any trust company or-
2 ganized under this chapter may adopt all necessary by-laws,
3 not inconsistent with the general laws of the state, for the
4 management of its affairs. The clerk shall file with the
5 bank commissioner a copy of such by-laws and all amend-
6 ments thereto. All by-laws and amendments hereafter
7 adopted shall be submitted to the bank commissioner for
8 his approval as to their legality, and shall not take effect
9 until such approval is given. In case the bank commis-
10 sioner shall refuse or unreasonably delay to give such ap-
11 proval, the directors of the company may submit such by-
12 laws or amendments to a justice of the supreme judicial

13 court for his approval, and, if he shall approve them as
14 legal, they shall thereupon take effect.

Sect. 88. *Establishment of branches; bank commissioner*
2 *shall issue his warrant in duplicate; right to open branch*
3 *shall lapse in one year.* No trust company now are here-
4 after organized shall establish a branch or agency until it
5 shall have received a warrant so to do from the bank com-
6 missioner, who shall issue such warrant only when satis-
7 fied that public convenience and advantage will be pro-
8 moted by the establishment of such branch or agency, and
9 that the unimpaired capital stock of the parent institution
10 is sufficient to comply with the conditions of section sixty-
11 nine, reckoning the aggregate population of its home city
12 or town and of all cities and towns in which it is author-
13 ized by its charter to establish branches or agencies, includ-
14 ing the one under consideration. The commissioner may
15 require such notice on an application for a branch or agency
16 as he deems proper. No trust company shall be permitted
17 to establish a branch or agency except in its own or an
18 adjoining county. If granted, the bank commissioner shall
19 issue his warrant in duplicate, one copy to be delivered to
20 the trust company, and the other to the secretary of state
21 for record. The company shall within ten days after open-
22 ing said branch or agency, file a certificate thereof, signed
23 by its president and treasurer, with the bank commissioner.
24 The right to open a branch or agency shall lapse in one
25 year from the date of filing the commissioner's warrant with

26 the secretary of state, unless the same shall have been
27 opened and business actually begun in good faith. No ap-
28 plication for permission to open such branch or agency shall
29 be acted upon until the petitioning company shall have paid
30 to the treasurer of state the sum of fifty dollars for the
31 benefit of the state, to be credited and used as provided in
32 section sixty-eight.

Sect. 89. *Security for savings deposits; assets shall be*
2 *set apart equal to amount of deposits.* Every trust com-
3 pany soliciting or receiving savings deposits which may be
4 withdrawn only on presentation of the pass-book or other
5 similar form of receipt which permits successive deposits
6 or withdrawals to be entered thereon; or which at the op-
7 tion of the trust company may be withdrawn only at the
8 expiration of a stated period after notice of intention to
9 withdraw has been given; or in any other way which might
10 lead the public to believe that such deposits are received
11 or invested in the same manner as deposits in savings banks;
12 or which advertises or holds itself out as maintaining a
13 savings department, or uses the term "savings" in con-
14 nection with any part of its business, shall segregate and
15 set apart and at all times keep on hand so segregated and
16 set apart, assets at least equal to the aggregate amount of
17 such deposits, and in the case of any trust company which
18 also acts as surety upon any bonds or other obligations the
19 amount of its assets so segregated and set apart shall be
20 at least fifteen per cent in excess of the aggregate amount

21 of such deposits. The bank commissioner may require all
22 such assets as appear to him to be carried in excess of
23 their true value to be charged down to such value.

Sect. 90. *Segregated assets held as security for deposits.*

2 Such assets so segregated and set apart shall be held in
3 trust for the security and payment of such deposits, and
4 shall not be mingled with the other assets of the company,
5 or be liable for the debts or other obligations thereof until
6 after such deposits shall have been paid in full. All other
7 assets of the company, including the liability of the stock-
8 holders, shall be held equally and ratably for the payment
9 of all claims, including any balance due such savings de-
10 positors after applying to their payment the assets so seg-
11 regated and set apart.

Sect. 91. *Assets, how held and recorded.* Such segre-

2 gated assets shall be so held and recorded as to identity
3 them as the assets held for the security of such deposits.
4 All notes, certificates of stock, bonds and other securities
5 representing such assets shall be plainly stamped "Savings
6 Department"; provided, however, that in lieu thereof it
7 shall be lawful to record in the investment book a descrip-
8 tion of assets so held sufficient to identify them.

Sect. 92. *Notice of withdrawal of deposits.* Such trust

2 company may at any time require such savings depositors
3 to give a notice not exceeding ninety days of their inten-
4 tion to withdraw more than fifty dollars at any one time
5 or in any one month.

Sect. 93. *Individual responsibility of stockholders.* The
2 stockholders in a trust and banking company shall be indi-
3 vidualy responsible, equally and ratably, and not one for
4 the other, for all contracts, debts, and engagements of such
5 corporation, to a sum equal to the amount of the par value
6 of the shares owned by each in addition to the amount in-
7 vested in said shares. Whenever in liquidating the affairs
8 of such corporation it appears that its assets are not suffi-
9 cient to pay its indebtedness the receiver thereof, under
10 proper orders of the court, shall proceed to enforce such
11 individual liability of stockholders in any appropriate action
12 at law or in equity, in his own name or in the name of the
13 corporation for the benefit of the creditors. Stockholders
14 who shall have transferred their shares or registered the
15 transfer thereof within thirty days next before the date of
16 the failure of such bank to meet its obligations, or with
17 knowledge of such impending failure, shall be liable to the
18 same extent as if they had made no such transfer, to the
19 extent that the subsequent transferee fails to meet such
20 liabilities; but this provision shall not be construed to affect
21 in any way any recovery which such stockholder might
22 otherwise have against those in whose names shares are
23 registered at the time of such failure.

Sect. 94. *Proceedings when capital stock becomes im-*
2 *paired.* When the capital stock of a trust company shall
3 become impaired by losses or otherwise, the bank com-
4 missioner may ascertain and determine the facts and give

5 notice in writing to such company to make good the de-
6 ficiency so appearing, within such time as he may order.
7 The directors of such trust company, unless they shall by
8 proper vote otherwise determine, shall forthwith levy an
9 assessment upon the stock thereof sufficient to make good
10 such deficiency and shall forthwith notify each stockholder
11 of such requisition by giving him in hand or mailing to
12 him at his last known address, postage prepaid, a written
13 or printed notice which shall state the amount of assess-
14 ment to be paid by him and the time within which it shall
15 be paid, which time shall not be less than sixty days from
16 the date of such notice. Such assessment shall be due and
17 payable by each stockholder within the time specified in
18 said notice and if any stockholder shall fail to pay the
19 assessment specified in said notice within the time fixed
20 therein as aforesaid, the directors of said trust company
21 shall have the right to sell at public auction to the highest
22 bidder the stock of each delinquent stockholder, after giv-
23 ing previous notice of such sale by publication thereof at
24 least once a week for three successive weeks in some news-
25 paper of general circulation in the county where the prin-
26 cipal place of business of said trust company is located.
27 A copy of such notice of sale shall also be given in hand
28 to such delinquent stockholder or mailed to him at his last
29 known address, postage prepaid, at least ten days before
30 the date fixed for said sale; or such stock may be sold at
31 private sale and without such notice; provided, however,

32 that before making such private sale thereof, an offer in
33 writing to purchase said stock shall first be obtained and
34 a copy thereof served upon the owner of record of the
35 stock sought to be sold, either personally by giving him
36 in hand a copy of such offer or mailing the same to him
37 at his last known address, postage prepaid, and if after
38 service of such offer, such owner shall still refuse or neg-
39 lect to pay such assessment within two weeks from the time
40 of the service of such offer, the said directors may accept
41 such offer and sell such stock to the person making such
42 offer or to any other person or persons making a larger
43 offer than the amount named in the offer submitted to the
44 stockholder; but such stock shall in no event be sold for
45 a smaller sum than the valuation put on it by the bank
46 commissioner in his determination and requisition as to
47 said assessment, nor for less than the amount of said assess-
48 ment so called for and the expense of the sale. Out of
49 the avails of the stock so sold, the directors shall pay the
50 amount of assessment levied thereon, and the necessary
51 costs of sale and the balance, if any, shall be paid to the
52 person or persons whose stock has been thus sold. A sale
53 of stock as herein provided shall effect an absolute can-
54 cellation of the outstanding certificate or certificates evi-
55 dencing the stock so sold and shall make the same null and
56 void and a new certificate shall be issued by the company
57 to the purchaser thereof. Any stockholder aggrieved by
58 any action of the bank commissioner or the directors of

59 such company under the foregoing provisions may, within
60 ten days after receiving notice thereof, apply by bill in
61 equity or other appropriate proceedings to a justice of the
62 supreme judicial court whose decision, after due hearing,
63 shall be final in the matters complained of. In the event
64 that the directors of any trust company upon notification
65 by the bank commissioner as hereinafter provided shall not
66 vote within ten days after receipt of said notification to
67 make an assessment upon the stock under the foregoing
68 provisions, the bank commissioner or the directors of such
69 institution, may file a complaint in the supreme judicial
70 court in equity, setting forth the fact that such capital stock
71 is impaired and asking said court to order an assessment
72 upon the capital stock aforesaid sufficient to meet the im-
73 pairment and make the corporation solvent. After giving
74 due notice and hearing to all parties interested, the court
75 shall, if it finds the capital stock to be impaired as afore-
76 said, order an assessment to be made upon such stock.
77 Such assessment, when made, shall be due and payable by
78 each stockholder to the treasurer of said company on order
79 of said court within sixty days from the time such order
80 is made. If any stockholder or stockholders of said com-
81 pany shall neglect or refuse, after due notice, to pay the
82 assessment ordered as aforesaid within the time specified,
83 a sufficient amount of the capital stock of such stockholder
84 or stockholders may, after due notice given, be sold under
85 the direction of the court to pay such assessment and the

86 costs of sale. After paying the assessment and costs afore-
87 said from the proceeds of such sale, the balance, if any,
88 shall be returned to the delinquent stockholder or stock-
89 holders. If no bidder can be found, who will pay for such
90 stock the amount of the assessment due thereon and the
91 costs of the advertisement and sale, the amount previously
92 paid by such stockholder or stockholders, and said stock,
93 shall be forfeited to the company and shall be sold by said
94 company as the directors shall order, within six months
95 from the time of said forfeiture.

Sect. 95. *General rights of creditors not impaired.* Noth-
2 ing in the two preceding sections shall be construed to take
3 away the general rights of creditors to enforce the liability
4 of stockholders in such corporation in any manner pro-
5 vided by statute, or the right to proceed against the cor-
6 poration under the provisions of section eighty-five.

Sect. 96. *Rights and powers under general law possessed*
2 *by companies chartered by special act. Certain rights and*
3 *powers possessed by charter not revoked.* Any trust com-
4 pany chartered by special act of the legislature shall have
5 all the rights and powers and shall be subject to all the
6 provisions, regulations and restrictions from time to time
7 conferred upon trust companies, or established with refer-
8 ence thereto, by general law; except, however, that neither
9 the enumeration of powers in section sixty-one of this chap-
10 ter nor the provisions governing the number and election
11 of directors or members of the executive committee in sec-

tion seventy-two, nor the requirements as to eligibility of directors in section seventy-four, shall be construed as revoking any rights or powers possessed by such trust company by virtue of the express provisions of its charter.

LOAN AND BUILDING ASSOCIATIONS

Sect. 97. *Organization; powers.* Loan and building associations may be organized in the manner provided herein for the organization of savings banks; and upon the filing of any certificate of authorization of a loan and building association with the secretary of state, as so provided, the persons therein named, their associates, successors, and assigns, shall, thereupon and thereby, be constituted a body corporate and politic, and such body may adopt and use a common seal, hold, manage and convey real and personal property, sue and be sued, prosecute and defend suits in law or in equity, have perpetual succession each by its corporate name, and make and ordain by-laws for its government, not repugnant to the constitution and laws. The secretary shall file with the bank commissioner a copy of such by-laws and all amendments thereto. All by-laws and amendments hereafter adopted shall be submitted to the bank commissioner for his approval and shall not take effect until such approval is given. In case of refusal to give such approval the directors of the association may appeal to a justice of the supreme judicial court, whose decision shall be final.

Sect. 98. *First meeting.* The certificate of authorization

2 issued by the bank commissioner shall provide the method
3 of calling the first meeting of the association.

Sect. 99. *Capital stock; shares may be issued in series.*

2 Associations may issue shares upon either the serial or
3 permanent plan, or both. Shares issued upon the permanent
4 plan may be taken out at any time and shall have no ma-
5 turity. Shares issued upon the serial plan shall be of the
6 ultimate value of two hundred dollars each and shall be
7 issued in quarterly, half yearly or yearly series, but no
8 shares of a prior series shall be issued after the opening of
9 a new series.

Sect. 100. *Minors may hold shares.* Minors may hold

2 shares by trustees or guardians, and the shares of each
3 shareholder, not exceeding two, shall be exempt from at-
4 tachment and execution.

Sect. 101. *Officers, elections and meetings, determined by*

2 *by-laws; tenure; secretary and treasurer may be same per-*
3 *son.* The number, title, duties and compensation of the offi-
4 cers of the association, their terms of office, the time of
5 their election, as well as the qualifications of electors, and
6 time of each periodical meeting of the officers and members
7 shall be determined by the by-laws, but not member shall
8 be entitled to more than one vote. All officers shall continue
9 in office until their successors are duly elected, and no asso-
10 ciation shall expire from neglect on its part to elect officers
11 at the time prescribed by the by-laws. The office of secre-
12 tary and treasurer may be held by one and the same person,

13 if any association so provides by its by-laws. All officers
14 shall be annually sworn to the faithful performance of their
15 duties.

Sect. 102. *Secretary and treasurer shall give bonds; bonds shall be examined annually.* The secretary, treasurer and other persons holding positions of trust in loan and building associations shall give bonds to the corporation for the faithful discharge of the duties of their offices in such sums as the directors decide to be necessary for the safety of the funds, and such bonds shall continue to be valid from year to year so long as they are elected and hold said offices, subject to renewal whenever ordered by the bank commissioner or directors. The directors may, in lieu of said bond, insure at the expense of the association with some fidelity or guaranty company which shall be satisfactory to the commissioner for the faithful discharge of the duties of the secretary and treasurer and such other clerks as may be employed, in such sums as they may decide to be necessary for the safety of the funds in the custody of the corporation. The commissioner shall annually examine the bonds given, as aforesaid, and inquire into and certify to the sufficiency thereof, and when he deems any such bond insufficient he shall order a new bond to be given, within a time by him specified.

Sect. 103. *Meetings shall be held monthly; payments on shares.* The officers shall hold stated monthly meetings. At or before each of these meetings, every member shall pay

4 to the association, as a contribution to its capital, one dollar,
5 as dues upon each share held by him. Payments on shares
6 issued on the serial plan shall cease when each share shall
7 have reached the ultimate value of two hundred dollars and
8 the payment of dues on each series shall commence from
9 its issue.

Sect. 104. *Shares may be withdrawn; shareholders' ac-*
2 counts, how settled; unpledged shares of any series may be
3 retired. Shares may be withdrawn after one month's notice
4 of such intention, written in a book held and provided by
5 the association for the purpose, or in such other manner
6 as the by-laws of the association may provide. Upon such
7 withdrawal, the shareholder's account shall be settled as
8 follows: from the amount then standing to the credit of
9 the shares to be withdrawn, there shall be deducted all fines,
10 a proportionate part of any unadjusted loss, together with
11 such proportion of the profits previously credited to the
12 shares as the by-laws may provide, and such shareholder
13 shall be paid the balance; provided, that at no time shall
14 more than one-half of the funds in the treasury be applica-
15 ble to the demands of withdrawing members, without the
16 consent of the directors. The directors may, under rules
17 made by them, retire any unpledged shares at any time after
18 four years from the date of their issue, by enforcing the
19 withdrawal of the same; provided, that the shareholders
20 whose shares are to be retired shall be determined by lot,

21 and that they shall be paid the full value of their shares less
22 all fines and a proportionate part of any unadjusted loss.

Sect. 105. *When shares reach maturity, holders shall be*
2 *paid value; shares subject to lien for unpaid dues.* When
3 each unpledged share of a given series reaches the value
4 of two hundred dollars, all payment of dues thereon shall
5 cease, and the holder thereof shall be paid out of the funds
6 of the association, two hundred dollars therefor, with in-
7 terest at the rate of five per cent a year from the time of
8 such maturity to the time of payment; provided, that at
9 no time shall more than one-half of the funds in the treas-
10 ury be applicable to the payment of such matured shares,
11 without the consent of the directors, and that before pay-
12 ing matured shares, all arrears and fines shall be deducted.
13 Every share shall be subject to a lien for the payment of
14 any unpaid dues, fines, interest, premiums and other charges
15 received thereon, which may be enforced in the manner
16 hereinafter provided. Any association may permit the hold-
17 ers of matured shares issued on the serial plan to allow
18 the same to remain after maturity, giving proper certificates
19 therefor, but the amount due on matured shares so permitted
20 to remain may not be demanded except upon one month's
21 notice of such intention, if required by the association.

Sect. 106. *Board of directors shall invest funds and fix*
2 *rates of interest; members may make loans; rate of interest;*
3 *investment of balances.* The board of directors shall see

4 to the proper investment of the funds of the association,
5 as provided in this section. After due allowance for all
6 necessary and proper expenses, and for the withdrawal of
7 shares, the moneys of the association shall be loaned to the
8 members at a rate of monthly premium to be fixed by the
9 directors, which shall in no case exceed forty cents a share.
10 Any member may, upon giving security satisfactory to the
11 directors, receive a loan of two hundred dollars for each
12 share held by him, or such fractional part of two hundred
13 dollars as the by-laws may allow. Any association may
14 provide in its by-laws that instead of the interest and pre-
15 mium, a stated rate of annual interest of not less than five,
16 nor more than eight per cent, may be charged upon the
17 sum desired, payable in monthly instalments. Such rate
18 shall include the whole interest and premium to be paid
19 upon the loan. Any balance remaining unloaned to mem-
20 bers may be invested in such securities as are legal for the
21 investment of deposits in savings banks, or with the ap-
22 proval of the bank commissioner may be loaned in whole
23 or in part to other loan and building associations in this
24 state. No loan shall be made on the gross premium plan.

Sect. 107. *Premiums to be received as profits, and distrib-*
2 *uted to shareholders.* Premiums for loans shall consist of
3 a percentage charged on the amount lent in addition to in-
4 terest, and shall be deemed to be a consideration paid by
5 the borrower for the present use and possession of the fu-

6 ture or ultimate value of his shares, and shall, together with
7 interest and fines, be received by the association as a profit
8 on the capital invested in the loan, and shall be distributed
9 to the various shares and series of said capital as herein-
10 after provided.

Sect. 108. *Rate of interest to be charged; cancellation of*
2 *shares.* A borrowing member, for each share borrowed
3 upon, shall, in addition to his dues and monthly premium,
4 if such monthly premium be charged, pay monthly interest
5 on his loan, except as otherwise provided in the by-laws of
6 such association under the provisions of section one hundred
7 and six, at the rate of not less than five, nor more than six
8 per cent a year until the loan has been repaid.

Sect. 109. *Security for loans; condition of note and mort-*
2 *gage; shares alone may be pledged as security; if borrower*
3 *fails to offer security, loan shall be forfeited.* For every
4 loan made, a note secured by first mortgage of real estate
5 shall be given, accompanied by a transfer and pledge of
6 the shares of the borrower. The shares so pledged shall
7 be held by the association as collateral security for the per-
8 formance of the conditions of the note and mortgage. Said
9 note and mortgage shall recite the number of shares pledged,
10 and the amount of money advanced thereon, and shall be
11 conditioned for the payment, at the stated meetings of the
12 corporation, of the monthly dues on said shares, and the
13 interest and premium upon the loan, together with all fines

14 on payments in arrears, until said loan has been repaid;
15 provided, that the shares, without other security, may, in
16 the discretion of the directors, be pledged as security for
17 loans, to an amount not exceeding their value as adjusted
18 at the last adjustment and valuation of shares before the
19 time of the loan. If the borrower neglects to offer security,
20 satisfactory to the directors, within the time prescribed by
21 the by-laws, his right to the loan shall be forfeited, and
22 he shall be charged with one month's interest and one
23 month's premium at the rate bid by him, together with all
24 expenses, if any, incurred, and the money appropriated for
25 such loan may be reloaned at the next or any subsequent
26 meeting.

Sect. 110. *Borrower may repay loan at any time; settle-
2 ment of accounts, how made.* A borrower may repay a
3 loan at any time, upon application to the association, where-
4 upon, on settlement of his account, he shall be charged with
5 the full amount of the original loan, together with all month-
6 ly instalments of interest, premium and fines in arrears, and
7 shall be given credit for the withdrawing value of his shares
8 pledged and transferred as security, and the balance shall
9 be received by the association in full satisfaction and dis-
10 charge of said loan; provided, that all settlements made at
11 periods intervening between stated meetings of the directors
12 shall be made as of the date of the stated meeting next suc-
13 ceeding such settlement; and provided, that a borrower de-
14 siring to retain his shares and membership may, at his op-

15 tion, repay his loan without claiming credit for his shares,
16 whereupon said shares shall be re-transferred to him and
17 shall be free from any claim by reason of said canceled
18 loan.

Sect. III. *Members failing to pay dues, etc., shall be fined;*
2 *shares in arrears more than six months shall be forfeited.*
3 Members who make default in the payment of their monthly
4 dues, interest and premiums, shall be charged a fine not
5 exceeding two per cent a month on each dollar in arrears.
6 No fines shall be charged after the expiration of six months
7 from the first lapse in any such payment, nor upon a fine in
8 arrears. The shares of a member who continues in arrears
9 more than six months shall, at the option of the directors,
10 if the member fails to pay the arrears within thirty days
11 after notice, be declared forfeited, and the withdrawing
12 value of the shares at the time of the first default shall be
13 ascertained, and after deducting all fines and other legal
14 charges, the balance remaining shall be transferred to an
15 account to be designated the forfeited share account, to
16 the credit of the defaulting member. Said member, if not
17 a borrower, shall be entitled, upon thirty days' notice, to
18 receive the balance so transferred, without interest from
19 the time of the transfer, in the order of his turn, out of the
20 funds appropriated to the payment of withdrawals. All
21 shares so forfeited or transferred shall cease to participate
22 in any profits of the association accruing after the last ad-
23 justment and valuation of shares before said default.

Sect. 112. *Forfeiture of shares of borrowing members; balance of account enforced against security.* If a borrowing member is in arrears for dues, interest, premiums or fines for more than six months, the directors may declare the shares forfeited after one month's notice, if the arrears continue unpaid. The account of such borrowing member shall then be debited, with the arrears of interest, premiums and fines to date of forfeiture, and the shares shall be credited upon the loan at their withdrawing value. The balance of the account may, and after six months shall, be enforced against the security by any legal method, or by proceedings in equity, for sale and foreclosure, jurisdiction therefor being hereby specially given to the supreme judicial and superior courts, to be exercised upon bill or petition in a summary manner. The shares, the value whereof has been so applied in payment, shall revert to the corporation, and be held by it free from all interest, claim or demand on the part of the borrower, or any person claiming from or under him.

Sect. 113. *Unpledged shares of deceased shareholders; distribution.* Upon the death of a shareholder, his legal representatives shall be entitled to receive the amount of his unpledged shares, to be ascertained as provided in section one hundred and four for withdrawal of shares. No fines shall be charged, or profits credited to a deceased member's account from and after his decease, unless his legal representatives assume the future payments on such

9 shares, which they may assume under the same rights and
10 liabilities of the deceased. Moneys received for the shares
11 of a deceased shareholder, or the shares themselves, as the
12 case may be, shall descend to the same persons and be dis-
13 tributed in the same manner as money received from a pol-
14 icy of life insurance on the life of a deceased person.

Sect. 114. *Accounts, how kept, and business, how trans-*
2 *acted.* The general accounts of every such association shall
3 be kept by double entry. The secretary shall at least once
4 each month make and declare a trial balance, which shall
5 be recorded in a book provided for that purpose, and it
6 shall at all times be open to the inspection of the directors
7 and shareholders of the association. All moneys received
8 from the members shall be receipted for by persons desig-
9 nated by the directors in a pass book provided by the asso-
10 ciation for the use of and to be held by the member, and
11 said pass book shall be plainly marked with the name and
12 residence of the holder thereof, the number of shares held
13 by him and the number or designation of the series or issue
14 to which said shares respectively belong and the date of
15 the issue of such series, if issued upon the serial plan. All
16 moneys so received shall be originally entered by the proper
17 officer in a book to be called the cash book, and the entries
18 therein shall be so made as to show the name of the payer,
19 the number of the shares, the number or designation of
20 the series, or issues of the particular share, or shares so
21 entered, together with the amount of dues, interest, pre-

22 miums and fines paid thereon, as the case may be. Each
23 payment shall be classified and entered in a column devoted
24 to its kind. Said cash book shall be closed on the last day
25 of the month in which each stated meeting is held, and
26 shall be an exhibit of the receipt of all moneys paid by
27 shareholders during said month. All payments made by
28 the association for any purpose whatsoever, shall be by
29 orders, checks or drafts to be signed by such officer or offi-
30 cers as the board of directors in each association may desig-
31 nate, and endorsed by the persons in whose favor the same
32 are drawn. The name of the payee, the amount paid, and
33 the purpose, object or thing for which the payment is made,
34 together with its date, shall be entered on the margin of
35 said order, check or draft. The treasurer shall dispose of
36 and secure the safe-keeping of all moneys, securities and
37 property of the corporation, in the manner designated by
38 its by-laws.

Sect. 115. *Profits and losses, when and how distributed;*
2 *guaranty fund.* The profits and losses may be distributed
3 annually, semi-annually or quarterly, to the shares then ex-
4 isting, but shall be distributed at least once in each year.
5 Profits and losses shall be distributed to the various shares
6 existing at the time of such distribution, in proportion to
7 their value at that time, and shall be computed upon the
8 basis of a single share, fully paid to the date of distribution.
9 No dividend shall be made at a rate per cent which will
10 make the aggregate amount of said dividend greater than

11 the actual earnings of the association, actually collected;
12 provided, however, that a temporary deficiency in actual
13 collections may be supplemented by taking from the guar-
14 anty fund, with the written consent of the bank commis-
15 sioner, an amount sufficient to maintain the customary divi-
16 dend rate. At each periodical distribution of profits, the
17 directors shall reserve as a guaranty fund a sum not less
18 than three, nor more than ten per cent of the net profits
19 accruing since the last adjustment, until such fund amounts
20 to five per cent of the dues capital, which fund shall there-
21 after be maintained and held, and said fund shall be at all
22 times available to meet losses in the business of the associa-
23 tion from depreciation in its securities or otherwise.

Sect. 116. *May purchase real estate upon which it has a
2 lien; sale within five years.* Any association may purchase,
3 at any sale, public or private, any real estate upon which
4 it may have a mortgage, judgment, lien or other encum-
5 brance, or in which it may have an interest, and may sell,
6 convey, lease or mortgage at pleasure, the real estate so
7 purchased, to any person or persons whatsoever. All real
8 estate in whatever manner acquired shall be sold within
9 five years from the acquisition of title thereto; but the bank
10 commissioner, upon application of any association, may
11 extend said time in which said real estate may be sold.

Sect. 117. *Directors shall insure all real estate.* Directors
2 shall cause all real estate of an insurable character held
3 by them absolutely or in mortgage, to be fully insured

4 against loss by fire or lightning and the expense of such
5 insurance in case of mortgage shall be added to the amount
6 of the mortgage debt, to be refunded in case of payment or
7 redemption.

Sect. 118. *Examinations by bank commissioner.* The bank
2 commissioner shall perform, in reference to all loan and
3 building associations, the same duties, and shall have the
4 same powers as are required of him or given to him in
5 reference to savings banks; and shall, annually, make a
6 report to the governor and council of the general conduct
7 and condition of each of the associations visited by him,
8 making such suggestions as he deems expedient or the pub-
9 lic interest requires. The officers of such associations shall
10 answer truly all inquiries made, and shall make all returns
11 required by the bank commissioner. The bank commis-
12 sioner, at least once in every three years, shall cause the
13 pass books of shareholders in loan and building associations
14 to be verified by such methods and under such rules as he
15 may prescribe.

Sect. 119. *Business of loan and building associations re-*
2 *stricted.* Except as hereinafter provided, no person, asso-
3 ciation or corporation shall carry on the business of accu-
4 mulating and loaning or investing the savings of its mem-
5 bers or of other persons in the manner of loan and building
6 associations, or carry on any business similar thereto within
7 this state, unless incorporated under the laws thereof for
8 such purpose.

Sect. 120. *Foreign associations authorized to do business in this state; deposit of securities in trust for benefit of creditors; duty of bank commissioner to make examinations.*

4 The bank commissioner may authorize any such association
5 or corporation duly established under the laws of another
6 state to carry on such business in this state, but said asso-
7 ciation or corporation shall not transact such business in
8 this state unless it shall first deposit with the treasurer of
9 state, the sum of twenty-five thousand dollars and there-
10 after a sum equal to fifteen per cent of the deposits made
11 in such association or corporation by citizens of the state,
12 the amount of percentage of deposits so required to be de-
13 termined from time to time by the bank commissioner; or
14 in lieu thereof the whole or any part of said sum may con-
15 sist of any of the securities in which savings banks may
16 invest, as regulated in section twenty-seven of this chapter,
17 at their par value, and the said deposit shall be held in trust
18 by said treasurer for the protection and indemnity of the
19 residents of the state with whom such associations or cor-
20 porations respectively have done or may transact business.
21 Said moneys or property shall be paid out or disposed of
22 only on the order of some court of competent jurisdiction,
23 made on due notice to the attorney-general of the state, and
24 upon such notice to the creditors and shareholders of such
25 association or corporation as the court shall prescribe. For
26 the purpose of ascertaining the business and financial con-
27 dition of any such association or corporation doing or de-

28 siring to do such business, the bank commissioner may
29 make examinations of such associations or corporations,
30 at such times and at such places as he may desire, the ex-
31 pense of such examinations being paid by the association
32 or corporation examined, and may also require returns to
33 be made in such form and at such times as he may elect.
34 Whenever, upon examination or otherwise, it is the opinion
35 of the bank commissioner that any such association or cor-
36 poration is transacting business in such manner as to be
37 hazardous to the public, or its condition is such as to render
38 further proceedings by it hazardous to the public, said bank
39 commissioner shall revoke or suspend the authority given
40 to said association or corporation; but this section shall not
41 prevent such association, corporation or institution incor-
42 porated under the laws of another state, from loaning money
43 upon mortgages of real estate located within the state.

Sect. 121. *Penalty for violation.* Whoever violates any
2 provision of the two preceding sections shall be punished by
3 a fine not exceeding one thousand dollars; and any provi-
4 sion thereof may on petition, be enforced by injunction is-
5 sued by a justice of the supreme judicial court or of either
6 superior court.

Sect. 122. *Duplicate pass book of loan and building asso-*
2 *ciations may be issued upon proof of loss of original.* When
3 the owner of shares in any loan and building association,
4 evidenced by both pass book and certificate, or either of
5 them, or the executor, administrator or guardian of said

6 owner, in writing notifies the secretary of said loan and
7 building association issuing the same, that such pass book
8 or certificate of shares is lost and that he desires to have
9 a duplicate pass book or certificate of shares issued to him,
10 said secretary shall give public notice of such application
11 by publishing at the expense of such applicant an advertise-
12 ment once a week for three weeks successively in some
13 newspaper published in the town in which said loan and
14 building association is located, if any, otherwise in one
15 published in the county, if any, if not, then in the state
16 newspaper. If such missing pass book or certificate of
17 shares is not presented to said secretary within sixty days
18 after the last advertisement, then he shall issue a duplicate
19 pass book or certificate of shares to the person thus re-
20 questing the same and such delivery of the duplicate re-
21 lieves said association from all liability on account of the
22 original pass book or certificate of shares, so advertised.

REGISTRATION OF DEALERS IN SECURITIES

("Blue Sky Law")

Sect. 123. *Dealers in securities shall be registered; sales-*
men shall be registered. No dealer in securities shall in
3 this state, by direct solicitation or through agents or sales-
4 men, or by letter, circular or advertising, sell, offer for sale,
5 or invite offers for or inquiries about, securities unless reg-
6 istered as a dealer under the provisions of the following
7 sections. No salesman or agent shall in this state, in be-
8 half of any dealer, sell, offer for sale, or invite offers for

9 or inquiries about, securities unless registered as a sales-
10 man or agent of such dealer, under the provisions of the
11 following sections.

Sect. 124. *Application for registration; non-resident deal-
2 ers shall file power of attorney; notice and proceedings on
3 application; issue of certificate and changes therein.* Any
4 dealer desiring registration shall file written application
5 therefor with the bank commissioner, which shall be in
6 such form as may be prescribed by the commissioner, and
7 shall state the principal place of business, the name or style
8 of doing business, and the address of the dealer, the names,
9 residences and business addresses of all persons interested
10 in the business as principals, officers, directors or managing
11 agents, specifying as to each his capacity and title, and the
12 length of time during which the dealer has been engaged in
13 the business. Each application shall be accompanied by
14 certificates or other evidence of the dealer's good repute,
15 and, if required by the commissioner, a copy of the securi-
16 ties to be sold, a statement in detail of the assets and liabili-
17 ties of the issuer of such securities, a statement in such
18 form as the commissioner may prescribe of the general af-
19 fairs of the dealer and issuer, copies of any mortgage or
20 instrument creating a lien by which such securities are se-
21 cured, a full statement of the earnings and expenses of
22 each issuer for three years prior to the filing of the appli-
23 cation, a copy of any contract to underwrite the securities
24 to be offered for sale, the names and addresses of all per-

25 sons holding ten per cent or more of the capital stock of
26 the issuer, a statement in detail of the plan on which the
27 business of the dealer is to be conducted, and such other
28 information as the commissioner may deem necessary in
29 considering the application.

Every non-resident shall file a power of attorney, irrevocable, properly authorized, and with satisfactory certificates or other evidence of the authorization, appointing the commissioner agent for the service of legal process upon the dealer in any actions in the courts of this state, based upon or arising in connection with any sale of, attempt to sell, or advertising of, securities in this state, or any violation of sections one hundred twenty-three to one hundred thirty-five, both inclusive.

Upon the filing of the application, the commissioner shall forthwith give notice of the fact and date of such application, and of the name, principal place of business and address of the dealer, by advertisement inserted once in the state paper, and once in a newspaper of general circulation where the dealer's place of business is located, if it is elsewhere in this state than in the city of Augusta. The registration certificates shall not be issued before the expiration of two weeks from the last publication. Any person may, within such period of two weeks, file objection to the proposed registration.

If the commissioner is satisfied that the dealer is of good repute, and that the proposed plan of business of the dealer

3 is not unfair, unjust or inequitable, and that the dealer in-
4 tends to honestly and fairly conduct its business, with dis-
5 closure of pertinent facts sufficient to enable intending pur-
6 chasers to form a judgment of the nature and value of the
7 securities, and without intent to deceive or defraud, and
8 that the securities that it proposes to issue or sell are not
9 such as in his opinion will work a fraud upon the purchasers
10 thereof, he shall register the dealer unless objection to such
11 registration shall be filed with the commissioner within the
12 period of two weeks succeeding the publication of the deal-
13 er's application.

If the commissioner is not so satisfied, or if, within the
2 period of two weeks succeeding the publication aforesaid,
3 objection shall be made to the proposed registration, the
4 commissioner shall give notice of either fact to the dealer,
5 and upon request from the dealer shall fix a time and place
6 for hearing, and at such hearing opportunity shall be given
7 to said dealer, and to any other persons interested or ob-
8 jecting, to offer further evidence relating to the dealer's
9 application. If satisfied, as aforesaid, as a result of such
10 hearing, the commissioner shall thereupon register the deal-
11 er. Registration may be granted upon such reasonable con-
12 ditions as may be imposed by the commissioner.

Upon registration of any dealer, a registration certificate
2 shall be issued stating the name, principal place of business
3 and address of the dealer, the names, residences and busi-
4 ness addresses of all persons interested in the business as

5 principals, officers, directors or managing agents, and the
6 fact that the dealer has been registered for the current cal-
7 endar year as a dealer in securities. The certificate shall
8 in other respects be in such form as the commissioner may
9 determine, but shall state in bold type that the commissioner
10 does not recommend, and assumes no responsibility for, se-
11 curities offered by the dealer. Changes in the certificate,
12 necessitated by changes in the personnel of a partnership
13 or in the principals, officers, directors or managing agents
14 of any dealer, may be made at any time upon written appli-
15 cation to the commissioner, accompanied by statement of
16 the facts necessitating the change. Upon the issue of the
17 amended certificates, the original certificate and the certified
18 copies thereof outstanding shall be promptly surrendered
19 to the commissioner.

Sect. 125. *Registration of agents or salesmen.* Upon writ-
2 ten application by a registered dealer, the commissioner may
3 register, as agents or salesmen of such dealer, such persons
4 as the dealer may request. The application shall be in such
5 form as the commissioner may prescribe, and shall state
6 the residences and addresses of the persons whose regis-
7 tration is requested. The commissioner shall issue to each
8 person so registered a registration certificate, stating his
9 name, residence and address, the name, principal place of
10 business and the address of the dealer, and the fact that
11 he is registered for the current calendar year as agent or
12 salesman, as the case may be, of the dealer. The certificate

13 shall in other respects be in such form as the commissioner
14 shall determine, but shall state in bold type that the com-
15 missioner does not recommend, or assume any responsibility
16 for, securities offered by the dealer, or the dealer's agents
17 or salesmen. Upon application by the dealer, the registra-
18 tion of any agent or salesman shall be cancelled.

Sect. 126. *Definition of terms "dealer" and "securities."*
2 Under sections one hundred twenty-three to one hundred
3 thirty-five, both inclusive, the term "dealer" shall mean any
4 individual, partnership, association or corporation engaging
5 in the business of selling or offering for sale securities,
6 except to, or through the medium of, or as agent or sales-
7 man of, a registered dealer. But sales made by, or in be-
8 half of, a vendor in the ordinary course of bona fide per-
9 sonal investment, or change of investment, shall not con-
10 stitute such vendor, or the agent of such vendor, if not
11 otherwise engaged either permanently or temporarily in
12 selling securities, a dealer in securities. Nor shall the offer
13 of or sale of its own securities by an association or a cor-
14 poration to its own members or stockholders constitute such
15 association or corporation a dealer in securities.

The term "securities" shall include all stocks, bonds, deben-
2 tures, or certificates of participation, and all other forms
3 of securities, except that it shall not be held to include
4 commercial paper or other evidence of debt running not
5 more than nine months, or securities legal for purchase by
6 savings banks under the statutes of any New England state.

7 or notes secured by mortgage of real estate in this state,
8 or the shares of loan and building associations organized
9 under the laws of this state, or securities whose issue has
10 been authorized by the Maine Public Utilities Commission.

Sect. 127. *Registrations shall expire at close of calendar
2 year; renewals.* All registrations shall expire at the close
3 of the calendar year, but new registrations for the succeed-
4 ing year may be issued as of course, upon written appli-
5 cation of the dealer, and payment of the fee hereinafter
6 provided, without the filing of further statements or fur-
7 nishing any further information, unless specifically re-
8 quested by the commissioner; provided, that applications
9 for renewal of registration shall be made on or before the
10 first day of March in each year, and if not so made, appli-
11 cations thereafter received shall be treated as, and be sub-
12 ject to the same fees provided for, original registrations.

Sect. 128. *List of dealers shall be published.* The com-
2 missioner shall, at least twice during each year, publish in
3 the state paper a list of the then registered dealers, and
4 of their registered agents or salesmen, and shall also at any
5 time, on request by mail or otherwise, inform any inquirer
6 as to whether or not any individual, partnership, corpora-
7 tion or association is registered either as dealer, agent or
8 salesman.

Sect. 129. *Certificate shall be shown to prospective pur-
2 chasers.* Any dealer may, and any person named in a reg-
3 istration certificate as above provided may, in behalf of

4 any dealer, sell, offer for sale, or invite offers for or in-
5 quiries about securities in this state, but shall at all times
6 when so engaged carry with him the registration certificate,
7 or a copy thereof, certified by the commissioner, which
8 shall at any time be shown to any prospective customer
9 upon request. No dealer, agent or salesman shall advertise
10 publicly the fact of his registration or use such fact or the
11 registration certificate, in connection with any sale or ef-
12 fort to sell securities, except by statement of the fact or by
13 exhibiting the certificate or a certified copy thereof.

Sect. 130. *Commissioner may require dealer to file list of*
2 *securities, and statements of assets and earnings.* The com-
3 missioner may at any time require a dealer to file with him
4 a list of the securities which he has offered for sale or ad-
5 vertised within the preceding six months, or which he is
6 at the time offering for sale or advertising, or any portion
7 thereof; and may require the filing of statements of assets
8 or earnings, or any other facts he may deem pertinent in
9 relation to any of the securities offered or to be offered by
10 the dealer, or the associations or corporations issuing them;
11 and may require the filing of copies of any or all printed or
12 otherwise reduplicated circulars or printed advertisements
13 relating to securities which the dealer has within six months
14 offered for sale or which the dealer shall thereafter offer
15 for sale; and, thereupon, unless satisfied that all such of-
16 ferings of the dealer have been and are to be made honestly
17 and in good faith, and with disclosure of pertinent facts

18 sufficient to enable intending purchasers to form a judg-
19 ment of the nature and value of the securities, and without
20 intent to deceive or defraud, and that such securities will
21 not work a fraud upon the purchasers thereof, may pro-
22 hibit the dealer from selling or offering the securities, or
23 any of them, or in any way advertising them.

Sect. 131. *Dealer's registration may be revoked; registra-*
tion of agent or salesman thereby revoked. The commis-
3 sioner may, unless furnished with satisfactory evidence as
4 provided in the preceding section, or in case of violation of
5 any provision of sections one hundred twenty-three to one
6 hundred thirty-four, both inclusive, or in case of dishonest,
7 deceitful or fraudulent conduct on the part of the dealer
8 in connection with the carrying on of the business, revoke
9 the dealer's registration; and may, having reasonable cause
10 to believe that the dealer may have been guilty of violation
11 of the provisions of said sections, or of dishonest, deceitful
12 or fraudulent conduct in connection with the carrying on
13 of the business, suspend the dealer's registration until satis-
14 fied to the contrary. In either case, the dealer shall not be
15 regarded as registered under the provisions hereof, until
16 restored to registration by the commissioner, either on his
17 own initiative or upon order of court as hereinafter pro-
18 vided.

The revocation or suspension of the dealer's registration
2 shall constitute a revocation or suspension of the registra-
3 tion of any agent or salesman of the dealer.

Sect. 132. *Agent's registration may be revoked.* The
2 commissioner may, in case of violation of any provision
3 of sections one hundred twenty-three to one hundred thirty-
4 four, both inclusive, or in case of dishonest, deceitful or
5 fraudulent conduct on the part of any agent or salesman
6 in connection with the business, revoke the agent's or sales-
7 man's registration; and may, having reasonable cause to
8 believe that the agent or salesman may have been guilty of
9 violation of the provisions of said sections, or dishonest,
10 deceitful or fraudulent conduct in connection with the busi-
11 ness, suspend the agent's or salesman's registration until
12 satisfied to the contrary. In either case, the agent or sales-
13 man shall not be regarded as registered under the provisions
14 hereof, until restored to registration by the commissioner,
15 either on his own initiative or upon order of court as here-
16 inafter provided.

In case of suspension or revocation of registration, all
2 certificates shall at once be surrendered to the commissioner
3 upon his request.

Sect. 133. *Service of notices.* Notice of any requirement
2 or decision of the commissioner shall be sufficient if sent by
3 mail addressed to the dealer, agent or salesman, as the case
4 may be, at the address designated in the application for
5 registration.

Sect. 134. *Appeals; proceedings thereon.* Appeals may
2 be taken by any person aggrieved by any decision of the
3 commissioner to a justice of the supreme judicial court,

4 by petition addressed to that court, stating the decision com-
5 plained of. No such appeal from a refusal to grant regis-
6 tration shall lie until after formal hearing, which formal
7 hearing, however, the commissioner in his discretion may
8 waive for the purpose of expediting the appeal. Upon such
9 petition, citation shall be issued to the commissioner, who
10 shall file an answer to the petition, stating therein his rea-
11 sons for the decision. The court may, in its discretion,
12 after hearing the commissioner, or his representative, sus-
13 pend the order of the commissioner, pending the determi-
14 nation of the petition upon its merits, and may, after final
15 hearing thereon, make such decree in connection with the
16 matter complained of as justice may require. The court
17 shall make provision for summary hearing and determina-
18 tion of such petitions so far as in its discretion seems de-
19 sirable.

Sect. 135. *Penalties.* Any dealer or any person violating
2 any provision of sections one hundred twenty-three to one
3 hundred thirty-four, both inclusive, or knowingly filing with
4 the commissioner or furnishing to him any false or mis-
5 leading statements or information, shall be punished upon
6 conviction thereof by a fine of not more than one thousand
7 dollars, or by imprisonment for not more than sixty days,
8 or by both such fine and imprisonment, and municipal and
9 police courts shall have original and concurrent jurisdiction
10 with the supreme judicial and superior courts. The fore-
11 going penalties shall be in addition to, and not a substitute

12 for, any civil or criminal liability now or hereafter existing.
13 Authorization is hereby conferred upon the supreme judi-
14 cial court in equity to enjoin, upon application by the bank
15 commissioner, or any party in interest, any violation or
16 threatened violation of any of the foregoing provisions of
17 this chapter.

The bank commissioner is authorized to appoint an ex-
2 aminer who shall, under his directions, have charge of the
3 enforcement of the provisions of sections one hundred
4 twenty-three to one hundred thirty-four, both inclusive, and
5 make any necessary investigations thereunder; the amount
6 of his compensation to be subject to the approval of the
7 governor and council. The salary and traveling expenses
8 of such examiner and all expenses of administration and
9 enforcement of sections one hundred twenty-three to one
10 hundred thirty-four, both inclusive, shall be paid out of the
11 registration fees received from dealers in securities. Deal-
12 ers in securities shall pay to the bank commissioner, for
13 the use of the state, fees as follows, to wit: for registration
14 or renewal of dealers in securities, twenty-five dollars; for
15 registration or renewal of registration of salesman or agent
16 of dealers in securities, ten dollars each; for certified copy
17 of dealer's certificate, fifty cents each.

TAXATION OF SAVINGS BANKS

Sect. 136. Section fifty-nine of chapter nine of the re-
2 vised statutes is hereby amended so as to read as follows:

'Sect. 59. *Return of assets, loans, investments and de-*

2 *posits; bank commissioner shall fix values and return to*
3 *state assessors.* Every savings bank and institution for
4 savings incorporated under the laws of the state, shall, semi-
5 annually, on the last Saturdays of March and September,
6 make a return, signed and sworn to by its treasurer, of the
7 average amount of its deposits, reserve fund and undivided
8 profits for the six months ending on each of said days, to-
9 gether with a statement in detail of its assets, loans and
10 investments and its deposits within and without the state,
11 in separate columns. Such return shall also include a state-
12 ment of the par value, cost to the bank and the book value
13 of each item of assets claimed to be deductible under the
14 provisions of the following section. Said return shall be
15 made to the bank commissioner on or before the first Sat-
16 urdays of April and October and within thirty days there-
17 after, he shall fix and determine the book values of the in-
18 vestments aforesaid and transmit the same with such values
19 so determined, to the board of state assessors for the assess-
20 ment required by the following section.'

TAXATION OF TRUST COMPANIES

Sect. 137. Section seventy-one of chapter nine of the re-
2 vised statutes is hereby amended to read as follows:

'Sect. 71. *Trust and banking companies shall semi-annu-*
2 *ally return the amount of certain deposits; penalties for*
3 *false returns; valuation of securities.* Every trust and
4 banking company incorporated under the laws of this state,
5 shall, semi-annually on the last Saturdays of March and

6 September, make a return signed and sworn to by its treas-
7 urer, of the average amount of its time deposits and its
8 deposits bearing interest at the rate of three per cent or
9 more per annum for the six months preceding each of said
10 dates, together with a statement in detail of the amount of
11 United States obligations, all bonds, notes, and other obli-
12 gations issued after the first day of February, nineteen hun-
13 dred and nine, by this state, or any county, municipality,
14 village corporation, light and power district, bridge district,
15 pier site district, school district, or water district therein,
16 the shares of corporation stocks such as are by law of this
17 state free from taxation to the stockholders, and such notes
18 and bonds secured by mortgages on real estate in this state
19 as are exempt from taxation in the hands of individuals.
20 Such return shall also include a statement of the par value,
21 cost to the bank and the book value of each item of such
22 assets. For wilfully making a false return, the treasurer
23 of the corporation forfeits not less than five hundred, nor
24 more than five thousand dollars. Said return shall be made
25 to the bank commissioner, on or before the first Saturdays
26 of April and October, and within thirty days thereafter, he
27 shall fix and determine the cost to such company of the
28 investments aforesaid, and transmit said returns with such
29 cost so determined to the board of state assessors for the
30 assessment required by the following section.'

Sect. 138. Section seventy-two of chapter nine of the
2 revised statutes as amended by chapter two hundred twen-

3 ty-one of the public laws of nineteen hundred and nineteen,
4 is hereby further amended so that said section as amended
5 shall read as follows:

‘Sect. 72. *Assessment of tax; when payable.* The board
2 of state assessors shall thereupon deduct from the average
3 amount of the time and interest bearing deposits so returned,
4 an amount equal to the cost so determined of all the assets
5 specially returned under the provisions of the preceding
6 section, and upon the balance so found, assess an annual
7 tax of one-half of one per cent; one-half of said tax shall
8 be assessed on or before the fifteenth day of May on the
9 balance of said deposits so ascertained for the six months
10 ending on and including the last Saturday of March, and
11 one-half on or before the fifteenth day of November on
12 the balance of said deposits so ascertained for the six months
13 ending on and including the last Saturday of September.
14 The board of state assessors shall thereupon certify said
15 assessment to the treasurer of state, who shall forthwith
16 notify the several trust and banking companies interested,
17 and all taxes so assessed shall be paid semi-annually within
18 ten days after the fifteenth days of May and November.’

Sect. 139. Section nineteen of chapter one hundred and
2 seventeen of the revised statutes as amended by chapter two
3 hundred and twenty of the public laws of nineteen hundred
4 and seventeen, is hereby further amended by striking out
5 the whole of said section as amended and inserting in place
6 thereof the following:

'Sect. 19. *The Banking Department.* The bank commis-
2 sioner shall receive an annual salary of five thousand dol-
3 lars; he shall receive his actual traveling expenses incurred
4 in the performance of his official duties, and the reasonable
5 and necessary expenses of his office, the payment of which
6 shall be subject to the approval of the governor and coun-
7 cil. He may employ at the expense of the state a deputy
8 bank commissioner and as many examiners, assistant exam-
9 iners and clerks as the business of the office may require,
10 whose compensation shall be fixed by the governor and
11 council. The deputy bank commissioner shall perform the
12 duties of the commissioner whenever the latter shall be ab-
13 sent from the state or whenever he shall be directed by the
14 commissioner, or whenever there shall be a vacancy in the
15 office of commissioner. The deputy bank commissioner and
16 all examiners and assistant examiners shall receive their
17 actual expenses incurred in the performance of official du-
18 ties, subject to the approval of the governor and council.

"The expenses of the banking department necessarily in-
2 curred in the examination of the institutions under its super-
3 vision, including salaries, general office expenses, and veri-
4 fication of savings accounts, shall be chargeable in part to
5 such institutions and shall be appropriated and paid as fol-
6 lows: Every savings bank, institution for savings, trust
7 company, loan and building association, industrial bank,
8 credit union, title company, loan society, and other institu-
9 tions whose affairs the bank commissioner is required by

10 law to examine, shall annually, on or before the first day
11 of January, pay to the state treasurer a sum equivalent to
12 two dollars and fifty cents for each hundred thousand dol-
13 lars, or major portion thereof, of the resources, (exclusive
14 of trust assets) of such institution, as shown by its books
15 to have existed on the first day of December preceding.
16 The aggregate of such payments shall be credited to a spe-
17 cial account for the use of the banking department, to be
18 available for the payment of expenditures lawfully incurred
19 and regularly audited and chargeable to the appropriations
20 for salaries, general office expenses, or verification of sav-
21 ings accounts, after the regular appropriations therefor shall
22 have been exhausted.

'Any institution which shall fail to make such payment
2 within the time specified herein, shall be subject to a pen-
3 alty of not less than fifty, nor more than two hundred dol-
4 lars, which, together with the amount due under the fore-
5 going provisions of this section, may be recovered in an
6 action of debt in the name of the state. All institutions
7 so delinquent on the tenth day of January of each year, shall
8 be reported by the state treasurer to the attorney general
9 for the purpose of such action.'

Sect. 140. Section six of chapter two hundred and ninety-
2 eight of the public laws of nineteen hundred and seventeen
3 is hereby amended by adding after the word "observed" in
4 the third line of said section the words 'and shall report
5 to the bank commissioner monthly all outstanding loans, the

6 principal of which shall exceed ten dollars,' so that said
7 section as amended shall read as follows:

'Sect. 6. The licensee shall keep such books and records
2 as in the opinion of the bank commissioner will enable the
3 commissioner to determine whether the provisions of this
4 act are being observed, and shall report to the bank com-
5 missioner monthly all outstanding loans, the principal of
6 which shall exceed ten dollars. Every such licensee shall
7 preserve the records of final entry used in such business,
8 including cards used in the card system, if any, for a period
9 of at least two years after the making of any loan recorded
10 therein.'

Sect. 141. Section eight of chapter two hundred and
2 ninety-eight of the public laws of nineteen hundred and
3 seventeen is hereby amended by adding after the word
4 "month" in the sixth line of said section the words 'pro-
5 vided, however, that a minimum charge of not exceeding
6 twenty-five cents shall be allowable in all cases,' so that
7 said section as amended shall read as follows:

'Sect. 8. Every person, copartnership and corporation
2 licensed hereunder may loan any sum of money, goods or
3 choses in action not exceeding in amount or value the sum
4 of three hundred dollars, and may charge, contract for and
5 receive thereon interest at a rate not to exceed three and
6 one-half per centum per month; provided, however, that
7 a minimum charge of not exceeding twenty-five cents shall
8 be allowable in all cases. No person shall owe any licensee

9 at any time more than three hundred dollars for principal.'

2 Sect. 142. Chapter fifty-two of the revised statutes, sec-
3 tions eleven to twenty-three, inclusive, of chapter forty, of
4 the revised statutes, and all other acts and parts of acts
inconsistent with the provisions hereof are hereby repealed.