

MAINE STATE LEGISLATURE

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NEW DRAFT

EIGHTY-THIRD LEGISLATURE

House Document

No. 475

H. P. 1218

House of Representatives, Mar. 25, 1927.

Reported by Miss Laughlin from Committee on Legal Affairs
and laid on table to be printed under joint rules.

CLYDE R. CHAPMAN, Clerk.

STATE OF MAINE

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

AN ACT to Incorporate the Casco Title Guaranty Company.

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

Section 1. *Name and Corporators.* Ernest L. Small,
2 Charles R. Cressey, Charles M. Hay and Charles E. Gurney
3 of Portland, Edward C. Reynolds and Lauren M. Sanborn
4 of South Portland, or such of them as may vote to accept
5 this charter, with their associates, successors and assigns,
6 are hereby made a body corporate and politic to be known as
7 the Casco Title Guaranty Company and as such shall be
8 possessed of all the powers, privileges and immunities and
9 subject to all the duties and obligations conferred on cor-
10 porations by law, except as otherwise provided herein.

Sect. 2. *Location.* The corporation shall be located at
2 Portland, Cumberland county, Maine.

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

Sect. 4. *Capital Stock.* The capital stock of said corpora-
2 tion shall not be less than one hundred thousand dollars,
3 divided into shares of one hundred dollars each, with the
4 right to increase the said capital stock at any time, by a
5 majority vote of the holders of its stock then issued and

6 outstanding, to any amount not exceeding five hundred
7 thousand dollars. Said corporation shall not commence
8 business until stock to the amount of at least fifty thousand
9 dollars shall have been subscribed and paid in, in cash.

Sect. 5. *Share of Its Own Stock Not to Be Accepted as*
2 *Security.* Said corporation shall not make any loan or dis-
3 count on the security of the shares of its own capital stock,
4 nor be the purchaser or holder of any such shares unless
5 necessary to prevent loss upon debt previously contracted in
6 good faith; and all stock so acquired, shall, within a rea-
7 sonable time after its acquisition, be disposed of at public or
8 private sale.

Sect. 6. *Officers; How Chosen, Tenure, Duties, Etc.* All
2 the corporate powers of this corporation shall be exercised
3 by a board of directors, who shall be residents of this state
4 and who shall be elected by the shareholders, and whose
5 number and term of office shall be determined by a vote of
6 the shareholders at the first meeting held by the incorpo-
7 rators and at each annual meeting thereafter, unless other-
8 wise provided by the by-laws of the corporation. Said board
9 of directors may annually choose three or five of its members
10 to act as an executive committee of said board with such
11 powers and duties as shall be provided herein, or by any by-
12 law of the corporation, or by any vote of said board of
13 directors not inconsistent therewith, and said board of di-
14 rectors may annually choose a president and such vice-presi-
15 dents, a treasurer, a clerk and such other officers and agents

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

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

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

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

Sect. 9. *Guaranty Fund.* Said corporation shall set apart
2 a guaranty fund not less than one-fourth of the capital stock
3 of said corporation issued and outstanding, which shall be
4 kept as security against any losses or contingencies by rea-
5 son of its guaranty, and whenever the same shall become
6 impaired so that it shall amount to less than one-fourth of
7 the capital stock of said corporation issued and outstanding,
8 no guaranty shall be issued by said corporation until said
9 deficiency shall be made up. Said fund shall be invested in
10 real estate, or in such other securities as the insurance com-
11 missioners may approve.

Sect. 10. *First Meeting; How Called; Proviso.* Any
2 three of the corporators named in this act may call the first
3 meeting of the corporation by mailing a written notice signed
4 by said three incorporations, postage paid, to each of the

5 other corporators, seven days at least before the day of the
6 meeting, naming the time, place and purpose of such meet-
7 ing, and at such meeting the necessary officers may be
8 chosen, by-laws adopted and any other corporate business
9 transacted, provided that without such notice all such cor-
10 porators may meet voluntarily at any time and effect their
11 organization by electing officers, adopting by-laws and trans-
12 acting other lawful business.

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

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