

MAINE STATE LEGISLATURE

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EIGHTY-FIFTH LEGISLATURE

Legislative Document

No. 658

H. P. 1082

House of Representatives, Feb. 18, 1931.

Referred to Committee on Banks and Banking and 500 copies ordered printed. Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Potter of Bangor.

STATE OF MAINE

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

AN ACT Relating to Loans on Trust and Banking Companies' Capital Stock.

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

Further restrictions on loans. Section eighty-two of chapter fifty-seven of the revised statutes is hereby amended by inserting in the third line of said section after the word "shares" the following words: 'or the shares of any corporation, company or institution holding, controlling, owning, or having any direct or indirect interest in a majority of either the voting capital stock or the common capital stock of said banking corporation; or with any other corporation, company or institution which is itself owned or controlled directly or indirectly by a corporation, company or institution holding, owning, controlling or having any direct or indirect interest in a majority of either the voting capital stock or the common capital stock of said corporation,' so that said section as amended shall read as follows:

'Sec. 82. Not to make loans on shares of its capital stock. Such corporations shall not make loans or discounts on the security of the shares of their own capital stock, nor be the purchasers or holders of any such shares or the shares of any corporation, company or institution holding, controlling, owning or having any direct or indirect interest in a majority of either the voting capital stock or the common capital stock

of said banking corporation; or with any other corporation, company or institution which is itself owned or controlled directly or indirectly by a corporation, company or institution holding, owning, controlling or having any direct or indirect interest in a majority of either the voting capital stock or the common capital stock of said corporation, unless necessary to prevent loss upon a debt previously contracted in good faith, and all stock so acquired shall, within one year after its acquisition, be disposed of at public or private sale; provided, however, that the time for such disposition may be extended by the bank commissioner, for good cause shown upon application to him in writing.'