

MAINE STATE LEGISLATURE

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SPECIAL SESSION

E I G H T Y - S I X T H L E G I S L A T U R E

Legislative Document

No. 1

S. P. No. 1

In Senate, November 14, 1933.

Presented by Senator Weatherbee of Penobscot.

ROYDEN V. BROWN, Secretary.

S T A T E O F M A I N E

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

AN ACT to Incorporate The Merrill Trust Company

Emergency Preamble. Whereas the recent world wide financial depression seriously affected the banking situation in this State and resulted in the closing of many banks and consequent hazard to the peace, health and safety of the public, and whereas, many banks are finding it expedient to make application for membership in the Federal Reserve System as a means of maintaining public confidence, and whereas, the existing capital structure of such banks in many cases must be revised, and whereas, in this regard the Merrill Trust Company, a banking corporation located at Bangor in the county of Penobscot and state of Maine, has made application for membership in the Federal Reserve System and proposes to reorganize its capital structure to meet the requirements of such membership, and whereas, the proposed reorganization requires the holders of present preferred stock without double liability to become holders of common stock in lieu thereof, and whereas, under the general laws of this state as now existing such common stock would be subject to double liability, and whereas it is the object of this enactment to create a banking corporation with all the powers of said Merrill Trust Company but without double liability on its common stock and whereas, the objects of this corporation cannot otherwise be obtained, and whereas, in order to make membership in said Federal Reserve System immediately available it is

necessary that this enactment become effective forthwith, and whereas, in the judgment of the Legislature these facts create an emergency within the meaning of section 16 of Article XXXI of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety, now therefore,

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

Sec. 1. Merrill Trust Company incorporated: James W. Cassidy, Edward M. Graham, Roderick J. MacGregor, Samuel B. Gray, Louis Oakes, Sherman N. Shumway, Frank Silliman, 3rd, and Henry J. Wheelwright, or such of them as may by vote accept this charter, with their associates, successors and assigns are hereby made a body corporate and politic to be known as The Merrill Trust Company (hereinafter referred to as the corporation) and as such shall be possessed of all powers, privileges and immunities and subject to all duties and obligations, conferred on corporations by law.

Sec. 2. Location of corporation. The corporation hereby created shall have its principal office at Bangor, in the county of Penobscot and state of Maine, and is expressly authorized to establish and operate branches and/or agencies in the following cities and towns, viz: Dexter, Old Town and Orono in the county of Penobscot; Belfast and Searsport in the county of Waldo; Bucksport in the county of Hancock; Dover-Foxcroft and Milo in the county of Piscataquis; and Eastport, Jonesport and Machias in the county of Washington, all in said state of Maine.

Sec. 3. Purposes of corporation. The purposes of the corporation and business which it may perform are:

(1) to receive on deposit money, coin, bank notes, evidences of debt, accounts of individuals, companies, corporations, municipalities and states, allowing interest thereon, if agreed, or as the by-laws of said corporation may provide,

(2) to borrow money, to loan money on credits or real estate, or personal or collateral security, and to negotiate loans and sales for others,

(3) to purchase, erect, own, maintain and operate safe deposit vaults with boxes, safes and other facilities therein to be rented to other parties for the safe keeping of moneys, securities, stocks, jewelry, plate, valuable papers and documents, and other property susceptible of being deposited therein, and to receive on deposit for safe keeping property of any kind entrusted to it for that purpose.

(4) to hold and enjoy all such estate real, personal and mixed as may be obtained by the investment of its capital stock or any other moneys and funds that may come into its possession in the course of its business and dealings, and the same sell, grant and dispose of,

(5) to act as agent for issuing, registering and countersigning certificates, bonds, stocks and all evidences of debt or ownership in property,

(6) to hold by grant, assignment, transfer, devise or bequest any real or personal property or trusts duly created, and to execute trusts of every description,

(7) to act as executor, administrator, guardian, conservator, receiver or assignee with the same powers and duties as are imposed by law upon natural persons acting in the same capacities, and subject to the same control of the court having jurisdiction of the same in all proceedings relating to the exercise of these powers; (all papers may be signed and sworn to by any officer designated by the corporation for that purpose, and the officers shall be subject to citation and examination in the same manner and to the same extent as natural persons acting in the same capacities. No sureties shall be required upon the bond of the corporation when acting in said capacities unless the court or officer approving said bond shall require it),

(8) to hold for safe keeping all kinds of personal or mixed property, and to act as agents for the owners thereof, and of real estate for the collection of income on the same and for the management and sale of the same,

(9) to do in general all the business that may lawfully be done by trust and banking companies.

Sec. 4. Further powers of corporation. The corporation is further empowered to acquire, receive and hold all or any part of the real and personal property and other assets of the Merrill Trust Company mentioned in the preamble hereof, (hereinafter referred to as the Merrill Trust Company), whether held absolutely or in any fiduciary capacity, and all the powers, franchises and privileges granted to said Merrill Trust Company under and by virtue of chapter 123 of the private and special laws of Maine for the year 1903, or acquired by said Merrill Trust Company under and by virtue of the general laws of Maine.

Sec. 5. First meeting of incorporators. The first meeting of the corporation may be called by a written notice thereof signed by any one incorporator herein named and served upon each incorporator by giving him the same in hand or by leaving it at his last and usual place of abode 5 days at least before the time of the meeting. Such notice may be waived in writing by any or all of the incorporators. At the first or any subsequent meeting of the incorporators, called as aforesaid, they, or the survivors of them, or a majority thereof, shall have the power on behalf of the corporation,

(1) to accept or reject this charter,

(2) to vote to purchase the whole or any part of the assets of said Merrill Trust Company and assume all the liabilities of said Merrill Trust Company, excepting liability to stockholders in respect to stock.

(3) to fix the net value of the property so purchased from said Merrill Trust Company, and the judgment of said incorporators as to the value of the property so purchased shall be conclusive,

(4) to pay therefor,

(a) in part or in whole by issuing the common stock of the corporation share for share to the preferred stockholders of said Merrill Trust Company in cancellation of their preferred stock, and such common stock so issued shall be full paid stock and not liable to any further call or payment thereon,

(b) in part or in whole in any other manner that said incorporators may arrange under the authority of this act and the general laws of the state,

(5) to sell the whole or any part of the preferred stock of the corporation to the Reconstruction Finance Corporation, duly existing under and by virtue of the laws of the United States,

(6) to sell or otherwise dispose of any part or the whole of the preferred stock of the corporation on any terms they may arrange, subject to the approval of the Bank Commissioner,

(7) to make application to the Federal Reserve Board of the United States under such rules and regulations as it may prescribe for the right to subscribe to stock of the Federal Reserve Bank organized within this district, and to subscribe therefor and receive the same,

(8) to take any steps necessary for the purpose of obtaining any of the benefits of the banking act of 1933 as passed by the Congress of the United States,

(9) to do any and all things necessary, proper or incidental to the carrying out of any of the aforesaid purposes and powers.

(10) to fill vacancies occurring in their number.

(11) to call the first meeting of the stockholders for organization purposes.

Sec. 6. Transfer of property of Merrill Trust Company to the corporation. All property, held by said Merrill Trust Company in fiduciary capacities, the said Merrill Trust Company is hereby authorized and empowered to convey to the corporation in conformity with the terms of the purchase determined as aforesaid, and all gifts, bequests, devises and conveyances of property heretofore made to said Merrill Trust Company in such capacities or which may hereafter be made to it in such capacities; and the corporation is hereby authorized and empowered to receive and hold the same to be administered by the corporation for the purposes designated in the making of such gifts, bequests, devises and conveyances, subject to all the conditions, limitations and uses contained in the several gifts, bequests, devises and conveyances to said Merrill Trust Company.

Sec. 7. Corporate entity of Merrill Trust Company continued. Upon

consummation of the purchase and transfer of said property, assets, rights and powers of said Merrill Trust Company as hereinbefore provided, the corporate entity of said Merrill Trust Company shall be deemed to merge and continue its existence in the corporate entity of the corporation as created by this enactment, and the corporation shall thereafter have the full right to use the name Merrill Trust Company as its corporate name.

Sec. 8. Board of directors. The board of directors shall consist of such number of shareholders, not less than 5, nor more than 25, as from time to time shall be determined by a majority of the votes to which all of the shareholders at the time are entitled. A majority of the board of directors shall be necessary to constitute a quorum for the transaction of business. The incorporators or such of them as may by vote accept this charter shall be and constitute the first board of directors of the corporation, to hold office until their successors are elected and have qualified, in accordance with the provisions of this charter.

Sec. 9. Election of directors. The regular annual meetings of the shareholders for the election of directors shall be held at the banking house of the corporation on the second Tuesday of January of each year. Failure to give notice thereof or any informality in the notice given will not invalidate the proceedings of the annual meeting.

Sec. 10. Capital stock; dividends, etc. 1. Amount, classes and shares of capital stock. The amount of capital stock of the Corporation shall be \$2,600,000, divided into classes and shares as follows:

(a) \$2,000,000 par value of preferred stock (subject to retirement as hereinafter provided) divided into 100,000 shares of the par value of \$20.00 each, and

(b) \$600,000 par value of common stock (subject to increase upon the retirement of preferred stock as provided in the second paragraph of paragraph 4 of this section 10) divided into 30,000 shares of the par value of \$20.00.

2. **Stock Non-Assessable.** The holders of preferred stock, and the holders of common stock shall not be held individually responsible as such holders for any debts, contracts or engagements of the Corporation and shall not be liable for assessments to restore impairments in the capital of the Corporation.

3. **Dividends on preferred stock.** The holders of preferred stock, in preference to the holders of common stock, shall be entitled to receive, when and as declared by the board of directors, but only out of net profits of the corporation (determined as provided in paragraph 5 of this section 10) accruing after the date of the certificate of the Bank Commissioner authorizing commencement of business, (hereinafter called the organization date)

cash dividends thereon at the rate of 5% per annum of the par value thereof, and no more. Such dividends shall be payable semi-annually on each February 1 and August 1, and shall accrue, as to any given share of such stock, from the date of issuance of such share, provided, however, that, in the case of any share of such stock issued on or after February 1, 1934, such dividends shall accrue on such share from the February 1, or August 1, as the case may be, next preceding the date of issuance thereof. Such dividends shall be cumulative, so that if dividends at the full rate of 5% per annum shall not have been paid upon or declared and set apart for the preferred stock, the deficiency shall be fully paid or declared and set apart before any dividend or other distribution, whether in cash, property, stock or otherwise, shall be declared, ordered set apart, paid or made in respect of the common stock. Dividends on the preferred stock shall be deemed to accrue from day to day.

4. **Dividends on common stock.** So long as any shares of preferred stock are outstanding, no dividends or other distributions, whether in cash, property, stock or otherwise, shall be declared, ordered, set apart, paid or made in respect of the common stock except out of the net profits of the Corporation (determined as provided in paragraph 5 of this section 10) accruing after the organization date and no such dividends or other distributions in respect of the common stock (other than dividends payable only in common stock, in amounts not exceeding in the aggregate the aggregate par value of the shares of preferred stock theretofore retired) shall be declared, ordered, set apart, paid or made in any one year in an amount exceeding one dollar per share.

If any call or purchase for retirement of preferred stock pursuant to the provisions of paragraphs 8 or 9 of this section 10 would reduce the outstanding capital of the corporation below the minimum amount at the time required by law, the board of directors, prior to or simultaneously with such retirement, shall declare on the common stock out of net profits of the Corporation accruing after the organization date, a dividend in an amount equal to the sum required to maintain the capital of the corporation at such minimum amount after giving effect to such retirement, such dividend to be payable in shares of common stock which shall be issued (without any action on the part of the holders of stock of any class or on the part of the Bank Commissioner) pro rata to the holders of common stock.

5. **Determination of net profits.** For the purpose of this section 10, the net profits or net loss of the Corporation shall be determined for each six months' period ending December 31 or June 30 by deducting from the gross earnings from all sources for such period:

- (a) all expenses for such periods;
- (b) all interest accrued during such period;

(c) all losses realized during such period, and such charge-offs and write-downs of assets for the period and such transfers for the period to reserves (whether from income, undivided profits or surplus) as in each case may be reasonably necessary to make proper provision for doubtful assets, depreciation and unrealized losses, including all charge-offs, write-downs and transfers to reserves requested by the Bank Commissioner during the period;

(d) provision for all taxes for such period, including taxes measured by income and taxes based on the ownership of stock in the Corporation paid or payable by the corporation for the account of its shareholders, without prejudice to such right as the corporation may have to recover the same;

(e) Such transfers for such period to surplus as may be required by law; and

(f) the net loss, if any, determined in accordance with the provisions of this paragraph, since the organization date, accumulated to and existing at the beginning of such period.

All recoveries over net book value on assets previously charged off or written down or against which reserves have been set up, and all transfers from reserves to surplus or undivided profits (other than transfers made to reflect recoveries already treated as gross earnings), shall be considered gross earnings for the respective periods during which such recoveries or transfers are effected.

6. **Application of Net Profits.** As long as any shares of preferred stock are outstanding, the corporation, on each February 1 and August 1, shall apply the net profits of the corporation for the six months' period ending on the next preceding December 31 or June 30, as the case may be, to the following purposes and in the following order of priority, and not otherwise:

First: to the payment of dividends on the outstanding preferred stock accrued to such February 1 or August 1, as the case may be;

Second: to the payment into the preferred stock retirement fund (referred to in paragraph 8 of this section 10), of a sum equal to 40% of the remainder, if any, of such net profits; provided, however, that the aggregate amount paid into the preferred stock retirement fund in any one year need not exceed 5% of the maximum aggregate par value of the preferred stock at any time outstanding, whether or not any such stock shall have been subsequently retired or the aggregate par value thereof reduced in any manner whatsoever; and

Third: to such lawful purposes as may be determined by the board of directors, subject, however, to the provisions of paragraphs 4 and 7 of this section 10.

7. **Limitations on retirement of stock.** No preferred stock shall be called or purchased for retirement by the corporation unless the then unimpaired capital, surplus and undivided profits of the corporation and the retirement funds provided for herein, (after giving effect to the issuance of any stock issued to provide funds for such retirement) exceed \$2,900,000 by an amount at least equal to the sum necessary to effect such retirement, or unless such retirement shall have been approved by the Bank Commissioner. No shares of preferred stock shall be called or purchased for retirement unless all accrued dividends (whether or not earned or declared) to the dividend payment date next preceding the date of such retirement shall have been paid on all shares of preferred stock at the time outstanding.

8. **Preferred stock retirement fund.** Subject to the provisions of paragraph 7 of this section 10, whenever the balance in the preferred stock retirement fund shall amount to as much as 50,000 the corporation shall immediately mail, first class postage prepaid, to all holders of record of preferred stock at their respective addresses as shown on the books of the corporation, a notice specifying the balance in such fund and stating that the same is available for the purchase for retirement of preferred stock at the lowest prices (not in excess of the par value thereof and accrued dividends thereon, whether or not earned or declared, to the date of purchase) offered within 20 days after the date of such notice. At the expiration of such 20 days, the corporation shall apply such balance to the purchase for retirement of preferred stock, if obtainable, in accordance with the terms of such notice. Within 10 days after such expiration, subject to the provisions of paragraph 7 of this section 10, the corporation shall call for retirement, in the manner provided in paragraph 9 hereof, the largest number of shares of preferred stock which can be retired from the balance in such retirement fund remaining after deducting the amount paid or to be paid for the purchase for retirement of preferred stock as aforesaid, and shall set aside from such retirement fund the sum necessary to effect such retirement. Subject to the provisions of paragraph 7 of this section 10, at any time and from time to time the corporation may make such lawful transfers from its surplus and/or undivided profits to the preferred stock retirement fund as the board of directors may determine. All shares of preferred stock purchased for the retirement by the corporation whether from the retirement fund or otherwise, shall be cancelled forthwith and shall not be reissued.

9. **Retirement of preferred stock by call.** Subject to the provisions of paragraph 7 of this section 10, the corporation may at any time, at its election as expressed by resolution of the board of directors, retire the outstanding preferred stock as a whole, or from time to time in part by lot,

by paying for each share to be retired a retirement price equal to the par value thereof plus all accrued dividends thereon, whether or not earned or declared, accrued to the date of such retirement. At least 30 days' prior written notice of each such retirement, stating the retirement date and the retirement price, and the place of payment thereof, shall be mailed, first class postage prepaid, to the holder of record of each share to be retired, at the address of such holder as shown on the books of the corporation. Such notice having been so mailed, each holder of shares so called for retirement shall be entitled to receive payment of the retirement price of such shares (without interest) upon surrender to the corporation, on or after the retirement date, at the place designated in such notice, of the certificate or certificates therefor in transferable form and, if required, properly stamped for transfer. In case less than all of the shares represented by any such certificates are retired, a new certificate shall be issued representing the unretired shares. From and after the retirement date (unless the corporation shall default in payment of the retirement price), all dividends on shares called for retirement shall cease to accrue, such shares shall be deemed to be no longer outstanding, and all rights of the holders thereof as shareholders of the corporation, except the right to receive the retirement price shall terminate. All shares so retired shall be cancelled forthwith and shall not be reissued.

10. Increase or decrease of capital stock: By the affirmative vote of the holders, voting by classes, of at least two-thirds of the shares of each class of stock at the time outstanding, and not otherwise, and subject to such approval by the Bank Commissioner and such other conditions as at the time may be required by law,

(a) the capital stock of the corporation may be increased at any time and from time to time through issuing additional shares of preferred stock and/or common stock, and/or through the creation of one or more additional classes of stock; provided, however, that no vote of the holders of preferred stock shall be required with respect to any issue of additional shares of common stock if the entire proceeds of such issue are to be used for the retirement of shares of preferred stock; and provided further, that no vote of the holders of stock of any class shall be required with respect to any issue of additional shares of common stock as a stock dividend, pursuant to the second sub-paragraph of paragraph 4 of this section 10 in connection with the retirement of shares of preferred stock;

(b) the capital stock of the corporation may be decreased at any time and from time to time to any amount not below the amount at the time required by law; provided, however, that no vote of the holders of stock of any class shall be required with respect to the retirement of preferred stock.

(c) the name of the corporation and/or the place where its operations of discount and deposit are to be carried on may be changed;

(d) this charter may be amended at any time and from time to time, as provided under the general law;

(e) the corporation may incur indebtedness maturing more than one year from the creation thereof;

(f) the corporation may be consolidated or merged into or with any other bank;

(g) all or substantially all of the assets and business of the corporation, including its franchise and rights under this charter, may be sold or otherwise disposed of;

(h) the corporation may go into voluntary liquidation; and

(i) any plan of reorganization of the corporation may be carried into effect;

provided, however, that, if and as long as the voting rights of the preferred stock are increased in accordance with the provisions of paragraph 12 or 13 of this section 10, any of the actions specified in the foregoing sub paragraphs (a) to (i), inclusive, of this paragraph 10 may be taken by the affirmative vote of two-thirds of the votes to which the holders of all classes of stock, voting as one class, are at the time entitled, and not otherwise, except that the corporation may not be put into voluntary liquidation without the approval of the Bank Commissioner.

11. Preemptive rights. In case of any increase in the capital stock of the corporation of any class other than by way of a stock dividend, the new shares (unless otherwise provided by the shareholders' vote or votes authorizing their issue) shall be offered for subscription to the holders of record of all shares of stock (of whatever class) at the time outstanding, in proportion to the number of shares of such stock (of whatever class) held by them respectively, by mailing, first class postage prepaid, to such holders, at their respective addresses as shown on the books of the corporation, transferable subscription warrants exercisable at any time on or before 30 days from the date of such mailing. If at the expiration of such subscription rights, any of the new shares have not been subscribed for, such shares may be issued and sold at such price, not less than the par value thereof, to such persons and on such terms as the board of directors may determine.

12. Voting rights. (a) Except as otherwise provided in paragraphs 10 and 13 of this section 10 and in this paragraph 12, each holder of stock of any class shall be entitled to vote on all matters one vote for each share of stock of any class held by him.

(b) In all elections of directors, each holder of stock of any class shall have the right to vote the votes allocable to the number of shares owned

by him for as many persons as there are directors to be elected, or to cumulate such votes and give one candidate as many votes as the number of directors multiplied by the number of votes allocable to his shares shall equal, or to distribute such votes on the same principle among as many candidates as he shall think fit.

(c) In case as many as two semi-annual dividend payments (whether or not consecutive and whether or not earned or declared) on the preferred stock shall be in arrears, then, and until all arrears of dividends upon the preferred stock shall have been paid and the full dividend on the outstanding preferred stock for the then current semi-annual dividend period shall have been declared and funds set apart for the payment thereof, the holders of preferred stock at the time outstanding shall be entitled, as a class, to vote on all matters twice the number of the votes to which the holders of common stock, as a class, at the time are entitled, and each holder of preferred stock shall be entitled to a pro rata share of the votes to which his class is entitled.

(d) At any time while the votes of the preferred stock are increased as provided in sub paragraph (c) of this paragraph 12 or in sub paragraph (b) of paragraph 13 of this section 10, any one or more of the directors, officers or employees of the corporation may be removed at any annual or special meeting of shareholders, for or without cause, and their successors elected, by the affirmative vote of two-thirds of the votes to which the holders of all classes of stock, voting as one class, are at the time entitled.

13. Special R. F. C. voting rights. As long as any shares of preferred stock are held by Reconstruction Finance Corporation:

(a) all directors, officers and employees of the corporation shall receive compensation at rates not exceeding such maximum limitations as may be fixed by the vote of the holders of a majority of the shares of preferred stock at the time outstanding.

(b) In case Reconstruction Finance Corporation, with the approval of the Bank Commissioner, at any time shall notify the corporation that any director, officer or employee of the corporation is regarded by Reconstruction Finance Corporation as unsatisfactory, and in case such director, officer or employee is not removed from office (and, if requested by Reconstruction Finance Corporation, replaced with a director, officer or employee satisfactory to it) within 30 days after receipt by the corporation of such notice, then, and until such removal and replacement shall have been affected, the holders of preferred stock at the time outstanding shall be entitled, as a class, to vote on all matters twice the number of votes to which the holders of common stock, as a class, are at the time entitled, and each holder of preferred stock shall be entitled to a pro rata share of the votes to which his class is entitled.

(c) The corporation shall not directly or indirectly purchase or otherwise acquire any real estate for its own use, or lease any real estate for its own use for a term longer than 1 year, without in each case the affirmative vote of the holders of a majority of the preferred stock at the time outstanding, or a written waiver of voting rights in respect thereto by the holders of such majority.

14. Rights of preferred stock on liquidation. In the event of any receivership, conservatorship, liquidation, dissolution, or winding up of the corporation, whether voluntary or involuntary, before any payment or other distribution, whether in cash, property, or otherwise, shall be made to the holders of common stock, the holders of preferred stock shall be entitled to receive for each share of such stock held by them, an amount equal to the par value thereof, plus an amount equal to all unpaid dividends thereon, whether or not earned or declared, accrued to the date of payment, but shall not be entitled to any other or further payment.

Sec. 11. Officers and powers of board of directors. (a) **Officers.** The board of directors shall elect one of its members president of the corporation. The board may designate a director in lieu of the president to be chairman of the board, who shall perform such duties as may be designated by the board. The directors shall have power to elect a vice president, who shall also be a member of the board of directors, and who shall be authorized, in the absence or inability of the president from any cause, to perform all acts and duties pertaining to the office of president, except such as the president only is authorized by law to perform, and to elect or appoint a treasurer, and to elect a secretary who shall be a resident of Maine, shall be sworn to the faithful performance of his duties, and who shall be the clerk of the corporation for all statutory purposes, and such other officers and employees as may be required to transact the business of the corporation; and, subject to the provisions of sub paragraphs (a) and (b) of paragraph 13 of section 10, hereof, to fix the salaries to be paid to them, and to continue them in office or to dismiss them as in the opinion of a majority of the board the interests of the corporation may demand.

(b) **Powers of board of directors.** The board of directors shall have the power to define the duties of the officers and employees of the corporation, to require bonds from them, and to fix the penalty thereof; to regulate the manner in which election of directors shall be held, and to appoint judges of the elections; to make all by-laws that it may be proper for them to make, not inconsistent with law, for the general regulation of the business of the corporation and the management of its affairs, and generally to do and perform all acts that it may be legal for a board of directors to do and perform according to law and within the limits of this charter.

Sec. 12 Special meetings of shareholders. Except as otherwise specifically provided by statute, special meetings of the holders of preferred stock and/or of the holders of common stock may be called for any purpose at any time by the board of directors or a special meeting of the holders of any class of stock may be called at any time by the holders of at least 10% of the then outstanding shares of such class, or a special meeting of holders of all classes of stock may be called at any time by the holders of at least 10% of the then outstanding shares of stock of any one class. Every such special meeting shall be called by mailing 10 days before the time fixed for the meeting, to all shareholders of record entitled to act and vote at such meeting, at their respective addresses as shown on the books of the corporation, a notice stating the purpose of the meeting. Such notice may be waived.

Sec. 13. Restrictions on accepting capital stock as security. The corporation shall not make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares unless necessary to prevent loss upon a debt previously contracted in good faith; and all stock so acquired shall, within 6 months from the time of its acquisition, be disposed of at public or private sale.

Sec. 14. Directors must be stockholders. No person shall be eligible to the position of a director of the corporation who is not the actual owner of at least 10 shares of the stock thereof.

Sec. 15. Corporation shall be subject to general laws of state. In all respects not inconsistent herewith the corporation shall be subject to the general laws of the state of Maine relating to banking and trust companies. All rights hereunder shall lapse unless within the period of one year the corporation has commenced doing business.

Sec. 16. The common stockholders of said Merrill Trust Company who shall surrender their stock to the treasurer or assistant treasurer of said Merrill Trust Company for cancellation shall thereafter be free from all liability thereunder or for assessment thereon.

Sec. 17. Constitutionality. The sections and provisions of this act are separable and are not materials of mutual essential inducement; and the objects of the corporation hereby created cannot be attained in other manner than by this incorporation. It is the intention to confer the whole or any part of the powers herein provided for, and if any of the sections or provisions or parts thereof are for any reason illegal, it is the intention that the remaining sections or provisions or parts thereof shall remain in full force and effect.

Emergency Clause. The rights and privileges granted by this charter shall extend for the period of one year from the date of enactment and

thereafter as it may be extended by legislative enactment. In view of the emergency set forth in the preamble this act shall take effect when approved.