

MAINE STATE LEGISLATURE

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DECEMBER 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. 57

H. P. 45

House of Representatives, Dec. 5, 1933.

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

HARVEY R. PEASE, Clerk.

Presented by Mr. Breen of Lewiston.

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

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND
THIRTY-THREE

**AN ACT Relating to the Election and Duties of Directors and Officers of
Trust Companies.**

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

R. S., c. 57, § 72, amended. Section 72 of chapter 57 of the revised statutes, as amended, is hereby repealed and the following are hereby enacted as sections 72-A to 72-J inclusive of the said chapter 57.

‘Sec. 72-A. Exercise of corporate powers by directors; election of directors. All the corporate powers of trust companies shall be exercised by a board of not less than 5 nor more than 25 directors, two-thirds of whom shall be residents of this state, whose number and term of office shall be determined, and who shall be elected by a vote of the stockholders at the first meeting held by the incorporators and at each annual meeting thereafter. Directors shall be elected for a term of one year and hold office until their successors shall have been duly elected and qualified, and shall hold a regular meeting at least once each month.’

‘Sec. 72-B. Clerk to give notice of election of directors. The clerk of the corporation shall within 10 days after an election notify the directors of their election and shall within 30 days thereafter publish the list of all persons who have subscribed to the oath of office as directors.’

‘Sec. 72-C. Meetings of directors. All meetings of the board of directors

shall be held within this state at such place as the majority of the directors may designate, or as may be designated in the notice calling the meeting.'

'Sec. 72-D. Majority of directors to constitute quorum; written consent to action. A majority of all the directors shall be necessary to constitute a quorum for the transaction of business, and except as otherwise provided in sections 72-A to 72-J, inclusive, or in the articles or by-laws of a particular institution, the acts of a majority of the directors who are present at a meeting, at which a quorum is present, shall be the acts of the board of directors if, however, all the directors severally or collectively shall consent in writing to any action to be taken by the corporation, such action shall be as valid a corporate action as though it had been authorized at a meeting of the board of directors, provided, such written consent shall be made a part of the records of the directors in the book wherein the record of directors' meetings is kept.'

'Sec. 72-E. Directors authorized to delegate certain powers to an executive board. The board of directors may, by resolution adopted by a majority of the whole board, delegate 3 or more of its number to constitute an executive committee, which, to the extent provided in such resolution, shall have and exercise the authority of the board over the ordinary operations of the corporation between the dates of the regular meetings of the board. Every such committee shall keep full minutes of all business transacted by it, and shall present detailed reports of all such minutes to the board at each regular meeting.'

'Sec. 72-F. Oath or affirmation of director. Each director of a trust and banking company shall, within 30 days of his election and before assuming the duties of his office, take an oath or affirmation that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of the corporation, and will not knowingly or willingly permit to be violated any of the provisions of law applicable to the institution of which he is a director that he meets the requirements of this chapter and of the articles and by-laws of the corporation for directors and, that he has met with requirements of this chapter and of the articles and by-laws with respect to his ownership of shares and filing them with the treasurer of the institution.'

'Such oath or affirmation shall be signed by the director making it and shall be immediately transmitted to the bank commissioner of the state, in whose office it shall be filed.'

'Sec. 72-G. Vacancies in the board of directors. Vacancies in the board of directors, or in the executive committee, caused by death, resignation, disqualification, or otherwise, shall be filled by the remaining members of the

board of directors, though less than a quorum, and each person so elected shall be a director of the corporation until his successor is elected by the shareholders, who may make such election at the next annual meeting of the shareholders, or at any special meeting duly called for the purpose and held prior thereto.'

'Sec. 72-H. Election of officers by the board of directors. The board of directors shall elect a president of the corporation, and of the board, from its number, a clerk who shall be sworn to the faithful performance of his duties, a treasurer, and such other officers as they may deem necessary. The president, treasurer, assistant treasurer, and all other officials and employees having access to moneys or securities shall give bonds to the corporation, for the faithful discharge of the duties of their office, in such sum as the board of directors and bank commissioner shall require, and such bonds shall continue and be valid from year to year so long as they act in such capacities, subject to renewal whenever ordered by the board of directors or bank commissioner.'

'Sec. 72-I. Bonds of officers and employees. Each treasurer shall be bonded for not less than \$15,000, each assistant treasurer, or other official or employee handling or having access to money or securities for not less than \$5,000. All bonds shall be approved by the bank commissioner and copies furnished the banking department by the clerks of the several banks. Said bonds shall be recorded upon the books of the corporation, and the bank commissioner shall annually examine the same 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. All such bonds hereinafter given under the provisions of sections 72-A to 72-J, inclusive, shall be executed by the principal and one or more surety companies authorized to transact business in this state, and bonds of personal sureties shall no longer be regarded as complying with the provisions hereof. The expense of such bonds shall be paid by the bank.'

'Sec. 72-J. Penalty for false returns. Any officer or employee of any trust company who shall wilfully and knowingly make any false return or report to the bank commissioner, in response to any call for information issued by the bank commissioner, or his deputy, or upon making or filing of any regular or special report, shall be punished by a fine of not more than \$500, or by imprisonment for not more than 11 months, or by both such fine and imprisonment.'