

# 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. 61**

H. P. 49

House of Representatives, Dec. 5, 1933.

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

HARVEY R. PEASE, Clerk.

Presented by Mr. Hescocock of Monson.

STATE OF MAINE

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

**AN ACT Relating to Loans by Trust Companies to Their Executive Officers.**

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

**R. S., c. 57, amended.** Chapter 57 of the revised statutes is hereby amended by adding thereto the following new section to be numbered 78-A and to read as follows:

**'Sec. 78-A. Loans to executive officers.** No executive officer of any trust company shall borrow from, or otherwise become indebted to, such trust company of which he is an executive officer, and no trust company shall make any loan or extend credit in any other manner to any of its own executive officers: provided that loans heretofore made to any such officer may be renewed or extended for a period of not more than 2 years from the effective date hereof, if in accord with sound banking practices. If any executive officer of any trust company borrows from, or if he is or becomes indebted to, any bank other than said trust company of which he is an executive officer, he shall make a written report to the chairman of the board of directors of the trust company of which he is an executive officer stating the date and amount of such loan or indebtedness, the security therefor, and the purpose for which the proceeds have been or are to be used. Any executive officer of any trust company violating

the provisions of this paragraph shall be deemed guilty of a misdemeanor and shall be punished by imprisonment for not more than eleven months or by a fine of not more than \$1,000, or by both such fine and imprisonment and any trust company violating the provisions of this section shall be punished by a fine of not more than \$5,000 and may be further punished by a fine of a further sum equal to the amount so loaned or credit so extended.'