

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. 65

H. P. 53.

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 Marion E. Martin of Bangor.

STATE OF MAINE

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

AN ACT Relating to Violation of Sound Banking Practices.

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 a new section to be numbered 79-B and to read as follows :

'Sec. 79-B. Violation of sound banking practices; removal of directors. Whenever in the opinion of the bank commissioner any director or officer of any trust company shall have violated any law relating to such trust company or shall have been guilty of unsafe and unsound banking practices in conducting the business of such trust company he shall warn such director or officer, and the board of directors as a whole, to discontinue such violations of law or such unsafe and unsound practices.

After any director or officer has been so warned, if he, in the opinion of the bank commissioner, continues such violations of law or of safe and sound banking practices, the bank commissioner may cause notice to be served upon such director or officer to appear before him, to show cause why he, such director or officer, should not be removed from office. A copy of such notice shall be sent to each director of the bank affected, by registered mail.

After granting the accused director or officer a reasonable opportunity

to be heard, if the bank commissioner finds that such director or officer has, after warning, continued to violate any law relating to such trust company or has continued unsafe and unsound banking practices, he may, in his discretion, order that such director or officer be removed from office. A copy of such order shall be served upon such director or officer and also upon the bank in which he holds such office, whereupon such director or officer shall cease to be a director or officer of such trust company; provided, that such order and findings of fact upon which it is based shall not be made public or disclosed to anyone except the director or officer involved and the directors of the bank involved, otherwise than in connection with proceedings for a violation of this section.

Any such director or officer removed from office as herein provided who thereafter participates in any manner in the management of such bank shall be punished by a fine of not more than \$1,000, or by imprisonment for not more than 11 months, or by both such fine and imprisonment.

For the purpose of enforcing such penalty it shall be the duty of the county attorney in the county where the bank is located, upon notice from the bank commissioner of such participation in the affairs of such trust company by any person after notice of removal from the office of director, or other office, to proceed against such person by complaint or indictment as prescribed for criminal proceedings.'