

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

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. 69

H. P. 57

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. Drisko of Jonesboro.

STATE OF MAINE

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

**AN ACT Relating to the Limitation of Stock Ownership and Voting
Trusts.**

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 61-A and to read as follows :

'Sec. 61-A. Limitation upon stock ownership; voting trusts. (1) No firm, syndicate or corporation, domestic or foreign, shall at any time own more than 10% of the capital stock of any trust and banking company organized under the laws of the state of Maine.

(2) No firm, syndicate, or corporation shall under any circumstances be permitted to vote more than 10% of the capital stock of any such trust and banking company at any meeting of the stockholders.

(3) Any firm, syndicate or corporation, foreign or domestic, which shall acquire any number of shares of the capital stock in any such trust and banking company shall, within 15 days after such acquisition notify the bank whose stock is acquired, in writing, and shall in the event that title to any stock certificate of said bank has become vested, request that the outstanding certificate be cancelled and another issued in the name of the owner.

(4) No stock of any trust and banking company which shall have been transferred within 15 days next prior to any stockholders meeting shall have any voting power unless the treasurer shall have had at least 10 days notice, in writing, of such transfer, before the date of the meeting.

(5) Stock of any trust and banking company, owned by any firm, syndicate or corporation may be voted in behalf of such firm, syndicate or corporation, by such officer of such institution as may be properly authorized.

In all cases a certified copy of the authorization shall be filed with the clerk of the trust and banking company at the time of the meeting.

(6) No firm, syndicate or corporation, holding the stock of any such bank shall act as proxy for any of the stockholders of said bank.

(7) Shares of its own capital belonging to a trust and banking company shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares, for voting purposes, at any given time, except when such trust and banking company holds its own shares in a fiduciary capacity, in which event such shares may be voted and shall be counted in determining the total number of outstanding shares at any given time.

(8) No firm, syndicate or corporation, of any nature, affiliated in any way with any trust and banking company organized under the laws of the state of Maine shall vote at any meeting of the stockholders of such trust and banking company until permission to vote shall have been granted by the bank commissioner. The bank commissioner is hereby authorized to require of such firm, syndicate, corporation or affiliate such information as in his judgment shall be necessary to disclose fully the relations between such firm, syndicate, corporation or affiliate and such bank and to enable the bank commissioner to inform himself as to the effect of such relations upon the affairs of the bank. The bank commissioner is hereby authorized to make such examination into the affairs of any such firm, syndicate, corporation or affiliate as he may deem necessary for the safety of the depositors, other creditors and stockholders of any such trust and banking company; and the necessary expenses of such examination shall be paid to the bank commissioner by any such firm, syndicate, corporation or affiliate who may be thus examined. In the event of the refusal of any such firm, syndicate or corporation to furnish such information as requested by the bank commissioner, or upon the refusal of such firm, syndicate or corporation to allow an examination of its affairs by the bank commissioner, or in the event of a refusal of such firm, syndicate or corporation to pay any costs of examination as herein provided, the stock of any trust and banking company organized under the laws of the state of Maine, owned or controlled

by such firm, syndicate or corporation, shall lose all rights of voting until the orders of the bank commissioner shall have been complied with.

For the purpose of this section the term "affiliate" shall include holding company affiliates as well as other affiliates.

(9) Any votes taken in violation of the 8 preceding sub-sections shall be void.'