

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. 79

H. P. 73

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. Hescocock of Monson.

STATE OF MAINE

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

**AN ACT Relating to Reduction of Deposit Accounts in Savings Banks in
Cases of Insolvency.**

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

R. S., c. 57, § 56, amended. Section 56 of chapter 57 of the revised statutes is hereby amended to read as follows :

'Sec. 56. Court may reduce deposit accounts. Whenever a savings bank or institution for savings, is insolvent by reason of loss on, or depreciation in the value of any of its assets without the fault of its trustees, the supreme judicial court, or the superior court, in term time, or any justice thereof, in vacation, shall, on petition in writing, of a majority of the trustees, and the bank commissioner **in possession**, setting forth the facts, appoint a time for the examination of the affairs of such corporation, and cause notice thereof to be given to all parties interested, in such manner as may be prescribed; and, if upon examination of its assets and liabilities, and from other evidence, he is satisfied of the facts set forth in said petition, and that the corporation has not exceeded its powers, nor failed to comply with any of the rules, restrictions, and conditions provided by law, he may, if he deems it for the interest of the depositors and the public, by proper decree, reduce the deposit account of each depositor, so as to divide such loss pro rata among the depositors, thereby rendering

the corporation solvent, so that its further proceedings will not be hazardous to the public, or those having or placing funds in its custody; and the depositors shall not draw from such corporation, a larger sum than is thus fixed by the court, except as hereinafter authorized; provided, however, that its treasurer shall keep an accurate account of all sums received for such assets of the corporation held by it at the time of filing such petition; and if a larger sum is realized therefrom than the value estimated as aforesaid by the court, he shall, at such times as the court prescribes, render to the court a true account thereof, and thereupon the court, after due notice to all parties interested, shall declare a pro rata dividend of such excess among the depositors at the time of filing the petition. Such dividend may be declared by the court, whenever the court deems it for the interest of the depositors and the public, whether all, or only a portion of such assets has been reduced to money; and any such dividend may at any time, in the discretion of the court, be declared to be a final one. No deposit shall be paid or received by such corporation after the filing of the petition until the decree of the court, reducing the deposits as herein provided. If the petition is denied, the bank commissioner shall proceed to wind up the affairs of the corporation **in the same manner as is provided in section fifty-two for insolvent banks.**