

# MAINE STATE LEGISLATURE

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DECEMBER SPECIAL SESSION

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E I G H T Y - S I X T H    L E G I S L A T U R E

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**Legislative Document**

**No. 80**

H. P. 74

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.

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STATE OF MAINE

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

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**AN ACT Relating to the Organization of Trust Companies.**

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

**R. S., c. 57, § 61, amended.** Section 61 of chapter 57 of the revised statutes is hereby amended to read as follows:

**‘Sec. 61. Organization of trust companies; their powers.** Five or more persons, a majority of whom shall be residents of the state who associate themselves by an agreement in writing for the purposes of forming a trust company, may, upon compliance with the provisions of sections 61 to 70, both inclusive, become a corporation, subject to all the duties, restrictions, and liabilities set forth in all general laws now or hereafter in force relating to such corporations, with power; 1st, to receive on deposit, money, coin, bank-notes, evidences of debt, accounts of individuals, companies, corporations, municipalities, and states, allowing interest thereon, if agreed, or as the by-laws of said corporation may provide; 2nd, to borrow money, to loan money on credits, or real estate, or personal security, and to negotiate loans and sales for others; 3rd, to own and maintain safe deposit vaults, with boxes, safes, and other facilities therein, to be rented to other parties for the safe-keeping of moneys, securities, stocks, jewelry, plate, valuable papers, and documents, and other property susceptible of being deposited therein, and may receive on deposit for safe-keeping property

of any kind entrusted to it for that purpose; 4th, to hold and enjoy all such estate, real, personal, and mixed, as may be obtained by the investment of its capital stock or any other moneys and funds that may come into its possession in the course of its business and dealings, and the same sell, grant, and dispose of; 5th, the business of dealing in investment securities by a trust company shall be limited to purchasing and selling such securities without recourse solely upon the order and for the account of customers, and in no case for its own account, and the trust company shall not underwrite any issue of securities: provided, that the trust company may purchase for its own account investment securities under such limitations and restrictions as the bank commissioner may by regulation prescribe, but in no event (1) shall the total amount of any issue of investment securities of any one obligor or maker purchased for its own account exceed at any time 10% of the total amount of such issue outstanding, but this limitation shall not apply to any such issue the total of which does not exceed \$100,000 and does not exceed 50% of the capital, unimpaired surplus and net undivided profits of said trust company, nor (2) shall the amount of the investment securities by any one obligor or maker purchased and held by said trust company for its own account exceed at any time 15% of the amount of the capital, unimpaired surplus and net undivided profits. As used in this section the term "investment securities" shall mean marketable obligations evidencing indebtedness of any person, co-partnership, association or corporation in the form of bonds, notes, and/or debentures, commonly known as investment securities, under such further definition of the term "investment securities" as may by regulation be prescribed by the bank commissioner. Except as hereinafter provided or otherwise permitted by law, nothing herein contained shall authorize the purchase by said trust company of any shares of stock of any corporation. The limitations and restrictions herein contained as to dealing and underwriting and purchasing for its own account investment securities, shall not apply to obligations of the United States or general obligations of any state or of any political sub-division thereof, or obligations issued under the authority of the Federal Farm Loan Act as amended, or issued by the Federal Home Loan banks, or the Home Owners Loan Corporation: provided, that in carrying on the business commonly known as the safe deposit business the trust company shall not invest in the capital stock of a corporation organized to conduct a safe deposit business an amount in excess of 15% of its capital, unimpaired surplus and net undivided profits; ~~5th~~ 6th, to act as agent for issuing, registering, and countersigning certificates, bonds, stocks, and all other evidences of debt or ownership in property; ~~6th~~ 7th, to hold by grant, assignment, transfer, devise, or be-

quest, any real or personal property, or trusts duly created, and to execute trusts of every description; ~~seventh 8th~~, to act as assignee, receiver, executor, administrator, conservator, or guardian; provided, however, that any such appointment as guardian shall apply to the estate of the ward only and not to the person; ~~eighth 9th~~, subject to such restrictions as may be imposed by ~~law the bank commissioner~~, to accept for payment at a future date drafts and bills of exchange drawn upon it, and to issue letters of credit authorizing holders thereof to draw drafts upon it, or its correspondents, at sight or on time; ~~provided, that such acceptances or drafts be based upon actual values, but no trust company shall accept such bills or drafts to an aggregate amount exceeding at any one time one-half of its paid-up capital and surplus, except with the approval of the bank commissioner, and in no case to an aggregate amount in excess of its capital and surplus;~~ ~~ninth 10th~~, to do in general all the business that may lawfully be done by trust and banking companies. No surety shall be necessary upon the bond of the corporation in its capacity as trustee, executor, administrator, conservator, guardian, assignee, or receiver, or in any other capacity, unless the court or officer approving such bond shall require it.'