

# 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. 95**

S. P. 23

In Senate Dec. 6, 1933.

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

ROYDEN V. BROWN, Secretary.

Presented by Senator Jackson of Sagadahoc.

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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 to Provide for the Authority of a Receiver in Possession.**

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**Emergency Preamble.** Whereas, the banking situation in this state appears to require that receivers of banks undergoing liquidation should be authorized to issue notes, to borrow money to pay dividends to depositors and to dispose of the same; and

Whereas, the necessary requirements do not appear to be fully met by the existing law, in order to make immediately available to receivers of banks undergoing liquidation the privilege of issuing notes to borrow money to pay dividends to depositors and to promote the industrial and commercial welfare and prosperity of our state, it is necessary that the enactment of the following act additional to the banking laws should become effective forthwith; and

Whereas, in the judgment of the legislature these facts create an emergency within the meaning of section 16 of Article XXXI of the constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety, now, therefore

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

**Authority of a receiver in possession.** Upon taking possession of the property and business of a bank or trust company, the receiver may collect

moneys due to the bank, and do all acts necessary to conserve its assets and business, and shall proceed to liquidate its affairs as hereinafter provided. He shall collect all debts due and claims belonging to it, and upon the order or decree of the supreme judicial or of the superior court, or any justice thereof in term time or vacation, may sell or compound all bad or doubtful debts, and on like order or decree may sell for cash or other consideration or as provided by law all, or any part of, the real and personal property of the bank on such terms as the court shall direct; and, in the name of such bank, may take a mortgage on such real property from a bona fide purchaser to secure the whole or part of the purchase price, upon such terms and for such periods as the court shall direct; and on like order or decree he may borrow money and issue evidence of indebtedness therefore to secure the repayment of the same may mortgage, pledge, transfer in trust, or hypothecate any or all of the property of such institution, whether real, personal or mixed, superior to any charge thereon for expenses of liquidation.

**Emergency clause.** In view of the emergency created as recited in the preamble this act shall take effect when approved.