

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. 99

S. P. 19

In Senate, Dec. 6, 1933.

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

ROYDEN V. BROWN, Secretary.

Presented by Senator Robie of Cumberland.

STATE OF MAINE

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

AN ACT Relating to the Authority of Bank Commissioner Over Trust Companies

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

R. S., c. 57, § 85, amended. Section 85 of chapter 57 of the revised statutes as amended is hereby repealed and the following are enacted as sections 85-A to 85-H, inclusive of chapter 57.

'Sec. 85-A. Authority of bank commissioner over trust companies. The bank commissioner shall examine all trust and banking companies thoroughly at least twice each year, and more frequently if he deems such action necessary or advisable to safeguard the interests of depositors, other creditors, or share holders of such institutions. This examination shall include a complete review of the property, assets, and resources of the institution; the loans and discounts made by it and the collateral deposited with it as security for such loans; the mode of conducting its affairs; its affiliation with other banks, corporations or persons; the investment of its funds; the interest taken in its affairs by its officers, directors and employees; its compliance with the law and with the terms of its charter or license; and any other matters, bearing any relation to its condition which the bank commissioner shall prescribe.'

'Sec. 85-B. Special examinations. The bank commissioner may also make special examinations or investigations of any trust and banking company at any time he deems such action necessary or advisable to protect depositors, other creditors, or shareholders thereof.'

'Sec. 85-C. Examination at request of directors. The bank commissioner when requested in writing by the board of directors or the holders of a majority of the shares of capital stock of any trust and banking company, or other corporation, under its supervision shall examine or investigate the affairs and condition of such institution. The directors or shareholders making such request shall not, however, have any greater right to require the bank commissioner to disclose the results of any such examination or investigation than they have in the case of any regular examination or investigation.'

'Sec. 85-D. Examination to be made by bank commissioner or examiner. All examinations or investigations shall be made by the bank commissioner or deputy bank commissioner, or by qualified examiners or employees designated for that purpose by the bank commissioner, or by his duly authorized deputy, and empowered, in writing, to make examinations or investigations as contemplated by the provisions of sections 85-A to 85-H.'

'Sec. 85-E. Examination by federal reserve bank may be accepted by bank commissioner. In the case of a trust and banking company which is a member of the Federal Reserve Bank, the bank commissioner may, in his discretion, accept the examinations or reports made under the "Federal Reserve Act" in lieu of the general examinations and investigations required by the provisions of sections 85-A to 85-H. Such examinations shall not however be so accepted in cases where the board of directors or the holders of a majority of the capital stock of a trust and banking company, or other corporation have, in writing, requested an examination or investigation.'

'Sec. 85-F. Commissioner may summon officers and witnesses. In connection with any examination or investigation the bank commissioner shall have power to issue subpoenas requiring the attendance of, or the production of such books and papers as he may deem necessary, by the officers, directors, agents, employees, or members, respectively, of any corporation or person which the bank commissioner is authorized, under the provisions of sections 85-A to 85-H, to examine. The bank commissioner, or his duly authorized deputy, or attorney, shall also have the power to question such witnesses under oath or affirmation, and to examine such books and papers.'

'Sec. 85-G. Refusal of witness to testify. Any witness who refuses

to obey a subpoena issued under this section, or who refuses to be sworn or affirmed, or to testify, or who is guilty of any contempt after summons to appear, may be punished as for contempt of court, and, for this purpose, an application may be made to any superior court within whose territorial jurisdiction the offense was committed: for which purpose such court is hereby given jurisdiction. Nothing in this section shall be construed as limiting any of the powers of the bank commissioner in relation to trust companies as set forth in any other section of this chapter.'

'Sec. 85-H. Commissioner to make annual report. The bank commissioner shall, annually, make a report to the governor and council of the general conduct and condition of each trust and banking company operating within this state, making such suggestions as he deems expedient or the public interest requires. Such report shall be printed and laid before the legislature at its next regular session and one copy sent to each trust and banking company in the state.'