

MAINE STATE LEGISLATURE

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PRIVATE AND SPECIAL

A C T S

OF THE

STATE OF MAINE,

PASSED BY THE

NINTH LEGISLATURE,

AT ITS

SESSION, COMMENCING JANUARY 7th, 1829.

Published agreeably to the Resolve of the 28th June, 1829.

Portland:

DAY & FRASER.....PRINTERS TO THE STATE.

1829.

CHAP. 15.

AN ACT to incorporate the President, Directors and Company of the Franklin Bank.

Approved February 11, 1829.

SECT. 1. *Be it enacted by the Senate and House of Representatives, in Legislature assembled,* That Calvin Spaulding, John T. P. Dumont, John Otis, Nathan Moody and Ichabod Nutter, and their associates, successors and assigns, shall be, and hereby are, created a corporation by the name of the President, Directors and Company of the Franklin Bank; and shall so continue until the first day of October, which will be in the year of our Lord one thousand eight hundred and thirty one, and by that name shall be, and hereby are made capable in law to sue and be sued; plead and be impleaded; and also to make, have, and use a common seal; and to ordain, establish, and put in execution such by-laws, ordinances and regulations as to them may appear necessary and convenient for the government of said corporation and the prudent management of their affairs: *Provided,* Such by-laws, ordinances and regulations, shall in no wise be contrary to the laws of this State. And the said corporation shall always be subject to the rules, restrictions, limitations and provisions herein prescribed.

Persons incorporated.

Charter to continue until Oct. 1, 1831.

Powers and privileges.

Proviso.

SECT. 2. *Be it further enacted,* That the capital stock of said corporation shall consist of the sum of fifty thousand dollars, in gold and silver; to be divided into five hundred shares; and not more than ten per cent. of said capital stock shall at any one time be held or owned by one person;—and the said capital stock shall be paid in at two instalments in gold and silver; the one half thereof to be paid on or before the first Monday of October next, and the remaining half part thereof, on or before the first Monday in April, which will be in the year of our Lord one thou-

Capital stock \$50,000.

Not more than 10 per cent. to be held or owned by one person.

When to be paid in.

sand eight hundred and thirty : *Provided*, That no money shall be loaned or discounts made, nor shall any bills or promissory notes be issued from said Bank, until the capital subscribed for, and actually paid in and existing in gold and silver in their vaults, shall amount to twenty-five thousand dollars, and the affidavit of the President and Cashier, of such facts, shall have been filed in the office of the Secretary of State. And the stockholders at their first meeting, shall by a majority of votes, determine the mode of transferring and disposing of said stock and the profits thereof, which being entered on the books of said corporation, shall be binding on the stockholders, their successors and assigns ; and no transfer of stock shall be of any effect until it shall have been entered on the books of said corporation. And the said corporation, are hereby made capable in law, to have, hold, purchase, receive, possess and retain to them, their successors and assigns, lands, tenements and hereditaments, to the amount of ten thousand dollars, and no more at any one time, with power to bargain, sell and dispose of the same, and to loan and negotiate their monies and effects, by discounting on banking principles on such security as they shall think adviseable: *Provided*, Nothing herein contained shall restrain or prevent said corporation, from taking and holding real estate in mortgage or on execution, to any amount, as security for, or in payment of, any debts due to said corporation.

No loan or discount made until \$25,000 be paid in, and affidavit thereof made and filed in the office of Sec. of State.

Mode of transferring stock.

Real estate may be holden of the value of \$10,000.

Proviso.

SECT. 3. *Be it further enacted*, That the following rules, limitations and provisions, shall form and be the fundamental rules of said corporation. First—That the total amount of the debts which the said corporation shall at any time owe, by bond, bill, note, or other contract, shall not exceed fifty per cent. beyond the amount of their capital stock actually paid in, exclusive of the sums due on account of deposits ; nor shall there be due to the said corporation, at any one time,

Rules and limitations of the powers of the corporation.

Debts of the Corporation not to exceed 50 per cent. beyond the amount of their capital stock.

Debts due, not to exceed double the amount of capital paid in.

Liability of Directors in certain cases.

Capital not to be employed in trade or commerce.

Directors & President how chosen.

Cashier's bond to be renewed.

Persons eligible for Directors.

more than double the amount of the capital stock actually paid in as aforesaid; in case of excess, the directors, under whose administration it shall happen, shall be liable for the same in their individual and private capacity; and an action of debt may, in such case, be brought against them or any of them, their or any of their heirs, executors or administrators, in any court proper to try the same, by any creditor or creditors of said corporation; and may be prosecuted to judgment and execution. And the aggregate of all debts due to said bank from the directors, or any of them, as principals, endorsers or sureties, shall not at any one time, exceed in amount thirty three and one third per centum, of the capital stock of said Bank; and for every violation of this provision, every director consenting to, or conniving at such violation, shall forfeit and pay the sum of five hundred dollars, to be recovered by indictment to the use of the State. Second—That said corporation shall not vest, use, or improve any of their monies, goods, chattels, or effects in trade or commerce, but may sell all kinds of personal pledges lodged in their hands, by way of security, to any amount sufficient to reimburse the sum loaned. Third—That the lands, tenements and hereditaments, which the said corporation shall hold, shall be only such as shall be requisite for the convenient transaction of their business. Fourth—None but a member of said corporation, being a citizen of this State and resident therein, shall be eligible for a Director; and the Directors shall choose one of their own number to act as President; and the cashier, before he enters on the duties of his office, shall give bond, with two or more sureties, to the satisfaction of the board of directors, in a sum not less than twenty thousand dollars, with condition for the faithful discharge of the duties of his office; and such bond shall be renewed at least once in three years. Fifth—No director of any other Bank shall be eligible to the office of director of this

Bank, although he may be a stockholder therein ; and any Director accepting any office in any other Bank, shall be deemed to have vacated his place in this Bank. Sixth—That for the well ordering of the affairs of said corporation, a meeting of the stockholders shall be holden at such place as they shall direct, on the first Monday of October annually, and at any other time during the continuance of said corporation, and at such place as shall be appointed by the President and Directors for the time being, by public notification, given fourteen days previous thereto ; at which annual meeting, there shall be chosen by ballot, seven Directors, to continue in office for the year ensuing their election ; and the number of votes to which each stockholder shall be entitled, shall be according to the number of shares he shall hold, in the following proportion, that is to say, for one share, one vote, and every four shares above one shall give a right to one vote more: *Provided*, No one member shall have more than twenty votes, and absent members may vote by proxy, duly authorized in writing. Seventh—No Director shall be allowed any compensation for his services, but the stockholders may make the President such compensation, as to them shall appear reasonable. Eighth—No less than four Directors shall constitute a board for the transaction of business, of whom the President shall always be one, except in case of sickness or absence, in which case the Directors present may choose a chairman for the time being, in his stead, and the assent of four of the Directors shall always be necessary for the transaction of business. Ninth—All bills issued from the Bank aforesaid and signed by the President, shall be binding on the corporation. Tenth—The Directors shall make half-yearly dividends of all the profits, rents, premiums and interest of the Bank aforesaid. Eleventh—The Directors shall have power to appoint a Cashier, and such

Meeting of stockholders in October.

Directors to be chosen.

Manner of voting at elections.

Compensation to President, &c.

Quorum of board of Directors.

Dividends.

Cashier, &c. how appointed.

other officers for carrying on the business of said Bank, with such salaries, as to them seem meet.

Bank to be established in Hallowell.

SECT. 4. *Be it further enacted,* That the said Bank shall be established in the town of Hallowell.

Corporation to loan to State.

SECT. 5. *Be it further enacted,* That whenever the Legislature shall require it, the said corporation shall loan to the State any sum of money which may be required, not exceeding ten per centum of the capital stock of said Bank, at any one time, reimbursable by five annual instalments; or at any shorter period, at the election of the State, with the annual payment of interest, not exceeding five per cent. per annum: *Provided however,* That the State shall never stand indebted at any time, to said corporation, without their consent, in a larger sum than five thousand dollars.

Legislature by their committee may examine books, &c. and vacate this charter in certain cases.

SECT. 6. *Be it further enacted,* That any committee, specially appointed by the Legislature for that purpose, shall have a right to examine into the doings of said corporation, and shall have free access to all their books and vaults; and if upon such examination, it shall be found, and after a full hearing of said corporation thereon, be determined by the Legislature, that the said corporation have exceeded the power herein granted them, or failed to comply with any of the rules, restrictions, and conditions in this Act provided, their incorporation may thereupon be declared forfeited and void.

First meeting how called.

SECT. 7. *Be it further enacted,* That the persons herein before named, or the major part of of them, are authorized to call a meeting of the stockholders of said corporation, at such time and place as they shall see fit, by advertising the same, for three weeks successively in the public newspaper printed in the town of Hallowell, for the purpose of making, ordaining and establishing such by-laws, ordinances and regulations, for the orderly conducting the affairs of said corporation,

as the said stockholders shall deem necessary, and for the choice of the first board of Directors, and such other officers as they shall see fit to choose.

SECT. 8. *Be it further enacted,* That the said corporation shall be liable to pay any *bona fide* holder, the original amount of any note of said Bank, altered in the course of its circulation to a larger amount, notwithstanding such alteration.

Corporation bound to pay the original amount of altered bills.

SECT. 9. *Be it further enacted,* That one twentieth part of the capital of said Bank shall always be appropriated to loans to be made to citizens of this State, wherein the Directors shall wholly and exclusively regard the agricultural and manufacturing interests, which loans shall be made in sums, not less than one hundred, nor more than five hundred dollars, and upon the personal bond of the borrower, with collateral security by mortgage of real estate, to the satisfaction of the Directors of said Bank, for a term not less than one year, and on condition of paying the interest annually on such loans, subject to such forfeiture and right of redemption by law, as in other cases.

Loans to agricultural and manufacturing interests.

SECT. 10. *Be it further enacted,* That said corporation shall be obliged to receive in payment for all debts due to said corporation, the bills by them issued.

Corporation to receive their own bills in payment of debts due to the Bank.

SECT. 11. *Be it further enacted,* That the conditions, restrictions and provisions contained in the Act entitled "an Act to enforce the payment of Bank Notes, and for other purposes," be, and they hereby are made applicable to, and obligatory on, the Bank established by this Act; and that each return of the state of said Bank to be made pursuant to the first section of an "Act directing the mode and time of making returns of Banks," shall, in addition to the several particulars required therein to be included, specify the names of all the Directors of said Bank; and if in taking the oath required by said first section, any Director, or Cashier shall swear falsely and be thereof duly

Further provisions. Public laws, Vol. 2. ch. 143.

Public laws, Vol. 3, chap. 296.

convicted, he shall suffer as for wilful and corrupt perjury.

SECT. 12. *Be it further enacted,* That if said corporation shall refuse or neglect to pay on demand any bill or bills, by such corporation issued, and the holder thereof shall obtain judgment and execution for the amount thereof against said corporation, and such execution shall not be satisfied, by payment thereof, within ten days after demand made upon the Cashier of said Bank, by the officer having such execution, or sufficient personal or real estate of said corporation shewn to satisfy the same, the officer may serve and levy such execution upon the body or bodies, or real or personal estate of any person or persons, who are or were members of said corporation, at any time within three years next preceding, in proportion to the stock by them severally and respectively holden: *Provided,* That no person shall in the whole, be compelled to pay upon execution or executions, to an amount greater than the amount of the stock which such person holds or shall have holden within three years as aforesaid.

Mode of enforcing payment of judgments against the corporation by levy on the stockholders.

Contribution to be made by other stockholders to the one compelled to satisfy any execution.

SECT. 13. *Be it further enacted,* That any person who shall have been compelled to pay any execution, either wholly or in part, pursuant to the provisions of the twelfth section of this Act, shall be entitled to recover of each individual, upon whose body or property such execution might have been levied, the same proportion of the sum so paid, as such individual owns or shall have owned of the stock of said Bank, at any time within three years prior to such payment, as for so much money paid to the use of such individual.

Stock not to be pledged to, or attached at the suit of the Bank.

SECT. 14. *Be it further enacted,* That no stockholder of said Bank shall be permitted at any time to pledge his stock therein, or any part thereof to the said Bank, or any corporation whatever. And all contracts so pledging, any of said stock, shall be of no effect; and no stock or share in said Bank, shall be attached on mesne process in any

suit in which said Bank shall be plaintiff, and all such attachments shall be of no effect.

SECT. 15. *Be it further enacted,* That if at any time the said corporation shall refuse or neglect to pay any of its bills when duly presented at said Bank, in banking hours, and for the space of thirty days thereafter neglect to pay or tender payment of such bills, the holder or holders of such bills may make complaint thereof in writing to any Judge of the Supreme Judicial Court, whose duty it shall be thereupon, to cause the President and Cashier of said Bank to be notified to appear before him at such time and place as he may appoint, to answer to such complaint and shew cause against further proceedings thereon; and if said President or Cashier shall not appear, or appearing shall not shew sufficient cause, against further proceedings, it shall be the duty of the said Judge, thereupon to appoint three disinterested and discreet commissioners residing near to said Bank, to take into their custody and possession, all the books, papers, property and estate of said corporation; and such commissioners, or the major part of them, shall thereby be authorized, to demand, and receive of the President, Directors and Cashier of said Bank, all the real and personal estate of said Bank, with all the books and evidences of debts due to said Bank, making and delivering to said President, Directors and Cashier, or either of them, accurate lists and memoranda of such estate, books and debts; and it shall be the duty of such commissioners, or the major part of them, and they are hereby authorized forthwith to proceed to dispose of such estates and collect such debts, and pay the demands against said corporation.

Proceedings in case the corporation refuses to pay its bills.

Commissioners to be appointed by a Justice of S. Judicial Court.

Power and duty of commissioners.

SECT. 16. *Be it further enacted,* That such commissioners, or the major part of them, shall be authorized and empowered to sell at public auction, after giving thirty days public notice of such sale, any real estate belonging to said corporation,

Further powers & duties of the commissioners.

and any mortgages upon real estate due to said corporation, and to make and deliver in the name of said corporation any deed or other instrument necessary to the due and complete transfer and conveyance of such estates and mortgages,—and said commissioners, or the major part of them shall further be authorized to collect all debts due and owing to said corporation, and to commence and prosecute in the name of the corporation any action necessary to the collection of such debts:

Proviso.

Provided, That so soon as such commissioners shall have realized from the property of the corporation, a sum sufficient to pay all the debts of the corporation, their power shall cease; and it shall be their duty to surrender to said corporation all the remaining property and estates, together with all the books and papers belonging to it.

Compensation, for services of Commissioners.

SECT. 17. *Be it further enacted*, That said commissioners shall be entitled to retain to their own use for their services, such sum as may be agreed upon between them and said corporation; and in case of disagreement, such sum as shall be determined by the Judge who appointed such commissioners.

President, Directors and Cashier liable in their individual capacity for the debts of the Bank, in case they refuse to surrender the books &c. belonging to the bank.

SECT. 18. *Be it further enacted*, That if the President, Directors and Cashier of such Bank, shall upon demand made by such commissioners refuse or neglect to surrender to them all the books, papers, property, estates and demands of said corporation, such President, Directors and Cashier so refusing or neglecting shall thereupon severally become liable in their individual capacity, for the payment of all debts due from said corporation; and any creditor to said corporation may have and maintain his action against such President, Directors and Cashier, or either of them, to recover, in their individual capacity, the amount of his just demand against said corporation.