

# MAINE STATE LEGISLATURE

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ACTS AND RESOLVES  
OF THE  
SEVENTY-THIRD LEGISLATURE  
OF THE  
STATE OF MAINE  
1907.

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Published by the Secretary of State, agreeably to Resolves of  
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PUBLIC LAWS

OF THE

STATE OF MAINE.

1907.

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**Chapter 95.**

An Act to amend Section forty of Chapter forty-one of the Revised Statutes, relating to Seines.

*Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows:*

Section 1. Section forty of chapter forty-one of the revised statutes is hereby amended by striking out in the first line of said section, the words "five hundred," and inserting in lieu thereof the words 'one thousand,' so that said section when amended, shall read as follows:

Section 40,  
chapter 41,  
R. S.,  
amended.

'Section 40. No person shall set any net or seine within one thousand feet of the mouth of any weir under a penalty of fifty dollars for each offense.'

Penalty for  
setting net  
or seine  
near a weir.

Section 2. This act shall take effect when approved.

Approved March 21, 1907.

**Chapter 96.**

An Act additional to and amendatory of Chapter forty-eight of the Revised Statutes of the State of Maine, as amended, relating to the organization and management of Trust Companies.

*Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows:*

Section 1. 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 this act, 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; first, 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; second, to borrow money, to loan money on credits, or real estate, or personal security, and to negotiate loans and sales for others; third, 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; fourth, 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

Organization  
of trust  
companies.

—powers.  
—to receive  
deposits.

—to borrow  
money.

—to main-  
tain safe  
deposit  
vaults.

—to hold  
investments.

## CHAP. 96

—to act as agent.

—to execute trusts.

—to act as assignee.

—to do a general banking business. Agreement shall set forth.

Corporate name.

Purposes

Location.

Capital stock and number of shares. Associates shall subscribe to articles.

Notice of intention to organize.

—notice approved by bank examiner, shall be published for three successive weeks.

First meeting of subscribers, how called.

subscribers. —notice to

its possession in the course of its business and dealings, and the same sell, grant, and dispose of; fifth, to act as agent for issuing, registering and countersigning certificates, bonds, stocks, and all evidences of debt or ownership in property; sixth, to hold by grant, assignment, transfer, devise, or bequest, any real or personal property or trusts duly created, and to execute trusts of every description; seventh, to act as assignee, receiver, executor, and no surety shall be necessary upon the bond of the corporation, unless the court or officer approving such bond shall require it; eighth, to do in general all the business that may lawfully be done by trust and banking companies.

Section 2. Said agreements shall set forth that the subscribers thereto associate themselves with the intention of forming a corporation, and shall specifically state:

First, the name by which the corporation shall be known.

Second, the purpose for which it is formed.

Third, the city or town, which shall be within this state, where its business is to be transacted.

Fourth, the amount of its capital stock, and the number of shares into which the same is to be divided.

Each associate shall subscribe to the articles his name, residence, post office address and the number of shares of stock which he agrees to take.

Section 3. A notice of the intention of the subscribers to form such a trust company shall be given to the bank examiner. A notice in such form as said examiner shall approve shall be published at least once a week, for three successive weeks, in one or more newspapers designated by said examiner, and published in the county in which it is proposed to establish the company. Such notice shall specify the names of the proposed incorporators, the name of the corporation and the location of the same, as set forth in the above mentioned agreement of association. Within thirty days after the first publication of said notice the subscribers to said agreement shall apply to said examiner for a certificate that public convenience and advantage will be promoted by the establishment of such trust company. If the examiner refuses to issue such certificate, no further proceedings shall be had, but the application may be renewed after one year from the date of such refusal, without further notice or publication unless the examiner shall order the same.

Section 4. The first meeting of the subscribers to the agreement of association shall be called by a notice signed either by that subscriber to the agreement who is designated therein for the purpose, or by a majority of the subscribers; and such notice shall state the time, place and purposes of the meeting. A copy of the notice shall, seven days at least before the day appointed

for the meeting, be given to each subscriber or left at his residence or usual place of business, or deposited in the post office, postage prepaid, and addressed to him at his residence or usual place of business, and another copy thereof and an affidavit of one of the signers that the notice has been duly served shall be recorded with the records of the corporation. If all the incorporators shall in writing, endorsed upon the agreement of association, waive such notice and fix the time and place of the meeting, no notice shall be required. The subscribers to the agreement of association shall hold the franchise until the organization has been completed. At such first meeting, or at any adjournment thereof, the incorporators shall organize by the choice by ballot of a temporary clerk, by the adoption of by-laws and by the election in such manner as the by-laws may determine, of directors, a president, a clerk, and such other officers as the by-laws may prescribe. All the officers so elected shall be sworn to the faithful performance of their duties. The temporary clerk shall make and attest a record of the proceedings until the clerk has been chosen and sworn, including a record of such choice and qualification.

—waiver  
of notice.

election of  
officers and  
adoption of  
by-laws.

Section 5. The president, and a majority of the directors who are elected at such first meeting, shall make, sign and make oath to, in duplicate, articles setting forth:

Articles of  
agreement.

a. A true copy of the agreement of association, the names of the subscribers thereto, and the name, residence and post office address of each of the officers of the company;

b. The date of the first meeting and the successive adjournments thereof, if any.

One of such certificates shall be submitted to the bank examiner and the other, together with the records of the proposed corporation, to the attorney general, who shall examine the same, and who may require such amendment thereof or such additional information as he may consider necessary. If he finds that the articles conform to the provisions of the preceding sections relative to the organization of the corporation and that the provisions of section three have been complied with, he shall so certify and endorse his approval thereon. Thereupon the articles shall be filed in the office of the secretary of state, who shall cause the same, with the endorsement thereon, to be recorded, and shall thereupon issue a certificate of incorporation in the following form:

Certificates  
shall be  
submitted to  
bank exam-  
iner and  
attorney  
general.

—articles  
shall be  
filed in office  
of secretary  
of state, and  
he shall  
issue  
certificate.

#### STATE OF MAINE.

Be it known that whereas (the names of the subscribers to the agreement of association) have associated themselves with the intention of forming a corporation under the name of (the name

Form of  
certificate.

CHAP. 96

of the corporation), for the purpose (the purpose declared in the agreement of association), with a capital stock of (the amount fixed in the agreement of association), and have complied with the provisions of the statutes of this state in such case made and provided, as appears from the articles of organization of said corporation, duly approved by the attorney general, and recorded in this office; now, therefore, I, (the name of the secretary,) secretary of the state of Maine, do hereby certify that said, (the names of the subscribers to the agreement of association,) their associates and successors, are legally organized and established as, and are hereby made, an existing corporation under the name of, name of the corporation, with the powers, rights and privileges, and subject to the limitations, duties and restrictions, which by law appertain thereto.

Witness my official signature hereunto subscribed, and the great seal of the state of Maine hereunto affixed this day of \_\_\_\_\_ in the year \_\_\_\_\_ the date of the filing of the articles of organization.

Shall have the force and effect of a special charter.

The secretary shall sign the certificate of incorporation and cause the great seal of the state to be thereto affixed, and such certificate shall have the force and effect of a special charter. The existence of every corporation which is not created by special law shall begin upon the filing of the articles of organization in the office of the secretary of state. The secretary of state shall also cause a record of the certificate of incorporation to be made, and such certificate, or such record, or a certified copy thereof, shall be conclusive evidence of the existence of such corporation.

—to be recorded.

—to be evidence of establishment of corporation.

Issue of shares.

Section 6. Such corporation shall not issue any shares of stock until the par value of such shares shall have been actually paid in in cash. When the whole capital stock has been issued, a complete list of the stockholders, with the name, residence and post office address of each, and the number of shares held by each, shall be filed with the bank examiner, which list shall be verified by the president and treasurer of the corporation. Upon receipt of such statement said examiner shall cause an examination to be made, and if, after such examination, it appears that the whole capital stock has been paid in in cash, and that all requirements of law have been complied with, said examiner shall issue a certificate authorizing such corporation to begin the transaction of business. It shall be unlawful for any such corporation to begin the transaction of business until such a certificate has been granted.

—list of stockholders.

—examination by bank examiner.

One-third of proposed capital stock

Section 7. The written articles of association mentioned in section one shall not be regarded as sufficient unless they show

that at least one-third of the proposed amount of capital stock has been subscribed for. And when filed with the bank examiner they shall be accompanied by satisfactory evidence that the sum of fifty dollars has been paid to the state treasurer, to be credited to an account for 'expense of organizing trust companies,' so much thereof to be paid out for expenses of the several departments as the governor and executive council shall find to have been actually incurred.

shall be  
subscribed  
for.

Section 8. The minimum amount of paid-in capital stock on which a trust company may be authorized to begin business shall be twenty-five thousand dollars for a town or city of not more than five thousand inhabitants, fifty thousand dollars for from five thousand to ten thousand inhabitants, seventy-five thousand dollars for from ten thousand to twenty thousand inhabitants, one hundred thousand dollars for from twenty thousand to thirty thousand inhabitants, and one hundred and fifty thousand dollars for a town or city of more than thirty thousand inhabitants. It shall be lawful for the bank examiner in ascertaining the number of inhabitants of such town or city for the purpose of determining the sufficiency of the capital stock, to require such proof in addition to the last preceding United States census as he may deem necessary; but no charter once granted shall ever be deemed void for any error in computing the population. The par value of the shares of stock shall be one hundred dollars each.

Minimum  
amount of  
capital stock  
authorized  
to begin  
business.

—bank  
examiner  
may ascertain  
number  
of inhab-  
itants.

Section 9. Every such company shall forfeit its charter unless it shall actually commence to do business as a trust company within one year from the date thereof.

Forfeiture  
of charter.

Section 10. Any company organized under this act may increase its capital stock from time to time to an amount not exceeding in the aggregate, one million dollars, at any stockholders' meeting at which a majority of shares issued and outstanding is represented, notice of the intention so to do having been given in the call therefor. A certified copy of every such vote shall be filed with the bank examiner within ten days after its passage.

May  
increase  
capital  
stock.

Section 11. All the corporate powers of any such company shall be exercised by a board of not less than five directors, two-thirds of whom shall be residents of this state, whose number and term of office shall be determined, and who shall be elected by a vote of the stockholders at the first meeting held by the incorporators and at each annual meeting thereafter. The affairs and powers of the company may, at the option of the stockholders, be entrusted to an executive board of not less than five members, two-thirds of whom shall be residents of this state, to

Board of  
directors.

—executive  
board.



## CHAP. 96

—vacancies,  
how filled.

—oath of  
office.

—directors  
shall elect  
a president,  
clerk and  
treasurer.

Board of  
investment.

—shall keep  
a record of  
loans.

Director  
shall own  
ten shares  
of stock.

Special  
deposits.

—trust  
department.

be, by vote of the stockholders, elected from the full board of directors. The directors of such company shall be sworn to the proper discharge of their duties, and they shall hold office until others are elected and qualified in their stead. If a director dies, resigns, or becomes disqualified for any cause, the remaining directors may elect a person to fill the vacancy until the next annual meeting of the corporation. The oath of office of any director shall be taken within thirty days of his election, or his office shall become vacant. The clerk of such company shall, within ten days, notify such directors of their election and within thirty days shall publish the list of all persons who have taken the oath of office as directors. The removal of any director from this state shall immediately vacate his office, if such removal leaves less than two-thirds of the membership resident in the state. The board of directors or executive board shall elect a president from its number, a clerk who shall be sworn to the faithful performance of his duties, a treasurer and such other officers, servants and employees as they may deem necessary.

Section 12. The board of directors or the executive board of such company shall constitute the board of investment of the company. Said directors or executive board shall keep in a separate book, specially provided for the purpose, a record of all loans, and investments of every description, made by said company substantially in the order of time when such loans or investments are made, which shall show that such loans or investments have been made with the approval of the investment board of said company, which shall indicate such particulars respecting such loans or investments as the bank examiner shall direct. This book shall be submitted to the directors and stockholders, and to the bank examiner whenever requested. Such loans or investments shall be classified in the book as the bank examiner shall direct.

Section 13. No person shall be eligible to the position of a director of any such company who is not the actual owner of ten shares of the stock.

Section 14. All the property or money held in trust by any such company, shall constitute a special deposit and the accounts thereof, of said trust department shall be kept separate, and such funds and the investment or loans of them shall be specially appropriated to the security and payment of such deposits, and not be subject to any other liabilities of the company, and for the purpose of securing the observance of this proviso, such company shall have a trust department in which all business pertaining to such trust property shall be kept separate and distinct from its general business.

## CHAP. 96

Section 15. An administrator, executor, assignee, guardian or trustee, any court of law or equity, including courts of probate and insolvency, officers and treasurers of towns, cities, counties, and savings banks of the state of Maine, may deposit any moneys, bonds, stocks, evidences of debt or of ownership in property, or any personal property, with said corporation, and any of said courts may direct any person deriving authority therefrom to so deposit the same.

Adminis-  
trators,  
etc., may  
invest in.

Section 16. No trust company shall loan to any person, firm, business syndicate, or corporation, an amount or amounts, at any time outstanding in excess of ten per cent of its total capital, unimpaired surplus and net undivided profits, except on approval of a majority of its entire investment board, unless secured by collateral, nor in excess of twenty-five per cent thereof, except on such approval and secured by collateral, which in the judgment of said majority of said investment board shall be of a value equal to the excess of said loan above said twenty-five per cent; provided, that in determining said amount every person, firm, syndicate or corporation appearing on any loan as endorser, guarantor or surety, shall be regarded as an original promisor. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed. Provided, however, that any such company now having loans outstanding in excess of any of the aforesaid restrictions may permit the same to be renewed from time to time as they mature, for periods not exceeding six months each, if an amount equal to not less than ten per cent of every loan so maturing shall have first been paid in in cash, and if an equivalent amount shall be paid in at the end of every six months on all demand loans in such aggregate. In all cases where loans in excess of said ten per cent are granted, the records of the company shall show who voted in favor thereof, and said records and those required by section seventeen of this act shall constitute prima facie evidence of the truth of all facts stated therein in prosecutions and suits to enforce the several provisions and penalties enumerated in section twenty-two of this act.

Regulation  
of loans.

—proviso.

—proviso.

Section 17. Section eighty-two of chapter forty-eight of the revised statutes is hereby amended, so as to read as follows:

Section 82,  
chapter 48,  
R. S.,  
amended.

'Section 82. No trust company shall make any loan to its directors, officers, agents or other persons in its employ, or on which any such director, officer, agent or employee is an endorser, guarantor or surety, or to any firm or business syndicate of which such director, officer, agent or employee is a member, or to any person or on the endorsement or guaranty of any

Loans can  
only be  
made to  
officers on  
approval  
of directors  
or executive  
committee.

CHAP. 96

- person who is a partner of, or member of a business syndicate with, such director, officer, agent or employee, or to any corporation of which any such director, officer, agent or employee is a director, officer, superintendent or manager, until the proposition to make such loan shall have been submitted by the person desiring the same to the board of directors of such company, or to the executive committee thereof, if any, and accepted and approved by a majority of the entire membership of such board or committee; provided, however, that no director of such company who is interested in said loan in any of the above capacities, or who is connected or associated with the borrower in any of the above ways, shall be regarded as voting in the affirmative on such loan. Such approval, if the loan is made, shall be spread upon the records of the company; and this record shall, in every instance, give the names of the directors authorizing the loans. Nothing in this section or in section sixteen of this act shall make it unlawful for a trust company to give any person, firm, syndicate or corporation a line of credit to an amount not exceeding twenty-five per cent of its total capital, unimpaired surplus and net undivided profits, subject to the several restrictions as to percentage of entire board and right of interested persons to vote on same contained in said sections. The records of the company shall show how every director voted on the same, and when such line of credit is given the treasurer may pay out loans in accordance therewith without further approval. A line of credit so given shall expire in six months unless renewed in the same manner in which it is originally given.
- Section 18. Every trust company shall make such report of its condition from time to time as the bank examiner shall require, and shall cause the same to be published as he may direct.
- Section 19. Two of the directors, at least, shall once in each year thoroughly examine the affairs of the company, settle the treasurer's account, and report under oath to the bank examiner the standing of the company, the situation of its funds, and all other matters which the examiner requires, in the manner and according to the form that he prescribes, and publish an abstract thereof, if required. The examiner shall seasonably give notice of the time and furnish blanks for said examination and report.
- Section 20. Any trust company organized under this act may adopt all necessary by-laws, not inconsistent with the general laws of the state, for the management of its affairs.
- Section 21. No trust company now or hereafter organized, shall establish a branch or agency in any city or town other than that in which the parent institution has its location until it shall have received a warrant so to do from the bank examiner, who
- proviso.
- approval of loan shall be recorded.
- may give line of credit.
- records shall show vote of directors.
- credit expires in six months.
- Company shall make a report.
- Affairs of the company shall be examined annually.
- May adopt all necessary by-laws.
- No branch or agency shall be established except on warrant

shall issue such warrant only when satisfied that public convenience and advantage will be promoted by the establishment of such branch or agency and that the unimpaired capital stock of the parent institution is sufficient to comply with the conditions of section eight of this act, reckoning the aggregate population of its home city or town and of all cities or towns in which it is authorized by its charter to establish branches or agencies, including the one under consideration. The examiner may require such notice on an application for a branch or agency as he deems proper. No trust company shall be permitted to establish a branch or agency except in its own or an adjoining county. If granted, the bank examiner shall issue his warrant in duplicate, one copy to be delivered to the trust company, and the other to the secretary of state for record. The company shall within ten days after opening said branch or agency, file a certificate thereof, signed by its president and treasurer, with the bank examiner. The right to open a branch or agency shall lapse in one year from the date of filing the examiner's warrant with the secretary of state unless the same shall have been opened and business actually begun in good faith. No application for permission to open such branch or agency shall be acted upon until the petitioning company shall have paid to the state treasurer the sum of fifty dollars for the benefit of the state, to be credited and used as provided in section seven of this act.

from bank  
examiner.

—bank  
examiner  
shall issue  
his warrant  
in duplicate.

—right to  
open branch  
shall lapse  
in one year.

Section 22. Every director, officer, agent and employee of such company, who authorizes, or assists in procuring, granting or causing the granting of, a loan in violation of section sixteen of this act, or pays, or wilfully permits the payment of, any funds of the company on such loan, and every director of a company who votes on a loan in violation of any of the provisions of section seventeen of this act, and every director, officer, agent or employee who wilfully and knowingly pays out any of said funds on a loan granted in violation of said section seventeen, or who wilfully and knowingly permits or causes the same to be done, shall be personally responsible for the payment thereof, and shall be guilty of a misdemeanor. All loans granted in violation of either of said sections shall be due and payable immediately and without demand, whether they appear on their face to be time loans or otherwise. When the bank examiner shall find any loans outstanding in violation of either of said sections, he shall notify the president or treasurer of the company to cause the same to be paid forthwith. And if they are not paid within thirty days or such further time as said bank examiner shall determine, he shall report the facts to the attorney general, who shall commence suit in the name and for the benefit of such company for the collection of the same. The attorney general may

Directors  
and officers  
personally  
responsible  
and guilty  
of misde-  
meanor, for  
violation of  
certain  
sections of  
this act.

CHAP. 97

employ special counsel to prosecute said suit, and said company shall pay all expenses thereof, to be recovered in an action of debt in the name of the state.

Certain rights and powers already possessed, not revoked.

Section 23. Neither the enumeration of powers in section one of this act, nor the provisions governing the number and election of directors and members of the executive board in section eleven, nor the requirements as to eligibility of directors in section thirteen shall be construed as revoking any rights already possessed by a trust company by virtue of the express provisions of its charter or of its by-laws already lawfully adopted. The passage of this act shall not invalidate a charter previously granted or hereafter granted by special legislation during the present session of the legislature, except to make it conform to all regulations and restrictions herein established, and the right so granted to any trust company to establish a branch or agency shall continue in force for a period of two years from the passage of the act granting the same. Except as herein otherwise provided, all acts and parts of acts inconsistent herewith are hereby repealed, and all acts and parts of acts not so inconsistent are hereby expressly made to apply to all trust companies organized under this act.

Inconsistent acts repealed.

Approved March 21, 1907.

### Chapter 97.

An Act to amend Section two of Chapter forty-six of the Revised Statutes, as amended by Chapter ninety of the Public Laws of nineteen hundred and five, relating to interest on loans on Personal Property.

*Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows:*

Section 2, chapter 46, R. S., as amended by chapter 90, public laws 1905.

Section two of chapter forty-six of the revised statutes as amended by chapter ninety of the public laws of nineteen hundred and five, is hereby amended by inserting after the word "mortgage" in the third line thereof, the word 'conveyance,' and by striking out in the eighteenth and nineteenth lines of the same the words "holder of said security," and inserting in lieu thereof the following words: 'person loaning the money whether principal or agent,' so that said section as amended, shall read as follows:

Rate of interest made on loans of personal property limited.

'Section 2. All loans contracted after March eleven, eighteen hundred and ninety-nine, for less than two hundred dollars, secured by mortgage, conveyance, or pledge of personal property, shall be dischargeable by the debtor upon payment or tender of the principal sum actually borrowed, and interest at the rate specified therein, which shall not exceed three per cent a