

# MAINE STATE LEGISLATURE

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# ACTS AND RESOLVES

AS PASSED BY THE

One Hundred and Second Legislature

OF THE

# STATE OF MAINE

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**  
AS PASSED BY THE  
**One Hundred and Second Legislature**  
**1965**

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plates by said board shall have the right to operate his motor vehicle wrecker or service automobile in connection with his business on such dealer or transporter plate.'

Effective September 3, 1965

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## Chapter 110

### AN ACT Relating to Approval of School Building Plans.

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

R. S., T. 20, § 3623, amended. Section 3623 of Title 20 of the Revised Statutes is amended by adding after the first sentence, 2 new sentences, as follows:

'Any secondary school plans for construction or additions to buildings designed to enroll fewer than 300 pupils may be approved or disapproved by the board on the basis of the adequacy of the total educational program. Plans may not be approved for a secondary school which employs fewer than 10 teachers, except in areas which are geographically isolated.'

Effective September 3, 1965

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## Chapter 111

### AN ACT Concerning Insider Trading of Domestic Stock Insurance Company Equity Securities.

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

R. S., T. 24, c. 26, additional. Title 24 of the Revised Statutes is amended by adding a new chapter 26 to read as follows:

#### 'CHAPTER 26

### INSIDER TRADING OF EQUITY SECURITIES

#### § 3000. Filing

Every person who is directly or indirectly the beneficial owner of more than 10% of any class of any equity security of a domestic stock insurance company, or who is a director or an officer of such company, shall file in the office of the Insurance Commissioner on or before January 31, 1966, or within 10 days after he becomes such beneficial owner, director or officer, a statement, in such form as the Insurance Commissioner may prescribe, of the amount of all equity securities of such company of which he is the beneficial owner. Within 10 days after the close of each calendar month thereafter, if there has been a change in such ownership during such month, he shall file in the office of the Insurance Commissioner a statement, in such form as the Insurance Commissioner may prescribe, indicating his ownership at the close of the calendar month and such changes in his ownership as have occurred during such calendar month.

### § 3001. Suit by company

For the purpose of preventing the unfair use of information which may have been obtained by such beneficial owner, director or officer by reason of his relationship to such company, any profit realized by him from any purchase and sale, or any sale and purchase, of any equity security of such company within any period of less than 6 months, unless such security was acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the company, irrespective of any intention on the part of such beneficial owner, director or officer in entering into such transaction of holding the security purchased or of not repurchasing the security sold for a period exceeding 6 months. Suit to recover such profit may be instituted at law or in equity in any court of competent jurisdiction by the company, or by the owner of any security of the company in the name and in behalf of the company if the company shall fail or refuse to bring such suit within 60 days after request or shall fail diligently to prosecute the same thereafter; but no such suit shall be brought more than 2 years after the date such profit was realized. This section shall not apply to any transaction where such beneficial owner was not such, both at the time of the purchase and sale, or the sale and purchase, of the security involved, or any transaction or transactions which the Insurance Commissioner by rules and regulations may exempt as not comprehended by this section.

### § 3002. Sales prohibited

It shall be unlawful for any such beneficial owner, director or officer, directly or indirectly, to sell any equity security of such company if the person selling the security or his principal does not own the security sold, or, if owning the security, does not deliver it against such sale within 20 days thereafter, or does not within 5 days after such sale deposit it in the mails or other usual channels of transportation; but no person shall be deemed to have violated this section if he proves that notwithstanding the exercise of good faith he was unable to make such delivery or deposit within such time, or that to do so would cause undue inconvenience or expense.

### § 3003. Proxies

The Insurance Commissioner may, by regulation, prescribe the form, content and manner of solicitation of any proxy, consent or authorization in respect of any voting security issued by a domestic insurer as necessary or appropriate in the public interest or for the proper protection of investors in the voting securities issued by such insurer, or to insure the fair dealing in such voting securities.

No person and no domestic insurer or any director, officer or employee of such insurer shall solicit or permit the use of his name to solicit, by mail or otherwise, any person to give any proxy, consent or authorization in respect of any voting security issued by such insurer in contravention of any rule or regulation the commissioner may prescribe pursuant to this section.

Failure to comply with any rule or regulation of the commissioner made pursuant to this section shall be unlawful and any proxy or consent obtained in violation of this section or in contravention of any rule or regulation issued pursuant thereto shall be void. Any domestic insurer or any person, who is legally entitled to vote, consent or authorize by virtue of being the holder of record of such a voting security, or the commissioner, if any of the foregoing parties shall fail to act within 15 days after the date on which such vote was cast or counted, may enforce compliance with the rules and regulations made

pursuant to this section, by appropriate civil action, provided no action shall be brought more than 30 days after the date on which such vote, consent or authorization was to have been effected.

None of the provisions of this section shall apply to voting securities of a domestic insurer if such voting securities shall be registered pursuant to section 12 of the Securities Exchange Act of 1934, as amended.

The term "voting security" as used in this section shall mean any instrument which, in law or by contract, gives the holder the right to vote, consent or authorize any corporate action of an insurer.

#### § 3004. Limitations; rules and regulations

Section 3001 shall not apply to any purchase and sale, or sale and purchase, and section 3002 shall not apply to any sale, of an equity security of a domestic stock insurance company not then or theretofore held by him in an investment account, by a dealer in the ordinary course of his business and incident to the establishment or maintenance by him of a primary or secondary market, otherwise than on an exchange as defined in the Securities Exchange Act of 1934, for such security. The Insurance Commissioner may, by such rules and regulations as he deems necessary or appropriate in the public interest, define and prescribe terms and conditions with respect to securities held in an investment account and transactions made in the ordinary course of business and incident to the establishment or maintenance of a primary or secondary market.

#### § 3005. Arbitrage transactions

Sections 3000 to 3002 shall not apply to foreign or domestic arbitrage transactions unless made in contravention of such rules and regulations as the Insurance Commissioner may adopt in order to carry out this chapter.

#### § 3006. Equity security

"Equity security" when used in this chapter means any stock or similar security; or any security convertible, with or without consideration, into such a security; or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the Insurance Commissioner shall deem to be of similar nature and consider necessary or appropriate, by such rules and regulations as he may prescribe in the public interest or for the protection of investors, to treat as an equity security.

#### § 3007. Exemptions

Sections 3000 to 3002 shall not apply to equity securities of a domestic stock insurance company if such securities shall be registered, or shall be required to be registered, pursuant to section 12 of the Securities Exchange Act of 1934, as amended, or if such domestic stock insurance company shall not have any class of its equity securities held of record by 100 or more persons on the last business day of the year next preceding the year in which equity securities of the company would be subject to sections 3000 to 3002 except for this section.

#### § 3008. Powers of commissioner

The Insurance Commissioner shall have the power to make such rules and regulations as may be necessary for the execution of the functions vested in him

by this chapter, and may for such purpose classify domestic stock insurance companies, securities and other persons or matters within his jurisdiction. No provision of sections 3000 to 3002 imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation of the Insurance Commissioner, notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or determined by judicial or other authority to be invalid for any reason.'

Effective September 3, 1965

## Chapter 112

### AN ACT Regulating the Running and Training of Dogs in Training Areas Enclosed with Rabbit-Proof Fences.

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

**R. S., T. 7, § 3552, amended.** The 2nd paragraph of section 3552 of Title 7 of the Revised Statutes is amended to read as follows:

'The Department of Inland Fisheries and Game may from time to time during each year stock pieces of game and shall charge the licensees a reasonable price therefor. Nothing herein shall be construed as authorizing licensees to liberate on such area any wild bird or quadruped coming from without the State. The licensees may at any time during the year train their own dogs or the dogs of other persons on such area. Any person not a licensee may do likewise, **unless the area is completely enclosed with rabbit-proof fence**, by making application in writing to licensee and receiving a permit to do so, for which a charge of not to exceed \$1.10 may be made for residents, of which amount \$1 shall be paid to the Commissioner of Inland Fisheries and Game, and for nonresidents a charge of not to exceed \$5.10 may be made, of which amount \$5 shall be paid to the Commissioner of Inland Fisheries and Game. Failure of a licensee to make reasonable provision for the use of such area, **unless it is completely enclosed by rabbit-proof fence**, by persons not licensees shall be deemed sufficient grounds for the Department of Inland Fisheries and Game to deny a renewal of license. No person shall hunt on a licensed dog training area except the owner of the lands who may hunt unprotected birds and animals only. The Department of Inland Fisheries and Game may make rules regulating the use of such areas.'

Effective September 3, 1965

## Chapter 113

### AN ACT Relating to Election of Clerks and Secretaries of Trust Companies.

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

**Sec. 1. R. S., T. 9, § 1041, amended.** Section 1041 of Title 9 of the Revised Statutes is amended by inserting after the 7th sentence a new sentence to read as follows: