

# MAINE STATE LEGISLATURE

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REPORT  
OF  
THE COMMISSIONER  
ON THE  
REVISION AND CONSOLIDATION  
OF THE  
PUBLIC LAWS  
OF THE  
STATE OF MAINE,  
UNDER  
Resolve of March 21, 1901.

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## TITLE FOUR.

### Corporations of various kinds, and Proprietors of Real Estate.

#### CHAP. 46. Corporations.

47. Banks and savings institutions. Loan and Building associations. Trust and Banking Companies. Foreign Banking Corporations.
48. Organization of corporations under general law. Manufacturing corporations. Bureau of industrial and labor statistics. Regulations of labor.
49. Insurance and insurance companies.
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51. Railroads.
52. Corporations for navigation by steam. Common carriers.
53. Telegraph and telephone companies, gas and electric light and power companies.
54. Aqueducts and water companies.
55. Libraries and charitable societies.
56. Proprietors of lands, wharves, and other real estate in common.
57. Mills and their repairs.
58. Department of agriculture. Agricultural institutions.

## CHAPTER 46.

### CORPORATIONS.\*

SEC. 1. This chapter applies to all corporations organized by special acts of the legislature or under the general laws of the state, except so far as it is inconsistent with such special acts or with public statutes, concerning particular classes of corporations.

SEC. 2. Acts of incorporation, passed since March seventeen, eighteen hundred and thirty-one, may be amended, altered, or repealed by the legislature, as if express provision therefor were made in them, unless they contain an express limitation; but this section shall not deprive the courts of any power which they have at common law over a corporation or its officers. (a)

(a) 16 Me., 231; 23 Me., 319; 60 Me., 174; 63 Me., 274; 66 Me., 504, 508; 69 Me., 49.

\* It has been suggested to the commissioner that a rearrangement of chapters forty-six and forty-eight will make the statutes of the state relating to corporations more harmonious and consequently more useful to all having occasion to refer to them. The commissioner inclines to the same opinion. The resolve of March 21, 1901, does not, however, seem to authorize such treatment, and consequently the existing arrangement has been preserved in this report. The commissioner has, in addition to such arrangement, made a revision of both chapters, incorporating in chapter forty-six, the first twenty-four sections of chapter forty-eight as arranged in this report. This revision will also be printed as a part of this report.

If the latter arrangement is adopted, the remaining provisions of chapter forty-eight will more logically follow chapter thirty-nine.

Application.  
R.S., c. 46, § 1.  
See c. 47, §§ 1,  
91; c. 49, § 1.  
39 Me., 37.  
68 Me., 20.

Acts of incorporation may be altered or repealed.  
R.S., c. 46, § 23.  
See c. 1, § 6,  
¶ xxvii.

Corporations chartered by special statute, shall prepare a certificate to be recorded.  
1891, c. 140, § 1.

—when to be a corporation.

Duties to be paid by corporations chartered by special statute.  
1891, c. 140, § 2.  
1893, c. 185, § 1.

Duties upon filing certificates for banking, insurance, railroads, savings banks, trust, safe deposit, telegraph, telephone, electric or gas light, street railway and water companies.  
1891, c. 140, § 3.  
1893, c. 185, § 2.

First meeting, how called; organization valid, if made under this chapter or chapter 48.  
R.S., c. 46, § 3.

SEC. 3. Before commencing business, the president, treasurer, and a majority of the directors of any corporation chartered by special act of the legislature, shall prepare a certificate setting forth the date of approval of its charter, the name and purposes of the corporation, the amount of capital stock, the amount already paid in, the par value of the shares, the names and residences of the owners, the name of the county where it is located, and the number and names of the directors, (and the name and residence of the clerk,) and shall sign and make oath to it. Such certificate shall be recorded in the registry of deeds in the county where its principal office is to be located, in a book kept for that purpose, and a copy thereof, certified by such register, shall be filed in the office of the secretary of state, who shall enter the date of filing thereon and on the original certificate to be kept by the corporation, and shall record said copy in a book kept for that purpose. From the time of filing such certificate in the secretary of state's office, the stockholders of said corporation, their successors and assigns, shall be a corporation.

SEC. 4. The certificate mentioned in the preceding section shall not be received and filed by the secretary of state except upon the payment to him of the sum of fifteen dollars, if the capital stock does not exceed five thousand dollars; twenty-five dollars if the capital stock exceeds five thousand dollars and does not exceed ten thousand dollars; seventy-five dollars if the capital stock exceeds ten thousand dollars and does not exceed fifty thousand dollars; one hundred and twenty-five dollars if the capital stock exceeds fifty thousand dollars and does not exceed one hundred thousand dollars; sixty dollars upon every one hundred thousand dollars or fraction thereof in excess of one hundred thousand dollars, if the capital stock exceeds one hundred thousand dollars, which sum is to be paid by the secretary of state to the treasurer of state for the use of the state, *provided*, that the provisions of this section shall not apply to corporations chartered for charitable and benevolent purposes.

SEC. 5. No certificate of organization of any corporation for banking, insurance, construction and operation of railroads, or aiding in the construction thereof, the business of *savings banks*, trust companies, or corporations intended to derive a profit from the loan or use of money, safe deposit companies, renting of safes and burglar and fire proof vaults, telegraph and telephone companies, electric or gas light companies, street railway companies, water companies, or any corporation authorized to exercise the right of eminent domain, shall be received and filed by the secretary of state except upon payment to him of twenty-five dollars, if the capital stock does not exceed five thousand dollars; fifty dollars if the capital stock exceeds five thousand dollars and does not exceed ten thousand dollars; one hundred dollars if the capital stock exceeds ten thousand dollars and does not exceed fifty thousand dollars; two hundred dollars if the capital stock exceeds fifty thousand dollars, and does not exceed one hundred thousand dollars; seventy-five dollars upon every one hundred thousand dollars or fraction thereof in excess of one hundred thousand dollars, if the capital stock exceeds one hundred thousand dollars, which sum is to be paid by the secretary of state to the treasurer of state for the use of the state.

#### MEETINGS.

SEC. 6. Their first meeting (of any corporation chartered by special act of the legislature) unless otherwise provided, shall be called by a notice signed by some person named in the act of incorporation, setting forth the time, place, and purpose, of the meeting, a copy of which shall be delivered to each member, or published in a newspaper in the county, if any, otherwise in the state paper, seven days before the meeting; but the organization of all existing corporations made in accordance with this chapter, or chapter forty-eight, are equally valid. (a)

(a) 27 Me., 519; 38 Me., 345; 72 Me., 296.

SEC. 7. When a meeting (of any corporation) cannot be otherwise called, three members of the corporation may make written application to a justice of the peace where it is established, if local, or if not, where it is desired to hold the meeting, who may issue his warrant to either of such members, directing him to call a meeting by giving the notice required in the preceding section. When the law requires a notice to be published in some newspaper, or posted in some public place, the justice shall designate in his warrant the newspaper or place.

Any meeting may be called by a justice, if no other legal mode.  
R.S., c. 46, § 4.  
12 Me., 400.

SEC. 8. When a meeting is called by a justice of the peace, he, or the person to whom his warrant was directed, may call the meeting to order and preside therein, until a clerk is chosen and qualified, if there is no officer present whose duty it is to preside. The person presiding is not responsible for an error in judgment in receiving or rejecting the vote of a person claiming to be a member.

Who may preside at such meeting.  
R.S., c. 46, § 7.

—person presiding not responsible for error.

SEC. 9. When a corporation fails to hold its annual meeting on the day appointed, the officers of the preceding year continue in the exercise of their duties, and their acts are legal, until other officers are chosen and qualified in their stead. When, upon due notice given, officers are regularly elected on any other day than that of the annual meeting, they shall hold their offices and perform their duties as if chosen on that day, unless a majority of the corporate members file with the clerk, within six months after such election, written objections thereto, and their acts shall be considered legal, until others are chosen and qualified in their stead.

Officers hold over, when; officers elected on another day, acts of, legal.  
R.S., c. 46, § 8.  
30 Me., 550.  
56 Me., 323.

—proviso.

SEC. 10. When such a notice is filed, the clerk shall call a meeting of the corporation, at such time and place as he appoints, and give the notice required for an annual meeting, stating in it the fact that objections have been filed, and the purpose of the meeting; and officers elected at such meeting shall hold their offices, and their acts shall be considered legal, until other officers are chosen and qualified in their stead.

Objections to election on another day.  
R.S., c. 46, § 9.

SEC. 11. When all the members of a corporation are present in person or by proxy at a meeting and sign a written consent on the record thereof, such meeting is legal.

Meeting, when legal by consent.  
R.S., c. 46, § 5.  
1901, c. 229, § 17.  
Proxies and powers of attorney, and rights under them.  
R.S., c. 46, § 13.

SEC. 12. Shareholders may be represented by proxies granted not more than thirty days before the meeting which shall be named therein; they are not valid after a final adjournment thereof. They may be represented by a general power of attorney, produced at the meeting, until it is revoked. Shares hypothecated to the corporation shall not be represented. No person can give, by right of representation, a greater number of votes than is allowed to any one by the charter or by-laws.

SEC. 13. After the owner of stock in a corporation has transferred, mortgaged or in any way pledged the same to another for security merely, and it so appears in such transfer, mortgage or pledge, and on the books of the corporation, such owner continues to have the right to vote upon such stock at all meetings of the stockholders until his right of redemption ceases.

Representation of pledged stock.  
R.S., c. 46, § 14.

#### OFFICERS AND THEIR DUTIES.

SEC. 14. All corporations, existing by virtue of the laws of this state, shall have a clerk who is a resident of this state, and shall keep, at some fixed place within the state, a clerk's office where shall be kept their records and a book showing a true and complete list of all stockholders, their residences and the amount of stock held by each; and such book, or a duly proved copy thereof, shall be competent evidence in any court of this state to prove who are stockholders in such corporation and the amount of stock held by each stockholder. Such records and stock book shall be open at all reasonable hours to the inspection of persons interested, who may take copies and minutes therefrom of such parts as concern their interests, and have them produced in court on trial of an action in which they are interested. The above provisions as to list of stockholders shall

Clerk's office, books, etc., where kept.  
R.S., c. 46, § 10.  
1889, c. 263, § 1.  
See c. 2, § 100.

—records and stock book open to inspection and to be produced in court.

—provisions do not apply to certain corporations.

Preventing use of records and books, punished.  
R.S., c. 46, § 19.  
Certificate of election of clerk.  
R.S., c. 46, § 11.  
1897, c. 243.

—an attested copy evidence.

Clerk of any corporation, may resign at any time.  
1895, c. 67, § 3.

Officers to ascertain residence of stockholders.  
R.S., c. 46, § 30.  
1901, c. 208.  
65 Me., 379.  
82 Me., 189.

—no dividends, unless residence is on books.

—when statement and stock to be returned.  
See c. 6, § 100.

See c. 6, § 14, ¶ iii.

—to be basis of taxation.  
See note to c. 6, § 32.

Cashiers to return list of stockholders to secretary of state.  
R.S., c. 46, § 31.  
1901, c. 229, § 16.  
76 Me., 412.

Deposit of return in postoffice sufficient.  
R.S., c. 46, § 32.  
—penalty for neglect.  
76 Me., 411.

Corporations shall annually file returns with

not apply to any corporation doing business in this state and having a treasurer's office at some fixed place in the state where a stock book is kept giving the names, residences and amount of stock of each stockholder.

SEC. 15. Any officer or member of a corporation, who prevents access to and use of the records and books as provided in the preceding section, is liable for all damages occasioned thereby, in an action on the case.

SEC. 16. Whenever there is a change in the office of clerk of a corporation, *he* (the clerk) shall, within twenty days after the acceptance of the office file a certificate of his election in the registry of deeds in the (county or) district where the corporation is located, or where it has a place of business or a general agent; and an attested copy of such certificate shall be sufficient evidence that he is clerk, for service of process upon the corporation, until another certificate has been filed.

SEC. 17. The clerk of any corporation may resign his office as clerk by filing his resignation with the register of deeds in the county where *such corporation was organized*, (the certificate of his election was filed; if no such certificate of election was filed, then his resignation may be filed with the register of deeds in the county where such certificate of election ought according to law to have been filed;) said resignation *to* (shall) take effect from and after the time of the receipt of the same by such register of deeds.

SEC. 18. Cashiers of banks, treasurers of trust and banking and safe deposit companies, and clerks or treasurers of other corporations shall ascertain the residence of all stockholders in either; and no dividend shall be paid to any stockholder, whose residence, for the time being, is not entered on the books thereof; and the cashiers of banks, and clerks or treasurers of all corporations holding property liable to be taxed, shall, by the eighth day of April annually, return under oath, to the assessors of each town, in which any of its stockholders reside, the names of such stockholders, the amount of stock owned by them on the first day of such April, and the amount of stock paid into such corporations, and also the value of the real estate, vaults and safe deposit plant, owned by any bank, or trust and banking, or safe deposit company, (or other corporation) *in which it does business and* which is taxed as other real estate is taxed in the town in which it is located (and the value of machinery employed in any branch of manufacture, and goods manufactured or unmanufactured, assessed to the corporation in the town or place where they are situated or employed), and the amount for which *it is* (such real estate, vaults, safe deposit plant, machinery and goods were) valued by the assessors of such municipality for the year previous, and such return shall contain in the body thereof, or by note annexed thereto, an abstract of section thirty-five of chapter six; *and such returns shall be the basis of taxation on such property, deducting the assessed value of the real estate of any bank, trust and banking or safe deposit company, as herein provided.*

SEC. 19. Such cashiers shall, between the first day of November and the eighth day of December, annually, make return to the secretary of state of the names of all stockholders, their residences, the amount of stock owned by each and the whole amount of stock paid in on said first day of November. The secretary shall lay the same before the legislature within the first thirty days of the session.

SEC. 20. A deposit of the return required in the two preceding sections in a postoffice, postage paid, properly directed, is a compliance therewith. For the neglect or refusal of its officer to make such return, the corporation forfeits five hundred dollars, to be recovered in an action of debt, half to the prosecutor and half to the State.

SEC. 21. Every corporation incorporated under the laws of this state, excepting religious, charitable, educational and benevolent corporations, and excepting such corporations as may be organized under chapter fifty-

five, and such corporations as are liable to a franchise tax *under some other law of the state* (other than the tax provided for in section sixty of chapter six,) and such corporations as have been or may hereafter be excused from filing annual returns under the provisions of section twenty-five of this chapter so long as their franchises remain unused, shall on or before the first day of June, annually, *file in the office of* (make a return to) the secretary of state, *a return* signed by its president or treasurer, verified under oath, containing the names of its directors, president, treasurer and clerk, with the residence of each, the location of its principal office in this state, and the amount of its authorized capital stock; and for this purpose the secretary of state shall furnish blanks in proper form and safely keep in his office all such returns. Every corporation failing to comply with the provisions of this section shall forfeit to the state two hundred dollars to be recovered with costs, in an action of debt to be prosecuted in the name of the state by the attorney general.

[The commissioner suggests that the penalties in §§ 20 and 21 should be alike, and that those sections may with advantage be transposed, the last sentence of § 21 omitted, and § 20 be amended by substituting "three" for "two" in the first line, and by omitting all after the word "debt," and substituting therefor the words "to be prosecuted in the name of the state by the attorney general."]

SEC. 22. Whenever any corporation or its officers neglect to make to the secretary of state any return required by law, the secretary of state shall forthwith notify the attorney general, who shall proceed at once, by action of debt in the name of the State, to enforce the penalties therefor, and shall make itemized return thereof in his annual report. The secretary of state, on or before the first day of July, annually, shall furnish the attorney general with a statement showing which of said corporations, if any, have failed to comply with the preceding section, with such other memoranda from his office as will aid the attorney general in obtaining service upon such delinquent corporation. In addition to said penalties, the following costs shall be recovered in behalf of the state against said corporation, to wit: for the attorney general, for the writ, an attorney fee, and travel and attendance at court not exceeding two terms; and for the State such other costs as are legally taxable in actions at law. Such action may be brought in any county.

SEC. 23. If within thirty days from the commencement of *the* (an) action under sections twenty (or twenty-one) such corporation makes to the secretary of state the returns required by law, he shall forthwith notify the attorney general, who shall discontinue such suit upon payment of the costs already accrued.

SEC. 24. If any officer of a corporation, charged by law with the duty of making and causing to be published any statement in regard to such corporation, neglects to do so, such officer, in addition to penalties already provided, forfeits five hundred dollars to the prosecutor, to be recovered by action of debt, or action on the case.

SEC. 25. The attorney general, upon application by any corporation, and satisfactory proof that it has ceased to transact business, shall file a certificate of the fact with the secretary of state, and *on payment of a reasonable compensation for his services*, shall give a duplicate certificate to the corporation; and thereupon such corporation shall be excused from filing annual returns with the secretary of state.

#### CAPITAL STOCK AND TRANSFER OF SHARES.

SEC. 26. When the capital of a corporation is divided into shares, and certificates thereof are issued, they may be transferred by indorsement and delivery. The delivery of a certificate of stock of a corporation to a bona fide purchaser or pledgee for value, together with a written transfer of the same or a written power of attorney to sell, assign and transfer the same, signed by the owner of the certificate, shall be a sufficient delivery to transfer the title against all parties. Certificates of shares shall be

secretary of state.  
1901, c. 229, § 1.

—contents of returns.

—penalty.

Secretary of state to notify attorney general of neglect of corporations to make returns.  
R.S., c. 46, § 33.  
1901, c. 229, § 2.

—costs in behalf of state.

Suits may be discontinued.  
R.S., c. 46, § 34.

Penalty for neglect to publish statement.  
R.S., c. 46, § 35.  
77 Me., 493.  
See c. 47, § 124;  
c. 49, §§ 36, 96.

Corporations ceasing to do business may be excused from filing annual returns.  
R.S., c. 46, § 36.  
1901, c. 229, § 19.  
See c. 115, § 20.

Transfer of shares, how made.  
R.S., c. 46, § 12.  
1893, c. 200.  
—what shall constitute a sufficient delivery.  
1897, c. 293, § 1.  
See c. 51, § 78;  
c. 120, § 10.

20 Me., 305.  
49 Me., 317.  
68 Me., 68.  
See c. 48, § 14.

Transfer shall  
not affect  
holder of  
record, until  
recorded.  
1897, c. 293, § 3.

Certain cor-  
porations may  
increase cap-  
ital and  
change num-  
ber of direct-  
ors.  
R.S., c. 48, § 20.  
1901, c. 229, § 18.

—secretary of  
state to be  
notified.

—duties.

When capital  
of company  
is impaired,  
stock may be  
reduced.  
R.S., c. 46, § 15.  
See c. 48, § 6.  
—par value of  
shares re-  
duced pro-  
portionally.

Remedy for  
any stock-  
holder who  
has not  
agreed there-  
to.  
R.S., c. 46, § 16.

—proceedings  
may be an-  
nulled or  
modified.

Copy of pro-  
ceedings, filed  
with secre-  
tary of state.  
R.S., c. 46, § 17.

—penalty for  
failure, how  
recovered.

Corporation  
may author-  
ize issue of  
new shares.  
R.S., c. 46, § 18.

issued to those entitled to them by transfer or otherwise, signed by the president or vice-president, and *attested* by the cashier, clerk or treasurer. Neither shall sign blanks and leave them for use by the other, nor sign them without knowledge of the apparent title of the person to whom they are issued. In case of the absence or disability of either of said officers, the signature of a majority of the directors in his stead is sufficient.

SEC. 27. No transfer shall affect the right of the corporation to pay any dividend due upon the stock, or to treat the holder of record as the holder in fact, until such transfer is recorded upon the books of the corporation or a new certificate is issued to the person to whom it has been so transferred.

SEC. 28. If the stockholders of any corporation created by special charter and not charged with the performance of any public duty, or organized under the general laws of the state, find that the amount of its capital stock is insufficient for the purposes for which said corporation is organized, or that the number of directors is inconvenient for the transaction of its business, the stockholders may by a vote representing a majority of the stock issued, increase the amount of its capital stock to any amount, and may change the number of *their* directors in like manner, and the corporation shall file a certificate thereof with the secretary of state within ten days thereafter, and thereupon said vote shall take effect. When the capital stock is increased from ten thousand dollars or less to not exceeding five hundred thousand dollars, the corporation shall pay to the treasurer of state for the use of the state the sum of forty dollars. When the capital stock is increased to any amount exceeding five hundred thousand dollars it shall pay to the treasurer of state for the use of the state the sum of ten dollars for each one hundred thousand dollars of such increase, and the treasurer's receipt for the same shall be filed with the secretary of state before he shall be authorized to receive any certificate of any increase of capital stock.

SEC. 29. Whenever the assets of a corporation have been so diminished by losses or depreciation of property, that its capital is impaired, such corporation, at any meeting of the stockholders legally called therefor, with the consent of not less than two thirds in amount of all its outstanding stock expressed at such meeting or at any adjournment thereof, may reduce such stock to the extent of such impairment, and thereupon the par value of all shares issued or to be issued shall be reduced proportionally.

SEC. 30. Within thirty days after such reduction any stockholder who has not agreed thereto, may file a bill in equity in any county in which said corporation has an established place of business, or in which it held its last stockholders' meeting, for a revision of its proceedings in making said reduction, upon which bill such proceedings may be annulled or modified, so that such reduction shall not exceed the actual impairment of capital. The action of the court, or, if no bill is filed as aforesaid, the action of the corporation, as provided in the preceding section, shall be conclusive upon all parties, whether stockholders or creditors, and such reduction shall not create any personal liability of any stockholder or officer thereof.

SEC. 31. The clerk of said corporation shall file with the secretary of state a certified copy of such proceedings, within thirty days after they are taken, or forfeit one thousand dollars, to be recovered by action of debt in favor of any existing or future creditor of such corporation first suing therefor in any court or county in which a transitory action between the same parties can be brought.

SEC. 32. Simultaneously with or after such reduction of its stock, such corporation may from time to time authorize the issue of new shares, of the reduced par value, until the gross capital equals the gross capital authorized by its charter or articles of association before such reduction was made, although the new shares should increase the whole issue beyond the number authorized by such charter or articles.

SEC. 33. Whenever a corporation, shall make a change in its charter or certificate of organization, in any manner, for the more convenient transaction of its business, it shall forward a notice of such change to the secretary of state, who shall record the same in a book kept for that purpose, *and for making such record the corporation shall pay the secretary of state for his services, five dollars, in advance; said fee shall not be within the provisions of section forty-five of chapter two.*

Notice of change in charter, to secretary of state.  
1885, c. 361.  
—record of.  
—fee for.  
See c. 115, § 20.

## CORPORATE POWERS.

SEC. 34. Corporations may sue and be sued, plead and be impleaded, in their corporate name; have a common seal alterable at pleasure; elect all necessary officers; prescribe their duties and fix their compensation; make by-laws consistent with the laws of the state and their charters; and hold and convey lands and other property. Directors must be and remain stockholders, except that a member of another corporation, which owns stock and has a right to vote thereon, may be a director. (a)

General powers of corporations.  
R.S., c. 46, § 2.  
1893, c. 180.  
See c. 1, § 6,  
¶ xvi.  
—directors must be stockholders.

SEC. 35. Corporations may, (among other provisions,) determine by their by-laws, the manner of calling and conducting meetings; the number of members that constitute a quorum; the number of votes to be given by shareholders; (by whom any or all officers, except president and directors, shall be elected;) the tenure of the several officers; the mode of voting by proxy; and of selling shares for neglect to pay assessments; and may enforce such by-laws by penalties not exceeding twenty dollars. A corporation, at a legal meeting of its stockholders, may vote to change its name and adopt a new one; and when the proceedings of such meeting, certified by the clerk thereof, are returned to the office of the secretary of state to be recorded by him, the name shall be deemed changed; and the corporation, under its new name, has the same rights, powers, and privileges, and is subject to the same duties, obligations and liabilities as before, and may sue and be sued by its new name; but no action brought against it by its former name, shall be defeated on that account, but on motion of either party, the new name may be substituted therefor in the action.

By-laws, what they may determine.  
R.S., c. 46, § 6.  
31 Me., 476, 576.  
79 Me., 443.

—name may be changed and effect thereof.  
68 Me., 84.

SEC. 36. Any corporation of this state may conduct business in other states, territories, or possessions of the United States, or in foreign countries, and have one or more officers out of the state, and may hold, purchase, mortgage and convey real estate and personal property out of this state.

Corporations may do business out of the state.  
1901, c. 229, § 10.

SEC. 37. Every corporation of this state shall have power to (may) create two or more kinds of stock with such classes, with such designations, preferences and voting powers, or restrictions or qualifications thereof, as shall be fixed and determined in the by-laws, or by vote of the stockholders at a meeting duly called for the purpose.

May create two or more kinds of stock.  
1901, c. 229, § 11.

SEC. 38. Any corporation of this state may purchase mines, manufacturing and other property necessary for its business, and the stock of any company or companies owning, mining, manufacturing or producing materials or other property necessary for its business, and issue stocks to the amount of the value thereof in payment therefor, and may likewise issue stock for services rendered to such corporation and the stock so issued shall be full paid stock and not liable to any further call or payment thereon; and in the absence of actual fraud in the transaction, the judgment of the directors as to the value of the property purchased, or services rendered, shall be conclusive.

Stock may be issued for property and stock of other corporations, or for services, and shall not be liable for further payment thereon.  
1901, c. 229, § 13.  
See § 75.

(a) 16 Me., 229; 17 Me., 442; 20 Me., 46; 23 Me., 41; 29 Me., 126; 43 Me., 182; 50 Me., 550; 56 Me., 420; 58 Me., 20; 61 Me., 167; 68 Me., 43.

## RIGHTS OF MINORITY STOCKHOLDERS.

Corporations shall not sell franchises without consent of stockholders.  
1891, c. 84, § 1.

Dissent of stockholders shall be filed, and petition entered, with S. J. Court, that value of shares shall be determined.  
1891, c. 84, § 2.

If corporation fails to enter petition, dissenting stockholder may enter and prosecute the same.  
1891, c. 84, § 3.

Court shall determine value of shares and secure rights of stockholders.  
1891, c. 84, § 4.

—corporation shall deposit amount of award in some bank.

—when shares shall become property of corporation.

Either party may enter appeal, and trial had before a jury.  
1891, c. 84, § 5.

—award, how paid.

—appellant shall have lien on property of corporation.

SEC. 39. No corporation shall sell, lease or in any manner part with its franchises except with the consent of its stockholders at an annual or special meeting, the call for which shall give notice of the subject matter of the proposed sale, lease or consolidation. All such sales, leases and consolidations shall be subject to the provisions of this and the eleven following sections, and to the prior liens of stockholders as therein defined.

SEC. 40. If any stockholder in any corporation, which shall vote to sell, lease or consolidate its franchise, shall vote in the negative and shall file his written dissent therefrom with the president, clerk or treasurer of such corporation within one month from the day of such vote, the corporation in which he is a stockholder may within one month after such dissent is so filed, enter a petition with the supreme judicial court, sitting in equity, in the county where it held its last annual meeting, in term time or in vacation, setting forth in substance the material facts of the transaction, the action of the corporation thereon, the names and residences of all dissenting stockholders whose dissents were so filed, making such dissenting stockholders parties thereto, and praying that the value of the shares of such dissenting stockholders may be determined, and for other appropriate relief.

SEC. 41. If any such corporation shall fail to enter such petition as aforesaid, any stockholder dissenting as aforesaid may within one month thereafter enter such petition and prosecute the same, making such corporation party defendant. In either case the court shall fix the time of hearing and shall order notice thereof to all parties interested, by publication in some newspaper or newspapers at least two weeks successively, and such personal service as is required upon bills in equity.

SEC. 42. The court, or any justice thereof in term time or in vacation, shall hear the parties and determine as soon as practicable the value of the stock of such dissenting stockholders; and shall make and enforce all such orders and decrees as may be necessary to secure to such stockholders all their rights. Such corporation shall, notwithstanding any appeal as hereinafter authorized, forthwith deposit the amount so awarded, in some bank or trust company designated by the court, to be by it held until final judgment, and paid to the parties as thereafter ordered by the court directing such deposit. Upon such deposit and upon compliance with final judgment as hereinafter provided, the shares of such stockholders shall become the property of such corporation, and the court may make and enforce such orders as may be necessary to secure its title thereto.

SEC. 43. Within thirty days after filing the decree determining such values, as aforesaid, either party may enter an appeal therefrom, to be heard at the next term of the supreme judicial court in the county where such petition is pending. The issue may thereupon, at the request of any party thereto, be submitted to a jury. If upon such trial the amount of such award is increased, the stockholder shall have judgment and execution against the petitioning corporation or corporation defending, for such increase with interest and costs; and if not increased, such corporation may withdraw from said deposit, the amount of the decrease with interest and costs. During the pendency of such appeal, the appellant shall have a lien upon all the property of the corporation interested in such sale or lease, or consolidation for thirty days after judgment on appeal. Such lien shall have precedence over any mortgages or leases made after any vote of sale, lease or consolidation. All such liens may be released upon filing with the court, a bond in such amount and with such sureties as the court may approve. Two or more stockholders may join in the same appeal.

SEC. 44. Any stockholder failing to file his dissent as required in section forty shall be deemed to have assented to such vote. If it appears that any stockholder is legally incapacitated from giving such assent or waiver, the court shall appoint suitable guardians or representatives for such persons, and the case shall then be heard and determined as if such stockholders had filed their dissent as required by section forty. *Provided, however,* that, if the proceedings hereby authorized are not had, then as against any stockholder who is a minor, or otherwise legally incapacitated, and who has no guardian, the period of one month in which to file the written dissents aforesaid shall not begin to run until the removal of the incapacity, by the appointment of a guardian or otherwise and actual notice of the vote of sale, lease or consolidation.

If dissent is not filed, stockholder shall be deemed to have assented.  
1891, c. 84, § 6.

—guardian may be appointed for incapacitated stockholder.

—proviso.

SEC. 45. Every stockholder appearing in answer to, or filing any petition, by himself, guardian or other legal representative, shall simultaneously therewith or within such time as the court may allow, deposit in court his certificate of shares duly indorsed to the corporation of which he is a shareholder, or some other sufficient transfer thereof, which shall there remain subject to the order of the court. All attachments and transfers of such shares shall be subject to the final decrees in such proceeding; and any such attaching creditor or transferee shall be allowed to become a party to the proceedings to protect his interests; and if such person, so claiming under such transfer or attachment omits or fails to intervene in such proceedings, his omission as a party shall not bar or impair the proceedings.

Stockholders shall deposit in court, certificates of shares.  
1891, c. 84, § 7.

—transfers shall be subject to final decrees.

SEC. 46. If none of the corporations interested in such petition shall pay or deposit the amount as herein ascertained and decreed, with interest thereon, within such time as the court shall order, any stockholder, entitled to such amount, may at his option take judgment and execution therefor, with interest and costs, against such corporation or withdraw his stock aforesaid; and after such withdrawal or if said execution is returned unsatisfied within thirty days after judgment, the owner of such shares shall retain all the rights of a dissenting stockholder as though no proceedings had taken place. All stockholders entitled to a remedy hereunder, shall have a lien upon the property of the corporations in which they are stockholders which shall take precedence of all mortgages or leases, of any kind made after any vote of sale, lease or consolidation. Such liens may be released as provided in section forty-three.

If corporation fails to pay amount decreed, stockholder may take judgment and execution or withdraw stock.  
1891, c. 84, § 8.  
—after withdrawal, or if execution is not satisfied, owner shall retain all rights.

—dissenting stockholders shall have lien on property.  
Court may hear and determine petitions, and make orders for enforcement of rights of all parties.  
1891, c. 84, § 9.

SEC. 47. The supreme judicial court, or any justice thereof, may in term time or vacation hear and determine said petitions, and make all orders for giving notice to non-resident parties, and taking action with reference to them, for the enforcement of the rights of any party to the proceeding, for the consolidation of two or more petitions, for the payment of interest on the adjudged value of the shares, for the payment of dividends, pending the proceedings, for interest upon the deposit aforesaid, for the distribution of costs between the parties and for enforcing its orders and decrees, as are consistent with the principles of equity practice, and as the convenient and speedy settlement of the controversy may require.

SEC. 48. If any petition shall fail for any matter of form, any party interested therein may file a new petition within two months thereafter. No petition shall be abated by the death of any party, but may thereupon be summarily revived by suggestion and amendment.

If petition fails for any matter of form, new petition may be filed.  
1891, c. 84, § 10.  
Exceptions.  
1891, c. 84, § 11.

SEC. 49. The proceedings hereby authorized shall not apply to nor affect any special acts relating to the rights of minority stockholders in any particular corporations enacted before April four, eighteen hundred and ninety-one, nor any mortgage legally made.

SEC. 50. In the event either of the corporations interested has consolidated its stock with corporations created by any other state or states, or the stock therein is held by virtue of concurrent legislation of one or more

Proceedings for valuing stock under the laws of

other states, shall be a bar to any under this chapter.

1891, c. 84, § 12.

states, and proceedings have been commenced for valuing the stock and paying the value thereof in any state having jurisdiction, such proceedings, shall, while pending, be a bar to any under this chapter; but if such proceedings in any other state shall fail for any reason not touching the merits, a petition may be filed as herein provided, within two months thereafter.

#### CORPORATE CONTRACTS AND LIABILITIES.

Contracts.  
R.S., c. 46, § 21.

SEC. 51. Corporations are bound by parol contracts made by an agent authorized by vote or by its by-laws. Contracts may be implied from corporate acts, or from the acts of the general agent. (a)

Provisions of law relating to foreclosure of railroad mortgages given to trustees, applicable to mortgages of all corporations so given.  
1887, c. 85.

SEC. 52. The provisions of chapter fifty-one, sections one hundred and eighteen to one hundred thirty-nine inclusive, shall apply to and include all mortgages or franchises, lands or other hereditaments, or of all of them, heretofore or hereafter given by any corporation to trustees to secure scrip or bonds of said corporation; and the holder of said scrip or bonds shall have the benefit of all said provisions, whether the said mortgages have been or may be foreclosed in the manner provided by section one hundred and eighteen of said chapter, or in any other legal manner, and to the extent of and with reference to the property covered by the mortgage; the new corporation, when organized, shall have the rights and privileges of the original corporation.

Service of process on foreign corporation, trustee, in mortgage by domestic corporation.  
1897, c. 200.  
See c. 115, § 20.

SEC. 53. In case of the mortgage of the franchises, lands or other hereditaments by any domestic corporation to a foreign corporation as trustee, service of process may be made on any authorized agent of such foreign corporation in the state; or if no such agent can be found, such service may be made upon the bank examiner, who shall immediately notify the corporation by mail. Service made in either of said methods shall be valid and binding upon the corporation in every respect.

Property and franchise may be taken for debts.  
R.S., c. 46, § 20.  
See c. 84, § 17.

SEC. 54. The property of any corporation, and the franchise of one having a right to receive a toll established by the State, with its privileges and immunities, are liable to attachment on mesne process and levy on execution for debts of the corporation in the manner prescribed by law.

[The commissioner suggests the following amendment by way of addition to sec. 54, for the protection of public service corporations and the communities dependent upon them:

"But no property necessary for the performance of any public duties and obligations imposed by the charter or articles of organization of any corporation, and in actual use for such purpose, shall be liable to attachment on mesne process or seizure on execution against such corporation."]

Officer having an execution may sell real estate in certain cases.  
R.S., c. 46, § 50.  
See c. 76, §§ 43-45.

SEC. 55. When an officer, having an execution against a corporation not created for purposes of education or religion, certifies thereon that he is unable to find personal property of the corporation, the creditor may cause so much of its real estate to be seized and sold at public auction, in the town where it lies, in the manner provided for the sale of real estate of banks, and subject to the same right of redemption, as is necessary to satisfy such execution and incidental charges.

Real estate of certain corporations, may be taken on execution and sold, without first exhausting remedy against personal property.  
1899, c. 115.  
See c. 76, §§ 32-38;  
§§ 43-45.

SEC. 56. Real estate, or any interest therein, of any corporation not created for supplying cities or towns with water, *nor* (or) for educational, religious, street lighting, telegraph, telephone, or any public purposes, may be seized and sold on execution at public auction, either as real estate of banks, or as rights of redeeming real estate mortgaged, are taken on execution and sold, without the execution creditor first exhausting his remedy against the personal property of such corporation, and subject to the same right of redemption as is provided in either case. Seizure and sale by either of the methods provided in this section, pass to the purchaser all the right, title and interest that the execution debtor has in such real estate at the time of such seizure, or had at the time of the attachment thereof on the original writ, subject to the debtor's right of redemption.

(a) 7 Me., 120; 24 Me., 38, 502; 26 Me., 435; 29 Me., 126.

This section does not repeal any other modes of levy of execution, or seizure and sale of corporation real estate on execution.

[The commissioner is in doubt as to the effect of P. L. 1899, c. 115, (§ 56), when read in connection with § 55, upon educational and religious corporations. He inclines to the opinion that the words "educational, religious" should be omitted from § 56.]

SEC. 57. Corporations existing by the laws of another state or of a foreign jurisdiction, may sue or be sued by their corporate name in this state; and if they have property in this state it may be attached and appraised and set off on execution, as the property of non-resident individuals. The acts of their agents have the same effect as the acts of agents of foreign private persons, unless prohibited by law. (a)

Foreign companies may sue and be sued here, and property attached. R.S., c. 46, § 22. —effect of agents' acts.

#### DISSOLUTION OF CORPORATIONS.

SEC. 58. Corporations, whose charters expire or are otherwise terminated, have a corporate existence for three years thereafter; to prosecute and defend suits; to settle and close their concerns; to dispose of their property; and to divide their capitals.

Existence after charter expires. R.S., c. 46, § 24. 55 Me., 293. 92 Me., 476.

SEC. 59. When the charter of a corporation expires or is terminated, a creditor or stockholder may apply to the supreme judicial court, which may appoint one or more trustees to take charge of its estate and effects, with power to collect its debts, and prosecute and defend suits at law; and to sell and convey its real estate; and if sold at auction, the same notice shall be given as in the sale of lands of corporations on execution. The court has jurisdiction in equity of all proceedings therein, and may make such orders and decrees, and issue such injunctions as are necessary.

Court may appoint trustees; their powers. R.S., c. 46, § 25. 60 Me., 173, 182. 79 Me., 316.

SEC. 60. The debts of the corporation shall be paid in full by such trustees, when the funds are sufficient; when not, ratably to those creditors, who prove their debts, as the law provides, or as the court directs. Any balance remaining shall be distributed among the stockholders or their legal representatives in proportion to their interests.

Trustees to pay debts; and divide balance. R.S., c. 46, § 26. 60 Me., 173, 182. 79 Me., 316.

SEC. 61. Except where otherwise provided by statute, whenever at any meeting of its stockholders, legally called therefor, such stockholders vote to dissolve such corporation, a bill in equity against the same for dissolution thereof, may be filed by any officer, stockholder or creditor in the supreme judicial court, in the county in which it has an established place of business, or in which it held its last stockholders' meeting; upon said bill, such notice shall be given as may be ordered by any justice of said court, in term time or vacation, and upon proof thereof, such proceedings may be had according to the usual course of suits in equity, that said corporation shall be dissolved and terminated. Upon proof that there are no existing liabilities against said corporation, and no existing assets thereof, requiring distribution among the stockholders, said court may dissolve said corporation without the appointment of trustees or receivers.

Bill in equity against corporations for dissolution. R.S., c. 46, § 27. 79 Me., 316.

—notice and proceedings.

—if no liabilities, dissolution may be had without trustees.

SEC. 62. Said court has jurisdiction in said cause to appoint receivers, issue injunctions, and pass interlocutory decrees and orders, according to the usual course of proceedings in equity; and shall, moreover, upon dissolving said corporation, or upon terminating its charter, appoint one or more trustees, who shall have all the powers conferred upon similar trustees by sections fifty-eight, fifty-nine, sixty and seventy-seven, or by any other law of the state, with such special powers as may be given them by said court. But, notwithstanding the appointment of such trustees, said court may superintend the collection and distribution of the assets of said corporation, and may retain said bill for that purpose.

Jurisdiction of court. R.S., c. 46, § 28.

—trustees.

—powers and duties.

—court may superintend collection and distribution of assets.

SEC. 63. Nothing in the two preceding sections relieves any officer, shareholder or other person from any liability, except as provided therein.

No relief from liability. R.S., c. 46, § 29. Decree of dissolution shall be filed with secretary of state. 1901, c. 229, § 15.

SEC. 64. A copy of every decree or judgment dissolving a corporation or forfeiting its charter shall be forthwith filed by the clerk of the court in the office of the secretary of state and there recorded.

(a) 17 Me., 36; 29 Me., 467; 55 Me., 294.

## LIABILITIES OF STOCKHOLDERS.

Stockholders' liability for debts of the corporation.  
 R.S., c. 46, § 37.  
 18 Me., 37.  
 26 Me., 197.  
 36 Me., 25.  
 39 Me., 37.  
 43 Me., 402.  
 47 Me., 538.  
 49 Me., 529.  
 53 Me., 21, 22.  
 60 Me., 596.  
 89 Me., 127.

SEC. 65. The stockholders of all corporations created by the legislature after February sixteen, eighteen hundred and thirty-six, except banking corporations, unless it is otherwise specified in their charter, or by general law, are liable for the debts of the corporation contracted during their ownership of such stock, prior to June one, eighteen hundred and fifty-seven, in case of deficiency of corporate attachable property, to the amount of their stock and no more; and such liability continues, notwithstanding any subsequent transfer of such stock, for one year after such transfer is recorded on the corporation books; but no stockholder whose stock has been fully paid in, and no part of the principal has been withdrawn, is liable for debts contracted after said first day of June; but in the latter case, when an officer certifies on an execution against a corporation, that he cannot find corporate property to satisfy it, each stockholder's stock and interest in stock may be seized and sold thereon as on execution against him; and he may recover of the corporation the value of the stock or interest so taken as provided in section seventy-nine.

[The commissioner is of the opinion that sections 65 to 71 inclusive may well be omitted from this chapter. All existing rights and remedies are protected by section 74, and will be still further protected by the repealing act.]

Stockholders' liability in corporations created since March 17, 1831.  
 R.S., c. 46, § 38.

SEC. 66. The stockholders of corporations, excepting those created for literary, benevolent, and banking purposes, incorporated since March seventeen, eighteen hundred and thirty-one, are, as it regards debts of the corporation, subject to the liabilities imposed on stockholders by section sixty-five, except for stock owned before April twenty-four, eighteen hundred and thirty-nine, and for stock held as executor, administrator, guardian or trustee.

Creditor may demand of stockholder to show property.  
 R.S., c. 46, § 39.  
 47 Me., 538.  
 53 Me., 478.  
 60 Me., 597.

SEC. 67. At any time within six months after the return of an execution against a corporation, recovered on a debt for which any stockholder is liable under section sixty-five, unsatisfied in whole or in part for want of attachable property of the corporation, the plaintiff in such execution may make demand of any stockholder thereof to disclose, and show attachable property thereof sufficient to satisfy the execution.

Action to be commenced within six months after judgment.  
 R.S., c. 46, § 40.  
 36 Me., 27.  
 44 Me., 321.  
 45 Me., 190.  
 60 Me., 597.  
 Stockholder may set off claims.  
 R.S., c. 46, § 41.

SEC. 68. After demand as aforesaid, the execution creditor may have an action on the case against such stockholder, to recover of him individually the amount of his execution and costs, or the deficiency thereof, not exceeding the amount for which said stockholder is liable by section sixty-five. Such action must be commenced within six months after the rendition of judgment against the corporation.

SEC. 69. In such action, said stockholder may prove in reduction of his liability, the amount of corporate debt which he has previously paid, and which has not been repaid to him by the corporation; also any debt due him from the corporation, for which he, at the time, might maintain an action at law against it; and may show any other legal cause why judgment should not be rendered against him.

Treasurers to keep record of stockholders' claims against corporation.  
 R.S., c. 46, § 42.

SEC. 70. The treasurer of every such corporation shall keep a full record of all claims in favor of its stockholders against the corporation, and exhibit the same with a particular statement of its financial condition, to any creditor thereof, when requested by him, and on failure to exhibit such statement the stockholders shall not be entitled, in actions against them, to show previous payments on account of the corporation in reduction of their liability, but if they suffer damages by reason of being thus deprived of their defense, they have a remedy upon the bond of the treasurer.

Clerk to furnish names of stockholders to officer.  
 R.S., c. 46, § 43.

SEC. 71. The clerk of every such corporation, on demand of an officer holding an execution against it, shall furnish him with the names, and, so far as known to him, the residences of every person liable thereon under this chapter, and the amount of his liability.

Executors, etc., holding

SEC. 72. Persons holding stock as executors, administrators, guardians, or trustees, shall not be personally subject to any liabilities as stockholders;

but the estates and funds in their hands shall be liable in like manner and to the same extent as the testator, intestate, ward, or person interested in such trust funds would be if they were respectively living and competent to act and hold the stock in their own names.

SEC. 73. A pledgee for value, holding a certificate of stock of a corporation for security merely, shall not, while he so holds such stock, be subject to any of the liabilities of a stockholder, unless he appears on the books of the corporation as the absolute owner of such stock.

SEC. 74. No stockholder in any corporation, except in banks, (trust and banking companies, and when otherwise provided by the act of incorporation) has, after February twenty-four, eighteen hundred and seventy-one, been liable for the debts of or claims against such corporation beyond any amounts withdrawn or not paid in, as provided in the two following sections; but neither this section nor the four following, affect past or future liabilities of any officer of any corporation; nor any liability of any person or corporation or remedy therefor, existing on said twenty-fourth day of February.

SEC. 75. The capital stock subscribed for any corporation is declared to be and stands for the security of all creditors thereof; and no payment upon any subscription to or agreement for the capital stock of any corporation, shall be deemed a payment within the purview of this chapter, unless bona fide made in cash, or in some other matter or thing at a bona fide and fair valuation thereof. (a)

SEC. 76. No dividend declared by any corporation from its capital stock or in violation of law, no withdrawal of any portion of such stock, directly or indirectly, no cancelation or surrender of any stock, and no transfer thereof in any form to the corporation which issued it, is valid as against any person who has a lawful and bona fide judgment against said corporation, based upon any claim in tort or contract or for any penalty, or as against any receivers, trustees or other persons appointed to close up the affairs of an insolvent corporation. (b)

SEC. 77. Any person having such judgment, or any such trustees, receivers or other persons appointed to close up the affairs of an insolvent corporation, may, within two years after their right of action herein given accrues, commence an action on the case or bill in equity, without demand or other previous formalities, against any persons (if a bill in equity, jointly or severally, otherwise severally) who have subscribed for or agreed to take stock in said corporation and have not paid for the same; or who have received dividends declared from the capital stock, or in violation of law; or who have withdrawn any portion of the capital stock, or canceled and surrendered any of their stock, and received any valuable consideration therefor from the corporation, except its own stock or obligation therefor; or who have transferred any of their stock to the corporation as collateral security or otherwise, and received any valuable consideration therefor as aforesaid; and in such action they may recover the amount of the capital stock so remaining unpaid or withdrawn, not exceeding the amounts of said judgments or the deficiency of the assets of such insolvent corporation. But no stockholder is liable for the debts of the corporation not contracted during his ownership of such unpaid stock, nor for any mortgage debt of said corporation; and no action for the recovery of the amounts hereinbefore mentioned shall be maintained against a stockholder unless proceedings to obtain judgment against the corporation are commenced during the ownership of such stock, or within one year after its transfer by such stockholder is recorded on the corporation books. (c)

(a) 64 Me., 382; 78 Me., 178; 82 Me., 403, 511; 86 Me., 66; 92 Me., 451; 93 Me., 163.

(b) 64 Me., 382; 78 Me., 178; 82 Me., 402; 86 Me., 66; 93 Me., 163.

(c) 64 Me., 382; 78 Me., 178; 82 Me., 402; 83 Me., 323; 84 Me., 75; 86 Me., 66, 75, 492; 88 Me., 612; 92 Me., 451; 93 Me., 163.

stock not personally liable as stockholders. 1897, c. 293, § 4.

Pledgee of stock not liable as a stockholder. 1897, c. 293, § 2.

Except in banks, stockholders not liable beyond amount of stock. R.S., c. 46, § 44. 1885, c. 359, § 10. See c. 47, § 168. 75 Me., 521. 86 Me., 66. 89 Me., 127. 92 Me., 444.

Capital stock subscribed, is for security of creditors; payment of subscription to be bona fide. R.S., c. 46, § 45.

Withdrawal of capital stock, void as against judgment creditor, receivers or trustees. R.S., c. 46, § 46.

Proceedings may be by action on the case, or bill in equity. R.S., c. 46, § 47.

—stockholder not liable unless debt was contracted during his ownership of stock.

—action limited to one year.

What may be proved by any of the defendants.  
 R.S., c. 46, § 48.  
 78 Me., 178.  
 84 Me., 73, 75, 76.  
 86 Me., 66.  
 89 Me., 488.

SEC. 78. A defendant in such suit may prove that he has already in good faith paid by himself or through another person who has assumed his stock or subscription, to any person holding a bona fide judgment, or to any such trustee or receiver, or other person authorized to receive it, or to the corporation itself, the whole or any part of any amounts for which he would be liable under this chapter; or that he has already in good faith and without collusion been sued for, and is still in peril of being compelled to pay, such amounts in whole or part, to some other person, in which latter case the suit may be continued to await, on payment of defendant's costs from term to term; or he may prove that the amounts illegally received by him from said corporation were received more than two years before the claim arose on which such judgment was obtained, or if the suit is by trustees, receivers or other such person, more than two years before the commencement of the legal proceeding by virtue of which such corporation passed into the hands of trustees or receivers; or he may prove the invalidity of such judgment in any particular which could avail the corporation on a writ of error, or that said judgment was not bona fide; or he may prove that he has bona fide claims in contract or tort, several, or joint with other persons, against said corporation, absolute or contingent, or which could be availed of by set-off in court or on execution, for the whole or any part of the amounts for which he would be liable under this chapter; or in case his stock was transferred to such corporation as collateral security or as payment, he may either prove that the same was so transferred in good faith as security or payment for, or of, an anterior liability incurred without any concurrent agreement for the transfer of such stock, and for which the corporation was unable to obtain other sufficient security or payment, or in such case he may prove that whatever sum was received thereon, has been in whole or part repaid to such corporation; and proof of any of such matters is a full or partial defense for such defendant.

Stockholders, paying for corporation, may recover contribution.  
 R.S., c. 46, § 49.  
 86 Me., 84.

SEC. 79. When members of a corporation are liable for its debts, or for any acts of its officers or members, or to contribute for money paid on account of such debts or acts, the amount due may be recovered of such corporation by an action at law, or a bill in equity; and the court may make all necessary orders and decrees.

Not to divide capital until debts paid.  
 R.S., c. 46, § 51.  
 59 Me., 474.

SEC. 80. Corporations, not created for literary, benevolent, or banking purposes, shall not so divide any of their corporate property as to reduce their stock below its par value, until all debts are paid, and then only for the purpose of closing their concerns.

Judgment creditor may file bill in equity in certain cases.  
 R.S., c. 46, § 52.  
 77 Me., 474.

SEC. 81. When such a corporation has unlawfully made a division of any of its property, or has property which cannot be attached, or is not by law attachable, any judgment creditor may file a bill in equity in the supreme judicial court, setting forth the facts, and the names of such persons as are alleged to have possession of any such property, or choses in action, either before or after division; names of defendants may be struck out or added by leave of court; costs awarded at discretion, and service made on the defendants named, as in other equity suits. They shall in answer thereto, disclose on oath all facts within their knowledge relating to such property in their hands, or received by a division among stockholders. When either of them has the custody of the records of the corporation, he shall produce them and make extracts therefrom and annex them to his answer, as the court directs.

Proceedings, trial and decree in the suit.  
 R.S., c. 46, § 53.

SEC. 82. The court shall determine, with or without a jury, whether the allegations in the bill are sustained, and it may decree, that any such property shall be paid to such creditor in satisfaction of his judgment, and cause such decree to be enforced as in other chancery cases. Any question arising may, at the election of either party, be submitted to the decision of a jury under the direction of the court.

SEC. 83. When a corporation is dissolved, its real and personal estate is vested in the persons who were at the time shareholders, as tenants in common according to their interests. (a)

On dissolution, estate vests in shareholders. R.S., c. 46, § 54. Property of inhabitants of counties, towns, etc., may be taken for debts. R.S., c. 46, § 55.

SEC. 84. The property of the inhabitants of counties, towns, cities, and other quasi corporations, may be taken to pay any debt due from the body politic, of which they are members. All sums so paid, with interest and costs, may be recovered of such body politic. (b)

## CHAPTER 47.

BANKS AND SAVINGS INSTITUTIONS, LOAN AND BUILDING ASSOCIATIONS, TRUST AND BANKING COMPANIES, FOREIGN BANKING CORPORATIONS.

### BANKS OF DISCOUNT.

SEC. 1. Every bank, except savings banks, shall exercise the powers and be subject to the duties, liabilities, and provisions, contained in this chapter, in its charter, and in chapter forty-six, unless otherwise specially provided; within ten days after the acceptance of its charter, shall give written notice thereof to the secretary of state; shall be kept in the town where originally established; and be known by the corporate name of—"The president, directors, and company of the ——— bank;" the blank to be filled with the name authorized in its charter.

Banks, their powers, duties and liabilities. —location. —name R.S., c. 47, § 1.

SEC. 2. Every bank, shall have not less than five, nor more than nine directors, exclusive of any appointed by the governor and council as hereinafter provided, who shall all be stockholders therein and citizens and residents of the state, and a majority of them residents of the county where the bank is located; no two members of a co-partnership shall be directors in the same bank, nor shall any person be a director in two banks at the same time.

Number and qualifications of directors. R. S., c. 47, § 2.

SEC. 3. They shall be chosen by ballot at the annual meeting of the stockholders to be held during the first fifteen days of October, at a place in the town where the bank is located; and the directors for the time being shall give public notice of the time and place, fourteen days before the meeting, in a newspaper printed in the county, if any; if not, in the state paper.

Annual meeting for choice of directors. R. S., c. 47, § 3.

SEC. 4. The directors shall call special meetings of the stockholders, when they think that the interest of the bank requires it, giving notice as before provided; and vacancies in their board may be filled at such meetings, when the purpose is specified in the notice.

Directors may call special meetings; vacancies. R. S., c. 47, § 4. President.

SEC. 5. They shall choose one of their number president, and make him such compensation as they think reasonable; the assent of a majority of them is necessary for the transaction of business; but they may by vote authorize the president or a director to discount paper, or transact any other business.

—quorum. R. S., c. 47, § 5. 52 Me., 565.

SEC. 6. Every stockholder may vote in proportion to the number of shares that he holds, as follows: for one share, one vote, and for every two additional shares, one more vote, but no one shall have more than twenty votes in his own right and by proxy, and shares of its stock, owned by the bank, pledged to it, or held by any person as its trustee, are in no case, entitled to a vote, or to be represented by any person in the transactions thereof.

Votes of stockholders, regulated. R.S., c. 47, § 6.

(a) 16 Me., 318; 29 Me., 134; 36 Me., 190; 66 Me., 400; 79 Me., 316.

(b) See c. 84, §§ 30-32; 1 Me., 364; 47 Me., 141; 49 Me., 328; 68 Me., 507.

Cashier and clerks, how appointed.  
—salaries.  
R.S., c. 47, § 7.

Cashier not to be a director.  
R. S., c. 47, § 8.

Cashier and clerks to be sworn and give bond.  
R.S., c. 47, § 9.

—cashier's bond.

—form of bond which may be accepted.  
36 Me., 122.  
50 Me., 250.

—suit on bond.

—proceedings on judgment and execution.

—costs, how paid.

—sureties, rights of.

Special meetings.  
R.S., c. 47, § 10.

Directors to examine bank and bond.  
R.S., c. 47, § 11.

Capital stock, how paid in; when bank may go into operation.  
R.S., c. 47, § 12.  
24 Me., 265.

Stock, limited; transfer of shares.  
R.S., c. 47, § 13.  
64 Me., 113.

Loans and discounts regulated.  
R.S., c. 47, § 14.

—restrictions on loans to stockholders.

SEC. 7. They shall appoint a cashier, and may appoint clerks and other officers for conducting the business of the bank, with such salaries as they think proper, and remove them at pleasure.

SEC. 8. No cashier of a bank shall be a director therein; nor shall he or the clerks have any voice in the choice of such directors, or represent any shares therein for themselves or by proxy.

SEC. 9. The cashier and clerks, before entering on their duties shall be sworn, and give bond with two or more sureties to the satisfaction of the directors, for the faithful performance of their duties. The cashier's bond shall be given for a penalty of not less than twenty thousand, nor more than fifty thousand dollars; shall not be signed by a director; and shall be renewed annually in October. When the directors have fixed the penalty of such bond, they may authorize it to be executed in the following manner. The principal shall be held for the whole penalty, but each surety may, at the time of execution, write thereon the sum for which he is willing to be held, and he shall be held for that sum, and the aggregate of the subscriptions by sureties shall not be less than one and a half times the penalty; and such bond may be accepted by the directors, if they deem it sufficient. A suit thereon may be brought against all the parties jointly, or against one or more of the sureties jointly or severally. If the plaintiff prevails in a suit against all the parties jointly, judgment shall be entered against the principal for the whole damages sustained, and against each surety for the same sum, not exceeding his subscription; and an execution may be issued against each of said parties for the sums aforesaid with costs. The costs shall be paid from the first money received on any execution, and only one bill of cost shall be collected, except the fee for the execution and the officer's fees thereon. Sureties in such bonds have the same right of action for indemnity against their principal and contribution against their co-sureties as in case of other bonds, according to the principles of common law.

SEC. 10. The cashier of every bank, on written application of the proprietors of one fifth of the capital stock, shall call special meetings of the stockholders, by giving notice thereof as for the annual meeting; and if he refuses, any justice of the peace in the county, on such application may call such meetings, giving like notice.

SEC. 11. The directors of each bank shall, in the month of October annually, make an examination of its condition and the responsibility of the sureties on the cashier's bond. Said bond shall be recorded in the directors' records.

SEC. 12. The capital stock of every new bank shall be paid in, one half in six, and the other in twelve months from the date of its charter, in gold and silver money of the legal currency of the United States; and no bank shall go into operation until half of such stock has been paid in, and such money deposited in its vaults and examined by the bank examiner as provided in section fifty-two.

SEC. 13. No stockholder shall hold or own more than one fifth of the capital of any bank; and no shares thereof shall be sold or transferred except by execution or distress, or by executors, administrators, or guardians, until the whole amount of capital is paid in.

SEC. 14. Every bank, subject to the restrictions mentioned in this chapter, may loan and negotiate its moneys and effects by discounting on banking principles upon such security as its regulations permit; but no loans shall be made by a bank upon pledge of its own stock; nor shall it discount notes, bills of exchange, drafts, or other security for the payment of money, without at least two responsible names as principals, sureties, or indorsers thereon,—and for this purpose, a firm composed of two or more persons shall be considered as one person,—or adequate personal pledges, or collateral security; and no loan shall be made to any stockholder, until the amount of his shares is paid into the bank.

The aggregate of all the debts due from the directors as principals, indorsers, or sureties, shall at no time exceed one third of the capital of such bank; nor shall the debts due from any one director, as principal, indorser, or surety, exceed eight per cent of the capital stock. (a)

—liabilities of directors, limited.

SEC. 15. No bank shall invest, use or improve, any of its moneys, goods, chattels, or effects, in trade or commerce; but may sell all kinds of personal pledges, lodged with it as security, to an amount sufficient to re-imburse the sum loaned, with interest and expenses.

Banks not to engage in trade or commerce.  
R.S., c. 47, § 15.

SEC. 16. The directors shall make half yearly dividends of the profits of the bank.

Dividends.  
R.S., c. 47, § 16.

SEC. 17. A bank may hold, sell, and dispose of any real estate requisite for the convenient transaction of its business; but such real estate shall not, unless by special authority, exceed twelve per cent on the amount of the capital stock, exclusive of what the bank holds on mortgage, receives on execution, or takes as security, or in payment of debts.

Powers to hold real estate.  
R.S., c. 47, § 17.

—restrictions.

SEC. 18. Shares in a bank, its real estate, and its right, title and interest in lands mortgaged for a debt due or assigned to it, and the debt thereby secured, may be attached on mesne process, and taken on execution and sold agreeably to chapters seventy-six, eighty-one, and eighty-four.

Property may be attached and taken on execution.  
R.S., c. 47, § 18.

SEC. 19. The total amount of debts which a bank may owe at any time, shall not exceed twice the amount of its capital stock actually paid in, exclusive of sums due on account of deposits not bearing interest, nor shall its dues at any time exceed double the amount of its capital stock actually paid in, exclusive of the bills of other banks and debts due from them, payable on demand.

Limitation of amount of debts and  
—R.S., c. 47, § 19.

SEC. 20. No bank, shall, directly or indirectly, make any loan or discount, or issue any bill or note, except at its usual banking house; nor loan any money to a public officer on his official check, nor take such check with an agreement or understanding to hold it, under penalty of forfeiting its charter for this last offense.

No loans or issues except at bank; nor to public officer on official check.  
R.S., c. 47, § 20.

SEC. 21. No bank shall issue and put in circulation as money, bills to the amount of more than fifty per cent of its capital stock actually paid in, not owned by the bank, unless it has in its vaults at the time of such issue, one dollar in specie for every three dollars in bills so issued above fifty per cent of its capital stock; nor shall the circulation of any bank within the state at any time, exceed the amount of its capital stock paid in, not owned by the bank, and the specie in its vaults; but bills actually redeemed by it at a bank in Boston to be forwarded to it, shall not be deemed to be in circulation; and every bank forfeits to the State ten per cent on the amount of bills which at any time it puts in circulation above the amount aforesaid; and weekly balances shall be made by the cashier, exhibiting the amount of specie on hand and the amount of bills in circulation.

Circulation allowed, but limited.  
R.S., c. 47, § 21.

—bills redeemed in Boston, not in circulation.

—forfeiture for excess of circulation.

—weekly balances.

SEC. 22. Every bank shall keep in its own vaults at least five per cent of its capital stock in specie.

Specie.  
R.S., c. 47, § 22.

SEC. 23. When the directors of a bank destroy any of its bills, it shall be in the presence of a disinterested justice of the peace, and they shall record the number and denomination thereof, and swear to the truth thereof before said justice, who shall certify the oath on the record, and the fact that he saw their destruction; each director violating this provision forfeits five hundred dollars.

Provisions, when bills are destroyed.  
R.S., c. 47, § 23.

—penalty for violation by a director.

SEC. 24. All bills shall be issued in the name of the president, directors, and company of the bank issuing them, and be signed by the president and cashier thereof; but any bills signed by either the president or cashier thereof, and in circulation through the agency or neglect of any of its officers, are binding on the bank. Every bank shall receive its own bills if offered in payment for any of its dues.

Form of signature of bills; bank shall receive its own bills in payment.  
R.S., c. 47, § 24.

(a) 39 Me., 490; 42 Me., 590; 52 Me., 533; 64 Me., 114.

Restrictions  
on bills.  
R.S., c. 47, § 25.  
—fractional,  
prohibited.

SEC. 25. Every bank may issue bills under five dollars to the amount of one quarter part of its capital actually paid in and no more; and no bank shall issue, pay out, or receive in payment, or on deposit, any bill or note less than one dollar, or on which is expressed any fractional part of a dollar, under penalty of one hundred dollars for each offense.

Interest on  
deposits.  
R.S., c. 47, § 26.

SEC. 26. Any bank may allow a certain rate of interest for deposits made therein, if it thinks proper; but shall not issue any note, bill, check or any other negotiable security payable at a future day, or bearing interest.

Bills to be  
redeemable  
in specie at  
the bank.  
R.S., c. 47, § 27.

SEC. 27. No bank shall issue any bill, note, check or draft, redeemable at such bank in any other manner than by payment in specie; and every bank issuing any bill, note, check, or draft redeemable in any other manner than by payment in specie on demand, or payable at any place other than the place where it is by law established, shall pay it in specie to the holder thereof on demand at said bank, without previous demand at the place where it is made payable.

Exceptions,  
as to drafts  
or checks.  
R.S., c. 47, § 28.

SEC. 28. Nothing in the preceding section extends to any draft or check for any balance due to said bank, nor to any check or draft drawn by an officer of a bank within the state on another bank within or without the state; but all such checks or drafts shall first be presented for payment at the place where they are made payable, before they are demanded at the bank by which they were issued.

Damages for  
not redeeming  
bills.  
R.S., c. 47, § 29.  
18 Me., 172, 243.  
See § 43.

SEC. 29. If the officers of a bank, upon demand in its usual banking hours, neglect or refuse to redeem in gold or silver money of the legal currency of the United States, any note, bill, check, or draft described in the two preceding sections, and demandable at such bank, or any other bill or note of such bank, it shall, after the expiration of fifteen days from such demand, be liable to pay to the holder thereof, in damages, at the rate of twenty-four per cent a year, during such delay or refusal, and interest at the rate of six per cent during said fifteen days.

Damages to  
cease, on  
tender of  
amount.  
R.S., c. 47, § 30.  
See § 55.

SEC. 30. If the bank, at any time after such demand and refusal, causes a tender of the amount of such bill, note, check or draft, with all interest, damages, and costs, which have accrued at that time, to be made at the place of residence of the person who made such demand, or of any known owner or assignee thereof, or of his agent, all further interest and damages on account thereof shall thereupon cease.

Interest limit-  
ed, but ex-  
change may  
be charged.  
R.S., c. 47, § 31.  
31 Me., 416.  
83 Me., 73.

SEC. 31. No bank shall take a greater interest or discount on any note, draft, or security, than at the rate of six per cent a year, unless by agreement in writing, whether such loan is made in specie or otherwise, or an agreement is made to pay such loan in specie or at a place other than such bank; but such interest or discount may be taken according to the established rules of banking; and the bank in discounting drafts, bills of exchange or other negotiable securities payable at another place, may, in addition to interest, charge the existing rate of exchange between the places of discount and payment.

Bills not  
void, if  
altered.  
R.S., c. 47, § 32.  
Weights to be  
sealed by  
state treas-  
urer.  
R.S., c. 47, § 33.

SEC. 32. Every bank shall pay to an innocent holder the original amount of any note of said bank, notwithstanding it has been altered.

SEC. 33. Directors of banks shall, once in five years, have all the weights used in their banks, compared, proved, and sealed by the treasurer of state, or by some person specially authorized by him for that purpose; and this shall supersede so far as respects such banks the sealing of their weights by the town sealer.

Gold, how to  
be weighed.  
R.S., c. 47, § 34.

SEC. 34. No tender of gold by any bank, weighed with weights other than those thus compared, proved and sealed, is legal; and the payer or receiver may require the gold to be weighed in each scale, and the mean weight resulting therefrom shall be the true weight.

Counterfeit  
and altered  
bills may be  
marked

SEC. 35. A bank established under the laws of this state or of the United States, shall write or stamp the word "counterfeit," on every counterfeit bill, and the word "altered," on every altered bill, offered in

payment, deposit or for redemption, adding thereto the name of the bank and of the officer by whom it is done; but if it makes such writing or stamp on a bill not counterfeit or altered, it is liable only for the actual damages sustained by the holder thereof, not exceeding its amount, unless fraudulently done; and the cashier shall have a book, and record therein the denomination of such bill, the name of the bank from which it purports to have issued, its date and number, and the date of such writing or stamping.

by cashier; damages, if erroneously marked; marked bills to be recorded.  
R.S., c. 47, § 35.

#### RIGHTS OF THE STATE IN BANKS.

SEC. 36. The State has a right, when the legislature makes provision by law, to subscribe, on account of the State, to the capital of any bank, and in addition thereto, a sum or sums not exceeding in the whole one tenth part thereof, subject to such rules and provisions as by the legislature are established for the management of the same; and to appoint an additional director in such case.

Right of the state to take stock in any bank.  
R.S., c. 47, § 36.

—and appoint a director.

SEC. 37. Every bank having any circulation, within ten days after the first Mondays of April and October in each year, shall pay to the treasurer of state, for the State, a tax of one half of one per cent on the amount of its capital stock actually paid in; but the receipt of the proper United States officer for a United States tax, paid for the same period on its deposits, circulation and capital, shall be allowed towards said tax; and if any bank neglects to pay said state tax for thirty days after it is due, the treasurer of state shall issue a warrant of distress to enforce payment thereof out of its estate or effects, which shall be executed the same as warrants of distress against delinquent sheriffs under chapter six.

Semi-annual state tax.  
R.S., c. 47, § 37.  
See c. 11, § 120.  
20 Me., 472.

—U. S. tax deducted.

—payment how enforced.  
See c. 6, §§ 245-249.

SEC. 38. Upon requisition of the legislature, each bank shall loan to the State a sum not exceeding five per cent of its capital stock in one loan, or not exceeding ten per cent thereof in all loans existing at the same time, re-imbursable by five annual instalments, or at shorter periods at the election of the State, with the annual payment of interest at a rate not exceeding six per cent; and the faith of the State is pledged for the repayment thereof.

Right of the state to require loans from banks.  
R.S., c. 47, § 38.

SEC. 39. When such loan is required of a bank, the treasurer of state shall give written notice to its president or cashier, of the amount which it shall furnish, and shall demand a loan thereof conformably to the preceding section, accompanied by a copy of the act or resolve of the legislature requiring it, attested by the secretary of state, and by the written approval of such demand by the governor.

Requisition, how made.  
R.S., c. 47, § 39.

#### INDIVIDUAL LIABILITY OF DIRECTORS AND STOCKHOLDERS.

SEC. 40. If any bank becomes indebted beyond the amount allowed by section nineteen, the directors, under whose administration it happens, are liable for the excess in their private capacities, any condition, release or agreement to the contrary notwithstanding; and an action of debt or bill in equity thereon may be maintained against them or any of them, or their executors or administrators, by any creditor of the bank; but this provision does not exempt the bank, or its lands, goods or chattels from liability for such excess.

Liability of directors, if bank becomes indebted beyond amount allowed.  
R.S., c. 47, § 40.

SEC. 41. Any director who was absent when such excess of debts was contracted, or who at the time dissented from the resolution or act whereby it was contracted, may exonerate himself from such liability by forthwith giving notice of the fact, and of his absence or dissent, to the governor and council, and to the stockholders at any general meeting, which he may call for that purpose.

Innocent directors, how to be exonerated.  
R.S., c. 47, § 41.

SEC. 42. Those directors, by whose official mismanagement a loss or deficiency of capital stock of a bank occurs, are liable therefor in their individual capacity; and in case of their inability, each stockholder,

Loss from mismanagement of directors, how made up.

R.S., c. 47, § 42.  
23 Me., 344.  
48 Me., 404.  
50 Me., 275.  
66 Me., 388.

whether a person or a corporation, is liable therefor, to an amount not exceeding the amount of his stock at that time; but such stockholder's liability continues only for one year after he has in good faith transferred his stock, no process against him on account thereof, or injunction against the bank being then pending.

Private property of stockholders, liable in certain cases.  
R.S., c. 47, § 43.

SEC. 43. When any bill, note, check, or draft is presented for payment at any bank which issued and is liable to pay it under the provisions of section twenty-nine, and payment thereof is delayed or refused for fifteen days, then the private property of its stockholders, to the amount of their shares, may be attached on mesne process, and levied upon by execution in any suit therefor, commenced against said bank for the damages, and for the original demand, interest and costs. (a)

Directors to disclose names and interests of stockholders.  
R.S., c. 47, § 44.

SEC. 44. Any director of a bank against which suit is commenced, on demand of the plaintiff therein, or of any officer legally charged with the service of any such writ or execution, shall make and exhibit to the plaintiff or officer a true list of the stockholders thus liable, with the amount of stock for which each is so liable; and if he unreasonably neglects or refuses to do so, his private property is liable to the full amount of the judgment recovered in such suit.

Liability of stockholders at expiration of charter.  
R.S., c. 47, § 45.  
48 Me., 403.  
61 Me., 166.  
62 Me., 209.

SEC. 45. The holders of stock in any bank at the expiration of its charter, whether persons or corporations, are liable in their individual capacities for the redemption and payment of all bills, issued by said bank and remaining unpaid, in proportion to the stock they then hold; but such liability continues only two years after notice of such expiration has been given in the state paper.

Mode of enforcing payment from directors, or stockholders.  
R.S., c. 47, § 46.  
50 Me., 278.  
56 Me., 388.

SEC. 46. A creditor of a bank suffering loss as described in section forty-two, or a holder of unredeemed bills as described in section forty-five, after demand at such bank or at its last and usual place of business, may avail himself of the liability of the directors and stockholders as described in said sections by a bill in equity; but this section shall not deprive any person injured by the misconduct or neglect of any officer of a bank, of an action on the case against him on the principles of the common law.

Mode of obtaining contribution.  
R.S., c. 47, § 47.

SEC. 47. Any stockholder, whether a person or corporation, who, by this chapter, has been obliged to pay any debt or demand against the bank out of his individual property, may have a bill in equity to recover proportional parts of the money so paid, from the directors or other stockholders liable therefor, and such damages and costs as the court decrees.

#### BANK EXAMINER.

Examiner, appointed.  
R.S., c. 47, § 48.  
72 Me., 556.

SEC. 48. The governor, with the advice and consent of council, shall appoint *an* (a bank) examiner *of banks*, who shall hold his office for three years, subject to removal at any time by the appointing power, and shall not during his continuance in office hold any office in any bank in the state.

Duties of examiner.  
R.S., c. 47, § 49.

SEC. 49. At least once a year, and as much oftener as the governor and council deem it expedient, he shall inquire into and examine the transactions of all the banks and ascertain their condition, and whether there has been any departure by brokerage or otherwise from the ordinary business of banking associations; note all overissues shown by the cashier's weekly balances; and make report of his doings annually to the governor and council on the first day of December, to be laid before the legislature.

Power to examine banks.  
R.S., c. 47, § 50.

SEC. 50. He may visit all banks as often as he deems it expedient for the public safety, thoroughly inspect and examine all their affairs, and make all inquiries necessary to ascertain their condition and ability to fulfil their engagements, and for that purpose he may summon and examine under oath, all the directors, officers, or agents thereof, and such other

(a) 23 Me., 309; 26 Me., 339; 31 Me., 59; 33 Me., 511; 50 Me., 275.

witnesses as he thinks proper; and any director, officer, agent, or other person, who refuses without justifiable cause to appear and testify when so required, or who, in any way, obstructs the examiner in the discharge of his duty, as herein prescribed, shall be fined not exceeding one thousand dollars, or imprisoned not exceeding two years.

SEC. 51. He shall, from time to time, examine the weekly balances made by cashiers; and when it appears that a bank has made overissues, he shall notify its cashier forthwith to pay over the forfeiture mentioned in section twenty-one; and if it is not so paid within ten days after notice, he shall complain to a justice of the supreme judicial court, who shall thereupon summon such bank by a notice to its president or cashier to appear before him at a time and place appointed, to answer such complaint and show cause why an injunction should not issue against it. If it appears on such hearing that the bank has overissued and not paid the forfeiture within the time aforesaid, it shall be enjoined, until the forfeiture and costs of proceedings are paid; and if such order is not complied with within such time as he fixes, the injunction shall be made perpetual, and receivers appointed to close the business according to law. And if on examining any bank, the examiner thinks that it is insolvent; that its further progress would be hazardous to the public, or to those having funds in its custody; that it has exceeded its powers; or has failed to comply with all the rules, restrictions and conditions provided by law, he may apply to any justice of the supreme judicial court to issue an injunction to restrain it in whole or in part from proceeding further with its business, until a hearing is had. And said justice shall forthwith issue such process; after a full hearing of the bank upon the matters aforesaid, may dissolve, modify, or make perpetual the injunction; make all needful orders and decrees to suspend, restrain, or prohibit the further prosecution of the business of the bank according to the course of chancery proceedings; and at his discretion may appoint receivers to take possession of its property and effects as hereinafter provided, subject to the rules and orders, from time to time prescribed by such court or any justice thereof in vacation. The examiner may appoint a clerk, prescribe his duties and fix his compensation, when he thinks the public good demands it. All banks whose charters have expired, or are surrendered, or revoked, continue subject to all the provisions and penalties in this chapter during the time allowed their stockholders to act in their corporate capacities for the purpose of closing their concerns; and the examiner shall examine and proceed against them in the same manner as if their charters were still existing; and shall publish in one or more newspapers nearest the location of the bank, and in such others as he sees fit, a notice of the time when the liability of such bank to redeem its bills will cease, to be continued during the three months next before the time named therefor.

SEC. 52. When a new bank is about to go into operation, the examiner, at the expense of the bank, shall examine and count the money actually in the vaults, and ascertain by the oaths of a majority of the directors that it has been paid in by the stockholders towards payment of their shares and not for any other purpose; and that it is intended that it shall remain therein as part of the capital; and he shall return a certificate thereof to the office of the secretary of state.

SEC. 53. He shall take measures to enforce the penalty provided in section twenty.

SEC. 54. When thereto required by the examiner, each cashier shall make and transmit to him, within the time directed in such requisition, a return of the condition of his bank, stating the several particulars mentioned in the following form, exhibiting in distinct columns the amounts due from the bank, and the resources of the bank, viz.:

"Condition of the \_\_\_\_\_ bank of \_\_\_\_\_, on the first Saturday of \_\_\_\_\_, 19—, at two o'clock, P. M.

Proceedings of examiner in cases of overissue, and when he deems a bank unsafe.  
R.S., c. 47, § 51.

—his duties, if he deems the bank insolvent.

—banks closing up business, are subject to the provisions of this chapter.

New banks going into operation, examiner to count money.  
R.S., c. 47, § 52.

Examiner to enforce § 20.  
R.S., c. 47, § 53.  
Cashiers to make returns to examiner.  
R.S., c. 47, § 54.

—form of returns.

DUE FROM THE BANK.		RESOURCES OF THE BANK.	
Capital stock, - - - - -	\$	Gold, silver and other coined metal, {	\$
Bills in circulation, - - - - -	\$	in its banking house, {	\$
Net profits on hand, - - - - -	\$	Real estate, - - - - -	\$
Balances due to other banks, - - - - -	\$	Bills of other banks incorporated {	\$
Cash deposited, including all sums {		in the state, {	\$
whatsoever due from the bank, {	\$	Bills of other banks without the {	\$
not bearing interest; its bills in {		state, {	\$
circulation, profits, and balances {		Balances due from other banks, -	\$
due to other banks excepted, {		Amount of all debts due, including {	\$
Cash deposited bearing interest, {	\$	notes, bills of exchange, and all {	\$
	\$—	stocks, and funded debts of every {	\$
		description, except balances due {	\$
		from other banks, {	\$
Total amount due from the bank, {	\$	Total amount of the resources of the {	\$
	\$—	bank, {	\$

Rate of last dividend,  
Amount of last dividend, \$  
When declared,  
Amount of reserved profits at the time of declaring the last dividend, \$  
Amount of debts due and not paid, and considered doubtful, \$  
Bills in circulation under five dollars, \$"

RECEIVERS.

Application to a judge of supreme court, if a bank refuses to pay its bills or deposits; duty of judge in such case.  
R.S.,c. 47, § 55.

SEC. 55. If the officers of a bank refuse or neglect to pay any of its bills, when duly presented at their banking house for payment in their usual hours of business, or any deposits on demand made in such hours, and, for fifteen days thereafter, neglect to pay or tender payment of such bills or deposits as described in section thirty, the holder of such bill, or such depositor, may make complaint thereof in writing to any justice of the supreme judicial court, who shall thereupon cause the president or cashier to be notified to appear before him at such time and place as he appoints, to answer to such complaint, and show cause against further proceedings thereon.

Judge may appoint receivers and require bond; may discharge surety and require another.  
R.S.,c. 47, § 56.  
48 Me., 403.  
64 Me., 441.  
69 Me., 369.

SEC. 56. If the president, cashier, or other authorized agent of the bank does not so appear, or does not show sufficient cause against further proceedings, such justice shall appoint three disinterested receivers, and require them to give bond to said bank, in a sum and with sureties satisfactory to him, for the faithful discharge of their trust; and such bond shall be delivered to the bank for their use; and said court, with the consent of the co-sureties, and after such notice as it orders, may discharge a surety from liability for subsequent but not for prior breaches of such bond, and may require a new bond with sufficient sureties approved by it.

Authority of receivers may be revoked.  
R.S.,c. 47, § 57.

SEC. 57. A justice of the supreme judicial court may revoke the authority of receivers, on application as provided in section fifty-five, and notice to them and hearing of the parties.

Appeal from any order of a single justice to the whole court.  
R.S.,c. 47, § 58.

SEC. 58. Either party aggrieved by the decision of any justice in appointing receivers, or in revoking their authority, on complaint to the supreme judicial court and such notice as any justice thereof orders, may have the same revised at the law term thereof, and reversed for sufficient cause.

Duties of receivers.  
R.S.,c. 47, § 59.  
40 Me., 387.  
57 Me., 390.  
See § 65.

SEC. 59. Such receivers, and those appointed under section fifty-one, as soon as they have given bond, shall give notice of their appointment in the newspaper printed in the county where the bank is located, and in one in each of the cities of Portland and Bangor, to be continued for three months; and shall immediately demand and receive of the officers of the bank all its real and personal estate, with all its books, papers and evidences of debts, delivering to the officers their receipt, containing accurate lists and memoranda of such estate, books, and debts; and shall diligently proceed to dispose of such property and collect the debts, and with the proceeds thereof, pay the demands against the bank.

SEC. 60. If any officer of such bank refuses or neglects to surrender to the receivers, on demand, all the property as required by the preceding section, he is liable in his individual capacity for the payment of all debts due from said bank in an action on the case.

Refusal of officer to give up property to receivers.  
R.S., c. 47, § 60.

SEC. 61. After giving thirty days' notice, as prescribed in chapter seventy-six for notice on the sale of real estate of banks taken on execution, and with like power to adjourn the sale, they may sell at public auction any real estate of said bank and any mortgage of real estate due to it, and make and deliver to the highest bidder, in its name, any deed or other instrument necessary for the conveyance of such real estate or mortgages with the debts thereby secured; and the purchaser has the same rights and powers as a purchaser of real estate and mortgages taken on execution as aforesaid.

Receivers may sell real estate and mortgages, after notice.  
R.S., c. 47, § 61.

SEC. 62. They may sell and assign any debts due the bank, with the evidences thereof; or if they think that any debt cannot be collected, they may receive payment of it in the bills of the bank, or compound it on such terms as they think expedient; or they may commence in the name of the bank or in their own names, as receivers, any action necessary for the collection of said debts, and prosecute the same to final judgment; and may sell such judgments or executions issued thereon, or levy them on real estate and sell it as provided in the preceding section; but if they purchase or hold, directly or indirectly, any claim or certificate of debt against such bank, it shall be a sufficient cause for removal.

Authority of receivers.  
R.S., c. 47, § 62.  
54 Me., 441.  
56 Me., 169.  
77 Me., 404.

SEC. 63. When such receivers have realized from the property of the bank in their hands a sum sufficient to pay all its debts, their power over the residue of the property ceases, and they shall surrender it to the bank with all the books and papers belonging to it, and take from its officers a sufficient receipt therefor; and render to the bank a fair and just account of their proceedings, receipts, and expenditures at that time, and at such previous times as any justice aforesaid may require.

Receivers, after paying the debts, to deliver up the residue of property to the bank.  
R.S., c. 47, § 63.

SEC. 64. The receivers may retain for their services the sum agreed upon by them and the bank; but if they disagree, either party may apply to the supreme judicial court, and after reasonable notice to the other party, a justice thereof, at a term held in the county where the bank is located, may fix such sum.

Compensation of receivers.  
R.S., c. 47, § 64.

SEC. 65. When receivers are appointed and have given bond, all claims and demands against the bank, whether founded on its bills or otherwise, shall be laid before them for examination and allowance, within six months after the publication of the notice required in section fifty-nine; but the court, on petition of one or more persons having claims against the bank, for good cause shown may allow them a further reasonable time to prove their claims; and if allowed, they shall have an equal dividend with those previously allowed. The bills of the bank shall be filed with the receivers, and they shall give the holders a certificate thereof.

Claims and bills against the bank, when to be presented to receivers for allowance.  
R.S., c. 47, § 65.

SEC. 66. Only one year is allowed the receivers to convert the assets of the bank into money by collection or sale and to make a report thereof to the court, unless the court or a justice thereof extends the time; such report shall specify all claims presented and the amount allowed on each; any claimant may make written objections thereto in court, specifying the claims which he asks to have allowed or rejected, increased or diminished; and the court shall hear and decide the case. At request of either party, the court may direct an issue to be made up and submitted to a jury. Questions of law arising in the course of the proceedings may be made and carried to the full court as in actions in court. All claims allowed shall bear interest from the time that they are filed, *provided*, that the assets in the hands of the receivers are more than sufficient to pay the principal of all the claims allowed and outstanding when the final dividend is declared.

Time allowed to convert assets and make report.

—objections to report.  
R.S., c. 47, § 66.

—interest on claims, if assets suffice.

SEC. 67. The receivers shall report to the court the amount and value of the assets in their hands belonging to such bank. When the claims against a bank have been ascertained and determined by the court, or by

Assets, how applied.  
R.S., c. 47, § 67.  
56 Me., 169.

the court and jury upon an accepted verdict as aforesaid, the court shall order the proceeds of the assets to be applied to the payment thereof.

When assets are insufficient, court may assess on stockholders. R.S., c. 47, § 68. 62 Me., 207. —receivers may compound.

SEC. 68. When it appears to the court that the assets of a bank in the hands of receivers are insufficient to pay the claims allowed against it, the court, after reserving a sum sufficient for further necessary expenses, may assess upon all the persons liable as stockholders to contribute to the payment of such claims, the sum requisite to make up such deficiency of assets; any stockholder may deposit such sum with the receivers, subject to such assessments as the court may make; and the court may, from time to time, authorize the receivers to compound with such stockholders as are unable to pay the full amount of their liability.

If assets are not sufficient, bill in equity to be filed; proceedings. R.S., c. 47, § 69.

SEC. 69. The receivers shall thereupon file their bill in equity, in their own names but in behalf of the claimants, against the persons liable as stockholders of the bank to contribute to the payment of its debts; and they shall be cited to appear before the court, upon such notice as the court orders. Upon the hearing, the court shall from time to time determine and assess the amount which the several stockholders shall pay to the receivers to meet the claims. The court may issue all requisite precepts for the collection of the sums so assessed, and for the enforcement of its orders and decrees. (a)

What costs, stockholders are liable for. R.S., c. 47, § 70.

SEC. 70. If judgment is rendered against the stockholders, no costs shall be awarded against those who, before service on them, had deposited with the receivers a sum equal to their liability, or compounded as aforesaid, or those on whom no service has been made. Against any stockholder who pays to the receivers before judgment the amount assessed on him by the court, or is defaulted, the costs awarded shall be only the cost of service on him, and one dollar for other expenses. Those who appear and defend, shall pay all the remaining costs, to be equitably divided between them by the court; and the court may, in its discretion, require security for the payment of such costs. When judgment is rendered against the stockholders, execution may be issued against each for the amount of his liability and for the costs awarded against him.

—court may require security.

—execution against each stockholder for his part.

Enforcement of execution against stockholder. R.S., c. 47, § 71.

SEC. 71. When any stockholder is so defaulted, or judgment is awarded against him, execution may be issued at any term for the amount of his assessment, interest and costs, and enforced without awaiting the final decision on the bill as to the remaining stockholders.

Execution, or land taken thereon may be sold. R.S., c. 47, § 72.

SEC. 72. Any execution against a stockholder, which cannot be immediately collected, may be sold by the receivers at public auction, and any land taken on execution by the receivers may be so sold and conveyed, after such notice as the court orders. The purchaser of such execution may enforce it in the name of the receivers, after giving them satisfactory security for costs.

Lien on real estate of stockholders. R.S., c. 47, § 73. 50 Me., 384.

SEC. 73. The appointment of receivers in any case shall create a lien upon all real estate of the stockholders liable for claims against such bank, as fully as if it was attached by due process of law, which lien shall continue, in order that the real estate may be seized on execution or other process granted by the court, and sold or set off in satisfaction of the claims aforesaid, or until such stockholder has paid to or deposited with the receivers an amount equal to his liability.

No actions against bank, after receivers' appointment. R.S., c. 47, § 74. 40 Me., 357.

SEC. 74. No action shall be maintained against any bank after the appointment of receivers thereof; but all its creditors must seek their remedy under the seven preceding sections. All legal cost accrued upon suits commenced before the appointment of receivers shall be allowed and added to the claim sued, if such claim is adjudged valid.

Liability of directors and stockholders is not diminished. R.S., c. 47, § 75. 48 Me., 403.

SEC. 75. Nothing in the preceding eleven sections shall increase or diminish the amount for which the directors or stockholders of any bank are liable under the provisions of the other sections of this chapter. In

(a) 48 Me., 403; 50 Me., 274; 56 Me., 169; 61 Me., 165; 62 Me., 207.

assessing the amount for stockholders to pay, the court may have reference to such liability of the directors.

SEC. 76. When the decision on any claim is delayed by questions of law arising therein, the court, when it is deemed safe and reasonable, may decree distribution among the claims allowed, and cause the stockholders to be cited in, and make assessments upon them to meet deficiencies as aforesaid; but an amount sufficient to meet such contested claim or claims, if allowed, shall be reserved from distribution.

Court may decree distribution, reserving enough to meet contested claims.  
R.S., c. 47, § 76.

#### SURRENDER OF CHARTERS, CLOSING BUSINESS, AND REDEEMING BILLS.

SEC. 77. A bank may surrender its charter by a vote of the owners of a majority of stock at a legal meeting duly called therefor; within thirty days thereafter, it shall file a written notice thereof, certified by the clerk of the corporation, with the secretary of state, and publish the same twelve weeks successively, commencing within two months from the date of the vote, in some newspaper printed in the county and another in Boston, specifying therein the time when its liability to redeem its bills will expire; such bank has six years from the filing of such notice to close up its affairs; and after that time, but not before, its liability to redeem its bills ceases, if no bills have been issued by it after the filing of such notice, which fact is to be determined by the affidavit of the cashier. This limitation of the time for redeeming bills does not apply to banks in the hands of receivers.

Bank may surrender its charter, and how.  
R.S., c. 47, § 77.  
54 Me., 440.

—six years to close affairs and redeem bills.

—not applicable to banks in hands of receivers.

SEC. 78. When a bank has surrendered its charter, ceased to do business in deposits and discounts, or has passed into the hands of receivers, its officers shall deliver its plates, dies, and unsigned bills to the secretary of state, or forfeit not exceeding one thousand dollars to the State, to be recovered by the treasurer of state; the secretary, in presence of said treasurer, shall destroy said articles within thirty days thereafter, and make a record of his doings therein; and receivers, as soon as they are appointed, shall see that this section is carried into effect.

Plates, dies and unsigned bills of bank to be destroyed.

—penalty.  
R.S., c. 47, § 78.

SEC. 79. When a bank which has surrendered its charter and has not been organized as a national bank, collects and receives from its assets a sum not less than ten per cent of its capital, more than is needed to pay its debts, the directors shall, within ten days, give notice thereof by publication three weeks successively in some newspaper printed in the county; and within thirty days shall declare and pay a dividend to the stockholders; and as often as ten per cent is so received, it shall be advertised and divided until the final closing of its affairs; and any officers of such bank who fail to declare or pay such dividend, shall be jointly and severally liable, in an action on the case, to any aggrieved stockholder for double the amount so withheld.

Such defunct banks to make dividends, as often as ten per cent is realized.  
R.S., c. 47, § 79.

—liability for neglect.

SEC. 80. The assignee or purchaser of any chose in action, sold at public or private sale by a bank, may, after the bank has surrendered its charter, sue the same in his own name subject to all legal and equitable defenses; and any suit then pending in the name of the bank for the collection of such chose in action may, by his indorsing the writ, be prosecuted to final judgment and execution by the purchaser, the same as if the charter of the bank had not expired.

Chose in action sold by such bank, may be sued in name of buyer.  
R.S., c. 47, § 80.  
See c. 82, § 143.

SEC. 81. In March annually, the secretary of state shall publish a list of the banks whose liability to redeem their bills expires within a year thereafter, in some newspaper printed in Portland, Lewiston, Bangor, Bath and Augusta, and in such other places as the governor and council direct.

Secretary of state to publish list of banks, whose liability to redeem bills ends within a year.  
R.S., c. 47, § 81.

## PUNISHMENT OF FRAUDS.

Punishment  
for frauds  
and embezzle-  
ments by  
bank officers.  
R.S., c. 47, § 82.

SEC. 82. The following offenses by officers, stockholders, or servants of banks, committed with a fraudulent intent to injure any creditor, stockholder, holder of bank notes issued, or other person, are felonies punishable by a fine not exceeding five thousand dollars, imprisonment in the county jail less than one year, confinement in the state prison to hard labor not exceeding ten years, or by all of said punishments:

Conversion  
of bank  
property.

I. If such person converts to his own use, or delivers to any other person, or to his check or order, any funds or evidence of debt, or other property belonging to the bank or deposited therein.

Fraudulent  
issues.

II. If he issues or aids in issuing any bank notes or other evidence of debt obligatory on said bank, with intent that they shall not be paid.

Fraudulent  
indebtedness.

III. If he becomes indebted to such bank for a valuable consideration with like intent, or aids or abets any other person so doing.

Fraudulent  
loans.

IV. If he, on behalf of the bank, loans any money or delivers any valuable property belonging to such bank or deposited therein, to any stockholder or other person.

Fraudulent  
dividends.

V. If he make any dividends of the funds or effects of such bank among the stockholders or any of them, beyond the profits actually accrued to such bank, or aids therein, thereby diminishing the capital of said bank.

## PRIVATE, ASSOCIATED AND FOREIGN BANKING PROHIBITED.

Private, asso-  
ciated, and  
foreign bank-  
ing prohibited,  
unless author-  
ized by legis-  
lature.  
R.S., c. 47, § 83.

SEC. 83. No person shall issue any drafts, bills, notes or other evidences of debt payable to bearer or order, as a private banker, for the purpose of loaning them or putting them in circulation as money; nor, unless specially authorized thereto by the legislature, shall he contribute to the funds or become a member of any association for the purpose aforesaid; nor transact any other business that banks may do by their charters, except making discounts and receiving deposits; nor hold any agency for the purpose of receiving, issuing, loaning or putting in circulation, as money, the bills, notes, orders, or other evidences of debt of any company not incorporated in the state, or of any private banker not resident therein, under a penalty of one thousand dollars for each offense, to be recovered by indictment for the use of the State, or by action of debt, half to the State and half to the prosecutor. This section does not prohibit banks, incorporated in the state, from exercising their powers under the foregoing provisions of this chapter, nor from receiving and paying out, in the usual course of business, the bills of foreign banks, the circulation of which is not prohibited by law.

—penalty.

—proviso.

## ORGANIZATION OF SAVINGS BANKS.

Savings  
banks, cor-  
porations.  
R.S., c. 47, § 84.  
Powers.

SEC. 84. All savings banks or institutions for savings, *and trust and loan associations*, lawfully organized, are corporations possessed of the powers and functions of corporations generally, and as such have power:

I. To have perpetual succession, each by its corporate name.

II. To sue and be sued, complain and defend, in any court of law or equity.

III. To *make* (adopt) and use a common seal.

IV. To make by-laws not inconsistent with the laws of the state or of the United States, for the management of its property and the regulation of its affairs.

V. To receive money on deposit, to invest the same, and further to transact the business of a savings bank *or trust and loan association*, as hereinafter provided.

[The commissioner recommends the omission of the term "trust and loan associations."

From all the information obtainable, he thinks that the phrase was used to refer to the class of associations known as "loan and building associations," and that the term was overlooked or misunderstood when the law of 1877 relating to the organization of loan and building associations was enacted.]

SEC. 85. Any number of persons not less than thirteen, may associate themselves for the purpose of organizing a savings bank *or trust and loan association*, in accordance with this chapter; three fourths of such number shall reside in the county where the proposed bank *or trust and loan association* is to be located, and may fill vacancies and add to their number from time to time as they desire, all of whom shall be residents of the state.

Organization.  
R.S., c. 47, § 85.

SEC. 86. Such persons shall execute a certificate, sworn to before a justice of the peace, in duplicate, one of which shall be deposited with the secretary of state for record, and the other sent to the bank examiner, in which shall be set forth: the name of the bank *or trust and loan association*; the names of all the incorporators and the places where they reside; their business occupations; and the place where its business is to be transacted; together with the reasons why a bank *or trust and loan association* is needed in such place.

Certificates  
to be sent to  
the secretary  
of state and  
bank exam-  
iner.  
R.S., c. 47, § 86.

SEC. 87. A notice of intention to organize such bank *or trust and loan association*, signed by all the incorporators, shall be published once a week for three weeks in some newspaper published in said county where said bank *or trust and loan association* is to be located, if any, otherwise in some newspaper published in an adjoining county.

Notice of  
intention to  
organize.  
R.S., c. 47, § 87.

SEC. 88. When the examiner receives the certificate, with the published order of notice, if he finds that the foregoing provisions have been complied with, he shall, from the best information at his command, ascertain:

Bank exam-  
iner, duty of.  
R.S., c. 47, § 88.

I. Whether greater convenience of access to a savings bank *or trust and loan association*, will be afforded to any considerable number of depositors by opening a savings bank *or trust and loan association*, at the place designated in such certificate.

II. Whether the responsibility, character and general fitness of the persons named in such certificate, for the discharge of the duties appertaining to such a trust, are such as to command the confidence of the community in which it is proposed to locate such bank *or trust and loan association*.

SEC. 89. If the examiner is satisfied, concerning the several points named in the preceding section, and that the organization of a savings bank *or trust and loan association* as proposed in such certificate, will be a public benefit, he shall, within sixty days after the same has been received by him for examination, issue, under his hand, a certificate of authorization to the persons named therein, or to a portion of them, together with such other persons as a majority of those named in such certificate of association, in writing, approve; also a duplicate to the secretary of state; which certificate, so issued by him, shall authorize the persons named therein to open an office for the deposit of savings, as designated in the certificate of association, subject to the five preceding sections.

Examiner  
shall issue  
certificate of  
authoriza-  
tion to cor-  
porators.  
R.S., c. 47, § 89.

—and to the  
secretary of  
state.

SEC. 90. Upon the filing of such certificate with the secretary of state, the persons named therein, and their successors, are, thereupon and thereby, constituted a body corporate and politic, vested with all the powers conferred, and charged with all the liabilities imposed by the six preceding sections.

Corporation  
when author-  
ized to trans-  
act business.  
R.S., c. 47, § 90.

#### MANAGEMENT OF SAVINGS BANKS.

SEC. 91. Savings banks and institutions incorporated under the authority of the State, may exercise the powers and shall be governed by the rules and be subject to the duties, liabilities and provisions in their charters, in the following sections, and in the general laws relating to corporations, unless otherwise specially provided.

Savings  
banks, powers  
and liabilities  
of.  
R.S., c. 47, § 91.  
68 Me., 518.

SEC. 92. Savings banks and institutions for savings which have exercised the privileges thereof and done business as such for one year, shall be held to be legally organized.

Institutions,  
legally or-  
ganized.  
R.S., c. 47, § 128.

Membership  
in corpora-  
tion.  
R.S., c. 47, § 98.

Officers.  
1899, c. 50, § 1.

—trustees,  
number and  
restrictions.  
72 Me., 227.

—term of of-  
fice.  
R.S., c. 47, § 93.

Officers of  
savings bank  
shall not act  
as agent for  
certain cor-  
porations.  
1899, c. 286, § 4.

—treasurers  
and trustees,  
regulations  
relating to.  
R.S., c. 47, § 109.

Trustees,  
election and  
duties of.  
R.S., c. 47, § 94.  
68 Me., 404.

—office, how  
vacated.

Officers, elec-  
tion of.  
1887, c. 142, § 2.  
69 Me., 369.

—term.

—treasurer,  
ex-officio,  
clerk.

—bonds of  
treasurer and  
assistant  
treasurer.

—shall be an-  
nually exam-  
ined by bank  
examiner.

—when bond  
shall be  
deemed in-  
sufficient.

—in lieu of  
bond, trustees  
may insure  
with some  
guarantee  
company.

—pay fixed by  
trustees.

—compensa-  
tion of trus-  
tees, fixed by  
corporation.

SEC. 93. Every such corporation shall consist of not less than thirty members, and may, at any legal meeting, by a majority of at least two thirds of those present, elect by ballot any citizen of the county wherein the corporation is located, or of an adjacent county, to be a member thereof. No person shall continue to be a member after removing from the state. Any member who fails to attend the annual meetings for two successive years ceases to be a member, unless re-elected by a vote of the corporation.

SEC. 94. The officers of every such corporation shall consist of a president, treasurer, and, when in the opinion of the trustees necessary, a vice-president and an assistant treasurer, and not less than five trustees, not more than two of whom shall be directors in any one national bank, trust company, or other banking institution, who shall elect from their number or otherwise such other officers as they see fit. All officers shall be sworn to the faithful performance of their duties, and shall hold their several offices until others are chosen and qualified in their stead.

SEC. 95. No president, treasurer, clerk or employe of any savings bank shall act as agent or representative *in the state*, of any foreign corporation engaged in the business of selling or negotiating any bonds, mortgages, notes or other choses in action. No treasurer of any savings bank, the deposits of which exceed one hundred and fifty thousand dollars, shall be cashier in a national or stock bank; and if the treasurer of a savings bank, having deposits not exceeding one hundred and fifty thousand dollars, is cashier in a national or stock bank, not more than one trustee of the savings bank shall be a director, nor more than two trustees shall be stockholders in a national or stock bank so connected therewith.

SEC. 96. The members of the corporation shall annually at such times as may be provided in their by-laws, elect from their number not less than five trustees, who shall have the entire supervision and management of the affairs of the institution, except so far as may be otherwise provided by their by-laws. Any trustee who becomes a trustee or officer in any other savings corporation, thereby vacates his office as such trustee.

SEC. 97. The trustees, immediately after their election and qualification, shall elect one of their number president, who shall also be president of the corporation. They shall also elect a treasurer, and when deemed necessary, a vice president and an assistant treasurer, to hold their offices during the pleasure of the trustees. The treasurer, and in his absence, the assistant treasurer, if there is one, shall be, ex-officio, clerk of the corporation, and of the trustees. The treasurer and assistant treasurer shall give bonds to the corporation, for the faithful discharge of the duties of their offices, in such sums as the trustees decide to be necessary for the safety of the funds, and such bonds shall continue and be valid from year to year, so long as they are elected, and hold said offices, subject to renewal whenever ordered by the trustees or examiner. Said bonds shall be recorded upon the books of the institutions, and the examiner shall annually examine the same and inquire into and certify to the sufficiency thereof, and when he deems any such bond insufficient, he shall order a new bond to be given within a time, by him specified. All such bonds executed after July one, eighteen hundred and eighty-seven, shall, at the expiration of ten years from the date thereof, be deemed insufficient. The trustees may, in lieu of such bond, insure at the expense of the bank with some fidelity or guarantee company, which shall be satisfactory to the bank examiner, for the faithful discharge of the duties of the treasurer, assistant treasurer, and such other clerks as may be employed, in such sums as they may decide to be necessary for the safety of the funds in the custody of the corporation. They shall receive a compensation to be fixed by the trustees. The trustees may receive such compensation for their services in making examinations and returns required by their by-laws and the state laws, as may be fixed by the corporation at any legal meeting thereof.

SEC. 98. The clerk shall make return of the annual election of officers to the bank examiner, within ten days after their election and qualification.

SEC. 99. If any office becomes vacant during the year, the trustees may fill the same until it is filled at the next annual meeting.

SEC. 100. Special meetings of the corporation may be held at any time by order of the trustees; the treasurer shall also call special meetings upon application in writing of ten members of the corporation. Seven days' previous notice of all annual meetings shall be given by public advertisement in some newspaper of the county where the corporation is established, if any; otherwise, in the state paper.

SEC. 101. Savings banks and institutions for savings may receive on deposit, for the use and benefit of depositors, sums of money offered for that purpose; but shall not receive from any one depositor, directly or indirectly, over two thousand dollars, and no interest shall be paid to any one depositor for any amount of deposit, all dividends included, exceeding said sum, except for deposits of widows, orphans, administrators, executors, guardians, charitable institutions, and as trust funds. Whenever a deposit is made in trust the name and residence of the person for whom it is made, or the purpose for which the trust is created, shall be disclosed in writing to the bank, and the deposit shall be credited to the depositor as trustee for such person or purpose; and if no other notice of the existence and terms of a trust has been given in writing to the corporation, the deposit, with the interest thereon, may, in the event of the death of the trustee, be paid to the person for whom such deposit was made, or to his legal representative, or to some trustee appointed by the court for that purpose. The trustees may refuse any deposit at their pleasure.

SEC. 102. Such corporations may pay any order drawn by any person who has funds on deposit to meet the same, notwithstanding the death of such drawer in the interval of time between signing such order and its presentation for payment when said presentation is made within thirty days after the date of such order; and at any subsequent period provided the corporation has not received actual notice of the death of the drawer.

SEC. 103. Money deposited in a savings bank, institution for savings or trust company by a married woman or minor, is the property of and shall be paid to the order of the depositor, and is not the property of the husband or parents, and such depositors may maintain actions in their own names against the bank or trust company to recover their deposits; but this section does not apply to money fraudulently deposited by or in the name of a married woman or minor belonging to a third person. The receipt of such married women or minor for such deposits and interest, or any part thereof, is a valid release and discharge to the corporation. When money is deposited in the name of a minor, the trustees may in their discretion pay the same to such minor or to the person making such deposit, and the same shall be a valid payment.

SEC. 104. When the person, to whom a book of deposit was issued, or his executor, or administrator, or guardian, in writing notifies the treasurer of the bank issuing the same, that such book is lost, and that he desires to have a duplicate book of deposit issued to him, said treasurer shall give public notice of such application by publishing at the expense of such applicant, an advertisement for three weeks successively, in some newspaper published in the town in which said bank is located, if any, otherwise in one published in the county, if any, and if not, then in the state paper. If such missing deposit book is not presented to said treasurer within six months after the last advertisement, then he shall issue a duplicate book of deposit to the person thus requesting the same, and such delivery of a duplicate relieves said bank from all liability on account of the original book of deposit so advertised.

Return of election of officers.  
R.S., c. 47, § 129.  
Vacancies.  
R.S., c. 47, § 96.

Special meetings.  
R.S., c. 47, § 97.  
—annual meetings.

Regulation of deposits.  
1899, c. 50, § 2.  
72 Me., 276.  
73 Me., 72.  
90 Me., 651.

—deposits in trust, how made.

Authority to pay any order notwithstanding death of drawer.  
1899, c. 50, § 3.

Deposits of married women or minors are property of depositors.  
R.S., c. 47, § 117.  
1899, c. 50, § 4.

—deposits may be paid minor, in discretion of trustees.

Duplicate book of deposit, how obtained in case of loss of original.  
1891, c. 4.  
56 Me., 509.

Investment of  
deposits.  
1896, c. 161.  
68 Me., 404.  
71 Me., 52.

SEC. 105. Savings banks and institutions for savings are restricted to and hereafter may invest their deposits in the public funds of any of the New England states, including bonds of the counties, cities and towns of the same; in the public funds of the United States and District of Columbia; in the stock of any bank or banking association incorporated under authority of this state; in the stock of any bank or banking association incorporated under the authority of the United States, if located within the New England states; in the public funds of the states of New York, Pennsylvania, Maryland, Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas and Nebraska; in the bonds issued for municipal purposes, which are a direct obligation on all the taxable property, of any city of ten thousand inhabitants or more, or of any county of twenty thousand inhabitants or more, except when issued in aid of railroads, in the above named states, and in the refunding bonds of counties and cities otherwise complying with the foregoing conditions, issued to take up at maturity bonds which were legal and constitutional when issued, on which the interest has been fully paid, and for at least five years last past prior to such refunding; in the bonds and obligations of school district boards, boards of education, and other corporate bodies authorized to issue bonds within such cities, payable primarily from taxes levied on all the taxable property in such district, *provided*, that the population of the district is ten thousand or more, and the population and assessed valuation of the district are equal to at least ninety per cent of the population and assessed valuation of the city; *provided*, that no investment shall be made in the bonds of any counties, cities or districts of the states above named except cities and districts having a population of seventy-five thousand or more, where the net municipal indebtedness of such county, city or district exceeds five per cent of the last preceding valuation of the property therein for the assessment of taxes. The term 'net municipal indebtedness of counties' as used in this section, shall be construed to include all bonds which are a direct obligation of the county less the amount of any sinking fund available in the reduction of such debt. The term "net municipal indebtedness of cities and districts" as used in this section, shall be construed to include in the case of either not only all bonds which are a direct obligation of the cities, but also all bonds of the districts or boards within the same as above enumerated, exclusive of any such debt created for a water supply and of the amount of any sinking fund available in the reduction of such debt; in the first mortgage bonds of any completed railroads of the states above named, together with New Jersey, and in the first mortgage bonds of the Central Pacific, Union Pacific and Northern Pacific Railroads, and in the railroad bonds of this state; in the stock of any dividend paying railroad in New England; and in the stock and mortgage bonds of any other railroad leased to such dividend paying railroad, upon terms guaranteeing the payment of a regular stated dividend upon the stock of such leased road and the interest on its bonds; in the stocks of any railroad company of this state, unincumbered by mortgage; but no bonds of street railroads excepting those constructed in this state prior to April twenty-seven, eighteen hundred and ninety-five, shall be purchased, unless an amount of capital stock equal to thirty-three and one-third per cent of the mortgage debt shall have been paid in, in cash, and expended upon the road, evidenced by a certificate of the railroad commissioners (of the state where the road is located,) filed in the office of the secretary of state (of this state,) that said percentage has been so paid in and expended, in addition to the amount of the bonded debt; in the mortgage bonds of any water company in this state *and New Hampshire* actually engaged in supplying to any city or cities, town or towns, village or villages or other municipal corporations, water for domestic use and for

79 Me., 423.

the extinguishment of fires, whenever such company is earning more than its fixed charges, interest on its debts, and its running expenses; in the stock and bonds of any other corporations incorporated under authority of this state, which earn and are paying regular dividends of not less than five per cent a year; and may invest by loan on first mortgages of real estate in this state and New Hampshire, not exceeding sixty per cent of its value; and may loan to any county, city or town in this state; and may loan on notes with a pledge as collateral of any of the aforesaid securities, including savings bank deposit books of any savings bank in the state, and the stock of any of said railroad companies, not over seventy-five per cent of the market value of such stock and may loan to corporations having real estate and doing business in this state; and may also loan on a pledge or mortgage of such other personal property as, in the judgment of the trustees, it is safe and for the interest of the bank to accept. The number of inhabitants of cities and counties shall be determined by the last previous official census thereof, as established by the last United States or state census, or city or county census taken in the same manner as United States or state census and duly certified to by the clerk or treasurer of such city or the auditor or treasurer of such county. All investments shall be charged and entered on the books of the bank at their cost to the bank, or at par when a premium is paid.

SEC. 106. Any such bank or institution may hold real estate in the city or town in which such bank or institution is located, to an amount not exceeding five per cent of its deposits.

May hold real estate.  
1893, c. 170.

SEC. 107. No such bank or institution shall hold by way of investment, or as security for loans, or both, more than one fifth of the capital stock of any corporation, nor invest more than ten per cent of its deposits, not exceeding sixty thousand dollars, in the capital stock of any corporation, nor have more than fifty per cent of its deposits in mortgages of real estate. This section and the two preceding do not apply to real estate, or other assets, acquired by the foreclosure of a mortgage thereon, or upon judgment for debts, or in settlements to secure debts.

Investments in capital stock of corporations restricted.  
R.S., c. 47, § 102.

—application of §§ 105, 106 and 107.

SEC. 108. Savings banks and institutions for savings may deposit on call in banks or banking associations incorporated under the authority of this State, or the laws of the United States, and receive interest for the same.

May deposit on call in banks.  
R.S., c. 47, § 103.

SEC. 109. The trustees shall see to the proper investment of deposits and funds of the corporation, in the manner hereinbefore prescribed. No loan shall be made directly or indirectly to any officer of the corporation, or to any firm of which such officer is a member. (a)

Trustees to invest.  
1889, c. 165.  
—no loan shall be made to any officer.

SEC. 110. The trustees, after passing to the reserve fund one quarter of one per cent of the average amount of deposits for the six months previous to declaring a dividend, not subject to be divided, shall declare dividends, not exceeding two and a half per cent semi-annually, except as hereinafter provided, at such times as are required by their by-laws, among depositors of three months standing at least before dividend day. The corporation may by its by-laws include deposits of less standing. The reserve fund shall be kept constantly on hand, to secure against losses and contingencies, until it amounts to five per cent of the deposits. All losses shall be passed to the debit of said account. And when said reserved fund amounts to five per cent of the average amount of deposits for the six months previous to declaring a dividend, all net profits not otherwise divided, thereafter made by said banks, shall be divided every three years ratably among the depositors of one, two and three full years' standing, as extra dividends. No dividends or interest shall be declared, credited or paid, except by a vote of the board of trustees, entered upon their records,

Dividends from earnings.  
R.S., c. 47, § 106.

—exceptions.

—reserve fund.

—excess, when to be divided.

—dividends, declared only by vote of trustees.

—not to exceed earnings of bank.

Dividends shall be credited within sixty days. 1893, c. 189.

Interest on deposits, prohibited. R.S., c. 47, § 107.

Notice for payment to depositor. 1895, c. 142.

Treasurer may assign, discharge and foreclose mortgages. R.S., c. 47, § 114.

Trustees shall effect insurance. R.S., c. 47, § 115.

Assets of bank, connected with other bank, to be kept separate. R.S., c. 47, § 109.

Securities to be kept within the state. R.S., c. 47, § 110.

Treasurer shall make trial balance weekly. R.S., c. 47, § 111.

—annually to record net sum of each deposit.

Treasurer shall make annual return to bank examiner. R.S., c. 47, § 113.

Treasurers shall report annually, to bank examiner, statement of inactive accounts. 1887, c. 136.

—proviso.

whereon shall be recorded the yeas and nays upon such vote. Trustees of savings banks and savings institutions are forbidden to make any semi-annual dividend of a rate per cent which will make the aggregate amount of said dividend greater than the actual earnings of the bank or institution; actually collected.

SEC. 111. The treasurer of every savings bank or institution for savings shall within sixty days after a dividend is declared, credit the same to the deposit account. Any treasurer neglecting or refusing so to do shall be punished by fine of not less than one hundred, nor more than two hundred dollars.

SEC. 112. No deposit shall be received under an agreement to pay any specified sum of interest for its use, other than regular semi-annual and extra dividends.

SEC. 113. No savings bank shall be required to pay any depositor more than fifty dollars at any one time or in any one month until after ninety days' notice.

SEC. 114. The treasurer may, under the direction of the trustees, assign, discharge and foreclose mortgages, and convey real estate held as security for loans, or the title of which accrued from foreclosure of mortgages, or judgments of courts.

SEC. 115. The trustees shall cause all real estate of an insurable character held by them absolutely, or in mortgage, to be fully insured, and the expense of such insurance in case of mortgage, shall be added to the amount of the mortgage debt to be refunded in case of redemption.

SEC. 116. All coin, bills, notes, bonds, securities and evidences of debt, comprising the assets of any savings bank connected with a national or stock bank, shall be kept separate and apart from the assets or property of such national or stock bank, and also separate and apart from the assets or property of any other bank, banker, corporation, partnership, individual or firm.

SEC. 117. All securities owned or held by savings banks shall be kept within the state, and the place of their deposit shall be selected with reference to insuring the greatest possible security for their safe keeping, and shall be subject to the approval of the bank examiner.

SEC. 118. The treasurer of every savings bank, shall, every Saturday, make and declare a trial balance, which shall be recorded in a book kept for that purpose; and shall also, at least once in each year, cause to be entered on a suitable book, the net sum of each individual deposit at a fixed date, and ascertain the aggregate of all such deposits, and whether it agrees with the other books of said bank; and said books shall be open at all times for the inspection of the trustees, and corporators and of the examiner of banks.

SEC. 119. The treasurer of every savings bank and institution for savings shall annually make return of the condition and standing thereof at such time as the bank examiner designates, which return shall be made to said examiner within fifteen days after the day designated in the blank form of such return furnished to every such bank or institution by the examiner.

SEC. 120. The treasurer of every savings bank and institution for savings shall, on or before the first day of November, annually, deliver to the bank examiner a sworn statement, containing the name, the amount standing to his credit, the last known place of residence or post office address, and the fact of death if known to such treasurer, of every depositor who shall not have made a deposit therein or withdrawn therefrom any part of his deposit or any part of the interest thereon for a period of more than twenty years next preceding; *provided, however*, that this section shall not apply to the deposit made by any person known to the *bank* (treasurer) to be living. The treasurer of any savings bank or institution for savings

neglecting or refusing to make such sworn statement shall be fined ten dollars.

—penalty for neglect.

SEC. 121. Two of the trustees, at least, shall once in each year, thoroughly examine the affairs of the corporation, settle the treasurer's account, and report under oath to the bank examiner the standing of the corporation, 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 the examiner shall seasonably give notice of the time and furnish blanks for said examination and return.

Annual examinations by trustees.  
R.S., c. 47, § 118.

—examiner to furnish blanks.

SEC. 122. No gift, fee, commission, or brokerage shall be received by any officer of a savings bank, on account of any transaction to which the bank is a party, under a penalty for each offense, of one hundred dollars, to be recovered in an action of debt, in the name, and to the use of the State, *provided*, that nothing herein contained applies to any expenses of examining titles, and making conveyances upon loans made by savings banks. Parties making a loan from a savings bank shall pay all expenses incurred by reason thereof.

No officer to receive gift, fee, etc.  
R.S., c. 47, § 105.

—proviso.

—borrower to pay expenses.

SEC. 123. No officer of the corporation shall use or appropriate any of its funds for his own private purposes, under the penalties for embezzlement.

Funds not to be used by officer.  
R.S., c. 47, § 116.

SEC. 124. Such banks and institutions *and associations* are under the charge of the bank examiner for the purposes of examination. He shall visit every savings bank (and) institution for savings, *and trust and loan association*, incorporated by authority of the state, once in every year, and as much oftener as he deems expedient. At such visits he shall have free access to the vaults, books and papers, and thoroughly inspect and examine all the affairs of each of said corporations, and make such inquiries as are necessary to ascertain its condition and ability to fulfil all its engagements, and whether it has complied with the law, and its officers shall, whenever required to do so by the bank examiner, furnish him with statements and full information relating to the condition and standing of their institution, and of all matters pertaining to its business affairs and management. He shall preserve in a permanent form, a full record of his proceedings, including a statement of the condition of each of said corporations, a copy of which statement shall be published by such corporation immediately after the examination of the same, in a newspaper in the place where it is established, if any, otherwise in a newspaper published in the nearest place thereto.

Annual examinations by bank examiner.  
1897, c. 213, § 1.

—visitations.

—examinations.  
93 Me., 305.

—proceedings, and statement of condition to be published.

SEC. 125. The examiner may summon all trustees, officers or agents of any such corporation, and such other witnesses as he thinks proper, in relation to the affairs, transactions and condition thereof, and for that purpose may administer oaths; and whoever, without justifiable cause refuses to appear and testify when thereto required, or obstructs said examiner in the discharge of his duty, shall be fined not exceeding one thousand dollars, or imprisoned not exceeding two years.

He may summon officers and witnesses.  
R.S., c. 47, § 120.

—penalty for refusal to testify.

SEC. 126. If, upon examination of any such corporation, the examiner is of the opinion that it is insolvent, or that its condition is such as to render its further proceedings hazardous to the public or to those having funds in its custody, he shall apply, or if, upon such examination, he is of opinion that it has exceeded its powers or failed to comply with any of the rules, restrictions or conditions provided by law, he may apply to one of the justices of the supreme judicial court to issue an injunction to restrain such corporation in whole or in part from proceeding further with its business until a hearing can be had. Such justice may forthwith issue process for such purpose, and after a full hearing of the corporation, may dissolve or modify the injunction or make the same perpetual, and make such orders and decrees to suspend, restrain or prohibit the further prose-

Examiner may apply for injunction to restrain insolvent corporation.  
R.S., c. 47, § 121.  
66 Me., 244.  
68 Me., 400.  
93 Me., 305.

—powers and duties of the justice in such cases.

—may appoint receivers, who shall report annually.  
See § 130.

After decree of sequestration, appointment of commissioners.  
R.S., c. 47, § 122.  
1899, c. 50, § 5.

—duties and powers.

—court may extend time for hearing claims.

—claims, how paid.

Attachments dissolved, and suits discontinued.  
R.S., c. 47, § 123.

—judgment recovered, to be added to claims.

Claims, when barred.  
R.S., c. 47, § 124.

Supreme court or justice thereof may, on petition and examination, reduce depositor's accounts.  
R.S., c. 47, § 125.  
68 Me., 399, 402.

cution of its business, as may be needful in the premises, according to the course of proceedings in equity; and he may appoint one or more receivers or trustees to take possession of its property and effects, subject to such rules and orders as are from time to time prescribed by the supreme judicial court, or by any justice thereof in vacation. Such receivers or trustees shall annually, in November, and at such other times as the examiner requires, make a report to him of the progress made in the settlement of the affairs of said corporation; and the examiner shall seasonably give notice of the time and furnish blanks for the report.

SEC. 127. After a decree of sequestration is passed as provided in the preceding section, the court or any justice thereof, in vacation, shall appoint commissioners who shall give such notice of the times and places of their sessions as the court or such justice orders; receive and decide upon all claims against the institution, and make report to the court at such time as the court orders of the claims allowed and disallowed and of the amount due each depositor, which shall be subject to exception and amendment, as reports of masters in chancery. On application of any person interested, the court may extend the time for hearing claims by the commissioners, as justice may require. When the amount due each person is established the court shall cause others than depositors to be paid in full, and after deducting expenses the balance to be ratably distributed among depositors. When it appears upon the settlement of the account of the receiver of such an institution that there is remaining in his hands funds due depositors who cannot be found and whose heirs or legal representatives are unknown, the court may order such unclaimed funds to be paid into the state treasury, together with a statement giving the names of such depositors and the amount due each, the same to be held subject for twenty years thereafter to be paid to the person or persons having established a lawful right thereto when made to appear upon proper proceedings instituted in the court ordering such disposition of such unclaimed funds.

SEC. 128. All attachments of the property of the bank shall be dissolved by the decree of sequestration, and all pending suits discontinued and the claim in suit presented to the commissioners, unless the court, or some justice thereof in vacation, on application of the plaintiff within three months from said decree, passes an order allowing the receiver to be made a party to the suit, and that the same may be prosecuted to final judgment. After decree of sequestration, no action at law shall be maintained on any claim against the bank, unless the court, or a justice thereof in vacation, on application therefor within the time above named, authorizes it, and in such case the receiver shall be made a party, any judgment recovered as herein provided shall be added to the claims against the bank.

SEC. 129. All claims not presented to the commissioners within the time fixed by the court, or litigated as aforesaid, are forever barred.

SEC. 130. Whenever a savings bank, (or) institution for savings, *or trust and loan association*, is insolvent by reason of loss on, or depreciation in the value of any of its assets, without the fault of its trustees, the supreme judicial court, in term time, or any justice thereof, in vacation, shall, on petition in writing, of a majority of the trustees, and the bank examiner, setting forth such facts, appoint a time for the examination of the affairs of such corporation, and cause notice thereof to be given to all parties interested, in such manner as may be prescribed; and, if upon an examination of its assets and liabilities, and from other evidence, he is satisfied of the facts set forth in said petition, and that the corporation has not exceeded its powers, nor failed to comply with any of the rules, restrictions, and conditions provided by law, he may, if he deems it for the interest of the depositors and the public, by proper decree, reduce the deposit account of each depositor, so as to divide such loss pro rata among the depositors, thereby rendering the corporation solvent, so that its further proceedings will not be hazardous to the public, or those having

or placing funds in its custody; and the depositors shall not draw from such corporation, a larger sum than is thus fixed by the court, except as hereinafter authorized; *provided, however*, that its treasurer shall keep an accurate account of all sums received for such assets of the corporation held by it at the time of filing such petition; and if a larger sum is realized therefrom than the value estimated as aforesaid by the court, he shall, at such times as the court prescribes, render to the court a true account thereof, and thereupon the court, after due notice thereof to all parties interested, shall declare a pro rata dividend of such excess among the depositors at the time of filing the petition. Such dividend may be declared by the court, whenever the court deems it for the interest of the depositors and the public, whether all, or only a portion, of such assets has been reduced to money; and any such dividend may at any time, in the discretion of the court, be declared to be a final one. No deposit shall be paid or received by such corporation after the filing of the petition until the decree of the court reducing the deposits as herein provided. If the petition is denied, the bank examiner shall proceed to wind up the affairs of the corporation as provided in section one hundred and twenty-six.

—proviso.

—proceedings, if petition is denied.

SEC. 131. Whenever it may become necessary to preserve the assets or protect depositors in a savings bank, the supreme judicial court in equity, on application of the bank examiner or trustees of such bank, or both, may, after due notice, make an order restraining the bank from paying out its funds or any portion thereof, or from declaring or paying any dividends or deposits for such time as the court shall deem advisable. The court may at any time revoke or modify the original order and authorize the bank to pay dividends upon its deposits, or pay any portion of its deposits to such as may desire to withdraw the same, or make any other or further order that may be necessary to protect the depositors in such institution. Nothing in this section shall be construed to take away the rights of the parties in interest to proceed under the provisions of sections one hundred and twenty-six and one hundred and thirty of this chapter.

Court may restrain payment, to preserve assets or to protect depositors. R.S., c. 50, § 6.

—order may be revoked or modified.

SEC. 132. The examiner shall, annually, by the first day of December, make a report to the governor and council, of the general conduct and condition of each of the banks visited by him, communicating therewith the statements furnished to him under section one hundred and twenty, and making such suggestions as he deems expedient. Such report shall be printed and laid before the legislature at its next session, and one copy sent to each savings bank in the state.

Examiner shall make annual report to the governor and council. R.S., c. 47, § 126. 1887, c. 136, § 2.

—distribution.

SEC. 133. If, in the opinion of the examiner, any savings bank or its officers or trustees have persistently violated any provision of this chapter, he shall forthwith report the same, with such remarks as he deems expedient, to the attorney general, who shall forthwith institute a prosecution therefor in behalf of the State. The penalty for such violation, unless otherwise prescribed, is not less than one hundred, nor more than five hundred dollars.

Examiner shall report violations of law. R.S., c. 47, § 127.

—penalty.

SEC. 134. Whoever, not authorized by law, advertises his business as that of a savings bank, or receives deposits under pretense of conducting a savings bank, forfeits one hundred dollars for each offense; but nothing in this chapter prohibits any person from advertising his business as a banker, and offering to take and taking deposits to be loaned upon such terms and conditions as the depositor may prescribe.

Punishment for unauthorized persons advertising business as a savings bank. R.S., c. 47, § 130.

SEC. 135. The powers, privileges, duties and restrictions, conferred and imposed upon any savings corporation, by whatever name known, in its charter or act of incorporation, are so far abridged, enlarged or modified, that every such charter or act shall conform to this chapter; and every such corporation possesses the powers, rights and privileges, and is subject to the duties, restrictions and liabilities herein conferred and imposed, anything in their respective charters or acts of incorporation to the contrary notwithstanding. But nothing herein affects the legality of

Powers, privileges, duties, and restrictions, conferred by charters, are modified so as to conform to this chapter. R.S., c. 47, § 131.

—legality of former investments and transactions, not affected. 1895, c. 161, § 2.

—change of investments not required.

—investments in securities not herein named, a misdemeanor. See § 107.

Savings banks and trust companies shall not act as administrator or guardian. 1889, c. 312.

investments made, of transactions had, or the payment of interest at a rate not exceeding six per cent on deposits made, prior to the dividend next following March eleven, eighteen hundred and seventy-seven. And all investments authorized by any law in force when such investments were made, or transactions had, are valid, and this chapter does not require the change of investments for those herein before named, except as the same can be done gradually by the sale or redemption of the securities so invested in, in such manner as to prevent loss or embarrassment in the business of such corporation, or unnecessary loss or injury to the borrowers on such securities. The investments in securities not named in section one hundred and five, is a misdemeanor, on the part of the trustees authorizing, or officers making, the same; and such trustees or officers are subject to the prosecutions and punishments prescribed by law for that offense.

SEC. 136. No savings bank, mortgage, loan, trust or banking company, association or institution, incorporated under the laws of this state, or of any other state and doing business in this state, shall act or do business as administrator or guardian, anything in their charter to the contrary notwithstanding.

[This section has been located at the end of the provisions relating to savings banks, because by its terms it includes such banks, as well as loan and building associations, and trust and banking companies. It is thought, however, that prior to the enactment of c. 312 of the laws of 1889, savings banks and loan and building associations had no possible right to act in the capacity prohibited by that act, and that the same is an unnecessary provision as to such institutions. The legislature may therefore think it advisable to amend sec. 136 by omitting reference to all institutions except trust and banking companies. In such case, perhaps a better location would be after section one hundred and sixty-seven.]

#### LOAN AND BUILDING ASSOCIATIONS.

Organization. R.S., c. 47, § 132.

SEC. 137. Loan and building associations may be organized in the manner provided herein, for the organization of savings banks, *and trust and loan associations*; and upon the filing of any certificate of authorization of a loan and building association with the secretary of state, as so provided, the persons therein named, their associates, successors and assigns, shall, thereupon and thereby, be constituted a body corporate and politic, and such body may *make* (adopt) and use a common seal, hold, manage and convey real and personal property, sue and be sued, prosecute and defend suits in law or in equity, have perpetual succession each by its corporate name, and make and ordain by-laws for its government, not repugnant to the constitution and laws.

—powers.

First meeting. R.S., c. 47, § 133. See c. 115, § 20.

SEC. 138. The certificate of authorization issued by the bank examiner, shall provide the method of calling the first meeting of the association. *Each association shall pay said examiner five dollars for his services in advance.*

Capital stock. 1887, c. 61.

SEC. 139. The capital to be accumulated shall not exceed one million dollars, and shall be divided into shares of the ultimate value of two hundred dollars each. The shares may be issued in quarterly, half-yearly or yearly series, in such amounts and at such times as the members may determine. No person shall hold more than twenty-five shares in the capital of any one such association. No shares of a prior series shall be issued after the issue of a new series.

—shares may be issued in series.

Minors may hold shares. 1887, c. 61.

SEC. 140. Minors may hold shares by trustees, and the shares of each shareholder, not exceeding two, shall be exempt from attachment and execution.

Officers, elections and meetings, determined by by-laws. 1887, c. 61.

SEC. 141. The number, title, duties and compensation of the officers of the association, their terms of office, the time of their election, as well as the qualifications of electors, and time of each periodical meeting of the officers and members shall be determined by the by-laws, but no member shall be entitled to more than one vote. All officers shall continue in office until their successors are duly elected, and no association shall expire

—tenure of officers.

from neglect on its part to elect officers at the time prescribed by the by-laws. The office of secretary and treasurer may be held by one and the same person, if any association so provides by its by-laws.

SEC. 142. The secretary, treasurer, and other persons holding positions of trust in loan and building associations shall give bonds to the corporation for the faithful discharge of the duties of their offices in such sums as the directors decide to be necessary for the safety of the funds, and such bonds shall continue to be valid from year to year so long as they are elected and hold said offices, subject to renewal whenever ordered by the bank examiner, or directors. The directors may, in lieu of said bond, insure at the expense of the association with some fidelity or guaranty company which shall be satisfactory to the examiner, for the faithful discharge of the duties of the secretary and treasurer and such other clerks as may be employed, in such sums as they may decide to be necessary for the safety of the funds in the custody of the corporation. The examiner shall annually examine the bonds given, as aforesaid, and inquire into and certify to the sufficiency thereof, and when he deems any such bond insufficient he shall order a new bond to be given, within a time by him specified.

SEC. 143. The officers shall hold stated monthly meetings. At or before each of these meetings, every member shall pay to the association, as a contribution to its capital, one dollar, as dues upon each share held by him, until the share reaches the ultimate value of two hundred dollars, or is withdrawn, canceled or forfeited. Payment of dues on each series shall commence from its issue.

SEC. 144. Shares may be withdrawn after one month's notice of such intention, written in a book held and provided by the association for the purpose. Upon such withdrawal, the shareholder's account shall be settled as follows; from the amount then standing to the credit of the shares to be withdrawn, there shall be deducted all fines, a proportionate part of any unadjusted loss, together with such proportion of the profits previously credited to the shares as the by-laws may provide, and such shareholder shall be paid the balance; *provided*, that at no time shall more than one-half of the funds in the treasury be applicable to the demands of withdrawing members, without the consent of the directors. The directors may, at their discretion, under rules made by them, retire the unpledged shares of any series at any time after four years from the date of their issue, by enforcing the withdrawal of the same; *provided*, that the shareholders whose shares are to be retired shall be determined by lot, and that they shall be paid the full value of their shares, less all fines and a proportionate part of any unadjusted loss.

SEC. 145. When each unpledged share of a given series reaches the value of two hundred dollars, all payments of dues thereon shall cease, and the holder thereof shall be paid out of the funds of the association, two hundred dollars therefor, with interest at the rate of six per cent a year, from the time of such maturity to the time of payment; *provided*, that at no time shall more than one-half of the funds in the treasury be applicable to the payment of such matured shares, without the consent of the directors, and that before paying matured shares, all arrears and fines shall be deducted. Every share shall be subject to a lien for the payment of any unpaid dues, fines, interest, premiums and other charges received thereon, which may be enforced in the manner hereinafter provided.

SEC. 146. The board of directors shall see to the proper investment of the funds of the association, as provided in this section. After due allowance for all necessary and proper expenses, and for the withdrawal of shares, the moneys of the association shall be loaned to the members at a rate of monthly premium to be fixed by the directors, which shall in no case exceeds forty cents a share. Any member may, upon giving security satisfactory to the directors, receive a loan of two hundred dollars for each share held by him, or such fractional part of two hundred dollars as the by-laws may allow. Any association may provide in its by-laws that

—secretary and treasurer may be same person.  
1891, c. 123.

Secretary and treasurer shall give bonds.  
1897, c. 319, § 5.

—valid from year to year, subject to renewal when ordered.

—may insure with some guaranty company.

—bonds shall be examined annually.

Meetings shall be held monthly.  
1887, c. 61.

—monthly payments on shares.

Shares may be withdrawn.  
1887, c. 61.

—shareholders' accounts, how settled.

—unpledged shares of any series, may be retired.

—proviso.

When shares reach maturity, holders shall be paid value thereof.  
1887, c. 61.

—shares sub- to lien for unpaid dues.

Board of directors shall invest funds and fix rates of interest.  
1901, c. 149, § 1.

—members may make loans.

—any association may fix rate of interest.

—how balances may be invested.

Premiums to be received as profits, and distributed to shareholders. 1887, c. 61.

Rate of interest to be charged on loans. 1901, c. 149, § 2.

—when ultimate value reached, shares canceled.

Loans shall be secured by mortgage on real estate and pledge of shares. 1887, c. 61.

—conditions of note and mortgage.

—shares alone may be pledged as security for loans.

—if borrower fails to offer security, loan shall be forfeited.

Borrower may repay loan at any time. 1887, c. 61.

—settlement of accounts, how made.

Members failing to pay dues, etc., shall be fined. 1887, c. 61.

instead of the interest and premium, a stated rate of annual interest of not less than five nor more than eight per cent, may be charged upon the sum desired, payable in monthly instalments. Such rate shall include the whole interest and premium to be paid upon the loan. Any balance remaining unloaned to members may be invested in such securities as are legal for the investment of deposits in savings banks. No loan shall be made on the gross premium plan.

SEC. 147. Premiums for loans shall consist of a percentage charged on the amount lent in addition to interest, and shall be deemed to be a consideration paid by the borrower for the present use and possession of the future or ultimate value of his shares, and shall, together with interest and fines, be received by the association as a profit on the capital invested in the loan, and shall be distributed to the various shares and series of said capital as hereinafter provided.

SEC. 148. A borrowing member, for each share borrowed upon, shall, in addition to his dues and monthly premium, if such monthly premium be charged, pay monthly interest on his loan at the rate of not less than five nor more than six per cent a year until his shares reach the ultimate value of two hundred dollars each, or the loan has been repaid; and when said ultimate value is reached, said shares and loan shall be declared canceled and satisfied, and the balance, if any, due upon the shares shall be paid to the member.

SEC. 149. For every loan made, a note secured by first mortgage of real estate shall be given, accompanied by a transfer and pledge of the shares of the borrower. The shares so pledged shall be held by the association as collateral security for the performance of the conditions of the note and mortgage. Said note and mortgage shall recite the number of shares pledged, and the amount of money advanced thereon, and shall be conditioned for the payment, at the stated meetings of the corporation, of the monthly dues on said shares, and the interest and premium upon the loan, together with all fines on payments in arrears, until said shares reach the ultimate value of two hundred dollars each, or said loan is otherwise canceled or discharged; *provided*, that the shares, without other security, may, in the discretion of the directors, be pledged as security for loans, to an amount not exceeding their value as adjusted at the last adjustment and valuation of shares before the time of the loan. If the borrower neglects to offer security, satisfactory to the directors, within the time prescribed by the by-laws, his right to the loan shall be forfeited, and he shall be charged with one month's interest and one month's premium at the rate bid by him, together with all expenses, if any, incurred, and the money appropriated for such loan may be re-loaned at the next or any subsequent meeting.

SEC. 150. A borrower may repay a loan at any time, upon application to the association, whereupon, on settlement of his account, he shall be charged with the full amount of the original loan, together with all monthly instalments of interest, premium, and fines in arrears, and shall be given credit for the withdrawing value of his shares pledged and transferred as security, and the balance shall be received by the association in full satisfaction and discharge of said loan; *provided*, that all settlements made at periods intervening between stated meetings of the directors, shall be made as of the date of the stated meeting next succeeding such settlement; and *provided*, that a borrower desiring to retain his shares and membership may, at his option, repay his loan without claiming credit for his shares, whereupon said shares shall be re-transferred to him and shall be free from any claim by reason of said canceled loan.

SEC. 151. Members who make default in the payment of their monthly dues, interest and premiums, shall be charged a fine not exceeding two per cent a month on each dollar in arrears. No fines shall be charged after the expiration of six months from the first lapse in any such payment, nor upon a fine in arrears. The shares of a member who continues in

arrears more than six months shall, at the option of the directors, if the member fails to pay the arrears within thirty days after notice, be declared forfeited, and the withdrawing value of the shares at the time of the first default shall be ascertained, and after deducting all fines and other legal charges, the balance remaining shall be transferred to an account to be designated the forfeited share account, to the credit of the defaulting member. Said member, if not a borrower, shall be entitled, upon thirty days' notice, to receive the balance so transferred, without interest from the time of the transfer, in the order of his turn, out of the funds appropriated to the payment of withdrawals. All shares so forfeited or transferred shall cease to participate in any profits of the association accruing after the last adjustment and valuation of shares before said default.

SEC. 152. If a borrowing member is in arrears for dues, interest, premiums or fines for more than six months, the directors may, at their discretion, declare the shares forfeited after one month's notice, if the arrears continue unpaid. The account of such borrowing member shall then be debited, with the arrears of interest, premiums and fines to date of forfeiture, and the shares shall be credited upon the loan at their withdrawing value. The balance of the account may, and after six months shall be enforced against the security by any legal method, or by proceedings in equity, for sale and foreclosure, jurisdiction therefor being hereby specially given to the supreme and superior courts, to be exercised upon bill or petition in a summary manner. The shares, the value whereof has been so applied in payment shall revert to the corporation, and be held by it free from all interest, claim, or demand on the part of the borrower, or any person claiming from or under him.

SEC. 153. Upon the death of a shareholder, his legal representatives shall be entitled to receive the amount of unpledged shares of the deceased, to be ascertained as provided in section one hundred and forty-four for withdrawal of shares. No fines shall be charged, or profits credited to a deceased member's account from and after his decease, unless his legal representatives assume the future payments on such shares, which they may assume under the same rights and liabilities of the deceased. Moneys received for the shares of a deceased shareholder, or the shares themselves, as the case may be, shall descend to the same persons and be distributed in the same manner as money received from a policy of life insurance on the life of a deceased person.

SEC. 154. The general accounts of every such association shall be kept by double entry. The secretary shall at least once each month make and declare a trial balance, which shall be recorded in a book provided for that purpose, and it shall at all times be open to the inspection of the directors and shareholders of the association. All moneys received from the members shall be receipted for by persons designated by the directors in a pass book provided by the association for the use of and to be held by the member, and said pass book shall be plainly marked with the name and residence of the holder thereof, the number of shares held by him and the number or designation of the series or issue to which said shares respectively belong and the date of the issue of such series. All moneys so received shall be originally entered by the proper officer in a book to be called the cash book, and the entries therein shall be so made as to show the name of the payer, the number of the shares, the number or designation of the series, or issues of the particular share, or shares so entered, together with the amount of dues, interest, premiums and fines paid thereon, as the case may be. Each payment shall be classified and entered in a column devoted to its kind. Said cash book shall be closed on the last day of the month in which each stated meeting is held, and shall be an exhibit of the receipt of all moneys paid by shareholders during said month. All payments made by the association for any purpose whatsoever, shall be by order, check or draft, signed by the president and secretary, and indorsed by the persons in whose favor the same are drawn.

—shares in arrears more than six months, shall be forfeited.

Forfeiture of shares of borrowing members, 1887, c. 61.

—account how adjusted.

—balance of account enforced against security.

—shares shall revert to company.

Unpledged shares of deceased shareholder shall revert to his legal representative, 1887, c. 61.

—shares of, and money received for shares of deceased shareholder, how distributed. See c. 75, § 19.

Accounts how kept, and business, how transacted, 1897, c. 319, § 2.

—duty of treasurer.

Profits and losses, when and how distributed.  
1897, c. 319, § 3.

—guaranty fund.

May purchase real estate upon which it has lien.  
1887, c. 61.

—sell or mortgage the same.

Directors shall insure all real estate.  
1897, c. 319, § 5.

Examinations by bank examiner.  
1897, c. 319, § 4.

—report.  
93 Me., 305.

Business of loan and building associations in this state, restricted.  
1891, c. 79, § 1.

Bank examiner may authorize foreign associations to do business in this State.  
1891, c. 79, § 2.

—what securities deposited may consist of.

—shall be held in trust for benefit of creditors.

The name of the payee, the amount paid, and the purpose, object or thing for which the payment is made, together with its date, shall be entered on the margin of said order, check or draft. The treasurer shall dispose of and secure the safe keeping of all moneys, securities and property of the corporation, in the manner designated by its by-laws.

SEC. 155. The profits and losses may be distributed annually, semi-annually or quarterly, to the shares then existing, but shall be distributed at least once in each year, and whenever a new series of shares is to be issued. Profits and losses shall be distributed to the various shares existing at the time of such distribution, in proportion to their value at that time, and shall be computed upon the basis of a single share, fully paid to the date of distribution. Losses shall be apportioned immediately after their occurrence. At each periodical distribution of profits, the directors shall reserve as a guaranty fund a sum not less than three nor more than ten percent of the net profits accruing since the next preceding adjustment, until such fund amounts to five per cent of the dues capital, which fund shall thereafter be maintained and held, and said fund shall be at all times available to meet losses in the business of the association from depreciation in its securities or otherwise.

SEC. 156. Any association may purchase, at any sale, public or private, any real estate upon which it may have a mortgage, judgment, lien or other incumbrance, or in which it may have an interest, and may sell, convey, lease or mortgage at pleasure, the real estate so purchased, to any person or persons whatsoever. All real estate so acquired shall be sold within five years from the acquisition of title thereto.

SEC. 157. Directors shall cause all real estate of an insurable character held by them absolutely or in mortgage, to be fully insured against loss by fire or lightning and the expense of such insurance in case of mortgage shall be added to the amount of the mortgage debt, to be refunded in case of payment or redemption.

SEC. 158. The bank examiner shall perform, in reference to all loan and building associations, the same duties and shall have the same powers as are required of him or given to him in reference to savings banks; and shall, annually, by the first day of December, make a report to the governor and council of the general conduct and condition of each of the associations visited by him, making such suggestions as he deems expedient or the public interest require. The officers of such associations shall answer truly all inquiries made, and shall make all returns required by the bank examiner.

SEC. 159. Except as is hereinafter provided no person, association or corporation shall carry on the business of accumulating the savings of its members and loaning to them such accumulations in the manner of loan and building associations within this state, unless incorporated under the laws thereof for such purpose.

SEC. 160. The bank examiner may authorize any such association or corporation duly established under the laws of another state to carry on such business in this state, but said association or corporation shall not transact such business in this state unless it shall first deposit with the treasurer of state, the sum of twenty-five thousand dollars and thereafter a sum equal to fifteen per cent of the deposits made in such association or corporation by citizens of the state, the amount of percentage of deposits so required to be determined from time to time by the bank examiner; or in lieu thereof the whole or any part of said sum may consist of any of the securities in which savings banks may invest, as regulated in section one hundred and five of this chapter, at their par value, and the said deposit shall be held in trust by said treasurer for the protection and indemnity of the residents of the state with whom such associations or corporations respectively have done or may transact business. Said moneys or property shall be paid out or disposed of only on the order of some court of competent jurisdiction, made on due notice to the attorney general of the

state, and upon such notice to the creditors and shareholders of such association or corporation as the court shall prescribe. For the purpose of ascertaining the business and financial condition of any such association or corporation doing or desiring to do such business, the bank examiner may make examinations of such associations or corporations, at such times and at such places as he may desire, the expense of such examinations being paid by the association or corporation examined, and may also require returns to be made in such form and at such times as he may elect. Whenever, upon examination or otherwise, it is the opinion of the bank examiner that any such association or corporation is transacting business in such manner as to be hazardous to the public, or its condition is such as to render further proceedings by it hazardous to the public, said bank examiner shall revoke or suspend the authority given to said association or corporation; but this section shall not prevent such association, corporation or institution incorporated under laws of another state, from loaning money upon mortgages of real estate located within the state.

—bank examiner may make examination of such associations.

—may revoke authority when found doing business hazardous to the public.

SEC. 161. Whoever violates any provision of the two preceding sections, shall be punished by a fine not exceeding one thousand dollars; and any provision thereof may on petition, be enforced by injunction issued by a justice of the supreme judicial court or of the superior court.

Penalty for violation.  
1891, c. 79, § 4.

#### TRUST AND BANKING COMPANIES.

SEC. 162. The bank examiner shall at all times have the same authority over all trust and banking companies incorporated under the laws of this state that he now has over savings banks or savings institutions by virtue of the provisions of sections one hundred twenty-four, one hundred twenty-five, one hundred twenty-six, one hundred twenty-seven, one hundred twenty-eight and one hundred twenty-nine of this chapter; and all the provisions of said sections shall apply to said trust and banking companies excepting so much as relates to the distribution of assets after a decree of sequestration, as provided in section one hundred twenty-seven. The distribution of the assets of trust and banking companies shall be made under order of the court.

Authority of bank examiner over trust and banking companies.  
1897, c. 218, § 2.

SEC. 163. Every trust and banking company having authority to receive money on deposit shall at all times have on hand, as a reserve, in lawful money of the United States, an amount equal to at least fifteen per cent of the aggregate amount of all its deposits which are subject to withdrawal upon demand or within ten days; and whenever said reserve of such corporation shall be below said percentage of such deposits, it shall not *increase its liabilities* (further diminish the amount of its legal reserve) by making any new loans until the required proportion between the aggregate amount of such deposits and its reserve fund shall be restored; *provided*, that in lieu of lawful money two-thirds of said fifteen per cent may consist of balances payable on demand, due from any national bank, and one-third of said fifteen per cent may consist of lawful money and bonds of the United States or of this state, the absolute property of such corporation. All provisions of charters in conflict with this section are void.

Reserve fund, shall be in lawful money, and equal to fifteen per cent of deposits.  
1893, c. 281.

—shall not increase liabilities, when fund is below required amount.

—proviso.

—conflicting charters, void.

SEC. 164. Every trust and banking company shall set apart as a guaranty fund not less than ten per cent of its net earnings in each and every year until such fund, with the accumulated interest thereon, shall amount to one-fourth of the capital stock of the company. The said surplus shall be kept to secure against losses and contingencies, and whenever the same becomes impaired it shall be reimbursed in the manner provided for its accumulation.

Guaranty fund which shall be kept secure against loss.  
1901, c. 196, § 1.

SEC. 165. No such company shall make any loan to its directors, officers, agents or other persons in its employ, until the proposition to make such loan shall have been submitted by the person desiring the same to the board of directors of such bank, or to the executive committee of such

Loans can only be made to officers on approval of directors or executive committee.  
1901, c. 196, § 2.

board, if any, and accepted and approved by a majority of such board or committee. Such approval, if the loan is made, shall be spread upon the records of the corporation; and this record shall, in every instance, give the names of the directors authorizing the loan.

Shall not make loans on shares of its capital stock.  
1901, c. 196, § 3.

SEC. 166. Such corporations shall not make loans or discounts on the security of the shares of their own capital stock, nor be the purchasers or holders of any such shares unless necessary to prevent loss upon a debt previously contracted in good faith; and all stock so acquired shall, within a reasonable time after its acquisition, be disposed of at public or private sale.

Shall not establish agencies without consent of the legislature.  
1901, c. 196, § 4.

SEC. 167. No trust and banking company shall establish a branch or agency in any city or town other than that in which the parent institution has its location until the same be authorized by a special act of the legislature. This provision shall not apply to branches and agencies established before April twenty-two, nineteen hundred and one, and in operation under charter rights then existing.

Responsibility of shareholders.  
1899, c. 68, § 1.

SEC. 168. The shareholders in a trust and banking company shall be individually responsible, equally and ratably, and not one for the other, for all contracts, debts and engagements of such corporation, to a sum equal to the amount of the par value of the shares owned by each in addition to the amount invested in said shares.

Proceedings when capital stock becomes impaired.  
1899, c. 68, § 2.

—application for assessment.

SEC. 169. When the capital stock of such a company shall become impaired by losses or otherwise, the bank examiner or the directors of such institution, or both, may file a complaint in the supreme judicial court in equity, setting forth the fact that such capital stock is impaired, and asking said court to order an assessment upon the capital stock aforesaid sufficient to meet the impairment and again make the corporation solvent. After giving due notice and hearing all parties interested, the court shall, if it finds the capital stock to be impaired as aforesaid, order such an assessment to be made upon such stock. Such assessment, when made, shall be due and payable by each shareholder to the treasurer of said company on order of said court within sixty days from the time such order is made. If any shareholder or shareholders of such company shall neglect or refuse, after due notice, to pay the assessment ordered as aforesaid within the time specified, a sufficient amount of the capital stock of such shareholder or shareholders may, after due notice given, be sold under the directions of the court to pay such assessment and the costs of sale. After paying the assessment and costs aforesaid from the proceeds of such sale, the balance, if any, shall be returned to the delinquent shareholder or shareholders. If no bidder can be found who will pay for such stock, the amount of the assessment due thereon and the costs of the advertisement and sale, the amount previously paid by such stockholder or stockholders, and said stock, shall be forfeited to the company, and shall be sold by said company as the directors shall order, within six months from the time of said forfeiture.

—if shareholder neglects or refuses to pay, his shares may be sold.

General rights of creditors not impaired.  
1899, c. 68, § 3.

SEC. 170. Nothing in the two preceding sections shall be construed to take away the general rights of creditors to enforce the liability of shareholders in such corporation in any manner provided by statute, or the right to proceed against the corporation under the provisions of section one hundred and sixty-two.

#### FOREIGN INVESTMENT CORPORATIONS.

Foreign corporations engaged in selling bonds, etc., shall first obtain license of bank examiner.  
1891, c. 131, § 1.

SEC. 171. No foreign corporation, or any agent or representative thereof, shall offer to sell, sell or negotiate in this state, any bonds, mortgages, notes or other choses in actions, issued, indorsed or guaranteed by it, unless it first obtains a license therefor from the bank examiner. Before receiving such license it shall furnish the examiner a detailed statement of its condition, which statement shall clearly describe the various classes of its assets and liabilities and shall be sworn to by either its presi-

dent, treasurer or secretary, and certified to be correct by at least two of its directors. Said statement shall in all particulars be as full as the examiner may require. Upon receiving such statement the bank examiner may grant a license authorizing such corporation to conduct its business in this state subject to its laws until the first day of the next December, and such license may be renewed annually thereafter so long as the bank examiner regards the corporation responsible and safe, but in all cases to terminate on the first day of the succeeding December. The examiner may revoke such license at any time should he deem the condition of such corporation or its management unsafe, whereupon the right of such corporation to do business in this state shall terminate. *For such license and each renewal, the corporation shall pay the examiner for his use twenty dollars.*

—shall furnish examiner a detailed statement of its condition.

—license may be revoked.

—fees.  
See c. 115, § 20.

SEC. 172. Such corporation or its agents shall publish at their own expense in some newspaper published in any town or city designated by the bank examiner, a copy of the statement furnished him. Every such corporation shall at the time of making application for license as hereinbefore provided, appoint in writing the bank examiner or his successor in office to be its true and lawful attorney upon whom all lawful processes in any action or proceeding against it may be served, and in such writing shall agree that any lawful process against it which is served on said attorney shall be of the same legal force and validity as if served upon the corporation, and that the authority shall continue in force so long as any liability remains outstanding against the corporation in this state. Service made in such manner on said corporation in any such suit or proceeding shall be valid and binding thereon, and the judgment rendered therein shall bind the corporation as valid in every respect whether the defendants appear or not. If license is granted by the bank examiner he shall place said writing on file in his office to take effect therefrom, but if license is not granted by him it shall be returned to the corporation. Copies of said writing, certified by the bank examiner, shall be deemed sufficient evidence thereof. When legal process against any such corporation is served upon said bank examiner, he shall within ten days thereafter mail a copy thereof, postage prepaid, directed to the address of said corporation, or to any person designated by said corporation in writing. *The plaintiff in each process so served shall pay to the bank examiner at the time of such service, a fee of two dollars which shall be recovered by him as a part of his taxable costs if he prevails in the suit.*

Corporation shall publish statement in some newspaper.  
1891, c. 131, § 2.

—shall appoint bank examiner to be its true and lawful attorney, upon whom processes may be served.

—duties of bank examiner.

See c. 115, § 20.

SEC. 173. Such corporation and its agents for the purposes hereinbefore mentioned, are under the supervision of the bank examiner and shall at all times at his request furnish him such statements and information as he may desire, together with full facilities to ascertain the true condition and standing of the same, and no person shall act as agent or representative of such corporation before the license herein provided is granted or after the same has been revoked. Whoever violates any provision of this section or the two preceding sections shall be punished by a fine not exceeding five hundred dollars, or imprisonment not exceeding sixty days, or both.

Corporation and agents, are under the supervision of the bank examiner, and shall furnish statements of standing, when required.  
1891, c. 131, § 3.  
—penalty for violation of §§ 171-173.

## CHAPTER 48.

ORGANIZATION OF CORPORATIONS UNDER GENERAL LAW. MANUFACTURING CORPORATIONS. BUREAU OF INDUSTRIAL AND LABOR STATISTICS. REGULATIONS OF LABOR.

How three or more persons may organize themselves into a corporation for certain enumerated purposes. R. S., c. 48, § 16. 86 Me., 316.

—other corporations excepted.

First meeting. R. S., c. 48, § 17. 1901, c. 229, § 8. 61 Me., 356. 64 Me., 381. 70 Me., 146.

—notice may be waived. 1901, c. 229, § 9.

—amount of capital stock, and officers.

Certificate prepared, examined by attorney general, and recorded in registry of deeds and secretary of state's office. R. S., c. 48, § 18. 1897, c. 225. 61 Me., 356. 64 Me., 381. 70 Me., 146.

—fees of attorney general and secretary of state. See c. 115, § 20.

—duties to be paid the state.

SEC. 1. Three or more persons may associate themselves together by written articles of agreement, for the purpose of forming a corporation to carry on any lawful business, including corporations for manufacturing, mechanical, mining or quarrying business and also corporations whose purpose is the carriage of passengers or freight, or both, upon the high seas, or from port or ports in this state to a foreign port or ports, or to a port or ports in other states, or the carriage of freight or passengers, or both, upon any waters where such corporations may navigate; and excepting corporations for banking, insurance, the construction and operation of railroads or aiding in the construction thereof, and the business of savings banks, trust companies or corporations intended to derive profit from the loan or use of money, and safe deposit companies, including the renting of safes in burglar-proof and fire-proof vaults.

SEC. 2. Their first meeting shall be called by one or more of the signers of said articles, by giving notice thereof, stating the time, place and purposes of the meeting to each signer, in writing, or by publishing it in some newspaper printed in the county, at least fourteen days prior to the time appointed therefor. If all of the signers of said articles shall in writing waive notice and fix a time and place of such meeting, no notice or publication shall be necessary. At such meeting they may organize into a corporation, adopt a corporate name, define the purposes of the corporation, fix the amount of the capital stock, which shall not be less than one thousand dollars, divide it into shares and elect a *president*, not less than three directors, a clerk, treasurer, and any other necessary officers, and may adopt a code of by-laws.

[The commissioner suggests the advisability of leaving the election of president to the board of directors in harmony with sec. 11.]

SEC. 3. Before commencing business, the president, treasurer, and majority of the directors shall prepare a certificate setting forth the name and purposes of the corporation, the amount of capital stock, the amount already paid in, the par value of the shares, the names and residences of the owners, the name of the county where it is located, and the number and names of the directors, and the name and residence of the clerk, and shall sign and make oath to it; and after it has been examined by the attorney general, and been by him certified to be properly drawn and signed and to be conformable to the constitution and laws, it shall be recorded in the registry of deeds in the county where said corporation is located, in a book kept for that purpose, and within sixty days after the day of the meeting at which such corporation is organized, a copy thereof certified by such register shall be filed in the secretary of state's office, who shall enter the date of filing thereon, and on the original certificate to be kept by the corporation, and shall record said copy in a book kept for that purpose. *Such corporation shall pay the attorney general and secretary of state five dollars each for their services, in advance.* Before said certificate is filed in the office of the secretary of state, when the amount of capital stock does not exceed ten thousand dollars, such corporation shall *also* pay to the treasurer of state for the use of the state the sum of ten dollars; when the amount of the capital stock exceeds ten thousand dollars and does not exceed five hundred thousand dollars, it shall pay to the treasurer of state for the use of the state, the sum of fifty dollars; when the amount of the capital stock exceeds five hundred thousand dollars, it shall pay to the treasurer of state for the use of the state ten dollars for each one hundred thousand dollars of the capital stock; and the treasurer's receipt

for said sum shall be filed with the secretary of state as a condition precedent, before he shall be authorized to receive said certificate for filing.

SEC. 4. Any corporation organized hereunder before March fifteen, eighteen hundred and ninety-three, which caused the certificate to be recorded in the registry of deeds of the county in which such corporation is described in said certificate to be located, shall be deemed to have complied with the requirements of the preceding section.

SEC. 5. From the time of filing (the copy of) such certificate in the secretary of state's office, the signers of said articles and their successors and assigns shall be a corporation, the same as if incorporated by a special act, with all the rights and powers, and subject to all the duties, obligations and liabilities provided by this chapter and chapter forty-six. (a)

SEC. 6. If the stockholders of any corporation organized under this chapter shall desire to decrease the amount of its capital stock, the stockholders, at a meeting duly called for the purpose, or at any annual meeting, when notice shall have been given of such proposed action in the call therefor, may by a vote representing a majority of all the stock issued, decrease the amount of its capital stock to any amount desired, and the corporation shall give notice of such change to the secretary of state within ten days thereafter. And each stockholder shall, within three months after such meeting, surrender such a proportion of his stock as the amount of decrease shall bear to the amount of the capital stock before the decrease, so that each stockholder shall have the same proportion of the whole capital stock of the company as before the decrease. This section shall not affect or prejudice in any way the rights of creditors of such corporation existing at the time when the reduction of its capital stock authorized hereunder shall be consummated.

SEC. 7. *Every* (Any) corporation organized under this chapter may change the par value of its shares at a meeting of the stockholders called for the purpose by a vote representing a majority of the stock issued, and a certificate thereof signed by the president or clerk shall be filed in the office of the secretary of state in the same manner as provided by law for changes in charter or certificate of organization.

SEC. 8. Any corporation organized under this chapter (may) at a legal meeting of its stockholders, *may* by a vote representing a majority of the stock issued, change its location from one county to another in the state, and the corporation shall file, by its clerk or other officer, in the registry of deeds in each of said counties, within twenty days after such change of location, the certificate required by section sixteen of chapter forty-six.

SEC. 9. Any corporation organized under this chapter (and any corporation organized for manufacturing, mechanical, mining or quarrying business, under special act of the legislature) may purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bonds, securities or evidences of indebtedness created by any other corporation or corporations of this or any other state, territory or country, and while owner of such stock may exercise all the rights, powers and privileges of ownership, including the right to vote thereon.

[No reason is perceived for making a distinction between manufacturing corporations organized under this chapter, and those incorporated by special act of the legislature. See c. 53, sec. 3.]

#### MANUFACTURING CORPORATIONS.

SEC. 10. Manufacturing corporations shall exercise the powers and be subject to the duties and liabilities contained in this chapter and in chapter forty-six, and in their charters. They shall have a president, directors, clerk, treasurer, and any other desirable officers.

SEC. 11. Such officers shall be chosen annually, and shall continue in office until others are chosen and qualified in their stead. There shall not be less than three directors, one of whom shall be by them elected president. (a) 61 Me., 356; 64 Me., 381; 70 Me., 146.

Certificate filed in registry of deeds where corporation is located, deemed compliance. 1893, c. 212, § 3. Upon filing certificate, organization complete. R. S., c. 48, § 19. See c. 1, § 6, ¶ xxviii.

Reduction of capital stock. 1895, c. 67. See c. 46, § 29.

—rights of creditors not prejudiced.

May change par value of shares. 1901, c. 229, § 12.

See c. 46, § 33.

May change location from one county to another. 1893, c. 182.

See c. 46, § 16.

May hold shares of other corporations, and exercise rights of ownership. 1901, c. 229, § 14.

Powers, liabilities and officers of manufacturing companies. R. S., c. 48, § 1.

Officers, when to be chosen. R. S., c. 48, § 2.

—treasurer to give bond.  
—clerk to be sworn.  
See c. 3, § 25.

First meeting, how called.  
—by-laws.  
R. S., c. 48, § 3.

Capital fixed and divided.  
—names of owners and their shares, to be recorded.  
R. S., c. 48, § 4.

Certificates of stock to be issued; transferable.  
R. S., c. 48, § 5.

Assessments may be made and shares sold, for neglect to pay.  
R. S., c. 48, § 6.

Notice of sale, how given; title how transferred to purchaser.  
R. S., c. 48, § 7.

Dividends may be made; but not to reduce capital or debts due.  
R. S., c. 48, § 8.

—penalty.  
See c. 46, §§ 76, 81.

Names of directors, clerk and schedule of property, to be furnished to an officer.  
R. S., c. 48, § 9.

Officer, having an execution, may elect to take debts due to corporation; proceedings.  
R. S., c. 48, § 10.

Penalty for refusal to comply with sections 18 and 19.  
R. S., c. 48, § 11.

dent. No director can hold such office after he ceases to be a stockholder. The treasurer shall give bond for the faithful discharge of his duties, in such sum, and with such sureties, as are required. The clerk shall be sworn, and shall record all votes of the corporation in a book kept for that purpose. (a)

SEC. 12. The first meeting may be called by a majority of the persons named in the act, in the manner prescribed in section six, of chapter forty-six, giving fourteen days' notice thereof. By-laws may be made and enforced as provided in section thirty-five of that chapter.

SEC. 13. The capital shall be fixed within the limits of the charter and divided into shares; and the names of owners, and the number of shares owned by each, shall be entered of record at its first meeting. The capital may be subsequently increased to the amount allowed by its charter, by adding to the number of shares.

SEC. 14. Certificates, stating the number of shares owned by them, signed by the treasurer, with the seal of the corporation affixed, shall be furnished to the stockholders. They are transferable, as provided in section twenty-six of chapter forty-six.

[The commissioner suggests that this section may well be omitted to avoid any conflict between its provisions and the provisions of § 26 of c. 46.]

SEC. 15. Assessments, not exceeding the amount originally limited for a share, may be made on all the shares, to be paid to the treasurer, in such instalments and at such times as are ordered. If a stockholder neglects to pay such assessments on his shares for thirty days, the treasurer may sell at public auction a sufficient number of them to pay the same with incidental charges.

SEC. 16. The treasurer, before the sale, shall give notice of the time and place thereof, and of the amount due on each share, in a newspaper printed in the town, if any, if not, in the county where the *manufactory* (office of the clerk of such corporation) is established, otherwise in the state paper, three weeks successively; and the treasurer's certificate of the sale of such shares recorded as other transfers, passes the title to the purchaser.

SEC. 17. Dividends of profit may be made by the directors, but the capital or the debts due shall not thereby be reduced, until all debts due from the corporation are paid. Any officer, or member, who votes or aids to make a dividend in violation hereof shall be fined not exceeding two thousand dollars, and imprisoned less than one year; and all sums received for such dividends may be recovered by any creditor of the corporation in an action on the case.

SEC. 18. Every agent or person having charge of corporate property, shall, on request, furnish to any officer having a writ or execution against the corporation for service, the names of the directors and clerk, and a schedule of all property, including debts known by him to belong to the corporation.

SEC. 19. An officer, having an execution against such a corporation and unable to find property liable to seizure, or the creditor, may elect to satisfy it, in whole or in part, by a debt due to the corporation not exceeding the amount due to the creditor, and the person having custody of the evidence of such debt shall deliver it to such officer with a written transfer thereof to him for the use of the creditor, which shall constitute an assignment thereof, and the creditor, in the name of the corporation, may sue for and collect it, subject to any equitable set-off by the debtor.

SEC. 20. Any officer or other person, who unnecessarily neglects or refuses to comply with the two preceding sections, forfeits not exceeding four times the amount due on such execution, and may be imprisoned less than one year.

(a) 30 Me., 550; 41 Me., 87.

SEC. 21. When a suit or prosecution is pending for a violation of any provision hereof, the clerk or person having custody of the books of the corporation, shall, upon reasonable written notice, produce them on trial; and for neglect or refusal so to do, he is liable to the same fine or imprisonment as the party on trial would be.

Books to be produced on trial.  
R.S., c. 48, § 12.  
—refusal, punished.

## TRUSTS PROHIBITED.

SEC. 22. It shall be unlawful for any firm or incorporated company, or any number of firms or incorporated companies, or any unincorporated company, or association of persons or stockholders, organized for the purpose of manufacturing, producing, refining, or mining any article or product, which enters into general use and consumption by the people, to form or organize any trust, or to enter into any combination of firms, incorporated or unincorporated companies, or association of stockholders, or to delegate to any one or more board or boards of trustees or directors the power to conduct and direct the business of the whole number of firms, corporations, companies or associations which may have formed, or which may propose to form a trust, combination or association inconsistent with the provisions of this section and contrary to public policy. (And if any corporation organized under the laws of this state violates or attempts to violate, evades or attempts to evade the provisions of this section, the attorney general shall forthwith institute proper proceedings in the supreme judicial court against such corporation for the dissolution thereof, and the court shall enter the necessary decrees for the dissolution of such corporation and the termination of its corporate powers.)

Formation of trusts forbidden.  
1889, c. 266, § 1.

SEC. 23. No certificate of stock, or other evidence of interest, in any trust, combination, or association, as named in the preceding section, shall have legal recognition in any court in this state, and any deed to real estate given by any person, firm, or corporation, for the purpose of becoming interested in such trust, combination or association, or any mortgage given by the latter to the seller, as well as all certificates growing out of such transaction, shall be void.

Evidence of interest in any trust, shall not have legal recognition.  
1889, c. 266, § 2.

SEC. 24. Any firm, incorporated or unincorporated company, or association of persons or stockholders, who shall enter into or become interested in such trust, combination or association, shall be subject to a fine of not less than five, nor more than ten thousand dollars.

Penalty for being connected with any trust.  
1889, c. 266, § 3.

[It is to be presumed that the duties imposed on the Secretary of State by P. L. 1889, c. 266, § 4, have been performed; that section is accordingly omitted.]

## BUREAU OF INDUSTRIAL AND LABOR STATISTICS.

SEC. 25. The Bureau of Industrial and Labor Statistics shall constitute a separate and distinct department. The governor shall, with the advice and consent of the council, biennially, on the first Wednesday in February, appoint some suitable person identified with the industrial and labor interests (of the state), who shall be designated commissioner of industrial and labor statistics, with an office in such place as shall be designated by the governor.

Department of industrial and labor statistics.

—appointment of commissioner.  
1887, c. 69, §§ 1, 3.

SEC. 26. The said commissioner shall collect, assort, systematize, and present in annual reports to the governor, to be by him transmitted biennially to the legislature, statistical details, relating to all departments of labor in the state, and especially to the commercial, industrial, social, educational and sanitary condition of the laboring people, and to the permanent prosperity of the productive industries of the state; and shall also inquire into the immediate causes of strikes, lockouts and other disturbances between employers and employees.

Duties of the commissioner.  
1887, c. 69, § 2.

SEC. 27. He may take and preserve evidence, examine witnesses under oath, and administer the same, and in the discharge of his duty, may enter any public institution of the state, and at reasonable hours, when open for

Powers of commissioner.  
1887, c. 69, §§ 5, 6.

—state and municipal officers to furnish information.

Appointment of inspector of factories, workshops, mines and quarries.  
1887, c. 139, § 9.  
1893, c. 220.

—duties.

—appointment of assistant inspectors.

—powers of inspector and assistants to enter manufacturing establishments.  
84 Me., 57.

Duties of inspector to enforce law as to fortnightly payment of wages.  
1893, c. 292, §§ 1, 2.

—sanitary condition of factories.

Doors and fire escapes in factories.  
1893, c. 292, § 3.

Annual report.  
1893, c. 292, § 4.

Auditing and payment of expenses.  
1887, c. 69, § 7.  
1887, c. 139, § 9.

business, any factory, workshop, mine or other place where labor may be employed. All state, county, city and town officers, are hereby directed to furnish to said commissioner upon his request, all statistical information in reference to labor and labor industries, which shall be in their possession as such officers.

SEC. 28. The governor, by and with the advice and consent of the council, shall appoint an inspector of factories, workshops, mines and quarries who shall hold office for two years, or until his successor is appointed, unless sooner removed. Said inspector shall inquire into any violations of sections thirty-three to forty-one inclusive, of this chapter, and assist in the collection of statistics and other information which may be required, for the use of the bureau of industrial and labor statistics. Whenever the governor shall be satisfied that said inspector cannot perform all the duties of his office required by this section, in person, he shall, with the advice and consent of the council, appoint a sufficient number of assistant inspectors to assist him in so doing, who shall hold office for the term of two years, and act under the direction of said inspector, and shall receive the sum of two dollars a day and reasonable expenses while actually engaged in duty. They may, at any time, be removed for cause by the governor. For the purpose of inquiring into any violation of the provisions of said sections thirty-three to forty-one of this chapter, relating to the regulation of the hours of labor and the employment of women and children in manufacturing and mechanical establishments, and enforcing the penalties thereof, such inspector and assistants may, at all reasonable times, enter any such establishments and make investigation concerning such violations. Such investigation shall be conducted with as little interruption as possible to the prosecution of the business of such establishment. Whoever interferes with said inspector, or his assistants, in the performance of their duties as prescribed in this chapter, shall be fined fifty dollars.

SEC. 29. The said inspector, upon complaint, shall inquire into, and prosecute for, any violations of sections forty-two and forty-three of this chapter, relating to the fortnightly payment of wages. He shall also examine into the sanitary condition of factories, workshops, mines and quarries, and when any condition or thing is found that, in his opinion endangers the health or lives of the employes, he shall notify the local board of health, and said board of health shall investigate the matter.

SEC. 30. He shall enforce the due observance of sections thirty-seven and thirty-eight of chapter twenty-six, relating to the swinging of doors, and fire escapes in factories and workshops.

SEC. 31. He shall, on or before the first day of December annually, submit his report to the commissioner of industrial and labor statistics, and it shall be incorporated in, and printed with the annual report of the bureau of industrial and labor statistics.

SEC. 32. The expenses of the department, including all bills for the expenses of the inspector of factories, workshops, mines and quarries, and for the services and expenses of assistant inspectors, shall be paid on vouchers presented by the commissioner, after the same shall have been audited and approved by the governor and council.

#### HOURS OF LABOR OF WOMEN AND CHILDREN.

Employment of women and minors in manufacturing establishments regulated.  
1887, c. 139, § 1.

—sixty hours a week.

SEC. 33. No female minor under eighteen years of age, no male minor under sixteen years of age, and no woman shall be employed in laboring in any manufacturing or mechanical establishment in the state, more than ten hours in any one day, except when it is necessary to make repairs to prevent the interruption of the ordinary running of the machinery, or when a different apportionment of the hours of labor is made for the sole purpose of making a shorter day's work for one day of the week; and in no case shall the hours of labor exceed sixty in a week; and no male

person sixteen years and over shall be so employed as above, more than ten hours a day during minority, unless he voluntarily contracts to do so with the consent of his parents, or one of them, if any, or guardian, and in such case he shall receive extra compensation for his services; *provided, however*, any female of eighteen years of age or over, may lawfully contract for such labor for any number of hours in excess of ten hours a day, not exceeding six hours in any one week or sixty hours in any one year, receiving additional compensation therefor; but during her minority, the consent of her parents, or one of them, or guardian, shall be first obtained.

SEC. 34. Every employer shall post in a conspicuous place in every room where such persons are employed, a notice printed in plain, large type, stating the number of hours' work required of them on each day of the week, the exact time for commencing work in the morning, stopping at noon for dinner, commencing after dinner, and stopping at night; the form of such printed notice shall be furnished by the inspector of factories, workshops, mines and quarries, and shall be approved by the attorney general. And the employment of any such person for a longer time in any day than that so stated, shall be deemed a violation of the preceding section, unless it appears that such employment is to make up for time lost on some previous day of the same week, in consequence of the stopping of machinery upon which such person was employed or dependent for employment.

SEC. 35. Whoever, either for himself, or as superintendent, overseer or agent of another, employs or has in his employment any person in violation of the provisions of section thirty-three, and every parent or guardian who permits any minor to be so employed, shall be punished by a fine of not less than twenty-five dollars nor more than fifty dollars for each offense. A certificate of the age of a minor made by him and by his parent or guardian at the time of his employment, shall be conclusive evidence of his age in behalf of the hirer, upon any prosecution for a violation of the provisions of section thirty-three. Whoever falsely makes and utters such a certificate with an intention to evade the provisions of this chapter relating to the employment of minors, shall be subject to a fine of one hundred dollars.

SEC. 36. Any person, firm or corporation engaged in any manufacturing or mechanical business, may contract with adult or minor employes to give one week's notice of intention on such employe's part, to quit such employment under a penalty of forfeiture of one week's wages. In such case, the employer shall be required to give a like notice of intention to discharge the employe; and on failure, shall pay to such employe a sum equal to one week's wages. No such forfeiture shall be enforced when the leaving or discharge of the employe is for a reasonable cause. *Provided, however*, the enforcement of the penalty aforesaid, shall not prevent either party from recovering damages for a breach of the contract of hire.

SEC. 37. No child under twelve years of age, shall be employed in any manufacturing or mechanical establishment in the state. Whoever, either for himself, or as superintendent, overseer or agent of another, employs or has in his employment any child in violation of the provisions of this section, and every parent or guardian who permits any child to be so employed, shall be punished by a fine of not less than twenty-five, nor more than fifty dollars for each offense.

SEC. 38. No child under fifteen years of age shall be employed in any manufacturing or mechanical establishment in the state, except during vacations of the public schools in the city or town in which he resides, *unless during the year next preceding the time of such employment, he has for at least sixteen weeks, attended some public or private school, eight weeks of which shall be continuous; nor shall such employment continue unless such child in each and every year, attends some public or private school for at least sixteen weeks, and no child shall be so employed who*

—males over sixteen years may contract to work more hours.

—females over eighteen, may make special contracts.

Employers shall post notices, stating number of hours' work required each day, etc. 1887, c. 139, § 2.

—form of notice.

—employment for a longer time, deemed violation.

Penalty for violation. 1887, c. 139, § 3.

—certificate of parent, or guardian, shall be evidence of age.

—penalty for making false certificate.

Employers may contract with employes, that a week's notice of intention to quit work, shall be given. 1887, c. 139, § 4.

—employer required to give notice of intention to discharge employe.

Child under twelve years of age, not to be employed in any manufacturing establishment. 1887, c. 139, § 5.

—penalty.

Employment of children under fifteen years of age. 1887, c. 139, § 6.

*does not present a certificate made under or by the direction of the school committee, superintendent of the public schools, or the teacher of a private school, that such child has so attended school. Such committee, superintendent or teacher, shall furnish such a certificate in accordance with the fact upon request and without charge* (absence from such school is excused by the superintending school committee or superintendent of schools, or teacher acting by direction of either, as provided by section forty-eight of chapter eleven.)

[In the opinion of the commissioner, the lines printed in italics are inconsistent with the truancy law of 1899, and are thereby repealed. P. L. 1899, c. 80, §§ 1 and 8.]

Penalty for violation of sec. 38.  
1887, c. 139, § 7.

—duty of school officers.

Owners, etc., of such establishments, shall keep on file certificate of age, etc., of children under sixteen years, in their employ.  
1887, c. 139, § 8.

—certificate, form of and by whom, given.

—duty of inspector of factories to examine certificate.

Certain manufactures not affected.  
1887, c. 139, § 10.

SEC. 39. Any parent or guardian who procures a child to be employed contrary to the preceding section, and any corporation, owner, superintendent or agent of the owner, of such establishment violating the provisions of said section, shall forfeit the sum of one hundred dollars, one-half to the use of the county, and one-half to the use of the city or town where the offense is committed. Money so recovered to the use of the city or town, shall be added to its school money. School committees and superintendents of public schools, shall inquire into violations of said section and report the same to the county attorney, who shall prosecute therefor.

SEC. 40. Every owner, superintendent or overseer of any such manufacturing or mechanical establishment shall require and keep on file, a certificate of the age and place of birth of every child under sixteen years of age employed therein, so long as such child is so employed, *which certificate shall also state in the case of a child under fifteen years of age, the amount of his school attendance during the year next preceding such employment.* Said certificate shall be signed by a member of the school committee of the place where such attendance has been had, or by some one authorized by such committee, and the form of said certificate shall be furnished by the state superintendent of public schools, and shall be approved by the attorney general. The inspector of factories, workshops, mines and quarries, or either of his assistants, may demand the names of the children under sixteen years of age employed in such establishment, in the several cities and towns of the state, and may require that the certificates of age *and school attendance* prescribed in this section, shall be produced for his inspection, and a failure to produce the same, shall be prima facie evidence that the employment of such child is illegal.

SEC. 41. Nothing in the eight preceding sections shall apply to any manufacturing establishment or business, the materials and products of which are perishable and require immediate labor thereon, to prevent decay thereof or damage thereto.

[The provisions of sections 33 to 41 supersede sections 13 to 15 inclusive of chapter 48 of the Revised Statutes.]

#### FORTNIGHTLY PAYMENT OF WAGES.

(Corporations having more than ten employes, required to make fortnightly payment.  
1887, c. 134, § 1.

—exceptions.  
1887, c. 134, § 5.

—proviso.

Penalty for violation of: § 42.  
1887, c. 134, §§ 2, 3, 4.

SEC. 42. Every manufacturing, mining, quarrying, stone-cutting, mercantile, street railroad, telegraph, telephone and municipal corporation, and every incorporated express and water company, and any person or firm engaged in any of the above specified kinds of business, having in their employ more than ten persons, shall pay fortnightly each and every employe engaged in its business, except municipal officers whose services are paid for by the day, or teachers employed by municipal corporations, the wages earned by such employe to within eight days of the date of said payment, *provided however*, that if at any time of payment, any employe shall be absent from his regular place of labor, he shall be entitled to said payment at any time thereafter on demand.

SEC. 43. Any corporation violating any provision of the preceding section shall be punished by a fine of not less than ten, nor more than twenty-five dollars on each complaint under which it is convicted, *provided*, complaint for such violation is made within thirty days from the

date thereof. When a corporation against which a complaint is so made, fails to appear after being duly served with process, its default shall be recorded, the allegations in the complaint taken to be true, and judgment rendered accordingly. When judgment is rendered upon any such complaint against a corporation, the court may issue a warrant of distress to compel the payment of the penalty prescribed by law, together with costs and interest.

—proceed-  
ings.

—court may  
issue war-  
rant of dis-  
tress to com-  
pel payment  
of judgment.

## CHAPTER 49.

### INSURANCE, AND INSURANCE COMPANIES.

SEC. 1. A contract of insurance, life excepted, is an agreement by which one party for a consideration promises to pay money or its equivalent, or to do some act of value to the assured upon the destruction or injury of something in which the other party has an interest. And the business involving the issuance of such contracts in this state shall be carried on only by duly incorporated insurance companies. All incorporated insurance companies may exercise the powers and are subject to the duties and liabilities contained herein and in chapter forty six, so far as consistent with their charters. Associations of individuals now formed or which may hereafter be formed, upon the plan known as Lloyd's, for the purpose of transacting marine insurance business, may exercise all rights, powers and privileges granted under the laws of this state.

Contract of  
insurance,  
defined.  
R. S., c. 49, § 1.  
1895, c. 95.

—how busi-  
ness of insur-  
ance shall  
be carried on.

SEC. 2. The business of incorporated insurance companies shall be managed by not less than seven directors, who shall be chosen by the stockholders at the time and place and in the manner provided in their by-laws; they shall be stockholders, and hold their offices for one year, and until others are chosen and qualified in their stead. Vacancies may be filled at a meeting called for the purpose. In elections and other business, stockholders have one vote for each share. The directors shall choose one of their number president.

Number of  
directors.  
R. S., c. 49, § 2.

—tenure.  
—vacancies.  
See § 55.

SEC. 3. All insurance companies, stock or mutual, established in the state, may, by their by-laws, divide their directors into two or three classes, to hold their office for two or three years, according to the number of classes, and until others are chosen in their stead. At the first election after such classification, the company shall designate the term for which each director is elected, in such manner that one class shall thereafter go out of office, annually. Vacancies shall be filled for the remainder of the term of the class in which they occur. The repeal of such by-laws shall not affect the term of the directors then in office; but all directors elected before such repeal shall hold office until the expiration of the term for which they were originally elected.

Directors may  
be divided in-  
to classes.  
R. S., c. 49, § 3.

—terms of  
office.

—vacancies.

### THE STANDARD POLICY.

SEC. 4. No fire insurance company shall issue fire insurance policies on property in this state, other than those of the standard form herein set forth, except as follows:

Only policies  
of standard  
form may be  
issued.  
R. S., c. 18, § 1.

I. A company may print on or in its policies its name, location, and date of incorporation, the amount of its paid up capital stock, the names of its officers and agents, the number and date of the policy, and, if it is issued through an agent, the words, "This policy shall not be valid until countersigned by the duly authorized agent of the company at ."

May print  
certain data.

II. A company may print or use in its policies, printed forms of description and specification of the property insured.

—printed  
forms of  
description.

—lightning  
clause.

III. A company insuring against damage by lightning may print, in the clause enumerating the perils insured against, the additional words, "Also any damage by lightning, whether fire ensues or not," and, in the clause providing for an apportionment of loss in case of other insurance, the words, "whether by fire, lightning or both."

—provisions  
authorized or  
required by  
law.

IV. A company incorporated or formed in this state may print in its policies, any provisions which it is authorized or required by law to insert therein; and any company not incorporated or formed in this state may, with the approval of the insurance commissioner, so print any provision required by its charter or deed of settlement or by the laws of its own state or country, not contrary to the laws of this state; *provided*, that the insurance commissioner shall require any provision which, in his opinion, modifies the contract of insurance in such way as to affect the question of loss, to be appended to the policy by a slip or rider as hereinafter provided.

—proviso.

—blanks.

V. The blanks in said standard form may be filled in print or writing.

—other pro-  
visions.

VI. A company may write upon the margin or across the face of a policy, or write, or print in type not smaller than long primer, upon separate slips or riders to be attached thereto, provisions adding to or modifying those contained in the standard form; and all such slips, riders and provisions must be signed by the officers or agent of the company so using them.

—the words  
"Maine stand-  
ard policy."

—how form  
shall be  
printed.

VII. A company may print upon policies issued in compliance with the preceding provisions of this section, the words, "Maine standard policy." The said standard form of policy shall be plainly printed, and no portion thereof shall be in type smaller than long primer, and shall be as follows:  
"Number \$ .

Form of  
standard  
policy.

(Corporate name of the company or association, its principal place or places of business.)

This company shall not be liable beyond the actual value of the insured property at the time any loss or damage happens.

In consideration of        dollars to it paid by the insured, hereinafter named, the receipt whereof is hereby acknowledged, does insure        and        legal representatives against loss or damage by fire, to the amount of        dollars.

(Description of property insured.)

Bills of exchange, notes, accounts, evidences and securities of property of every kind, books, wearing apparel, plate, money, jewels, medals, patterns, models, scientific cabinets and collections, paintings, sculpture and curiosities are not included in said insured property, unless specially mentioned.

Said property is insured for the term of        , beginning on the        day of        , in the year nineteen hundred and        , at noon, and continuing until the        day of        , in the year nineteen hundred and        , at noon, against all loss or damage by fire originating from any cause except invasion, foreign enemies, civil commotions, riots, or any military or usurped power whatever; the amount of said loss or damage to be estimated according to the actual value of the insured property at the time when such loss or damage happens, but not to include loss or damage caused by explosions of any kind unless fire ensues, and then to include that caused by fire only.

94 Me., 39.

This policy shall be void if any material fact or circumstance stated in writing has not been fairly represented by the insured, or if the insured now has or shall hereafter make any other insurance on the said property without the assent in writing or in print of the company, or if, without such assent, the said property shall be removed, except that, if such removal shall be necessary for the preservation of the property from fire, this policy shall be valid without such assent for five days thereafter, or if, without such assent, the situation or circumstances affecting the risk shall, by or with the knowledge, advice, agency, or consent of the insured, be so altered as to cause an increase of such risks, or if, without such assent, the said

property shall be sold, or this policy assigned, or if the premises hereby insured shall become vacant by the removal of the owner or occupant, and so remain vacant for more than thirty days without such assent, or if it be a manufacturing establishment, running in whole or in part extra time, except that such establishments may run in whole or in part extra hours, not later than nine o'clock P. M., or if such establishments shall cease operations for more than thirty days without permission in writing indorsed hereon, or if the insured shall make any attempt to defraud the company, either before or after the loss, or if gunpowder or other articles subject to legal restriction, shall be kept in quantities or manner different from those allowed or prescribed by law, or if camphene, benzine, naphtha, or other chemical oils or burning fluids shall be kept or used by the insured on the premises insured, except that what is known as refined petroleum, kerosene, or coal oil, may be used for lighting, and in dwelling houses, kerosene oil stoves may be used for domestic purposes, to be filled when cold, by daylight, and with oil of lawful fire test only.

If the insured property shall be exposed to loss or damage by fire, the insured shall make all reasonable exertions to save and protect the same.

In case of any loss or damage under this policy, a statement in writing, signed and sworn to by the insured, shall be forthwith rendered to the company setting forth the value of the property insured, the interest of the insured therein, all other insurance thereon, in detail, the purposes for which and the persons by whom the building insured, or containing the property insured, was used and the time at which and manner in which the fire originated, so far as known to the insured. The company may also examine the books of account and vouchers of the insured, and make extracts from the same.

In case of any loss or damage, the company, within sixty days after the insured shall have submitted a statement, as provided in the preceding clause, shall either pay the amount for which it shall be liable, which amount if not agreed upon shall be ascertained by award of referees as hereinafter provided, or replace the property with other of the same kind and goodness, or it may, within fifteen days after such statement is submitted, notify the insured of its intention to rebuild or repair the premises, or any portion thereof separately insured by this policy, and shall thereupon enter upon said premises and proceed to rebuild or repair the same with reasonable expedition. It is moreover understood that there can be no abandonment of the property insured to the company, and that the company shall not in any case be liable for more than the sum insured, with interest thereon from the time when the loss shall become payable, as above provided.

If there shall be any other insurance on the property insured, whether prior or subsequent, the insured shall recover on this policy no greater proportion of the loss sustained than the sum hereby insured bears to the whole amount insured thereon. And whenever the company shall pay any loss, the insured shall assign to it, to the extent of the amount so paid, all rights to recover satisfaction for the loss or damage from any person, town, or other corporation, excepting other insurers; or the insured, if requested, shall prosecute therefor at the charge and for the account of the company.

If this policy shall be made payable to a mortgagee of the insured real estate, no act or default of any person other than such mortgagee or his agents, or those claiming under him, shall affect such mortgagee's right to recover in case of loss on such real estate; *provided*, that the mortgagee shall, on demand, pay according to the established scale of rates for any increase of risks not paid for by the insured; and whenever this company shall be liable to a mortgagee for any sum for loss under this policy, for which no liability exists as to the mortgagor, or owner, and this company shall elect by itself, or with others, to pay the mortgagee the full amount secured by such mortgage, then the mortgagee shall assign and

82 Me., 270.  
88 Me., 498.  
90 Me., 350.  
91 Me., 290.  
92 Me., 279.

transfer to the companies interested, upon such payment, the said mortgage, together with the note and debt thereby secured.

This policy may be canceled at any time at the request of the insured, who shall thereupon be entitled to a return of the portion of the above premium remaining, after deducting the customary monthly short rates for the time this policy shall have been in force. The company also reserves the right, after giving written notice to the insured, and to any mortgagee to whom this policy is made payable, and tendering to the insured a ratable proportion of the premium, to cancel this policy as to all risks subsequent to the expiration of ten days from such notice, and no mortgagee shall then have the right to recover as to such risks.

In case of loss under this policy and a failure of the parties to agree as to the amount of loss, it is mutually agreed that the amount of such loss shall be referred to three disinterested men, the company and the insured each choosing one out of the three persons to be named by the other, and the third being selected by the two so chosen; the award in writing by a majority of the referees shall be conclusive and final upon the parties as to the amount of loss or damage, and such reference unless waived by the parties, shall be a condition precedent to any right of action in law or equity to recover for such loss; but no person shall be chosen or act as a referee, against the objection of either party, who has acted in a like capacity within four months.

No suit or action against this company for the recovery of any claim by virtue of this policy shall be sustained in any court of law or equity in this state unless commenced within two years from the time the loss occurred.

In witness whereof, the said company has caused this policy to be signed by its president, and attested by its secretary, or by such proper officers as may be designated, at their office, in . . . Date . . ."

In case of loss under any fire insurance policy, issued on property in this state, in the standard form above set forth, and the failure of the parties to agree as to the amount of loss, if the insurance company shall not, within ten days after a written request to appoint referees under the provision for arbitration in such policy, name three men under such provision, each of whom shall be a resident of this state, and willing to act as one of such referees; *and if also*, (or if\*) such insurance company shall not, within ten days after receiving the names of three men named by the insured under such provision, make known to the insured its choice of one of them to act as one of such referees, it shall be deemed to have waived the right to an arbitration under such policy, and be liable to suit thereunder, as though the same contained no provision for arbitration as to the amount of loss or damage. And in case of the failure of two referees, chosen, respectively by the insurance company and the insured, to agree upon and select within ten days from their appointment a third referee willing to act in said capacity, either of the parties may within twenty days from the expiration of said ten days make written application setting forth the facts to the insurance commissioner to appoint such third referee, and said commissioner shall thereupon make such appointment and shall send written notification thereof to the parties.

\*Will not the use of the words, "or if," avoid a possible doubt as to the construction? See 153 Mass. 338.

SEC. 5. Any insurance company or agent who shall make, issue or deliver a policy of fire insurance in wilful violation of the preceding section shall forfeit for each offense not less than fifty, nor more than two hundred dollars; but such policy shall nevertheless be binding upon the company issuing the same.

#### STOCK COMPANIES.

SEC. 6. Every stock company or its directors, as often as once a year, shall, by ballot, elect a secretary, who shall be the clerk of the company and be sworn to the faithful discharge of his duty; besides other duties required by the by-laws of the company, he shall keep a true record of all

89 Me., 32.

85 Me., 72.  
87 Me., 193.  
95 Me., 487.

—proceedings  
in case parties  
fail to agree  
as to amount  
of loss.

Penalty for  
wilful viola-  
tion of § 4.  
1895, c. 18, § 2.

Secretary and  
other officers.  
R. S., c. 49, § 4.  
65 Me., 379.

the votes of the stockholders and of the directors, and a true list of the stockholders, and of the number of shares held by each, and record every transfer of shares in a book kept for the purpose. The directors may appoint such other officers as they think necessary.

SEC. 7. The secretary shall call special meetings of such company, besides any meeting for which the by-laws provide, to be held at the time and place, and for the purposes required in writing, by the proprietors of one-fifth of the capital stock; if the by-laws of such company prescribe no mode of calling such meeting, it may be notified in the manner prescribed in the act of incorporation for calling the first meeting.

Manner of calling meetings.  
R. S., c. 49, § 5.

SEC. 8. No insurance company shall be incorporated with a capital of less than one hundred thousand dollars, to be paid in at the periods and in the proportions required by the charter.

Capital.  
R. S., c. 49, § 6.

SEC. 9. If any such company becomes insolvent before its whole capital is paid in by the stockholders, any creditor thereof may have his action on the case against any one or more of the stockholders, whose proportion of the whole stock allowed by the charter is not paid in, to recover against them in their individual capacity towards his debt, an amount not exceeding the sum due from them on their shares.

Liability of stockholders, in certain cases.  
R. S., c. 49, § 7.

SEC. 10. The capital and other assets of stock insurance companies, incorporated in this state, except such as may be needed for immediate use, shall be invested in such manner and in such funds, stocks and bonds, as savings banks of this state may invest in, as provided in section one hundred and five, of chapter forty-seven, and said insurance companies shall be restricted in their investments in the same manner as are the savings banks of this state.

Capital and assets, how to be invested.  
R. S., c. 49, § 8.  
1897, c. 187.

SEC. 11. Such company may loan to citizens of the state, any portion not exceeding one half of its capital stock, on respondentia or bottomry; but not unless at least three-fourths of all the directors agree to such loan, and enter their consent thereto at large on the records of the corporation, to be laid before the stockholders at their next meeting.

Loans on respondentia or bottomry.  
R. S., c. 49, § 9.

SEC. 12. Such company may make insurance on vessels, freight, money, goods, and effects, *against captivity of persons, on the life of any person during his absence at sea*, or money lent on bottomry and respondentia, against fire on dwellings or other buildings, and on merchandise or other property within the United States, and fix the premiums and terms of payment; but no risk on any one bottom or on one building and contents shall exceed ten per cent of its capital stock actually paid in.

What property may be insured.  
R. S., c. 49, § 10.  
56 Me., 376.  
See § 48, ¶ 11.

—Limit thereof.

SEC. 13. Insurance effected by a husband or wife on a dwelling-house owned by the insured and on the furniture therein, is valid for all the furniture, although part is owned by the husband and part by the wife.

Furniture, owned part by husband and part by wife.  
R. S., c. 49, § 11.  
Policies, how executed.  
R. S., c. 49, § 12.  
56 Me., 377.

SEC. 14. All policies, of insurance shall be signed by the president, or in case of his death, inability, or absence, by any two of the directors, and countersigned by the secretary; and they shall be binding upon the company as if executed under its corporate seal.

SEC. 15. Said company shall not, directly or indirectly, be concerned in buying or selling any goods, wares, merchandise, or commodities.

Companies, not to trade.  
R. S., c. 49, § 13.

SEC. 16. The directors, at such times as their charter or by-laws prescribe, shall make dividends of so much of the profits of the company as they think advisable; but moneys received and notes taken for premiums on risks, which are undetermined at the time of making such dividends, shall not be part of said profits.

Dividends.  
R. S., c. 49, § 14.

SEC. 17. After diminution of the capital stock by losses, depreciation or otherwise, no dividend shall be made until such diminution is supplied by actual funds, or the value is restored.

Loss of capital.  
R. S., c. 49, § 15.

SEC. 18. Any marine insurance company may, by by-laws or votes duly passed for that purpose, divide among the stockholders thereof, and the persons insured therein, in proportion to the stock owned by such stockholders, and to the amount of premiums paid by the insured on risks terminated, all the clear profits of the company above six per cent a year on

Marine companies may divide certain profits.  
R. S., c. 49, § 16.

its capital stock. Before such division is made, all arrearages of dividends to stockholders, required to make up their annual dividends equal to six per cent a year, shall first be paid.

Triennial  
statements.  
R.S., c. 49, § 17.

SEC. 19. Once in every three years, and oftener, if required by the stockholders, the directors shall lay before them at a meeting, an exact and particular statement of the affairs of the company, showing their profits, if any, after deducting losses and dividends.

Not to insure,  
after loss of  
capital.  
R.S., c. 49, § 18.

SEC. 20. If the company sustains losses to an amount equal to its capital stock, and the president or directors, after knowing the same, make any new or further insurance, the estates of all who made such insurance or who consent thereto, shall be jointly and severally liable for the amount of any loss which occurs under such insurance.

Person  
deemed agent;  
notice to him,  
and all his  
acts, binding.  
R.S., c. 49, § 19.

SEC. 21. *An agent authorized by an insurance company, whose name is borne on the policy, is its agent in all matters of insurance; any notice required to be given to said company or any of its officers, by the insured, may be given to such agent; any application for insurance, or valuation, or description of the property, or of the interest of the insured therein, if drawn by said agent, is conclusive upon the company, but not upon the insured, although signed by him; and all acts, proceedings and doings of such agent with the insured, are as binding upon the company, as if done and performed by the person specially empowered or designated therefor by the contract. (a)*

Statements of  
description  
and value are  
representa-  
tions and not  
warranties.  
R.S., c. 49, § 20.

SEC. 22. *All statements of description or value in an application or policy of insurance, are representations and not warranties; erroneous descriptions or statements of value or title by the insured, do not prevent his recovering on his policy unless the jury find that the difference between the property as described and as it really existed, contributed to the loss or materially increased the risk; a change in the property insured, or in its use or occupation, or a breach of any of the terms of the policy by the insured, do not affect the policy unless they materially increase the risk; nor shall any misrepresentation of the title or interest of the insured in the whole or a part of the property insured, real or personal, unless material or fraudulent, prevent his recovering on his policy to the extent of his insurable interest. (b)*

—erroneous  
statements  
prevent not  
recovery, un-  
less fraudu-  
lent, or in-  
crease the  
risk.

Notice of loss,  
and account  
thereof.  
—exhibit of  
books and  
vouchers.  
—examina-  
tion.  
R.S., c. 49, § 21.

SEC. 23. *In case of loss, under a policy against fire, the insured shall notify the company or its agent thereof, and within a reasonable time afterwards, shall deliver to the same, as particular an account of the loss and damage as the nature of the case will admit, stating therein his interest in the property, what other insurance, if any, existed thereon, in what manner the building insured, or containing the property insured, was occupied, at the time of the fire, and by whom and when and how the fire occurred, so far as he knows or believes; to be sworn to before some disinterested magistrate, who shall certify that he has examined the circumstances attending the loss, and has reason to and does believe such statement to be true; the insured shall, if so requested, within ten days after notice of loss, exhibit to the agent or company his books of account, bills of parcels and any other vouchers in his possession, and shall if requested, submit to an examination under oath, in the place of his residence; no other preliminary proof of any kind shall be required before commencing an action against such company. All provisions contained in any policy of insurance, in conflict with any of the provisions hercof, are null and void,*

—inconsistent  
provisions  
in policies,  
void.

(a) 47 Me., 386; 49 Me., 203; 52 Me., 324; 54 Me., 170; 56 Me., 379; 59 Me., 433; 69 Me., 410; 70 Me., 539; 77 Me., 149; 88 Me., 107.

(b) 45 Me., 171; 46 Me., 397, 501; 47 Me., 236, 407; 48 Me., 286, 559; 49 Me., 203; 50 Me., 583; 51 Me., 99; 52 Me., 61, 181, 325, 335; 54 Me., 171; 57 Me., 137; 59 Me., 458, 586, 590; 61 Me., 416; 65 Me., 373; 69 Me., 411; 70 Me., 536; 76 Me., 588; 79 Me., 110; 81 Me., 375, 496; 82 Me., 272, 492; 83 Me., 281; 85 Me., 97; 90 Me., 40, 338; 91 Me., 290.

and all contracts of insurance made, renewed or extended in the state, or on property within the state, are subject to the provisions hercof. (a)

[The commissioner is of the opinion that the third clause of section twenty-one, and sections twenty-two and twenty-three, except, perhaps, the clause in section twenty-three providing for the examination of the assured under oath, in the place of his residence, are repealed by the standard policy law, (P. L. 1895, c. 18, sec. 3), so far as they relate to fire insurance. The original act upon which sections twenty-one, twenty-two and twenty-three are based (P. L. 1861, c. 34,) was entitled "An act in relation to fire and marine insurance companies, and actions on contracts of insurance." The attention of the commissioner has not been called, however, to any case in the Maine Reports relating to marine insurance in which the provisions of these sections have been applied to the policy in question.

No provision is found in the law of 1895 in terms inconsistent with the clause in section twenty-three above referred to; but it is to be noted that the legislature incorporated in the standard policy the preceding clause providing for an examination of books and vouchers. The omission under such circumstances, of the provision for examination under oath, suggests that the legislature did not intend to preserve it. If the contrary is the fact, the intention should be made clear by an amendment to section four.

The commissioner also calls attention to the fact that under section eighty a more authoritative and effectual examination of the assured may be had, not only as to a loss, but also as to insurance procured by false representation.

The clauses of section twenty-one which are not repealed by the act of eighteen hundred and ninety-five, are in effect repeated in section ninety-eight, and the latter section seems to fully cover the subject matter.

The commissioner inclines to the view that sections twenty-one, twenty-two and twenty-three should be wholly omitted from the statutes, but he submits the final decision to the legislature, and therefore retains these sections in their appropriate places.]

SEC. 24. The provisions in the foregoing sections relating to the amount of capital stock to be owned by any insurance company, and the division of the same into shares, and dividends of profit thereon, and other provisions incidental to the nature of its fund, and such of said provisions as relate to the liability of directors or stockholders in case of deficiency of capital, and the regulations concerning the business of any such company contained in sections eleven and twelve, are not applicable to mutual fire insurance companies; but the other preceding provisions and the following are binding on such companies, so far as is consistent with their charters.

Certain provisions, not to be applied to mutual companies.  
R.S., c. 49, § 22.  
61 Me., 416.

#### MUTUAL COMPANIES.

SEC. 25. Domestic mutual fire insurance companies may make insurance for a term, not exceeding seven years, on dwelling houses, stores, shops, and other buildings, and on household furniture, merchandise and other property, the contents of any building within the state, against loss or damage by fire originating in any cause other than by design on the part of the assured.

Mutual companies, insurance by regulated.  
R.S., c. 49, § 23.

SEC. 26. Every such company, shall cause to be printed or written on the outside of every policy that it issues, under the number, name of the insured and date of the expiration, the words, "Total liability to assessment," and the figures showing such liability. *No by-law, rule, or requirement, made by any such company is binding on any person insured, to vacate his policy, unless it is distinctly set forth in the policy or renewal.* (b)

Indorsement on policies.  
1889, c. 270 § 3.

—by-laws to be stated in policy.  
R.S., c. 49, § 24.

[The sentence in italics is thought to be unnecessary under the standard policy.]

SEC. 27. Every person insured by such company, or his legal representatives or assigns continuing to be insured therein, is a member of the company during the term specified in his policy, and no longer.

Insured to be members.  
R.S., c. 49, § 25.  
37 Me., 143.

SEC. 28. The insured, before receiving his policy, shall deposit his note for the sum determined by the directors, which shall not be less than five per cent of the amount insured, and such part of it as the by-laws require, shall be immediately paid and indorsed thereon; and the remainder in such instalments, as the directors from time to time require for the payment

Assessments on premium notes.  
R.S., c. 49, § 26.  
1895 c. 95.  
34 Me., 453.  
49 Me., 448.  
50 Me., 305.  
53 Me., 226.  
64 Me., 128.

(a) 46 Me., 501; 47 Me., 386; 49 Me., 205, 284; 51 Me., 33; 52 Me., 496; 53 Me., 109; 54 Me., 172; 56 Me., 380, 481; 64 Me., 503; 65 Me., 373; 67 Me., 184; 80 Me., 104; 81 Me., 248; 82 Me., 270; 90 Me., 389; 92 Me., 279.

(b) 18 Me., 156; 29 Me., 97, 292; 34 Me., 494.

—premium  
reserve.

—married  
woman's note,  
valid.  
See c. 61.

Domestic fire  
insurance  
companies  
shall make  
return to in-  
surance com-  
missioner.  
1889, c. 270, § 1.

Shall publish  
statement.  
1889, c. 270, § 2.

—penalty for  
refusal.

Liability of  
agents of  
domestic fire  
companies.  
1901, c. 140.

—company  
required to  
procure li-  
cense for  
agents.

Policy and  
note one con-  
tract, and  
loss, etc., set  
off against it.  
R.S., c. 49, § 27.  
—if company  
fails, liability  
of maker.

—when insur-  
ance ends,  
note to be  
surrendered.  
48 Me., 274.  
49 Me., 425.  
64 Me., 128.

Lien on in-  
sured real  
estate, and  
how secured.  
R.S., c. 49, § 28.  
28 Me., 253.

Remedy, if  
assessment is  
not paid.  
R.S., c. 49, § 20.  
48 Me., 78.

of losses and other expenses, to be assessed on all who are members when such losses or expenses happen, in proportion to the amounts of their notes. *Provided*, that a mutual company which collects a cash premium of not less than the tariff rate charged by stock companies may take a premium note for an equal amount and such companies shall maintain a premium reserve equal to fifty per cent of the cash premium on its policies in force. *A married woman may insure her property and give her note, with or without her husband, and it shall be as valid against her as if she were unmarried.* No domestic mutual insurance company shall insure in one risk an amount exceeding twenty-five per cent of its gross assets, including the amount at any time due on its premium notes.

SEC. 29. *Every domestic mutual fire insurance company, shall annually, by the thirty-first day of January, return to the insurance commissioner a true statement, under oath, of its condition as it existed on the thirty-first day of the previous December, showing the amount of property actually insured at the time, the amount due on their premium notes, and the amount of all debts due to and from the company, and the commissioner shall provide blanks to carry out the provisions of this section.*

[This section is duplicated in § 77 and should be omitted.]

SEC. 30. *Every such company, shall annually, publish three weeks successively in some daily or weekly paper printed in the county where it is located, a condensed statement of its condition, conformable to its last annual report to the commissioner; and any such company which neglects or refuses to publish such statement, forfeits not less than fifty dollars.*

[The commissioner is informed that this section is disregarded; it may therefore be considered obsolete.]

SEC. 31. Any person who solicits insurance on behalf of any domestic mutual fire insurance company, or transmits for a person other than himself, an application for, or a policy of insurance to, or from such company, or in any manner acts in the negotiation of such insurance, or in the inspection or valuation of the property insured shall be deemed the agent of such company and, except as hereinafter provided, shall become liable to all the duties, requirements, liabilities and penalties to which an agent of any insurance company is subject. Said companies shall procure licenses for their agents as provided in section one hundred and one of this chapter, but no fee shall be required by the insurance commissioner for licenses issued to the agents of such companies.

SEC. 32. A policy of insurance, issued by a life, fire or marine insurance company, domestic or foreign, and a deposit note given therefor, are one contract; and a loss under such policy, or other equitable claims, may be proved in defense to said note, though it was indorsed or assigned before it was due; and when a company becomes insolvent, the maker of the note is only liable for the equitable proportion thereof which accrued during the solvency; and if the insolvency occurs within sixty days of the date of the note, it is void except for the amount of the maker's claim, if any, on the company. No insured shall be held to contribute to any losses or expenses beyond the amount of his deposit note. At the expiration of his term of insurance, his note, on payment of all assessments for which it is liable, shall be relinquished to him, except as provided in the next section.

SEC. 33. The company shall have a lien against the assured, on the buildings insured and the land appurtenant thereto, for the amount at any time due on said note, to commence from the time of the recording of the same, as hereinafter provided, and to continue sixty days after the expiration of the policy, on which such note is given; if the company causes a certificate of its claim to such lien, signed by the secretary, to be recorded by the register of deeds for the county or district; and, during the pendency of such lien, an attachment of such property, in a suit on said note in favor of the company, has priority of all other attachments or claims; and execution, when recovered, may be levied on it accordingly.

SEC. 34. If an assessment, made as provided in section twenty-eight, remains unpaid for thirty days after demand made by any agent of the

company on any person liable to pay the note, the directors may sue for and collect the amount due on such note; and the amount collected shall remain in the treasury of the company subject to the payment of such sums as might otherwise be assessed on the note; and the overplus at the expiration of the policy shall be the property of the assured.

SEC. 35. Upon the death of a member, the lien of the company remains good on the property insured to the amount due on the deposit note, and the policy descends to the executor or administrator of the deceased for the benefit of the estate during its continuance, unless voluntarily surrendered, or forfeited by the provisions of the charter of the company.

SEC. 36. The directors of every *such* (mutual) company shall cause a detailed account of their expenses for the year preceding, the amount of property actually insured at that time, the amount due on their premium notes, and the amount of all debts due to and from the company, to be laid before the policy-holders at the annual meeting; *and a copy thereof shall be printed in some newspaper published in the county, if any, otherwise in the state paper; but no such company, having an accumulated fund for the payment of losses, is required to publish the names of its debtors.*

SEC. 37. The salary or compensation for services of the directors, treasurer, and secretary, shall be fixed by the policy-holders at their annual meeting, and no policy-holder or other person is allowed more than fifteen votes by proxy.

SEC. 38. Whenever the directors of a mutual fire insurance company, or a mutual marine insurance company, make an assessment, or call on its members for money, or by vote determine that there exists a necessity for such assessment or call, they, or any person interested in the company as an officer, policy-holder, or creditor, may apply to the supreme judicial court for any county, by a petition in the nature of a bill in equity, praying the court to examine said assessment or call, or to determine the necessity therefor, and all matters connected therewith, and to ratify, amend or annul the assessment or call, or to order that the same be made as law and justice may require; *provided*, that such application, when made by any party except the corporation, or a receiver, or the insurance commissioner, shall rest in the discretion of the court. And whenever the directors unreasonably neglect to make an assessment or call, to satisfy an admitted or ascertained claim upon the company, any judgment creditor, or any person holding such admitted or ascertained claim, or the insurance commissioner, may make the application. Upon such application, if made by the directors, or upon order of court, if made by application of any other party, the directors shall set forth the claims against the company, its assets, and all other facts and particulars appertaining to the matter.

SEC. 39. The court before which such petition is filed, shall order notice to all parties interested, by publication or otherwise, and the petition may be filed in vacation, in which case the order of notice may be made by any justice of the court; and upon the return thereof, the court shall proceed to examine the assessment or call, the necessity therefor, and all matters connected therewith; any parties interested may appear and be heard thereon, and all questions that may arise shall be heard and determined as in other equity cases. The court may refer the apportionment or calculation to any competent person, and upon the examination may ratify, amend or annul the assessment or call, or order one to be made. In case the assessment or call is altered or amended, or one is ordered, the directors shall forthwith proceed to vote the same in legal form, and the record of such vote shall be set forth in a supplemental bill or answer.

SEC. 40. Whenever the court appoints a master or auditor to make the apportionment or calculation for an assessment under the foregoing provisions, such master or auditor shall appoint a time and place to hear all parties interested in the assessment or call, and shall give personal notice thereof, in writing, to the insurance commissioner, and through the post office, or in such other manner as the court directs, so far as he is able, to

Lien good on property of deceased persons insured.  
R.S., c. 49, § 30.

Annual statements to be made and published.  
R.S., c. 49, § 31.  
Sec § 30.

Compensation of officers; votes by proxy, limited.  
R.S., c. 49, § 32.

Assessments, when made, may be examined by the court, on application of parties interested.  
R.S., c. 49, § 33.

—claims, how adjusted, when directors neglect to make assessments.

Order of notice to parties interested.  
R.S., c. 49, § 34.

—court may examine and determine the case.

—may refer apportionment.

—assessments altered or amended, proceedings in case of.

Time and place for hearing parties, appointment of.  
R.S., c. 49, § 35.

—auditor shall hear parties, and report to the court.

Assessment, when final.  
R.S., c. 49, § 36.

—if amended, to be made final.

—costs, how paid.

—control of funds and payment of assessments.

Assessment not sufficient, collection may be stayed by court.  
R.S., c. 49, § 37.

all persons liable upon said assessment or call. Said auditor or master shall hear the parties, and make report to the court of all his doings respecting such assessment or call, and all matters connected therewith, and all parties interested in such report or assessment have a right to be heard by the court, respecting the same, in the same manner as is above provided.

SEC. 41. When an assessment or call has been so ratified, ascertained, or established, a decree shall be entered which shall be final and conclusive upon the company and all parties liable to the assessment or call as to the necessity of the same, the authority of the company to make or collect it, the amount thereof, and all formalities connected therewith. And where an assessment or call is altered or amended by vote of directors and decree of the court thereon, such amended or altered assessment or call is binding upon all parties who would have been liable under it as originally made, and in all legal proceedings shall be held to be such original assessment or call. All proceedings above provided for shall be at the cost of the company, unless the court for cause otherwise orders; and in all cases the court may control the disposal of the funds collected under these proceedings, and may issue all necessary processes to enforce the payment of such assessments against all persons liable therefor.

SEC. 42. Whenever it shall appear to the presiding justice of the court before which such petition is pending, that the net proceeds of any assessment or call will not be sufficient to furnish substantial relief to those having claims against the company, he may decree that no assessment shall be collected; and when, on application of the insurance commissioner, or any person interested, said justice is of opinion that further attempts to collect an assessment then partially collected will not benefit those having claims against the company, he may stay its further collection.

#### ORGANIZATION OF INSURANCE COMPANIES UNDER GENERAL LAW.

Insurance companies, how established.  
R. S., c. 49, § 38.  
1895, c. 95.

—rights and privileges.

—purposes when organized on stock, or mutual principle.

SEC. 43. Any ten or more persons, residents of the state, associated by such an agreement in writing as is hereinafter described, with the intention of constituting a corporation for the transaction of insurance business shall, upon complying with section fifty-one, become and remain a corporation with all the powers, rights and privileges and be subject to all the duties, liabilities and restrictions set forth in all the general laws relating to insurance corporations. Corporations may be organized as herein provided, upon the stock or mutual principle for the following purposes:

I. To insure against loss or damage to property by fire, lightning or tempest on land.

II. To insure vessels, freights, goods, money, effects, and money lent on bottomry or respondentia, against the perils of the sea and other perils usually insured against by marine insurance companies, including risks of inland navigation and transportation.

III. To insure against breakage or damage to plate glass, local or in transit.

Corporations may also be organized as herein provided, upon the stock principle, only, for the following purposes:

IV. To insure against loss or damage to property of the assured, or loss or damage to the life, person, or property of another for which the assured is liable, caused by the explosion of steam boilers.

V. To insure any person against bodily injury or death by accident, or any person, firm or corporation against loss or damage on account of the bodily injury or death by accident of any person *from* (for) which loss or damage said person, firm or corporation is responsible.

VI. To insure the owners of domestic animals against loss resulting from the death of or injury to the animals insured.

SEC. 44. Such agreement shall set forth the fact that the subscribers thereto associate themselves with the intention to constitute a corporation,

80 Me., 244, 251.  
89 Me., 570.  
92 Me., 574.  
93 Me., 461, 469.

Articles of agreement.  
R.S., c. 49, § 39.

the name by which it shall be known, the class or classes of insurance for the transaction of which it is to be constituted, the plan or principle upon which its business is to be conducted, the town or city in which it is established or located, and if a stock company, the amount of its capital stock, and if a mutual company with a guarantee capital, the amount thereof. The capital stock of a stock company organized for any of the purposes hereinbefore mentioned shall not be less than one hundred thousand dollars.

—location,  
capital stock,  
etc.

SEC. 45. Any mutual insurance company may be organized under the provisions of sections forty-three to fifty-five inclusive, with a guarantee capital of not less than one hundred thousand dollars, divided into shares of one hundred dollars each; and no policy shall be issued by such corporation until one fourth, at least, of its guarantee capital has been paid in, in cash, and invested as provided in section ten.

—capital.

Organization  
of mutual  
company.  
R.S., c. 49, § 40.

—policies,  
when issued.

SEC. 46. No policy shall be issued by a purely mutual company until applications have been made in good faith, for insurance to the amount of fifty thousand dollars; and no policy shall be issued by a stock company until its capital stock has been paid in, in cash, and invested as provided in section ten.

New com-  
panies, when  
to issue  
policies.  
R.S., c. 49, § 41.  
1895, c. 95.

SEC. 47. Any name not previously in use by an existing corporation or company may be adopted, *provided*, that the words "insurance" or "mutual insurance," as the business is to be conducted, constitute a part of such title. The commissioner may refuse his certificate hereinafter provided, until the adoption of a different name, if, in his judgment, the name adopted too closely resembles the name of an existing corporation or company, or is likely to mislead the public.

Corporate  
name.  
R.S., c. 49, § 42.

—when insur-  
ance commis-  
sioner may  
object.

SEC. 48. The first meeting for the purpose of an organization shall be called by a notice signed by one or more of the subscribers to such agreement, stating the time, place and purpose thereof, a copy of which notice shall seven days at least before the day appointed be given to each subscriber, left at his usual place of business or residence, or deposited in the post office, prepaid, and addressed to him at his usual place of business or residence. Such notice shall be proved by affidavit of the person giving it.

First meet-  
ing, how  
called.  
R.S., c. 49, § 43.

SEC. 49. At such first meeting, including any adjournment thereof, an organization shall be effected by the choice by ballot of a temporary clerk, who shall be sworn to the faithful discharge of his duties; by the adoption of by-laws consistent with the constitution and laws of the state, and by the election in the manner provided by law, of directors and such other officers as the by-laws require, but at such first meeting no person shall be a director who has not subscribed to the articles of association. The temporary clerk shall record the proceedings until and including the qualification of the secretary of the corporation by his being sworn. No organization shall be effected at any such meeting or its adjournment, unless a majority of the subscribers to the articles of agreement and association are present and vote.

Organization  
shall be  
effected.  
R.S., c. 49, § 44.

—record of  
proceedings.  
—quorum nec-  
essary for or-  
ganization.

SEC. 50. The directors so chosen shall elect a president, a secretary, and other officers which under the by-laws they are authorized to choose.

Officers.  
R.S., c. 49, § 45.

SEC. 51. The president, secretary and a majority of the directors shall forthwith make, sign and swear to a certificate setting forth a copy of the articles of association, with the names of the subscribers thereto, the date of the first meeting, and of any adjournment thereof, and shall submit such certificate and the records of the corporation to the inspection of the insurance commissioner, who shall examine the same, and may require such other evidence as he may deem necessary. The commissioner, if it appears that the requirements of the two preceding sections have been complied with, shall certify that fact and his approval of the certificate by indorsement thereon. Such certificate shall thereupon be filed in the office of the secretary of state by said officers, and upon being paid by them the fee hereinafter provided (and all other fees or duties required by law), the secretary shall cause the same, with the indorsement thereon, to be recorded, and shall thereupon issue to said corporation a certificate in the following form:

Certificate of  
articles of  
association.  
R.S., c. 49, § 46.

—to be sub-  
mitted to in-  
surance com-  
missioner.

—to be ap-  
proved by  
commissioner,  
and filed and  
recorded in  
the office of  
secretary of  
state.  
See c. 46, § 5.

## "STATE OF MAINE.

—Form of  
certificate of  
organization.

Be it known, that whereas" [names of subscribers to the association] "have associated themselves with the intention of forming a corporation, under the name of ———, for the purpose" [here the purpose declared in the articles of association shall be inserted,] "with a capital stock of \$———, and have complied with the provisions of the statutes of the state in such case made and provided, as appear from the certificate of the president, secretary and directors of said corporation, duly approved by the insurance commissioner and recorded in this office: Now, therefore, I, ———, Secretary of the State of Maine, hereby certify that" [subscribers' names] "their associates and successors, are legally organized and established as, and are hereby made, an existing corporation under the name of the ——— company, with all the powers, rights and privileges, and subject to the duties, liabilities and restrictions which by law appertain thereto. Witness my official signature, hereunto subscribed, and the seal of the State of Maine hereunto affixed, this ——— day of ———, A. D. 19——." (In case of purely mutual companies, so much as relates to capital stock shall be omitted.)

—certificate to  
be recorded  
in office of  
secretary of  
state.

The secretary of state shall sign the same, and cause the seal of the State to be thereto affixed, and such certificate shall have the force and effect of a special charter, and be conclusive evidence of the organization and establishment of such corporation. Said certificate shall be duly recorded in the office of the secretary of state, and a duly authenticated copy of such record may be used in evidence, with like effect as the original certificate.

Capital stock,  
how in-  
creased.  
R.S., c. 49, § 47.

SEC. 52. Any stock insurance company may, at a meeting called for the purpose, increase the amount of its capital stock, and the number of shares therein, and within thirty days after the payment and collection of the last instalment of such increase, shall present to the insurance commissioner a certificate setting forth the amount of such increase, and the fact of such payment, signed and sworn to by the president, secretary and a majority of the directors of such corporation. The insurance commissioner shall examine the certificate and ascertain the character of the investments of such increase, and, if the same conforms to law, shall indorse his approval thereon, and (upon payment of the fees required by section twenty-eight of chapter forty-six,) such certificate (so approved) shall *then* be filed with the secretary of state, and thereupon the company shall be authorized to transact business upon the capital so increased, and the insurance commissioner shall issue his certificate to that effect; and any mutual insurance company with a guarantee capital, may increase it in the same manner.

—certificate.

—when  
authorized to  
transact  
business on  
increased  
capital.

Fees.  
R.S., c. 49, § 48.  
See c. 115, § 20.

SEC. 53. *The fees of the secretary of state for the services required in the two preceding sections are twenty and ten dollars, respectively.*

Dividends.  
R.S., c. 49, § 49.

SEC. 54. No stock insurance company organized under the laws of this state, shall declare cash dividends exceeding in amount six per cent semi-annually on their capital stock; but any such company may issue, pro rata to its stockholders, certificates of such portion of its profits and income as the directors from time to time determine, not including therein any portion of the premium money of risks not terminated, and after providing for all expenses, losses and liabilities then incurred; and the capital stock of such company shall be increased by the amount of the certificates of stock so issued; and whenever any increase of capital stock is made by any insurance company under the two preceding sections, a certificate thereof shall be filed with the insurance commissioner, who shall certify to the amount of the capital stock of the company so increased, as provided in section fifty-two.

—capital  
stock to be  
increased by  
amount of  
certificates  
issued.

Office and  
meetings to  
be in state,  
and majority  
of directors  
citizens.  
R.S., c. 49, § 50.

SEC. 55. All insurance companies incorporated and organized under the laws of this state, shall have their principal place of business in some city or town in the state, and a majority of *its* (the) directors shall be citizens of the state. The meetings of the directors shall be held in the state.

## RIGHTS OF ASSIGNEES.

SEC. 56. The assignee of any policy, the assignment of which has been assented to by the company or its agent, may sue the company on the policy in his own name, and all sums due thereon, may be recovered in such suit, subject to any defense existing against the original party; the assignee so suing shall hold the judgment or its proceeds subject to the claims and equities of any other parties interested therein.

Suit by assignee of policy.  
R.S., c. 49, § 51.  
See c. 82, § 143.  
69 Me., 411.  
81 Me., 571.

## LIEN OF MORTGAGEES.

SEC. 57. The mortgagee of any real estate shall have a lien upon any policy of insurance against loss by fire procured thereon by the mortgagor, to take effect from the time he files with the secretary of the company a written notice, briefly describing his mortgage, the estate conveyed thereby, and the sum remaining unpaid thereon. If the mortgagor, by a writing by him signed, and filed with the secretary, consents that the whole of the sum secured by the policy, or so much as is required to discharge the amount due on the mortgage at the time when a loss occurs, shall be applied to the payment of the mortgage, it shall be so paid by the company, and the mortgagee's receipt therefor shall be a sufficient discharge of the company. (a)

Lien of mortgagee upon policy.  
R.S., c. 49, § 52.

SEC. 58. If the mortgagor does not so consent, the mortgagee may, at any time within sixty days after a loss, enforce his lien by a suit against the mortgagor, and the company as his trustee, in which judgment may be rendered for what is found due from said company upon the policy, notwithstanding the time of payment of the whole sum secured by the mortgage has not arrived.

How enforced.  
R.S., c. 49, § 53.  
64 Me., 217.  
76 Me., 588.  
80 Me., 104.

SEC. 59. The amount so recovered shall be applied first to the payment of the costs of the suit and officer's fees on the execution, and next to the payment of the amount due on the mortgage; and the balance, if any, shall be retained by the company and paid to the mortgagor. If the company assumes the defense, it shall be liable to the plaintiff for costs in the same manner as the principal defendant, defending the suit, would be.

How amount recovered in suit is to be applied.  
R.S., c. 49, § 54.  
—costs.

SEC. 60. When two or more mortgagees claim the benefit of the three preceding sections, their rights shall be determined according to the priority of their claims and mortgages by the principles of law.

Priority of mortgages.  
R.S., c. 49, § 55.

SEC. 61. When any mortgagee claims the benefit of said sections, any policy of insurance, which he had procured or subsequently procures on his interest in the same property by virtue of his mortgage, is void, unless consented to by the company insuring the mortgagor's interest.

Mortgagee's policy void, unless consented to.  
R.S., c. 49, § 56.  
45 Me., 453.

## SECURITIES DEPOSITED WITH THE TREASURER OF STATE.

SEC. 62. When any company, incorporated in this state, desires to deposit any portion of its stocks or other securities with any officer of the state, as a pre-requisite to the establishment of agencies in any other state in compliance with the law thereof, the treasurer of state shall receive such stocks or other securities and hold the same on deposit and in trust for the benefit of all the policy-holders in said company.

Deposit of securities with treasurer of state.  
R.S., c. 49, § 57.

SEC. 63. Said treasurer shall then furnish such company with a certificate or certificates of the fact, in his official capacity, embracing the items of the security so deposited, the amount and par value of each, and his opinion of their value.

Treasurer, to furnish certificate.  
R.S., c. 49, § 58.

SEC. 64. He shall hold such securities on deposit in accordance with these provisions, but such company may receive and collect the interest

Interest on dividends, collected by

(a) 29 Me., 339; 45 Me., 453; 47 Me., 237; 51 Me., 71; 52 Me., 128; 64 Me., 217; 68 Me., 364; 76 Me., 588; 80 Me., 104; 86 Me., 521.

companies;  
securities,  
how with-  
drawn.  
1887, c. 5.

or dividends thereon and withdraw them from time to time, on depositing in their place other securities whose market value shall be equal to the par value of those withdrawn; and the treasurer shall make such exchange, if the governor and council, upon application of the company, shall find and *cause to be certified* (certify) to him that the market value of the securities offered, is not less than the par value of those proposed to be withdrawn; and thereupon the treasurer shall issue a new certificate as provided in the preceding section.

Return of  
securities.  
R.S., c. 49, § 60.

SEC. 65. Said treasurer on being satisfied of the repeal or alteration of the law of such other state, disqualifying such company from continuing its business therein, shall return the securities on demand.

Same subject.  
R.S., c. 49, § 61.

SEC. 66. When such company desires to relinquish its business out of the state, said treasurer, on application thereof and on the oath of the president and secretary, that its assets are ample to meet all the existing demands against it, shall deliver up its securities.

Duty of  
treasurer in  
case of fail-  
ure of the  
company.  
R.S., c. 49, § 62.

SEC. 67. If any such company fails, while its securities are so on deposit, said treasurer shall demand of its secretary or clerk, and he shall furnish a full and complete list of the names and residences of all policy-holders and others having claims upon the company; and they shall be notified forthwith through the post office by said treasurer, of the condition of the company; and he shall state in the notice, that the securities held by him will be disposed of, and the proceeds, after paying expenses, paid over in a ratable proportion upon their claims properly authenticated, and the time when such dividend will be made; but nothing in the foregoing provisions imposes any liability on the State on account of any delinquency of said treasurer.

Treasurer's  
fees.  
R.S., c. 49, § 63.  
1893, c. 308, § 1.  
See c. 115, § 20.

SEC. 68. *Such company, when so depositing its securities, shall pay to said treasurer five dollars for each certificate granted by him, and a like sum for each certificate granted by him upon every change of securities made as provided in section sixty-four; and in case of proceedings under the preceding section, said treasurer shall retain, as compensation for the services thereby required of him, two per cent on the amount received and disbursed by him.*

#### THE INSURANCE COMMISSIONER.

Commission-  
er, appoint-  
ment, term,  
and duties of.  
R. S., c. 49, § 64.  
1895, c. 95.

SEC. 69. An insurance commissioner, whose office shall be at the state capitol, shall be appointed by the governor and council, and shall hold his office for three years unless sooner removed, but shall not at the same time be examiner of banks. He may administer oaths in the performance of his official duties, in any part of the state and at any time. He shall keep a correct account of all his doings, and of all fees and moneys received by him by virtue of his office, pay over the same to the treasurer of state quarterly, and at the same time settle his account with the governor and council. He shall give bond to the treasurer, in the sum of five thousand dollars, for the faithful discharge of his duties. He may with the approval of the governor and council, appoint and with their consent remove, a deputy commissioner who by virtue of such appointment, shall be and perform the duties of chief clerk of the department. In the event of a vacancy in the office of commissioner or during the absence or disability of that officer, the deputy commissioner shall perform the duties of the office.

—appoint-  
ment of  
deputy com-  
missioner.

—duties.

He shall ex-  
amine domes-  
tic insurance  
companies,  
and may re-  
quire the pro-  
duction of  
books and  
papers and  
may ex-  
amine officers.  
R. S., c. 49, § 65.  
1889, c. 258.

SEC. 70. He shall annually examine or cause to be examined, every domestic stock insurance and mutual life insurance company, and biennially, every domestic mutual fire insurance company, in order to ascertain its ability to meet its engagements and do a safe insurance business; and shall make such other examinations as he regards necessary for the safety of the public or the holders of policies. He may require the officers to produce for examination all books and papers of the company, and to answer, on oath, all questions propounded to them in relation to its condition and affairs; and any officer who refuses to produce any such book or papers upon his demand, or to be sworn, or to answer any such questions, forfeits not exceeding two hundred dollars.

SEC. 71. Every *such* (domestic insurance) company shall *organize within two years after its charter is granted, or its charter shall be void; and upon such organization it shall inform the commissioner thereof.* No such company shall commence business by issuing policies until the commissioner has examined and ascertained that it has complied with the terms of its charter, paid in its capital stock and become qualified to act; and he shall then issue to it his certificate of that fact, *for which service he shall receive from it twenty dollars and all traveling expenses;* and annually thereafter upon examination, so long as the same is found solvent and responsible to do business, he shall issue to it a like certificate *and receive a like fee.* *Provided, that domestic mutual fire insurance companies shall be required to pay only the actual expenses incurred by the commissioner in making the examination required by law.*

New companies to organize in two years, or charter void. R. S., c. 49, § 66, 1895, c. 103. Sec. c. 1, § 6, ¶ xxvii.

—not to do business without license from commissioner. See c. 115, § 20.

—annual renewal of license.

SEC. 72. If on examination the commissioner thinks that any domestic insurance company is insolvent, or that it is in such a condition as to render its further proceedings hazardous to the public or its policy holders, he shall apply to a justice of the supreme judicial court to issue an injunction restraining the company in whole or in part from proceeding further with its business. Any justice of said court may thereupon, either with or without notice, issue such temporary injunction, or if on notice, such temporary or permanent injunction, as he thinks proper, either of which he may afterwards modify, vacate or perpetuate, and may pass such orders and decrees, appoint receivers to receive the assets of the company, and masters, and do any other act conformable to the general rules of chancery practice which in his opinion is requisite for the safety of the public and for the best interests of all parties concerned, all which orders and decrees he may in like manner enforce. All such proceedings shall be at once made known to the clerk of the courts for the county, who shall enter them on his docket, place them on file and record them in the records of the court. The clerk's fees shall be audited and allowed by the court, and paid from the assets of the company.

When the commissioner may apply for an injunction against domestic company.

—proceedings thereon. R. S., c. 49, § 67, 89 Me., 413.

—clerk's fees, how paid.

SEC. 73. No bill in equity, or other proceedings for the appointment of a receiver of a domestic life insurance company, or to wind up its affairs, shall be maintained by any other person than the insurance commissioner. If it appears to the commissioner that the assets of such company are less than its liabilities, reckoning the net value of its policies according to the combined experience or actuaries' *rate* (table) of mortality, with interest at *six* per cent a year, he shall suspend the right of such company to do business, and apply to a justice of the supreme judicial court to proceed as provided in the preceding section; but if it appears that the assets are greater than its liabilities, computed as aforesaid, such proceedings shall not be commenced, or, if commenced, they shall be dismissed, and the company allowed to resume the transaction of business.

Proceedings for appointment of receiver. R. S., c. 49, § 68.

—right of insolvent company to do business suspended. See § 34.

—if solvent proceedings dismissed.

[N. W. Harris, Esq., of Auburn, suggests to the commissioner that this rate should be four, instead of six, per cent, in harmony with sections 94 and 106.]

SEC. 74. Whenever, after setting aside a sum equal to the full amount of premiums on outstanding marine risks, together with one-half of all premiums on existing fire and inland risks, the net assets of any insurance company with a specific capital, do not amount to more than three-fourths of its capital stock, the company shall, by assessing the stock, restore its capital to the legal amount. Shares on which such assessment is not paid within sixty days after demand upon the owner thereof, shall be forfeited, and ordered by a vote of the directors to be sold at public auction, and seven days' notice of the sale shall be given in some daily or weekly paper published in the place where such company is located; and the proceeds of sale, after deducting expenses and the assessments due on such shares, shall be paid to the owner or his representative; *provided*, that whenever the capital stock of any insurance company is impaired as aforesaid, it may, by a majority vote of the stock, at a meeting of the stockholders legally called, reduce its capital by canceling its shares pro rata to the

Capital stock shall be restored by assessment. R. S., c. 49, § 69.

—shares shall be sold for non-payment of assessments.

—notice of sale.

—proceeds of sale.

—proviso.

—capital stock may be reduced.

number thereof, or it may reduce the par value of its shares, or such company may thus reduce its capital stock and also assess as hereinbefore provided; but no such company shall reduce its capital stock, as aforesaid, more than twenty per cent thereof, nor to a sum less than one hundred thousand dollars.

Proceedings  
for non-com-  
pliance.  
R.S., c. 49, § 70.

SEC. 75. Any insurance company incorporated in the state, having a specific capital, which does not within three months after receiving notice from the insurance commissioner that its capital is thus impaired, satisfy him that it has fully complied with the law relating thereto, shall be proceeded against according to section seventy-two.

Receivers.  
R.S., c. 49, § 83.

SEC. 76. Receivers appointed under this chapter, shall have the same power and rights of action, and the course of proceedings so far as applicable shall be the same, as is prescribed for receivers of banks in chapter forty-seven.

Annual state-  
ment of con-  
dition.  
R.S., c. 49, § 77.  
1901, c. 218.

SEC. 77. Every insurance company, doing business in the state, shall annually, by the thirty-first day of January, render to the commissioner either an exact statement, under oath, of its condition as it existed on the thirty-first day of the previous December, or its last exhibit, setting forth its condition as required by blanks furnished by the commissioner, and any company, association or society which neglects or refuses to comply with the provisions of this section, or to file its premium tax return, or to pay the tax for which it shall be liable, as required by the laws of this state, forfeits five dollars a day for each day's neglect, *provided*, that for good cause shown, the commissioner may extend the time within which the statement required by this section may be filed, to a date not later than the fifteenth day of February.

—penalty for  
neglect.

See c. 6,  
§§ 89, 92.

Commission-  
er to reserve  
statements.  
R.S., c. 49, § 80.

SEC. 78. The commissioner shall preserve in a proper form, the statement of the condition of every company examined or caused to be examined by him, and all statements rendered to him as herein required; and shall annually report to the governor and council, and at once publish the general condition of all insurance companies doing business in the state, and such suggestions as he thinks proper in connection therewith, and shall prepare and publish as aforesaid an abstract of all returns and statements made to him by such companies.

—to make  
annual re-  
port and pub-  
lish condition  
of companies.

Fines, how  
recovered.  
R.S., c. 49, § 84.  
1887, c. 109, § 3.

SEC. 79. Penalties *provided by this chapter* (for violation of any law of the state relating to insurance) may be recovered in an action of debt in the name and to the use of the state, or enforced by indictment. The county attorney for the county where the penalties are incurred shall prosecute therefor at the direction of the insurance commissioner, or may prosecute therefor on complaint made to him by any citizen, and he shall be entitled to taxable costs in the enforcement of this statute. Prosecutions *for violation of insurance laws* may be commenced by complaint and warrant before any municipal or police judge or trial justice, as in the case of other offenses not within the final jurisdiction of such judge or justice, as provided in section five of chapter one hundred and thirty-one.

—prosecu-  
tions, how  
commenced.  
1891, c. 92.

#### INQUESTS INTO INSURANCE FRAUDS.

SEC. 80. On application in writing to the commissioner by an officer of any insurance company doing business in the state, stating that he has reason to believe and does believe that any person has, by false representations, procured from said company an insurance, or that the company has sustained a loss by the fraudulent act of the insured, or with his knowledge or consent, and requesting an investigation thereof, said commissioner, (or his deputy) or such magistrate as he appoints, shall summon and examine, under oath, at a time and place designated by him, any persons, and require the production of all books and papers necessary for a full investigation of the facts, and make report thereof, with the testimony by him taken, to the company making such application. *Such company shall pay the commissioner or magistrate his expenses for making such investiga-*

Investiga-  
tion of insur-  
ance frauds,  
on application  
of an officer  
of any insur-  
ance com-  
pany.  
R.S., c. 49, § 85.

—fees there-  
for.  
See c. 115, § 20.

*tion and ten dollars a day for his services, and the fees of witnesses, to be taxed as in the supreme judicial court.*

FOREIGN INSURANCE COMPANIES.

SEC. 81. The word "domestic," when used in this chapter, means companies incorporated by this state; and the word "foreign," means companies not so incorporated.

Definition of "domestic" and "foreign" R.S., c. 49, § 86.

SEC. 82. No foreign fire or marine insurance company shall be admitted to do business in the state unless it has a bona fide, paid up, unimpaired capital, if a stock company, of at least two hundred thousand dollars, well invested in or secured by real estate, bonds, stock or securities other than names alone, or if a mutual company net cash assets to the amount aforesaid; and no foreign life, casualty, health or live stock insurance company shall be so admitted unless it has a bona fide, paid up, unimpaired capital, if a stock company, of at least one hundred thousand dollars, well invested in or secured by real estate, bonds, stocks or securities other than names alone; or if a mutual company, net cash assets to the amount aforesaid.

Foreign fire and marine companies, capital required. R.S., c. 49, § 87. 1887, c. 109, § 4. 1889, c. 222. 67 Me., 188.

—foreign life, casualty, health or live stock insurance companies, capital required.

SEC. 83. No foreign insurance company shall transact any insurance business in the state, unless it first obtains a license from the commissioner. Before receiving such license, it shall furnish the commissioner with,

Foreign insurance company shall obtain license. —requirements before license granted. R.S., c. 49, § 72. 1895, c. 95. 70 Me., 544. 80 Me., 288. 88 Me., 105.

I. A certified copy of its charter and by-laws.

II. A statement, under oath, signed by its president or secretary, showing its financial condition according to a form supplied by the commissioner.

III. A power of attorney appointing the insurance commissioner of Maine, to be the true and lawful attorney of such company in and for this state, upon whom all lawful process in an action or proceeding against the company may be served with the same effect as if the company existed in this state. Said power of attorney shall stipulate and agree on the part of the company, that any lawful process against the company which is served on said attorney shall be the same in legal force and validity as if served on the company, and that the authority shall continue in force irrevocable so long as any liability remains outstanding against the company in this state. A certificate of such appointment, duly certified and authenticated shall be filed in the office of said commissioner and copies certified by him shall be received in evidence in all courts of this state. Upon receiving the papers herein enumerated the commissioner may, if he deems it advisable, grant a license authorizing the company to do insurance business in this state by constituted agents resident therein subject to its laws, until the first day of the next July, and annually thereafter such license may be renewed so long as he regards the company as responsible and safe, but in all cases to terminate on the first day of the succeeding July. *For such license and each renewal the company shall pay the commissioner twenty dollars.*

—license may be renewed annually. —fees of commissioner. See c. 115, § 20.

SEC. 84. Foreign insurance companies incorporated or associated under the laws of any government or state, other than the United States, or one of the United States, shall not be licensed to do business in this state, until, beside complying with the provisions of law relating to the admission of companies of other states, it has made a deposit with the treasurer of this state or with the financial officer or insurance commissioner of some one of the other states of the United States, of a sum not less than the capital or assets required of like companies organized under the laws of other states to entitle them to admission to this state. Such deposit must be in exclusive trust for the benefit and security of all the company's policy holders and creditors in the United States, and may be in securities under the same restrictions as the investments of companies of other states.

Insurance companies of foreign countries, before doing business in the state, shall make a deposit. 1893, c. 147, § 1.

—shall be in trust for benefit of policy holders in the United States.

SEC. 85. All real estate, securities and assets of such companies in the United States shall be held by trustees who are citizens thereof, for the

All real estate and securities of such

companies shall be held by trustees. 1893, c. 147, § 2.

—insurance commissioner may examine books and accounts.

Licenses to such companies. 1893, c. 147, § 3. See c. 115, § 20.

Reciprocal provisions as to foreign companies. 1901, c. 155.

Commissioner may revoke license for violation of law. 1891, c. 112, § 4. 1897, c. 256.

Insurance commissioner may examine foreign insurance companies. R.S., c. 40, § 78.

—may employ assistants.

—proviso.

He may examine books, papers and officers. R.S., c. 49, § 79.

—penalty, if company refuses to submit.

Foreign insurance companies required to restore capital. R.S., c. 49, § 71.

—proceedings, in case of neglect.

Suspension of foreign companies. R.S., c. 49, § 75.

benefit of all its creditors in the United States. These trustees shall be appointed by such company, and a certified copy of the vote by which they are appointed, and of the deed of trust shall be filed in the office of the insurance commissioner, and he may examine such trustees or the agents of such company under oath, and its assets, books and accounts in the same manner as he may examine the officers, agents, books and accounts of any company authorized to do insurance business in the state.

SEC. 86. When such foreign insurance company shall have complied with the foregoing provisions, and the insurance commissioner is satisfied that it is solvent in the United States, he may issue to it a license to transact business in this state *upon the payment of an admission fee of twenty dollars and two dollars for each agent's certificate of authority*, and he may renew the licenses of the company and agents on the first day of July, annually, *upon the payment of like fees*, so long as he finds the company solvent.

SEC. 87. When by the laws of any other state or country, any fines, penalties, licenses, fees, deposits or other obligations or prohibitions additional to or in excess of those imposed by the laws of this state upon foreign insurance companies and their agents are imposed on insurance companies of this state and their agents, the same fines, licenses, fees, deposits, obligations or prohibitions shall be imposed upon all insurance companies of such state or country and their agents doing business in or applying for admission to this state.

SEC. 88. The insurance commissioner *shall have power to* (may) revoke the license of any foreign insurance company authorized to do business in the state that shall neglect or refuse to comply with the laws thereof, or that shall violate any of the provisions of sections eighty-three and one hundred and one of this chapter.

SEC. 89. The insurance commissioner, whenever he deems it necessary for the protection of policy-holders, *shall* (may) visit and examine any insurance company, doing business by agencies in this state, but not incorporated therein. He may employ necessary assistants; all requisite expenses for such examination without the state, shall be borne by the company so examined; *provided*, that in relation to the affairs of any company incorporated by or organized under the laws of any of the United States, it shall be optional with said commissioner to accept the certificate of the insurance commissioner or superintendent of the state where said company was organized, as to its standing and condition, or to proceed to investigate its affairs as hereinbefore provided.

SEC. 90. For the purposes aforesaid, the commissioner, or any person whom he may empower, shall have free access to all the books and papers of any insurance company doing business in the state, and may examine under oath its officers or agents relative to its business and condition. If any such company, its officers or agents, refuse to submit to such examination, or to comply with any provision of this chapter in relation thereto, the authority of such company to do business in the state shall be revoked until satisfactory proof is furnished to the commissioner that the company is in a sound and solvent condition.

SEC. 91. *Whenever, after setting aside a sum equal to that required by section seventy-four, the cash assets of any foreign insurance company having a specific capital, doing business in this state, do not amount to more than three-fourths of its legal capital, the company shall, by assessing its stock for the difference, or in some other way, restore its capital to the legal amount, and unless it does so within three months after notice from the insurance commissioner, it shall no longer do business in the state, and the commissioner may thereupon proceed as provided in the two following sections.*

[This section has no practical value at present time. The following section gives sufficient authority to commissioner.]

SEC. 92. When the commissioner thinks that any licensed foreign insurance company is in failing condition or unsafe, he may, *on reason-*

*able notice*, suspend its right to do business in this state until such disability is removed. And if the company or any of its agents, after such suspension (and notice thereof to such agent,) or the injunction mentioned in section seventy-two, issues any new policies, such agent or company forfeits not exceeding two hundred dollars. And to enable the commissioner to act in the premises, he may require of such company a full statement of all its affairs bearing upon its responsibility, in the form prescribed by him.

[The words "on reasonable notice" may be embarrassing. Section 95 protects the company against arbitrary action on part of commissioner.]

SEC. 93. When a foreign insurance company doing business in this state is dissolved, restrained or prohibited from doing business in the place where it is incorporated, and when under the preceding section the commissioner regards the proceedings advisable, he may apply to the supreme judicial court, or any justice thereof, either in term time or vacation, setting forth the facts, and thereupon the court or justice may appoint a receiver or receivers, to take possession of the assets of the company in this state, and collect, sell, or dispose of the same as the court or justice may decree, and divide the proceeds pro rata among such creditors in this state, as prove their claims before said court or justice before the dividend is made; and the balance, if any, shall be paid to the company or its assigns. The proceedings herein provided for, shall conform to section seventy-two. The receivers may maintain an action for any such assets in their own names as receivers, subject to all equities existing between the original or previous parties.

SEC. 94. When the commissioner learns that the net cash funds of any foreign life insurance company doing business in this state, are not equal to its liabilities, including the net value of its policies according to the combined experience or actuaries' *rate* (table) of mortality, with interest at four per cent a year, he shall give notice to such company and its agents, to cease issuing policies within the state. He may buy and use the life valuation tables adopted by the insurance department of Massachusetts, for all purposes of valuation. When he is satisfied that the funds of such company have become equal to its liabilities, valuing its policies as aforesaid, he shall give notice to such company and agents that its business may be resumed. If any officer or agent, after such notice of suspension is given, issues any new policy in behalf of such company, he forfeits for each offense not exceeding three hundred dollars; and the delivery of a policy in the state by mail or otherwise shall be deemed an issuing of such policy.

SEC. 95. When the commissioner suspends the operations of a company, or, on application, refuses to countermand such suspension, it may appeal to a justice of the supreme judicial court, by presenting to him a petition therefor in term time or vacation, and he shall fix a time and place of hearing which may be at chambers and in vacation, and cause notice thereof to be given to the commissioner; and after the hearing, he may affirm or reverse the decision of the commissioner; and the decision of such justice is final.

SEC. 96. Every foreign insurance company, life excepted, doing business in the state, shall annually, before the first day of May, publish three weeks successively, in some daily or weekly paper printed in every county where it has a duly authorized agent, or issues policies, a condensed statement of its condition conformable to its last annual report to the commissioner, and any such insurance company which neglects or refuses to publish such statement, forfeits not less than fifty dollars.

SEC. 97. Any person having a claim against any foreign insurance company, may bring a trustee action or any other appropriate suit therefor in the courts of this state. Service made upon the insurance commissioner or upon any duly appointed agent of the company within the state shall be deemed sufficient service upon the company, and the judg-

80 Me., 290.

—penalty.

Receivers of foreign companies, appointment, powers. R.S., c. 49, § 76.

Commissioner may suspend any insolvent foreign life insurance company. R.S., c. 49, § 81.

—how it may resume business.

—penalty for issuing policies afterwards.

Appeal by suspended company. R.S., c. 49, § 82.

Foreign insurance companies, life excepted, to publish annual statement of condition. R.S., c. 49, § 88. 1895, c. 95. —penalty. Suits against foreign insurance companies, how brought. R.S., c. 49, § 89. 1895, c. 95. See c. 81, § 22.

—judgment binds company.

—suspension unless judgment is paid within thirty days.

—commissioner shall notify company of service.  
56 Me., 420, 479.  
69 Me., 411.  
72 Me., 310.

—fees for copy.  
See c. 115, § 20.

Notices and processes, how served.  
R.S., c. 49, § 90.

—company bound by agent's knowledge of risk.

Jurisdiction of courts in actions against foreign insurance companies.  
1893, c. 150.  
1887, c. 109, § 4.  
Time within which notice of accident, injury or death may be given, fixed at not less than thirty days.  
1896, c. 46.  
89 Me., 99.  
90 Me., 185.

ment rendered therein shall bind the company as valid in every respect, whether the defendants appear or not. Unless such judgment is paid within thirty days after demand, the commissioner may on notice and hearing of the parties, suspend the power of the company to do business in this state until it is paid, and if the company or any agent thereof issues any policy in the state during such suspension, said company and agent each forfeits not exceeding one hundred\* dollars; but any policy so issued is binding on the company in favor of the holder. Whenever lawful process against an insurance company shall be served on the insurance commissioner, he shall forthwith notify the company of such service by letter and within a reasonable time forward a copy of the process served on him, by mail, postpaid, and directed to the officers of the company. *For each copy of process the insurance commissioner shall collect the sum of two dollars, which shall be paid by the plaintiff at the time of the service the same to be recovered by him as part of the taxable costs if he prevails in the suit.*

\*Why should not this penalty be two hundred dollars, as in section 92?

SEC. 98. All notices and processes which, under any law, by-law or provision of a policy, any person has occasion to give or serve on any such company, may be given to or served on its agent, or on the commissioner, as provided in the preceding section, with like effect as if given or served on the principal. Such agents and the agents of all domestic companies shall be regarded as in the place of the company in all respects regarding any insurance effected by them. The company is bound by their knowledge of the risk and of all matters connected therewith. Omissions and misdescriptions known to the agent shall be regarded as known by the company, and waived by it as if noted in the policy. (a)

SEC. 99. No conditions, stipulations, or agreements, shall deprive the courts of this state of jurisdiction of actions against foreign insurance companies or associations, nor limit the time for commencing actions against such companies or associations to a period of less than two years from the time when the cause of action accrues.

SEC. 100. No conditions, stipulations, or agreements contained in any application for insurance in any foreign or domestic casualty or accident insurance company, or contained in any policy issued by any such company, or in any way made by any such company, limiting the time within which notice of the accident or injury, or death, shall be given to such company, to a period of less than thirty days after the happening of the accident or injury, or death, shall be valid. Said notice may be given to the company insuring, at any time within thirty days after the happening of the accident or injury, or death, and shall be valid and binding on the company.

Note. Railroad companies have insurable interest in property along route, c. 51, § 87.

As to insurance of church in actual occupancy of parish, c. 12, § 13.

Foreign insurance companies have benefit of statute limitations under certain circumstances, c. 81, § 107.

Penalty for burning property with intent to defraud the insurer, c. 125, § 18.

#### INSURANCE AGENTS AND BROKERS.

Licenses to agents.  
R.S., c. 49, § 73.  
1891, c. 112, § 5.  
1895, c. 95.  
1897, c. 256.  
61 Me., 335.  
70 Me., 544.  
80 Me., 288.  
81 Me., 508, 510.  
88 Me., 106.  
95 Me., 36.

SEC. 101. The insurance commissioner may issue a license to any person to act as an agent of a domestic insurance company, or of any *assessment casualty insurance company or association*, or steam boiler insurance company authorized to do business in the state, upon his filing with the commissioner a certificate from the company or association, or its authorized agent, empowering him so to act; and to any resident of the state to act as an agent of any foreign insurance company, which has received

(a) 69 Me., 411; 72 Me., 310; 81 Me., 248; 87 Me., 382; 88 Me., 107; 89 Me., 271, 275; 92 Me., 277.

a license to do business in the state as provided in section eighty-three, upon his filing such certificate. *He may also license any person (to act) as agent of a casualty insurance company to write contracts of accident insurance for the employes of railroads in Maine; all such business to (shall) be reported to an agent resident in the state and included in the return of the company as business in Maine.* Such license shall continue until the first day of the next July. *For each such license the commissioner shall receive two dollars,* and if any person solicits, receives, or forwards any risk or application for insurance to any company, without first receiving such license, or fraudulently assumes to be an agent and thus procures risks and receives money for premiums, he forfeits not more than fifty dollars for each offense; but any policy issued on such application binds the company if otherwise valid. Agents of duly authorized insurance companies may place risks with agents of other duly authorized companies when necessary for the adequate insurance of property, persons or interests. An insurance agent shall be personally liable on all contracts of insurance unlawfully made by or through him, directly or indirectly, for or in behalf of any company not authorized to do business in the state. Nothing herein contained shall require a duly licensed insurance agent or broker to obtain any license for an employe doing only clerical office work in the office of said agent or broker.

[The commissioner is informed that at the present time non-residents do not hold licenses from the insurance department to write casualty insurance on the assessment plan, or accident insurance among railroad employes. It is thought that such business is done wholly by resident agents.]

SEC. 102. The insurance commissioner may license any person as broker to negotiate contracts of insurance for others than himself for a compensation, by virtue of which license he may effect insurance with any domestic company or its agents; or any resident of the state to negotiate such contracts and effect insurance with the agents of any foreign company who have been licensed to do business in this state as provided in sections eighty-three and one hundred and one, but with no others. *For such license he shall pay ten dollars and said license shall remain in force one year unless revoked as hereinafter provided.* Whoever, without such license, assumes to act as such broker, shall be punished by a fine not exceeding fifty dollars, or by imprisonment not more than sixty days for each offense. The insurance commissioner, after reasonable notice, may revoke the license of any agent or broker for violation of the insurance laws; or the license of any agent upon receipt of written request therefor from the company filed in the office of said commissioner.

SEC. 103. The insurance commissioner may issue licenses to firms and corporations in the manner provided in the two preceding sections, authorizing said firms and corporations to act as insurance agents and brokers. The application for said license shall, in case of a firm, give the name of the firm by which the business is to be transacted, and the name and residence of each individual member thereof, and in case of a corporation, the corporate name in which the business is to be transacted, and the name and residence of each officer or member of such corporation authorized to transact business therefor; the license issued to such firm shall give the firm name, and the name of each individual member thereof, and the license issued to such corporation shall give the corporate name, and the name of each officer or member thereof authorized to transact business therefor under such license, and such licenses shall authorize the persons named therein to transact business for and in the name of the firm or corporation only. *The fees for such licenses shall be two dollars for each person named in the application for or license to an agent, and ten dollars for each person named in the application for or license to an insurance broker.*

SEC. 104. The insurance commissioner, upon the annual payment of a fee of twenty dollars, may (annually) issue licenses to citizens of this state, already agents of one or more duly authorized fire insurance companies,

—licenses to write casualty policies for R. R. employes. 1891, c. 134.

—fees of commissioner. See c. 115, § 20.

—penalty. See c. 6, § 93.

—policy issued without license, valid.

—agent personally liable for unlawful contracts.

Commissioner may license insurance brokers. R.S., c. 49, § 74. 1897, c. 256. 81 Me., 509. 88 Me., 105.

—license. See c. 115, § 20.

—penalty, for acting without license.

—may revoke license for cause or upon request of company.

Firms and corporations may be licensed as insurance agents and brokers. 1901, c. 184.

—fees. See c. 115, § 20.

Insurance commissioner may issue licenses to

special insurance brokers.  
1896, c. 76, § 1.  
See c. 115, § 20.

—conditions upon which insurance may be procured.

—licensees shall keep account of business done and report to commissioner.

—shall give bond.

Penalty for violation of § 104.  
1896, c. 76, § 2.

subject to revocation at any time, permitting the person named therein to procure policies of fire insurance on property in this state in foreign insurance companies not authorized to transact business in this state. Before the person named in such a license shall procure any insurance in such companies on any property in this state he shall in every case, execute and file with the insurance commissioner an affidavit that he is unable to procure, in companies admitted to do business in the state, the amount of insurance necessary to protect said property, and shall only procure insurance under such license after he has procured insurance in companies admitted to do business in this state, to the full amount which said companies are willing to write on said property; *provided*, that such licensed person shall not be required to offer any portion of such insurance to any company which is not possessed of cash assets amounting to at least twenty-five thousand dollars, or one which has, within the preceding twelve months, been in an impaired condition. Each person so licensed shall keep a separate account of the business done under the license, a certified copy of which account he shall forthwith file with the insurance commissioner, showing the exact amount of such insurance placed for any person, firm or corporation, the gross premium charged thereon, the companies in which the same is placed, the date of the policies and the term thereof, and also a report in the same detail of all such policies canceled, and the gross return premiums thereon, and before receiving such license shall execute and deliver to the treasurer of state a bond in the penal sum of five hundred dollars, with such sureties as the treasurer shall approve, with a condition that the licensee will faithfully comply with all the requirements of this section, and will file with the treasurer of state, in January of each year, a sworn statement of the gross premiums charged for insurance procured or placed and the gross returned premiums on such insurance canceled under such license during the year ending on the thirty-first day of December next preceding, and at the time of filing such statement will pay into the treasury of state a sum equal to two per cent of such gross premiums, less such returned premiums so reported.

SEC. 105. Any person thus licensed, who shall procure or act in procurement or negotiation of insurance in any unauthorized foreign company, and shall neglect to make and file the statements and affidavits herein required, or shall wilfully make a false affidavit or statement, shall forfeit his license and be punished by a fine not exceeding one hundred dollars, or by imprisonment not more than sixty days, or both; and whoever without such license, assumes to act as a special insurance broker, shall incur like punishment.

#### LIFE INSURANCE.

Life policies issued after March 31, 1877, forfeited for non-payment of premiums, after being in force three years and containing no surrender provision, how far continued in force.  
R. S., c. 49, § 91.  
1887, c. 71, § 1.

—how net value of policy shall be ascertained.

—what deductions to be made.

SEC. 106. Every life insurance policy issued after March thirty-one, eighteen hundred and seventy-seven, by any company chartered by this state, which may be forfeited for non-payment of premiums, including all notes given for premiums or loans, or interest thereon, after it has been in force three full years, and which does not provide for a surrender value, at least equivalent to the value arising under the terms of this and the following section, is nevertheless continued in force to an extent, and for a period to be determined as follows, to wit: the net value of the policy, when the premium becomes due and is not paid, shall be ascertained according to the combined experience or actuaries' *rate* (table) of mortality, with interest at the rate of four per cent a year; from such net value, there shall be deducted the present value of the differences between the future premiums named in the policy, and the future net premiums on said policy, ascertained according to the rates of mortality and interest aforesaid, in no event, however, to exceed one-fourth of said net value, and in ascertaining said net value, when the premium is payable semi-annually or quarterly, there shall be deducted from the net value of the policy, assuming net annual premiums, the net premiums for the

unpaid semi-annual or quarterly instalments for that year which shall not be considered an indebtedness, but as forborne premiums; what remains, after deducting any indebtedness to the company on account of the policy, or notes held by the company against the insured, which notes shall be canceled, shall be considered as a net single premium of temporary insurance, and the term for which it will insure shall be determined according to the age of the party at the time of the lapse of the policy, and the assumptions of mortality and interest aforesaid; but if the policy is an endowment, payable at a time certain, or at death if it should previously occur, then, if what remains as aforesaid, exceeds the single net premium of temporary insurance for the balance of the endowment term for the full amount of the policy, such excess shall be considered a net single premium for simple endowment, payable only at the same time as the original endowment, and in case the insured survives to that time; and the amount thus payable by the company shall be determined according to the age of the party at the time of the lapse of the policy, and the assumptions of mortality and interest aforesaid.

SEC. 107. If the death of the insured occurs within the term of temporary insurance covered by the value of the policy as determined in the preceding section, and if no condition of the insurance other than the payment of premiums, has been violated by the insured, the company shall pay the amount of the policy, as if there had been no lapse of the premium, anything in the policy to the contrary notwithstanding; *provided, however*, that notice of the claim and proof of the death shall be submitted to the company in the manner provided by the terms of the policy, within one year after the death; *provided, also*, that the company may deduct from the amount insured in the policy the amount compounded at seven per cent a year of the ordinary life premiums at age of issue, that had been forborne at the time of the death, including the whole year's premium in which the death occurs, not exceeding five in number. But any such company may issue to a resident of any other state or country, a policy conforming to the laws of such state or country, and not subject to this and the preceding section.

SEC. 108. No life insurance company organized or incorporated under the laws of this state, shall re-insure its risks except by permission of the insurance commissioner; but nothing in this chapter shall be construed to prevent any life insurance company from re-insuring a fractional part, not exceeding one-half of any individual risk.

SEC. 109. No life insurance company doing business in this state, shall make or permit any distinction or discrimination in favor of individuals between insureds of the same class and expectation of life, in the amount or payment of premiums or rates charged for policies of life or endowment insurance, or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of the contracts which it makes. Nor shall any such company or any agent, sub-agent, broker, or any other person, make any contract of insurance or agreement as to such contract, other than as plainly expressed in the policy issued thereon. Nor shall any such company or agent, sub-agent, broker, or any other person, pay or allow, or offer to pay or allow, as inducement to insurance, any rebate of premium payable on the policy; or any special favor or advantage in the dividends or other benefit to accrue thereon; or any valuable consideration or inducement whatever, not specified in the policy contract of insurance.

SEC. 110. Any person or corporation violating any provision of the preceding section shall be fined not more than two hundred dollars; and the insurance commissioner shall, on the conviction of any person acting as such agent, sub-agent, or broker, (at once) revoke the certificate of authority issued to him *at once*, for the term of one year.

SEC. 111. Life and accident policies, and the money due thereon are exempt from attachment, and from all claims of creditors, during the life of the insured, when the annual cash premium paid does not exceed one

In case of death during term of temporary insurance, company to pay amount of policy.  
R.S., c. 49, § 92.  
1887, c. 71, § 2.

—proviso.

—policy may be issued to resident of another state or country, not subject to this, and preceding section.

Reinsurance of risks.  
R.S., c. 49, § 93.

Discrimination in life or endowment insurance policies, prohibited.  
1891, c. 128, § 1.

Penalty.  
1891, c. 128, § 2.

Policies are exempt from attachment.  
R.S., c. 49, § 94.  
See c. 75, § 19.

—lien of  
creditor.  
87 Me., 70.  
90 Me., 39.

hundred and fifty dollars; but when it exceeds that sum, and the premium was paid by the debtor, his creditors have a lien on the policies for such sum over one hundred and fifty dollars a year, as the debtor has paid for two years, subject to any pledge or assignment thereof made in good faith.

## ANNUITY COMPANIES.

Annuity com-  
panies made  
subject to law  
relating to  
life insurance.  
1899, c. 55.

SEC. 112. All corporations, whether incorporated in this state or elsewhere, which issue contracts whereby such corporations, in consideration of a premium to be paid annually or otherwise, agree to pay an annuity commencing in the future, or a sum fixed or to be ascertained by given methods, are hereby made subject, in relation to doing business in this state, to all the provisions of law relating to life insurance, except so far as relates to taxation.

## FOREIGN SURETY COMPANIES.

## CREDIT INSURANCE AND TITLE INSURANCE.

Foreign  
surety com-  
panies may  
do business in  
this state.  
1885, c. 284, § 1.

—credit and  
title insur-  
ance.  
1893, c. 161, § 2.

SEC. 113. Any company, incorporated and legally organized under the laws of any foreign country, or of any state of the United States, other than the state of Maine, for the purpose of transacting business as surety on obligations of persons or corporations, or the business of credit insurance or title insurance, may transact such business in this state upon complying with the provisions of the twelve following sections, and not otherwise.

[It has been suggested to the commissioner that the provisions of law relating to the admission of foreign surety, credit and title companies may with propriety be consolidated with the provisions of law relating to other foreign companies, thus eliminating certain duplicated provisions. The suggestion is entitled to great weight and if it were a question of original legislation, the commissioner would be inclined to accede thereto; but the legislature has apparently classified such companies by themselves; had the legislative intent been otherwise, a very short section would have sufficed to put these companies under the law relating to other foreign companies. The commissioner has therefore preferred to retain the legislative classification.]

Insurance  
commissioner  
shall first be  
appointed at-  
torney, upon  
whom process  
may be  
served.  
1885, c. 284, § 2.

—service of  
process on,  
valid, as if  
served on  
company.

—certificate of  
appointment  
to be filed  
with commis-  
sioner.

SEC. 114. No *surety* (such) company not incorporated under the authority of this state shall, directly or indirectly, take risks or transact business in this state until it shall have first appointed, in writing, the insurance commissioner of Maine to be the true and lawful attorney of such company in and for this state, upon whom all lawful process, in any action or proceeding against the company, may be served with the same effect as if the company existed in this state. Said power of attorney shall stipulate and agree on the part of the company that any lawful process against the company which is served on said attorney shall be of the same legal force and validity as if served on the company, and that the authority shall continue in force so long as any liability remains outstanding against the company in this state. A certificate of such appointment, duly certified and authenticated, shall be filed in the office of the said insurance commissioner, and copies certified by him shall be received in evidence in all the courts of this state. Service upon such attorney, or upon any duly appointed agent of the company within this state, shall be deemed sufficient service upon the company.

Copy of all  
processes to  
be forward-  
ed to secre-  
tary of com-  
pany.  
1885, c. 284, § 3.  
—fees of com-  
missioner.  
See c. 115, § 20.  
No person  
shall act as  
agent, unless  
company has  
\$250,000 cap-  
ital paid up.  
1893, c. 161, § 1.  
1885, c. 284, § 8.

SEC. 115. Whenever lawful process against a *surety* (such) company shall be served upon said insurance commissioner, he shall forthwith forward a copy of the process served on him, by mail, postpaid, and directed to the secretary of the company. *For each copy of process, the insurance commissioner shall collect the sum of two dollars, which shall be paid by the plaintiff at the time of such service, the same to be recovered by him as part of the taxable costs, if he prevails in the suit.*

SEC. 116. No person shall act within this state, as agent or otherwise, in procuring or securing applications for suretyship upon the bond of any person or corporation, (or for credit insurance or title insurance,) or aid in transacting the business of such suretyship (or insurance), for any

company incorporated or organized, under the laws of any other state or country, unless such company is possessed of two hundred and fifty thousand dollars, paid up, unimpaired capital, exclusive of any obligations of the stockholders of any description, well invested in or well secured by real estate, bonds, stocks, or securities other than names alone, or if a mutual company, net cash assets of the amount aforesaid.

SEC. 117. Every person who shall so far represent any *surety* (such) company established in any other state or country, as to receive or transmit applications for suretyship (or insurance), or to receive for delivery, bonds (or policies) founded on applications forwarded from this state, or otherwise to procure suretyship to be effected by such company upon the bonds of persons or corporations in this state, or upon bonds given to persons or corporations in this state, (or otherwise to procure such insurance in the state,) shall be deemed as acting as agent for said company, and shall be subject to the restrictions and liable to the penalties herein made applicable to agents of such companies.

Who shall be deemed agents.  
1885, c. 284, § 5.

—liabilities of.

SEC. 118. Every such company, before transacting any business as aforesaid, shall deposit with the insurance commissioner a copy of its charter, and also a statement, signed and sworn to by the president and secretary of the company, stating the amount of its capital and the manner of its investments, designating the amount invested in mortgage, in public securities, in the stock of incorporated companies, stating what companies, and also the amount invested in other securities, particularizing each item of investment, the amount (of existing policies issued by said company, or) of existing bonds upon which such company is surety, stating what portion thereof is secured by the deposit with such company of collateral security, the amount of premium thereon, and the amount of liabilities, specifying therein the amount of outstanding claims adjusted or unadjusted, due or not due; and thereupon said commissioner may grant a license, authorizing said company to transact surety business (or the business of credit insurance or title insurance) in this state subject to its laws, until the first day of July next following, and such license may be renewed annually thereafter.

Copy of charter and statement of capital to be deposited with commissioner.  
1885, c. 284, § 6.

—licenses.

SEC. 119. Every such company shall, in the month of January, annually, also deposit with the said insurance commissioner a similar statement of its capital, assets and liabilities, and the investments and risks as aforesaid, to be made up to the thirty-first day of December next preceding, signed and sworn to as above directed, and the insurance commissioner, in his annual report, shall publish an abstract thereof.

Annual statement to be deposited with commissioner.  
1885, c. 284, § 7.

SEC. 120. No person shall act as agent of any such *surety* company until such company and such agent shall have complied with all the requirements of the laws of the state, relating to such companies and their agents, and every person acting without such compliance shall be fined one hundred dollars.

Agents not to act until requirements of law have been complied with.  
1885, c. 284, § 9.  
—penalty.

SEC. 121. The insurance commissioner shall annually examine the statements and returns required to be made by the companies as aforesaid, and if in his opinion any return shall be obscure, defective or unsatisfactory, he shall immediately require answers under oath from the officer or officers by whom such obscure, defective or unsatisfactory return shall have been made, to such interrogatories as he may deem necessary or proper in order to explain such return and exhibit a full and accurate view of the business and resources of the company. Every company, the officers of which shall refuse or neglect to answer such interrogatories for the space of thirty days, may be suspended from transacting business in this state until satisfactory answers are made by them.

If annual returns are obscure or defective, commissioner may require answers under oath.  
1885, c. 284, § 10.

—penalty for refusing to answer.  
1885, c. 284, § 11.

SEC. 122. The insurance commissioner, either personally, or by a committee appointed by him, consisting of one or more persons not directors, officers or agents of any *surety* (such) company doing business in this state, may at any time examine into the affairs of such *surety* companies. The officers or agents of such companies shall exhibit their books to said

Examination of such companies.  
1885, c. 284, § 12.

—commissioner may publish result of investigation.

—may revoke licenses.

—expenses of examination how paid.

Violations shall be reported to attorney general.  
1885, c. 284, § 13.

License fees, how and when paid.  
1885, c. 284, § 14.  
1895, c. 4.  
See c. 115, § 20.

Any company organized for such purposes with sufficient capital, may be accepted as surety on bonds required by law.  
1885, c. 283, § 1.

Expenses of procuring surety, how paid.  
1885, c. 283, § 2.

Company estopped to deny corporate power.  
1885, c. 283, § 3.

Definition of contract.  
1889, c. 237, § 1.  
1901, c. 219.

commissioner or committee, and otherwise facilitate such examination, and the commissioner or committee may examine, under oath, the officers and agents of such companies in relation to their affairs; and said commissioner *shall* (may), if he deems it necessary or proper, publish the result of such investigation in one or more newspapers published in the state. Whenever it shall appear to the said commissioner, from the statement or from an examination of the affairs of any *surety* (such) company, not incorporated under the authority of this state, that such company is insolvent, or is conducting its business fraudulently, or refuses or neglects to comply with the laws of the state, relating to *surety* (such) companies, he shall revoke the license issued to such company and its agents, and shall cause a notice thereof to be published in one or more newspapers published in this state, and the agent or agents of such company, after such notice, shall transact no further business in this state. All the expenses of an examination made under the provisions of this section shall be paid to the commissioner by the company examined.

SEC. 123. The insurance commissioner shall report to the attorney general any violation of the provisions of law relating to such companies, which shall come to his knowledge, and the attorney general shall institute proper legal proceedings in the name of the state, against any person or company violating any such provision.

SEC. 124. *Every surety (such) company, not incorporated in this state, applying for admission to transact business therein, shall pay to the insurance commissioner, for the use of the state, upon filing a copy of its charter or deed of settlement and statement preliminary to admission, a license fee of twenty dollars and a like sum annually for each renewal of said license, and for each agent's certificate, annually, the sum of two dollars.*

SEC. 125. Any company with a paid up capital of not less than two hundred and fifty thousand dollars, duly incorporated and organized for the purpose of transacting business as surety on obligations of persons or corporations, and which has complied with all the requirements of the law regulating the admission of such companies to transact business in the state, may, upon production of evidence of solvency and credit satisfactory to the judge, head of department or other officer authorized to approve such bond, be accepted as surety upon the bond of any person or corporation required by the laws of the state to execute a bond, and if such surety company shall furnish satisfactory evidence of its ability to provide all the security required by law, no additional surety may be exacted, but other surety or sureties may, in the discretion of the official authorized to approve such bond, be required, and such surety company may be released from its liability on the same terms and conditions as are by law prescribed for the release of individuals, it being the true intent and meaning of this section to enable corporations created for that purpose to become surety on bonds required by law, subject to all the rights and liabilities of private individuals.

SEC. 126. Any court or officer whose duty it is to pass upon the account of any person or corporation required by law to give a bond, may, whenever such person or corporation has given any such surety company as surety upon said bond, allow in the settlement of such account a reasonable sum for the expense of procuring such surety.

SEC. 127. Any company which shall execute any bond as surety under the provisions of section one hundred and twenty-five shall be estopped, in any proceedings to enforce the liability which it shall have assumed to incur, to deny its corporate power to execute such instrument or assume such liability.

#### CASUALTY INSURANCE ON ASSESSMENT PLAN.

SEC. 128. Every contract whereby a benefit is to accrue to the party or parties named therein upon the *death or physical disability* (accidental death only, or the physical disability from accident or sickness) of a per-

son, which benefit is in any degree or manner conditioned upon the collection of an assessment upon persons holding similar contracts, shall be deemed a contract of (casualty) insurance on the assessment plan, and the business involving the issuance of such contracts shall be carried on in this state only by duly organized corporations, which shall be subject to the provisions and requirements of this and the thirteen following sections; but nothing therein contained shall be construed as applicable to *organizations which conduct their business as fraternal societies, on the lodge system, or to organizations which do not employ paid agents in soliciting business, other than in the preliminary organizations of local branches, or limit their certificate holders to a particular order or fraternity, or to the employes of a particular town or city, designated firm, business house or corporation; or to organizations which are unincorporated and limit the amount of every certificate issued to a maximum amount not exceeding five hundred dollars on any one risk; but any corporation organized under the laws of another state, which limits its certificate holders to the members of a particular order, class or fraternity, after complying with all the provisions of said sections may be licensed by the insurance commissioner to do business thereunder upon proof satisfactory to him that it has the sanction of the governing body of such order, class or fraternity in the state in which it is incorporated and has its home office, to use the name of such order. If the benefit is to accrue through the death of an insured person, the contract shall be of life insurance; if through the accidental death only, or the physical disability from accident or sickness of the insured, it shall be of casualty insurance, (fraternal beneficiary associations conducting their business in accordance with the laws of this state.)*

—business shall be carried on only by duly organized corporations.

—organizations to which law is not applicable.

—foreign corporations may be licensed by insurance commissioner to do business.

—definition.

SEC. 129. Seven or more persons, citizens of this state, may form a corporation to carry on the business of casualty insurance on the assessment plan. Such corporations shall be organized, and the proceedings thereunder shall conform to sections one, two and three of chapter fifty-five; but no such corporation shall begin to do business until at least five hundred persons have subscribed, in writing, to be insured therein, and have each paid in one full disability assessment, which shall be deposited in the state treasury on emergency or reserve fund account, to be held in trust for the benefit of the beneficiaries as provided in section one hundred and thirty-three, nor until said corporation has filed with the insurance commissioner a certified copy of the record of its organization and by-laws, which has been approved by him; nor until the insurance commissioner has certified that it has complied with the provisions of this chapter relating to insurance on the assessment plan and is authorized to transact business. No organization under the provisions of this section shall continue valid more than one year unless the organization has been completed and business begun thereunder.

Formation of corporation to carry on casualty insurance on assessment plan. 1889, c. 237, § 2. 1893, c. 215. 1901, c. 219.

—organizations not valid more than one year, unless business is begun.

SEC. 130. *Any corporation existing under the laws of this state and engaged in transacting the business of casualty insurance on the assessment plan on April thirteen, eighteen hundred and eighty-nine, may re-incorporate under the provisions hereof in the manner provided by chapter fifty-five; provided, that nothing herein contained shall be construed as requiring or making it obligatory upon any such corporation to re-incorporate, and any such corporation may continue to exercise all rights, powers and privileges conferred by its charter and by this chapter; not intending that this chapter shall in any way abrogate, abridge or supersede any rights now vested in any company now or hereafter organized under any charter heretofore granted, but that its provisions shall only be considered as additional thereto.*

Existing corporations may re-incorporate. 1889, c. 237, § 3. 1901, c. 219.

—vested rights of such corporations not abridged.

[The commissioner is informed that no companies are in existence, to which this section is applicable.]

SEC. 131. When the insurance commissioner, on investigation, is satisfied that any corporation transacting the business of casualty insurance on the assessment plan in this state under this chapter, has exceeded its powers, failed to comply with any provision of law, or is conducting busi-

Proceedings against corporation conducting business fraudulently, etc. 1889, c. 237, § 4.

ness fraudulently, he shall report the facts to the attorney general, who shall thereupon apply to a justice of the supreme judicial court for an injunction restraining such corporation from the further prosecution of business; and the said justice upon hearing the matter, may issue such injunction, or decree the removal of any officer, and substitute a suitable person to serve in his stead until a successor is duly chosen, and may make such other order and decrees as the interest of the corporation and the public may require. And whenever any domestic corporation transacting the business of casualty insurance on the assessment plan, shall after an existence of one year or more, have a membership of less than three hundred, the insurance commissioner may present the facts in relation to the same to any justice of the supreme judicial court; the said justice shall thereupon notify the officers of such corporation of a hearing and unless it shall then appear that some special and good reason exists why the corporation should not be closed, some person shall be appointed receiver of such corporation, and shall proceed at once to take possession of the books, papers, moneys, and other assets of the corporation, and shall forthwith, under the direction of the court, proceed to close the affairs of such corporation and to distribute to those entitled thereto its funds. For this service the receiver may be allowed out of any funds in possession of the corporation or which may come therefrom into his hands, such sum as the court may determine to be reasonable and just. When the affairs of the corporation shall be finally closed, the court may decree a dissolution of the same.

—when and how domestic corporation may be closed.  
1896, c. 112, § 1.

—receiver.

—receiver, how paid.

How risks may be transferred to, or reinsured in, another corporation.  
1889, c. 237, § 5.  
89 Me., 418.

SEC. 132. No (such) corporation organized under the laws of this state shall transfer its risks to or re-insure them in any other corporation, unless the said contract or transfer or re-insurance is first submitted to and approved by a two-thirds vote of those present and voting at a meeting of the insured called to consider the same, of which meeting a written or printed notice shall be mailed to each policy or certificate holder at least ten days before the day fixed for said meeting; and, in case said transfer or re-insurance shall be approved, every policy or certificate holder of the said corporation who shall file with the secretary thereof, within five days after the said meeting, written notice of his preference to be transferred to some other corporation than that named in the contract, shall be accorded all the rights and privileges, if any, in aid of such transfer as would have been accorded under the terms of the said contract had he been transferred to the corporation named therein.

Reserve fund shall be deposited with state treasurer.  
1889, c. 237, § 6.  
1893, c. 214, § 1.  
1901, c. 219.

—how created.

—investment of.  
See c. 47, § 105.

—part of fund may be applied to payment of claims.

—proviso.  
87 Me., 181.

SEC. 133. Any corporation organized under section one hundred and twenty-nine, or any *Maine* corporation (of this state) doing assessment insurance business under this chapter or its charter, shall keep on deposit with the treasurer of the state of *Maine* a reserve fund for the benefit and protection of certificate holders in said corporation; for the creation of which it shall on or before the thirty-first day of December of each year, deposit with said treasurer not less than ten per cent of (the) total receipts on assessments made to pay indemnity claims during the year then ended, until the reserve fund so accumulated shall amount, together with the amount there deposited prior to March one, eighteen hundred and eighty-nine, to not less than twenty-five thousand dollars. These amounts may be deposited in such interest bearing securities as the governor and council may approve, or in such securities as any insurance company or savings banks may, from time to time, be *by law* authorized to *invest their funds in* (hold for purpose of investment.) These securities shall be held in trust by the treasurer of state, but the corporation shall have at all times the right to exchange any part of said securities for others of like amount and character. When deemed advisable by a majority of the directors, such a part of the fund as may be considered necessary, may be applied from time to time, to the payment of claims under insurance contracts and the expense necessarily incident thereto, and for no other purpose. *Provided, however,* that said fund shall not at any time be reduced below an amount

equal to one assessment (or periodical call) upon all of its members. The insurance commissioner shall annually, in February, certify to the treasurer of state, the minimum amount of reserve fund required to be kept on deposit in the state treasury by each corporation doing business on the assessment plan, under this chapter. If said corporation shall neglect for sixty days to satisfy any judgment against it, in any court in this state, then the said treasurer shall convert into money any of said securities, and forthwith satisfy such judgment, and said corporation shall not transact any further business until said deposit is restored. When any such corporation shall discontinue business, any justice of the supreme judicial court may appoint a receiver or agent to administer any unexhausted portion of such fund which shall be used, less compensation not to exceed five per cent, as such court or justice may allow the receiver or agent, first, in the payment of accrued, *mortuary* or indemnity claims upon certificates or policies, or if insufficient to pay such claims in full, they shall be paid, pro rata; second, if a balance remains after the payment of such claims, such balance shall be distributed to the holders of certificates then in force, pro rata, in accordance with the maximum amount named therein (proportion to the total payments by each policy holder) after first paying all expenses incident to such distribution. If, upon the thirty-first day of December of any year, the reserve fund of any such corporation is found to be less than the amount of one assessment (or periodical call) upon all the members thereof, said corporation shall, within one year thereafter, collect from its members a sum sufficient to bring said reserve fund up to one assessment (or periodical call) upon all its members, and deposit the amount with the treasurer of state to the credit of said fund.

SEC. 134. Any corporation organized under authority of another state or government to issue policies or certificates of casualty insurance on the assessment plan, as a condition precedent to the transaction of business in this state, shall deposit with the insurance commissioner a certified copy of its charter; a statement under oath, of its president and secretary, in the form by the insurance commissioner required, of its business for the preceding year; a certificate, under oath, of its president and secretary, that it is *paying* (has the ability to pay) and for the twelve months preceding has paid, the maximum amount named in its policies or certificates in full; a certificate from the proper authority in its home state that corporations of this state, engaged according to the provisions of this chapter in casualty insurance on the assessment plan, are legally entitled to do business in such state; a copy of its policy or certificate and application, which must show that benefits are provided for by assessment upon policy or certificate holders; evidence satisfactory to the insurance commissioner that the corporation accumulates a fund, equal at all times in amount to not less than the proceeds of one assessment (or periodical call) on all policy or certificate holders thereof, that such accumulation is permitted by the law of its incorporation, and is a trust for the benefit of policy or certificate holders, and is securely invested. Every such corporation, and agent of such corporation, shall also comply with the provisions of sections ninety-two, one hundred and one and one hundred and two of this chapter. The insurance commissioner may thereupon issue or renew the authority of such corporation to do business in this state, and such authority (to the corporation and its agents) shall be revoked whenever the insurance commissioner, on investigation, is satisfied that such corporation is not paying the maximum amount named in its policies or certificates in full, or has violated the provisions of section one hundred and thirty-six; and the insurance commissioner shall enforce the provisions of section ninety-two of this chapter. Upon such revocation the commissioner shall cause notice thereof to be published in the *newspaper in which the general laws are published* (state paper), and no new business shall be thereafter done by said corporation or its agents in this state. *Any person having a claim against any foreign insurance company may bring an appropriate suit*

—insurance commissioner shall annually certify amount of fund to be kept on deposit.  
86 Me., 232.

—how judgment against corporation may be satisfied.

—receiver may be appointed, when business is discontinued.

—how fund shall be used.

89 Me., 419.

—how fund may be brought up when less than one assessment on all the members.

Foreign corporations shall deposit certified copy of charter, etc., with commissioner.  
1899, c. 237, § 7.  
1901, c. 219.

—shall comply with sections 92, 101, 102.

—commissioner may issue authority to corporation to do business.

—may revoke authority.  
1899, c. 106, § 3.

—commissioner shall give notice of revocation.  
See §§ 97, 140.

—commis-  
sioner consti-  
tuted attor-  
ney of foreign  
company.

Calls shall  
state purpose  
of same.  
1889, c. 237, § 8.  
1893, c. 214, § 2.  
1901, c. 219.

—application  
of proceeds.

Policy shall  
bear on the  
face the  
words: "This  
policy is sub-  
ject to assess-  
ments."  
1899, c. 106, § 2.

§§ 133, 135 and  
136 not to con-  
flict with  
charters.  
1893, c. 214, § 3.  
1899, c. 106, § 4.

Benefit or re-  
lief not liable  
to attachment.  
1889, c. 237, § 9.  
See c. 75, § 19.

—beneficiary  
may be  
changed.

Penalty for  
false repre-  
sentation by  
solicitor,  
agent or phy-  
sician.  
1889, c. 237, § 10.

Corporations  
shall report  
annually.  
1889, c. 237, § 11.

—commis-  
sioner may  
examine any  
such corpora-  
tions.

*therefor in the courts of this state. The insurance commissioner of this state shall be the authorized and local attorney of every foreign insurance company doing business on the assessment plan under this chapter, and service made on said commissioner shall be valid and binding thereon, and hold it to answer to any action brought against it in any court of this state..*

SEC. 135. Every call for payments by (upon) the policy or certificate holders of any corporation doing business in this state as a casualty insurance company on the assessment plan, shall distinctly state the purpose of the same, whether for indemnity claims or for expenses, and the proceeds of indemnity calls, less a commission actually paid for collecting the same not exceeding three per cent thereof, shall be used for payment of claims under policy contracts, for investigating and contesting policy claims believed to be fraudulent, and for deposit with the treasurer of state on reserve fund and for no other purpose.

SEC. 136. In every policy or certificate issued after July one, eighteen hundred and ninety-nine, to a resident of *Maine* (this state) by any casualty or accident insurance company doing business on the assessment plan, there shall be printed in bold type, making one of the principal lines near the top thereof, the words, "This policy is subject to assessments," and in or upon every application, circular, card, advertisement, and printed document issued by such corporation within the state there shall be printed conspicuously the words "assessment plan."

SEC. 137. *Nothing contained in sections one hundred and thirty-three and one hundred and thirty-five shall in any way conflict with special provisions of the charters of companies granted prior to April twenty-nine, eighteen hundred and ninety-three. Nothing contained in section one hundred and thirty-six shall in any way conflict with special provisions of the charters of companies granted prior to July one, eighteen hundred and ninety-nine.*

[The commissioner is informed that no companies are in existence to which this section can apply.]

SEC. 138. The money or other benefit, charity, relief or aid to be paid, provided or rendered by any corporation authorized to do casualty insurance business on the assessment plan under this chapter shall not be liable to attachment by trustee or other process, and shall not be seized, taken, appropriated or applied by any legal or equitable process, or by operation of law, to pay any debt or liability of a policy or certificate holder, or any beneficiary named therein. The beneficiary named in any certificate may be changed by the insured at any time under such regulations as the corporation may prescribe.

SEC. 139. Any solicitor, agent or examining physician who shall knowingly or wilfully make any false or fraudulent statement or representation in or with reference to any application for insurance, or for the purpose of obtaining any money or benefit, in any corporation transacting business on the assessment plan under this chapter, shall be punished by a fine of not less than one hundred, nor more than five hundred dollars, or imprisonment in the county jail for not less than thirty days nor more than one year, or both, at the discretion of the court.

SEC. 140. Every corporation doing business on the assessment plan under this chapter, or its charter, shall annually, on or before the thirty-first day of January, return to the insurance commissioner, in such manner and form as he shall prescribe, a statement of its affairs for the year ending on the preceding thirty-first day of December, and the said commissioner, in person or by deputy, shall have the powers of visitation of and examination into the affairs of any such corporation, which are conferred upon him in the case of life insurance companies, by this chapter; but such corporation doing business under this chapter, shall not be subject to any other provisions or requirements of this chapter, except as set forth in (sections eighty-seven, ninety-seven to one hundred both inclusive and in) sections one hundred and twenty-eight to one hundred and forty-one, inclusive.

SEC. 141. The fees for filing statements, certificates or other documents required of such companies or for any service or act of the insurance commissioner, and the penalties for any violation of sections one hundred and twenty-eight to one hundred and forty-one inclusive, by such companies shall be the same as provided in the case of life insurance companies. *When any other state or country shall impose any obligation upon any such corporation of this state, the like obligation shall be imposed on similar corporations and their agents of such state or country doing business in this state.*

Fees for filing statement, etc.  
1889, c. 237, § 12.

—obligations imposed by other states shall be reciprocal.  
See §§ 87, 140.

## FRATERNAL BENEFICIARY ASSOCIATIONS.

SEC. 142. A fraternal beneficiary association is hereby defined to be any corporation, society or voluntary association, formed or organized and carried on for the sole benefit of its members and their beneficiaries, and not for profit. Each association shall have a lodge system, with ritualistic form of work and representative form of government, and shall make provision for the payment of benefits in case of death, and may make provision for the payment of benefits in the case of sickness, temporary or permanent physical disability, either as the result of disease, accident or old age, provided the period in life at which payment of physical disability benefits on account of old age commences, shall not be under seventy years, subject to their compliance with its constitution and laws. The fund from which the payment of such benefits shall be made, and the fund from which the expenses of such association shall be defrayed shall be derived from assessments or dues collected from its members. Payments of death benefits shall be to the families, heirs, blood relatives, adopted children, adopting parents, affianced husband or affianced wife of, or to persons dependent upon the member. Such associations shall be governed by the last twenty-four sections of this chapter and shall be exempt from the provisions of insurance laws of this state, except as therein provided and no law passed after March twenty-one, nineteen hundred and one, shall apply to them unless they be expressly designated therein. Any such fraternal beneficiary association may create, maintain, disburse and apply a reserve or emergency fund in accordance with its constitution or by-laws.

Term "beneficiary association" defined.  
1901, c. 247, § 1.

—shall have lodge system, ritual, and make provision for payment of benefits.

—fund for payment of benefits.

—to whom payments shall be made.

—not subject to insurance laws of state.

—may create reserve fund.

SEC. 143. Seven or more persons, resident of the state, desiring to form a fraternal beneficiary corporation for the purposes above provided, and having signed an agreement therefor, declaring therein the purposes of such corporation, may organize as such in the manner provided in sections one, two and three of chapter fifty-five, and such corporation shall have all the powers, privileges and immunities, and be subject to all the liabilities named in said section three.

Organization of fraternal beneficiary associations.  
1901, c. 247, § 2.

SEC. 144. The president, secretary, and a majority of the directors, or other officers corresponding thereto, shall forthwith make, sign and swear to a certificate setting forth a true copy of the agreement and declaration of the purposes of the association, with the names of the subscribers thereto, the date of the first meeting, and the successive adjournments, if any, and shall submit such certificate and the records of the corporation to the insurance commissioner, who, *upon payment of a fee of five dollars*, shall make such examination and require such evidence as he deems necessary; and if it appears that the purposes of the corporation conform to law, he shall certify his approval thereof, and the certificate shall then be filed by said officer in the office of the secretary of state, who, *upon payment of a fee of five dollars*, shall cause the same with the indorsements, to be recorded, and shall thereupon issue a certificate in the following form:

Officers to prepare a certificate to be examined by insurance commissioner.  
1901, c. 247, § 3.

—fee.  
See c. 115, § 20.

—certificate to be recorded in office of secretary of state.

—fee.  
See c. 115, § 20.

## "STATE OF MAINE.

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

Form of certificate to be issued by secretary of state.

name of the corporation shall be inserted) "for the purpose" (here the purpose declared in the agreement of association shall be inserted), "and have complied with the provisions of the statutes of this state in such case made and provided, as appears from the certificate of the officers of the corporation, duly approved by the insurance commissioner and recorded in this office: now, therefore, I" (here the name of the secretary shall be inserted), "secretary of the state of Maine, do hereby certify that said" (here the names of the subscribers to the agreement of association shall be inserted), "their associates and successors, are legally organized and established as and are hereby made an existing corporation under the name of" (here the name of the corporation shall be inserted), "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 seal of the state of Maine hereunto affixed, this            day of in the year            ." (day, month and year inserted).

—to be signed and under seal by secretary of state.

Business must be commenced within one year or charter is void.

1901, c. 247, § 4. See c. 1, § 6, § XXVIII.

Any association may reincorporate under this chapter.

1901, c. 247, § 5.

The secretary shall sign the same and cause the seal of the state to be thereto affixed, and such certificate shall be conclusive evidence of the existence of such corporation at the date of such certificate. He shall cause a record of such certificate to be made, and a certified copy of such record may be given in evidence, with like effect as the original certificate.

SEC. 145. No charter granted under the provisions of the two preceding sections shall be valid after one year from its date unless the organization has been completed and business begun thereunder, and when any domestic corporation has discontinued business for the period of one year its charter shall become null and void.

SEC. 146. Any fraternal beneficiary corporation existing under the laws of this state, and engaged in transacting business herein on March twenty-one, nineteen hundred and one, may reincorporate under the foregoing provisions; *provided*, that nothing herein contained shall be construed as requiring any such corporation to reincorporate; and any such corporation may continue to exercise all the rights, powers and privileges conferred by the last twenty-four sections of this chapter, and its articles of incorporation not inconsistent herewith, and shall be subject to the requirements and penalties of said sections the same as if reincorporated thereunder.

Shall not do business until authorized by insurance commissioner.

1901, c. 247, § 6.

SEC. 147. No association hereafter organized under the provisions of sections one hundred forty-three and one hundred forty-four shall incur any liability or issue any benefit certificate until it has received from the insurance commissioner a certificate to the effect that it has complied with the requirements of law and is duly authorized to transact business in this state. Before such certificate is granted the association must present satisfactory evidence to the insurance commissioner that it has established mortuary assessment rates which are not lower than those now indicated as necessary by the national fraternal congress mortality tables and that at least five hundred persons have each paid one advance mortuary assessment on the rates so established and become a bona fide member of a local branch of the association, and that it has deposited with the treasurer of state at least one thousand dollars as a part of its emergency or reserve fund for the benefit and protection of certificate holders in said association, which fund shall be held and used as hereinafter provided.

—must satisfy commissioner that proper rates have been established, etc.

Emergency fund must be provided.

1901, c. 247, § 7.

SEC. 148. Each such association organized under the foregoing provisions, after March twenty-one, nineteen hundred and one, shall, on or before the thirty-first day of December in each year deposit with the treasurer of state to the credit of its emergency or reserve fund not less than fifteen per cent of its total mortuary receipts for the year then ending, until the amount so deposited amounts to not less than fifty thousand dollars. These amounts shall be deposited in such interest bearing securities as any insurance company or savings bank may from time to time by law invest its funds in, and the securities shall be held in trust by the treasurer

—character of deposits.

See c. 47, § 105; c. 49, § 10.

of state, but the association shall have at all times the right to exchange any part of said securities for others of like amount and character, and the income from said fund shall be paid by said treasurer to the association. When deemed advisable by the majority of the directors, or other officers corresponding thereto, such part of the fund as may be considered necessary, may with the written approval of the insurance commissioner, be applied from time to time to the payment of death benefits but for no other purpose; *provided, however*, that such fund shall not at any time be reduced below an amount equal to one assessment or periodical call upon all of its members, nor to less than one thousand dollars. The insurance commissioner shall annually, in February, certify to the treasurer of state, the minimum amount of reserve fund required to be kept on deposit in the treasury by each such association doing business under this chapter. If said association shall neglect for sixty days to satisfy any judgment against it, in any court in this state, then the said treasurer shall convert into money any of said securities, and forthwith satisfy such judgment, and said association shall not transact any further business until said deposit is restored. When any such association shall discontinue business, any justice of the supreme judicial court may appoint a receiver or agent to administer any unexhausted portion of such fund which shall be used, less compensation not to exceed five per cent, as such court or justice may allow the receiver or agent; first, in the payment of accrued, mortuary or indemnity claims upon certificates or policies, or if insufficient to pay such claims in full, they shall be paid, pro rata; second, if a balance remains after the payment of such claims, such balance to be distributed to the holders of certificates then in force, pro rata, in accordance with the total mortuary payments of said members, after first paying all expenses incident to such distribution. If, upon the thirty-first day of December of any year, the emergency or reserve fund of any such association is found to be less than the amount of one assessment or periodical call upon all the members thereof, said association shall, within six months thereafter, collect from its members a sum sufficient to bring said emergency or reserve fund up to one assessment or periodical call upon all its members, and deposit the amount with the treasurer of state to the credit of said fund.

SEC. 149. No such association shall re-insure with or transfer its membership certificates or funds to any organization, unless the said contract or transfer or re-insurance is first submitted to and approved by a two-thirds vote of the members of each association present at meetings called to consider the same, of which meetings written or printed notice shall be mailed to each certificate holder at least thirty days before the date fixed for said meeting, nor unless the said contract of transfer or re-insurance is first submitted to and approved by the insurance commissioner. The members of fraternal beneficiary associations shall not vote by proxy.

SEC. 150. Fraternal beneficiary associations organized under the laws of another state or country which were transacting business in this state as herein defined, on the twenty-eighth day of February, eighteen hundred and eighty-nine, or which subsequently thereto have been legally admitted to transact business in this state and which now report or which shall report when requested to the insurance commissioner, may continue such business subject to the provisions of the last twenty-four sections of this chapter. A fraternal beneficiary association which was not transacting business in this state on the twenty-eighth day of February, eighteen hundred and eighty-nine, and which has not since been legally admitted to transact business therein and which may after March twenty-one, nineteen hundred and one, desire to do so, shall first obtain a license therefor from the insurance commissioner. Before receiving such license it shall file with the commissioner a duly certified copy of its charter or articles of association and a copy of its constitution or laws, certified by its secretary or corresponding officer, a power of attorney to the commissioner,

—when deemed advisable part of fund may be applied to payment of death benefits.

—minimum amount of reserve fund.

—proceedings when association fails to satisfy any judgment.

—receiver may be appointed when business is discontinued.

—to administer unexhausted portion of fund.

—how fund must be preserved.

Shall not re-insure unless contract is approved by a two-thirds vote of such association. 1901, c. 247, § 8.

—shall not vote by proxy.

Foreign associations may continue business. 1901, c. 247, § 9.

—certain associations must obtain license to do business.

—must first file certain information.

as hereinafter provided; a statement under oath of the president and secretary, or corresponding officers, in the form required by the commissioner, of its business for the preceding year; a certificate from the proper official in its home state or country, that the company is legally organized and that similar associations of this state may be admitted to transact business in said state or country; a copy of its application and policy or certificate, which must show that benefits are provided for by assessments upon persons holding similar contracts, and shall furnish the commissioner with such other information as he may deem necessary to a proper exhibit of its business and standing and plan of working, and if he deems it expedient he may license such association to do business in this state in accordance with the provisions of this chapter; *provided, however*, that no license shall be issued to any such company unless it shall have adopted and have in force mortuary assessment rates which are not lower than those now indicated as necessary by the national fraternal congress mortality tables. *Any such association upon filing the papers herein required shall pay the commissioner twenty dollars.*

—must have in force proper assessment rates. See c. 115, § 20.

Foreign associations admitted shall appoint insurance commissioner to act as attorney upon whom service can be made. 1901, c. 247, § 10.

—service upon attorney deemed sufficient.

—associations shall be notified whenever process is served. See c. 115, § 20.

Certificates valid on condition that all dues are paid. 1901, c. 247, § 11.

—money collected for indemnity purposes must not be used for expenses.

—proviso.

Shall file certificate of appointment of agents with commissioner. 1901, c. 247, § 12.

—license may be issued to agents upon

SEC. 151. Each such association which, on March twenty-one, nineteen hundred and one, was doing or was thereafter admitted to do, business within this state, and not having its principal office within this state, and not being organized under the laws of this state, shall appoint in writing the insurance commissioner and his successors in office to be its true and lawful attorney, upon whom all lawful process in any action or proceeding against it shall be served, and in such writing shall agree that any lawful process against it which is served on said attorney shall be of the same legal force and validity as if served upon the association, and that the authority shall continue in force so long as any liability remains outstanding in this state. Copies of such appointment, certified by said insurance commissioner, shall be deemed sufficient evidence thereof, and shall be admitted in evidence with the same force and effect as the original thereof might be admitted. Service upon such attorney shall be deemed sufficient service upon such association. When legal process against any such association is served upon said insurance commissioner, he shall immediately notify the association of such service by letter, prepaid and directed to its secretary or corresponding officer, and shall within two days after such service forward in the same manner a copy of the process served on him to such officer. *The plaintiff in such process so served shall pay to the insurance commissioner at the time of such service a fee of two dollars, which shall be recovered by him as part of the taxable costs, if he prevails in the suit.*

SEC. 152. No certificate issued by any such association transacting business under this chapter shall be valid or legal which shall be conditional upon an agreement or understanding that the beneficiary shall pay the dues and assessments, or either of them for said member. Every call for a payment by the policy or certificate holders shall distinctly state the purpose of the same. No part of the money collected for mortuary or indemnity purposes or for the emergency or reserve fund shall be used for expenses; *provided*, that any such association transacting business in this state on March twenty-one, nineteen hundred and one, and whose laws provide for and which is now using such funds for expenses, may continue so to do, but not to exceed the amount named for that purpose in such existing laws.

SEC. 153. Any association authorized to transact business as defined in the last twenty-four sections of this chapter, may employ paid agents in soliciting business but no person shall act as such agent until the association or its authorized manager has filed with the insurance commissioner a certificate certifying that such person has been appointed as the agent of the association. Upon receiving such certificate the commissioner may, *upon the payment of the fee of two dollars*, issue a license to such person, authorizing him to transact business in this state in accordance with the

provisions of said sections and such license shall expire on the first day of the next July, but no license shall be issued under the provisions of this section to firms or corporations. If any person acts as such agent without first receiving such license, or fraudulently assumes to be an agent and solicits or procures risks or receives money for premiums or assessments, he forfeits not less than fifty dollars nor more than one hundred dollars for each offense, but any policy or certificate issued on such application binds the association, if otherwise valid.

payment of fee.  
See c. 115, § 20.

—when license expires.

—penalty for acting as agent without license.

SEC. 154. Any person who shall solicit membership for, or in any manner assist in procuring membership in any such association doing a business not authorized by sections one hundred forty-two to one hundred sixty-five inclusive, or who shall solicit membership for, or in any manner assist in procuring membership in any such association not authorized, as herein provided, to do business as therein defined, in this state, shall be punished by a fine of not less than fifty, nor more than two hundred dollars.

Penalty for soliciting for associations not authorized.  
1901, c. 247, § 13.

SEC. 155. Every association doing business as a fraternal beneficiary association as herein defined shall annually, on or before the first day of March, report to the insurance commissioner the names and addresses of its president, secretary and treasurer, or other officers corresponding thereto, and shall make under oath such further statements of its membership and financial transactions for the year ending on the preceding thirty-first day of December, with other information relating thereto, as said commissioner may deem necessary to a proper exhibit of its business and standing; and the commissioner may at any other times require any further statement he may deem necessary to be made relating to such association.

Shall report to commissioner annually.  
1901, c. 247, § 14.

Any such association which neglects or refuses to make the returns required by this section shall forfeit five dollars a day for each day's neglect; and for wilfully making a false statement, the association and the persons making oath thereto, or subscribing the same, shall severally be punished by a fine of not less than one hundred, nor more than five hundred dollars.

—penalty for neglect to make returns.

SEC. 156. The money or other benefit, charity, relief or aid to be paid, provided or rendered, or which has been paid, provided or rendered by any fraternal beneficiary association authorized to do business under this chapter, and as herein provided, shall not be liable to attachment by trustee, or other process, and shall not be seized, taken or appropriated, or applied by any legal or equitable process, nor by operation of law, to pay any debt or liability of a certificate holder, or any beneficiary thereof, existing at the death of such holder.

Benefit, charity or relief funds shall not be liable to attachment, etc.  
1901, c. 247, § 15.  
See c. 75, § 19.

SEC. 157. Any solicitor, agent or examining physician, who shall knowingly or wilfully make any false or fraudulent statement or representation in or with reference to any application for membership, or for the purpose of obtaining any money or benefit, in any such association transacting business under this chapter, shall be punished by a fine of not less than one hundred, nor more than five hundred dollars, or by imprisonment not less than thirty days nor more than one year, or both; and any person who shall wilfully make a false statement of any material fact or thing in a sworn statement as to the death or disability of a certificate holder in any such association, for the purpose of procuring the payment of the benefit named in the certificate of such holder, shall be guilty of perjury, and upon conviction, shall be punished accordingly.

Any agent or physician making false statements shall be punished.  
1901, c. 247, § 16.

—penalty for making false statement concerning the death of certificate holders.

SEC. 158. Nothing contained in the last twenty-four sections of this chapter shall be construed to affect or apply to grand or subordinate lodges of Masons, Odd Fellows, Knights of Pythias or similar orders, organized or incorporated under the laws of this state, and which do not have as their principal object the issuance of insurance certificates. Nor shall anything therein contained apply to domestic corporations or voluntary associations which limit their membership to the employees of a particular city or town, designated firm, business house or corporation; nor to domestic lodges,

§§ 142-165 do not apply to certain orders.  
1901, c. 247, § 17.

—nor to associations whose membership is limited to employees.

—other exceptions.

—associations of more than 300 members not exempt.

Examination of, by insurance commissioner. 1901, c. 247, § 18.

—proceedings when business becomes hazardous.

—receiver may be appointed and affairs closed.

—fees.

Certain associations may continue to do business. 1901, c. 247, § 19.

Commissioner may examine foreign associations, applying for admission to the state. 1901, c. 247, § 20.

—how examinations may be conducted.

orders or associations of a purely religious, charitable and benevolent description which do not operate with a view to profit and which do not provide for a funeral benefit of more than one hundred dollars, or sick or disability benefits of more than one hundred and fifty dollars, to any one person in any one year. *Provided always*, that any association which has more than three hundred members and which issues to any person a certificate providing for the payment of benefits shall not be exempt by the provisions of this section, and such associations shall comply with all requirements of this chapter relating to fraternal beneficiary associations. The insurance commissioner may require of any association such information relating to its membership and certificates as will enable him to determine whether it is exempt from the provisions hereof. And no association which is exempt by the provisions of this section from the requirements hereof, shall employ paid agents or give or allow to any person any compensation for procuring new members.

SEC. 159. The insurance commissioner, in person or by deputy, shall have the power of visitation and examination into the affairs of any domestic association subject to the provisions of this chapter relating to fraternal beneficiary associations, that are conferred upon him by the provisions of this chapter, *provided*, that he shall not be required to make periodical examinations of domestic associations. Whenever after examination the commissioner is satisfied that any domestic association is not paying the maximum amount named in its policies or certificates in full or is in such condition as to render further proceedings hazardous to the public or its policy holders or is transacting its business fraudulently; or whenever such domestic association shall, after the existence of one year or more, have a membership of less than three hundred, the insurance commissioner may present the facts in relation to the same to any justice of the supreme judicial court; and said justice shall thereupon notify the officers of such association of a hearing and unless it shall then appear that some special good reason exists why the association should not be closed, some person shall be appointed receiver of such association and shall proceed at once to take possession of the books, papers, moneys, and other assets of the association, and shall forthwith, under the direction of the court proceed to close the affairs of such association and to distribute to those entitled thereto its funds in the manner provided in section one hundred and forty-eight. For this service the receiver may be allowed out of any funds in possession of the association or which may come therefrom into his hands, such sum as the court may determine to be reasonable and just. When the affairs of the association shall be finally closed, the court shall decree a dissolution of the same.

SEC. 160. Fraternal beneficiary associations, organized or incorporated under the laws of this state, which were transacting business herein on March twenty-one, nineteen hundred and one, and which limit their membership to the members of some particular order, class or fraternity may continue such business by complying with the provisions hereof not inconsistent therewith.

SEC. 161. Whenever the commissioner deems it prudent for the protection of the policy or certificate holders in this state he, or any person whom he may appoint, may examine any foreign fraternal beneficiary association applying for admission or transacting business in this state and such association shall pay the expenses of the examination. The commissioner may employ assistants and for the purposes aforesaid he, or any person he may appoint, shall have free access to all the books and papers that relate to the business of such association and to the books and papers kept by any of its organizers and may summon and qualify as witnesses under oath, and examine the directors, officers, agents, organizers and trustees of such association and other persons in relation to its affairs, transactions and condition. He may, in his discretion, accept in lieu of such

examination the examination of the insurance department of the state or country where such foreign association is organized.

If any such association, or its officers or agents, refuse to submit to such examination or to comply with the provisions of this section relating thereto, the authority of such association to transact business in this state shall be suspended until satisfactory evidence is furnished the commissioner relating to the standing and affairs of the association, and during such suspension the association shall not transact any business in this state.

—if examination is denied, association shall be suspended.

When the commissioner, on investigation, is satisfied that any association organized under the laws of another state or country and transacting business under the last twenty-four sections of this chapter has exceeded its powers, or has failed to comply with any provision of law, or is conducting business fraudulently, or that its condition is such as to render further proceedings hazardous to the public or to its certificate holders, or in case any such association shall vote to discontinue its business, he shall notify the president and secretary, or other officers corresponding thereto of his findings, and state the grounds of his dissatisfaction and after thirty days' notice require said association, on a date named, to show cause why its license should not be revoked and its authority to transact business in this state terminated. If on the date named in said notice such objections have not been removed to the satisfaction of the commissioner, or the association does not present good and sufficient reasons why its authority to transact business in this state should not at that time be revoked, he may revoke the authority of such association to continue business in this state.

—when license may be revoked.

When the commissioner suspends or revokes the authority of any association to continue business in this state, or on application refuses to countermand such suspension or revocation the association may within thirty days apply to any justice of the supreme judicial court, by presenting to him a petition therefor, in term time or vacation, and he shall fix a time and place of hearing which may be at chambers and in vacation, and cause notice thereof and a copy of said petition to be served on the commissioner, and after said hearing he may affirm or reverse the decision of the commissioner and the decision of such justice shall be final.

—appeals may be taken.

—hearing and notice.

SEC. 162. No association organized or doing business under the last twenty-four sections of this chapter shall issue any policy or certificate upon the life of any person more than sixty years of age; nor on the life of any person who has not been examined by a reputable, practicing physician and passed a satisfactory medical examination. No person shall be admitted to membership in any such organization unless he has first filed an application with and been initiated in and becomes a member of a local branch. The by-laws of such association shall provide that meetings of such branches shall be held at least once each month.

Policies limited, and how. 1901, c. 247, § 21.

SEC. 163. When the laws of any state or country under which any such association is organized or incorporated impose on fraternal associations of this state any additional or greater fees, fines, penalties, prohibitions or obligations than are imposed hereby upon similar associations of other states or countries, the same fees, fines, penalties, prohibitions or obligations shall be imposed upon the associations of such state or country applying for admission or transacting business in this state.

Laws of this and other states regarding fines and penalties shall be reciprocal. 1901, c. 247, § 22.

SEC. 164. Any association neglecting or refusing to comply with, or violating the provisions hereof relating to fraternal beneficiary associations, shall be fined not exceeding two hundred dollars upon conviction thereof. Prosecutions for such violations may be commenced by complaint and warrant before any municipal (or police) judge or trial justice as in the case of other offenses not within the final jurisdiction of such judge or justice, as provided in section five of chapter one hundred and thirty-one.

Penalties. 1901, c. 247, § 23. —prosecutions. 1901, c. 247, § 24.

SEC. 165. The word "association" as used in the twenty-three preceding sections shall be taken and construed as meaning a corporation, society or voluntary association.

Term "association" construed. 1901, c. 247, § 25.

## CHAPTER 50.

## TOLL BRIDGES.

Who may  
pass over toll  
bridges free.  
R. S., c. 50, § 1.

SEC. 1. All military companies, with their ordnance and equipage, on days of training or review, while under arms, or in going to or returning from their place of parade, and all persons going to or from a funeral, or public worship on the Lord's day, may pass over toll bridges, free of toll.

Persons  
exempted, to  
inform the  
toll gatherer.  
R. S., c. 50, § 2.

SEC. 2. Every traveler, claiming to pass any toll bridge free, shall communicate to the toll gatherer his name and place of abode, if required. Whoever refuses or omits so to do, or wilfully renders a false answer, and thereby evades the payment of his legal toll, forfeits to the proprietors ten dollars to be recovered in an action of debt.

Restrictions  
on weight of  
teams, and  
on droves  
of cattle  
and horses.  
R. S., c. 50, § 3.  
79 Me., 566.

SEC. 3. If any person driving neat cattle or horses over any toll bridge more than fifty feet in length from one abutment, pier, or trestle part to another, without the consent of the toll gatherer, or agent of the corporation owning it, permits more than twenty neat cattle or horses to be on such bridge at the same time, or drives or transports over it any loaded cart, wagon or other carriage, the weight whereof exceeds forty-five hundred pounds, exclusive of the team and carriage, and thereby breaks it down or injures it, neither he nor the owner of any property under his charge shall recover any damages against such corporation for his loss or injury.

Penalty for  
delaying  
passengers.  
R. S., c. 50, § 4.

SEC. 4. If a bridge corporation, or its agent, unreasonably delays or hinders any person driving a cart, wagon, sleigh or other carriage, from passing any toll gate, such corporation forfeits to such person not less than two, nor more than twenty dollars; to be recovered by an action on the case.

Two persons  
and children  
can pass in  
carriage, toll  
free.  
R. S., c. 50, § 5.

SEC. 5. No more than two persons, and children with them not received for the purpose of evading the payment of toll, have a right to pass a toll bridge in any carriage, free of the toll payable by foot passengers in addition to the toll due on the carriage.

Penalty for  
injuring toll  
gates or  
attempting to  
pass without  
paying toll.  
R. S., c. 50, § 6.  
28 Me., 304.

SEC. 6. Whoever maliciously breaks down or otherwise destroys or injures any toll gate, or toll bridge, or passes or attempts to pass such gate with intent to avoid the payment of toll, when liable thereto, and it is demanded, forfeits not less than five, nor more than fifty dollars to the proprietors of the bridge, in addition to any actual damage caused by him; but no process shall be maintained to recover such penalty, unless the corporation has complied with its charter, and the bridge is in repair, as public safety and interest require.

Covered toll  
bridges to be  
lighted.  
R. S., c. 50, § 7.

SEC. 7. Every toll bridge, if in whole or in part covered, shall be suitably lighted with not less than one sufficient light for every seventy-five feet in length of the covered part, commencing within twenty minutes after sunset, and continuing until ten o'clock in each evening; except at the seasons of the year, if any, when toll is not demanded; and for each evening's neglect or refusal to do so, the corporation forfeits two dollars, to be recovered by an action of debt, in the county where any part of the bridge is situated, to the prosecutor; and is also liable, in a special action for damages, to any person injured thereby.

—penalty for  
neglect.

Covered  
bridges to  
be snowed.  
R. S., c. 50, § 8.  
Surrender of  
toll bridges to  
the county.  
R. S., c. 50, § 9.

SEC. 8. Persons and corporations maintaining covered bridges for public travel, shall keep them snowed at all reasonable times.

SEC. 9. When a toll bridge corporation offers to surrender its bridge, free of cost or incumbrance, to the county commissioners of the county or counties where it is established, and they think it for the public interest and convenience, they shall accept it, and it shall thereafter be the property of such county or counties, and be maintained at their expense; but they shall not so accept a bridge connecting with a way not located and accepted by the town or county where it is situated. Any party

—appeal.  
See c. 18, § 8.

aggrieved by the doings of the commissioners, as aforesaid, may have a committee or jury to determine the matter as provided in chapter eighteen.

SEC. 10. Towns, corporations and individuals, owning ferries and bridges authorized to receive toll, may take and use land within the limits of the highway for the erection and maintenance of toll houses, but not to obstruct the public travel.

Owners of ferries and bridges may take land for toll houses.  
R. S., c. 50, § 10.

## CHAPTER 51.

### RAILROADS.

#### ORGANIZATION AND POWERS OF RAILROAD COMPANIES.

SEC. 1. Any number of persons not less than ten, a majority of whom shall be citizens of the state, may form a company for the purpose of constructing, maintaining and operating a railroad for public use in the conveyance of persons and property within the state, and for that purpose may make and sign articles of association in which shall be stated the name of the company, the gauge of the road, the places from which and to which the road is to be constructed, maintained and operated, the length of such road, as nearly as may be, and the name of each town and county in the state through which or into which it is to be made; the amount of the capital stock, which shall not be less than six thousand dollars for every mile of road proposed to be constructed of the gauge of four feet eight and a half inches, nor less than three thousand dollars a mile for a narrower gauge, the number of shares of which said stock shall consist, and the names and places of residence of at least five persons, a majority of whom shall be citizens of the state, who shall act as directors of the proposed company, and manage its affairs until others are chosen in their places. Each subscriber shall sign his name, residence, and the number of shares which he agrees to take in said company.

Railroad companies, how formed.  
R. S., c. 51, § 1.

—articles of association.

—capital stock.

—gauge.

—shares.

—directors.

—subscription.

SEC. 2. Said articles of association shall not be filed and recorded in the manner provided in the following section until the capital stock named in section one has been subscribed thereto, in good faith, by responsible parties, and five per cent paid thereon in cash to the directors named in said articles, nor until there is indorsed thereon or annexed thereto, an affidavit made by a majority of the directors named therein, that the amount of stock required by this section has been in good faith subscribed, and five per cent paid thereon in cash as aforesaid, and that it is intended in good faith to construct, maintain and operate the road mentioned in such articles, which affidavit shall be recorded therewith as aforesaid.

Articles, when to be filed.  
R. S., c. 51, § 2.

SEC. 3. Said directors shall present to the board of railroad commissioners a petition for approval of said articles of association, accompanied with a map of the proposed route on an appropriate scale. The board of railroad commissioners shall, on presentation of such petition appoint a day for a hearing thereon, and the petitioners shall give such notice thereof as said board deems reasonable and proper, in order that all persons interested may have an opportunity to appear and be heard thereon. If the board of railroad commissioners, after notice and hearing the parties, finds that all the provisions of sections one and two have been complied with, and that public convenience requires the construction of such railroad, said board shall indorse upon said articles a certificate of such facts and the approval of the board in writing. The secretary of state shall, upon payment of *twenty dollars to the state*, (the fees prescribed by section five of chapter forty-six) cause the same with the indorsement thereon, to be recorded, and shall issue a certificate in the following form:

Approval of articles by railroad commissioners.  
R. S., c. 51, § 3.  
1899, c. 117, § 1.

—when recorded, secretary of state shall issue a certificate.

## "STATE OF MAINE.

Form of  
certificate.

Be it known that, whereas," (here the names of the subscribers to the articles of association should be inserted) "have associated themselves together with the intention of forming a corporation under the name of" (here insert the name of the corporation) "for the purpose of building and operating a road between" (here insert the description of the road contained in the articles of association) "and have complied with the statutes of the state in such cases made and provided. Now, therefore, I," (here insert the name of the secretary) "secretary of the state of Maine, hereby certify that said" (names of subscribers), "their associates and successors, are legally organized and established as an existing corporation under the name of" (name of 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 seal of the state of Maine hereunto affixed, this —— day of ——, A. D., 19——." (day, month and year inserted.)

—to be evi-  
dence of  
the estab-  
lishment of  
corporation.

—to be  
recorded.

First  
meeting  
how called.  
R. S., c. 51, § 4.

The secretary of state shall sign the same and cause the seal of the state to be thereto affixed, and such certificate shall be conclusive evidence of the organization and establishment of such corporation at the date thereof. The secretary shall also cause a record of such certificate to be made, and a certified copy of such record may with like effect as the original certificate be given in evidence to prove the existence of such a corporation.

SEC. 4. The first meeting for the purpose of organizing such corporation, shall be called by a notice, signed by five or more of the subscribers to such articles of association, stating the time, place and purpose of such meeting, a copy of which notice shall, seven days at least before the day appointed therefor, be given to each such subscriber, or left at his usual place of business or residence, or deposited in the post office, post paid, addressed to him at his usual place of business or residence; and whoever gives such notice, shall make affidavit of his doings, which shall be recorded in the records of the company.

Capital  
stock, how  
increased.  
R. S., c. 51, § 5.  
See §§ 20-22.

SEC. 5. If the capital stock of any company formed under the foregoing provisions is found to be insufficient for constructing and *operating* (equipping) its road, such company may increase the same from time to time, to any amount, for the purposes aforesaid. Such increase must be sanctioned by a vote, in person or by proxy, of two-thirds in amount of all the stockholders at a meeting thereof, called by the directors for that purpose.

[The phrase "for other necessary and lawful purposes" found in P. L. 1897, c. 186, sec. 4 (sec. 20) is thought to be broad enough, if unqualified, to include the purpose of "operating its road," mentioned in section five, and the penalties provided in that chapter (sec. 23) seem to apply to the issue of stock under section five, by a company organized under general law, for the purpose of operating its road. Sec. 8 of c. 186 (sec. 24) however, prevents the repeal of any existing powers or the application of the penalties to such an increase. It is thought, therefore, that a company organized under the general law, may, for the purpose of operating its road, increase its stock from time to time by either method. The commissioner suggests that the legislature may have intended that c. 186 shall apply to cases of increase of stock made necessary by the development of the business of a railroad, the protection of its interests, and other exigencies arising after the original construction and equipment of the road, and that the substitution of the word "equipping" for the word "operating" in section five, and an amendment of sec. 20 by inserting in the sixth line from the last, after the word "purposes," the words "not named in section five," may make clear such intention. Such an amendment may render sec. 24 unnecessary.]

Petition for  
approval of  
location.  
R. S., c. 51, § 6.  
1899, c. 117, § 2.  
90 Me., 85.

SEC. 6. Every corporation organized under the foregoing provisions, before commencing the construction of its road, shall present to the board of railroad commissioners a petition for approval of location, defining its courses, distances and boundaries accompanied with the map first presented, and with a profile of the line on the relative scales of profile paper in common use, and with a report and estimate prepared by a skilful engineer from actual survey. The board of railroad commissioners shall, on presentation of such petition, appoint a day for a hearing thereon, and the petitioners shall give such notice thereof as said board deems reasonable

—hearing  
on notice to  
be given.

and proper, in order that all persons interested may have an opportunity to appear and object thereto. If the board of railroad commissioners, after hearing the petition, approves the proposed location, the corporation may proceed with the construction thereof; *provided*, that they first file with the clerk of the court of county commissioners of each county through which the road passes, a plan of the location of the road, defining its courses, distances and boundaries, and another copy of the same with the board of railroad commissioners; but the location so filed shall not vary, except to avoid expense of construction, from the route first presented to said board, unless said variation is approved by them. And said location, together with any variation made therein, shall be filed within two years from the time when the articles of association are filed in the office of secretary of state; (*provided, however*, that the railroad commissioners, upon written application made to them, may extend the time of filing such variations in their discretion;) *provided, further*, that no railroad shall be made across tide waters where vessels can navigate, without special permission of the legislature first obtained.

[The commissioner thinks that the amendment of 1893 may have been inadvertently omitted in the act of 1899, and that it may properly be restored to the section.]

SEC. 7. If any corporation formed under the foregoing sections does not, within three years after its articles of association are filed and recorded in the office of the secretary of state, begin the construction of its road, and expend thereon ten per cent of its capital, its corporate existence and power shall cease.

SEC. 8. Every corporation organized as aforesaid shall, within one year after any part of their road has been constructed and opened for operation, cause to be made a map and profile thereof, and of the land taken or obtained for the use thereof, and file the same in the office of the secretary of state; also like maps of the parts thereof located in different counties, and shall file the same in the offices for recording deeds in the counties in which such parts of road are. Every such map shall be drawn on a scale and on paper to be designated by the board of railroad commissioners, and certified and signed by the president and engineer of the corporation.

SEC. 9. Said corporation may establish and collect such tolls for the transportation of persons and freight over its road as the directors deem fair and reasonable, and shall have a lien on its freight therefor; but, upon what shall, at any time, be deemed by the railroad commissioners a sufficient complaint, by interested and responsible parties, that the tolls are unreasonably high, said commissioners may revise and establish them, after due notice and hearing, for a time not exceeding one year. But the commissioners, before directing said hearing, shall give opportunity to the company complained of, to reply to the charge.

SEC. 10. Any railroad corporation formed under the foregoing sections, desiring to change the gauge of its road, shall by vote, increase its capital stock to the amount required by section one of this chapter, if the existing capital be not equal to such amount, and shall present to the board of railroad commissioners a written application, subscribed and sworn to by a majority of its directors, setting forth the desire of the petitioners, and that the increased amount of capital stock has been in good faith subscribed by responsible persons, and that five per cent thereof has been paid in, in cash, to the treasurer of such corporation. If such application be approved by the board of railroad commissioners, such corporation shall make and file a new location, as provided by section eight of this chapter.

SEC. 11. The board of railroad commissioners may revive the *charter* (corporate existence and power) of any railroad corporation, organized under the foregoing sections, which may have *lapsed* (ceased) by failure of the corporation to file its location, or to begin the construction of its road within the time limited by *such charter* (law), on application made by the directors of said corporation to the board of railroad commissioners, in the manner provided in section ten.

—when corporation may proceed with construction of road.

—proviso.

—location not to vary, except to avoid expense.

—to be filed within two years.

—extension of time. 1893, c. 164.

—not to cross navigable rivers without consent of legislature.

Building of road to be begun within three years. R. S., c. 51, § 7. See § 11; c. 1 § 6, § XXVII.

Map and profile of road to be filed in secretary of state's office. R. S., c. 51, § 8.

—maps, how to be drawn. (

Tolls to be established by directors. R. S., c. 51, § 9.

—but may be revised by railroad commissioners. 86 Me., 276.

Railroad company may change gauge. R. S., c. 51, § 10. 1887, c. 96, § 1.

Railroad commissioners may revive lapsed charter. 1887, c. 96, § 3. See § 7.

Petition for legislative incorporation, what it must contain.  
R. S., c. 51, § 11.

Company may fix number of directors.  
R. S., c. 51, § 12.  
Any stockholder at any meeting may call for stock vote.  
R. S., c. 51, § 13.

Railroad corporations may extend roads.  
1899, c. 7.

—procedure.

Use of electricity.  
1896, c. 62.  
Railroad corporations may aid branch or connecting road.  
1889, c. 301.

May hold shares in another road.  
1897, c. 186, § 1.

May increase holdings.  
1897, c. 186, § 2.

A railroad corporation may increase its capital stock beyond amount first authorized.  
1897, c. 186, § 4.  
See § 5.

Railroad commissioners to grant certificate, to be filed in office of secretary of state.  
1897, c. 186, § 5.  
—proceeds used for specific purpose only.

SEC. 12. When a petition for a railroad corporation is presented to the legislature, it must state the places where the road is to begin and end, the distance between them, its general course, and the names of the towns through which it may pass.

SEC. 13. Any railroad company may at its annual meeting fix the number of its directors, *provided*, that in the call for said meeting notice is given of an intention to act upon said subject.

SEC. 14. Any stockholder, or representative of any stockholder in any railroad company may call for a stock vote thereof at any meeting of its stockholders, on any question legally before it, anything in the charter or by-laws of such company to the contrary notwithstanding.

SEC. 15. Any (railroad) corporation *formed under the general railroad laws of this state or any railroad corporation organized under a special act of the legislature*, (of this state) may be allowed to extend its road to other points or places, on application to the board of railroad commissioners, as provided in section ten, and by conforming to the general railroad laws of the state, so far as the same may be applicable.

SEC. 16. Any railroad corporation *which is subject to the provisions of this chapter* (of this state) may operate its road by electricity.

SEC. 17. Any railroad corporation, wholly organized under the laws of this state, at any time when it has paid dividends for the preceding three years, may, by vote of its directors, authorized or confirmed by a two-thirds vote of its stockholders, at a meeting notified for the purpose, aid in the construction or equipment of a branch of its railroad, or in the construction or equipment of a connecting railroad, and may own and hold the securities or stock of such branch or of such connecting railroad; and the parties may make such leases or mortgages as they deem necessary to secure their respective interests.

SEC. 18. A railroad corporation, which has a lease of, or which operates the railroad of another railroad corporation may purchase and hold shares of the capital stock of such corporation.

SEC. 19. A railroad corporation, which owns a majority of the capital stock of another railroad corporation, may purchase (and hold) *further* (additional) shares of the capital stock of such corporation *and hold the same together with the shares which it now owns*.

SEC. 20. A railroad corporation for the purpose of building a branch railroad track which it is or may be authorized to build, or of aiding in the construction of another railroad pursuant to law, or of building stations, or of abolishing grade crossings, or of making permanent improvements, or of paying its floating debt, or of paying its funded debt, or for the payment of money borrowed for any lawful purpose, or for the purchase of shares of the capital stock of any railroad corporation whose railroad is leased to or operated by it, or for the purchase of shares of the capital stock of any railroad corporation of which capital stock it owns a majority, or for improving the alignment of its road, or for acquiring land for and laying new tracks, or for other necessary and lawful purposes, (not named in section five,) from time to time, with the approval of the railroad commissioners as hereinafter provided, may increase its capital stock beyond the amount *now* fixed by law, *provided* such increase shall first be authorized by vote of a majority of stock present or represented, at a legal meeting of the corporation duly called for that purpose.

SEC. 21. Upon petition of the directors of the railroad corporation to the board of railroad commissioners, the amount of such increase after such notice by publication as the commissioners shall order, and after hearing shall be determined by said commissioners, who shall within thirty days after final hearing of said petition, file in the office of the secretary of state a certificate showing the amount of increase authorized and the purposes for which the proceeds of said new stock may be used; and the company shall not apply such increase or the proceeds thereof to any purpose not specified in said certificate, and may be enjoined from so doing

by any justice of the supreme court upon application of the board or of any interested party.

SEC. 22. Whenever a railroad corporation increases its capital stock under the provisions of the preceding section, the new shares to the number necessary to produce the amount necessary for the purposes for which such increase is authorized shall be offered proportionately to its stockholders at not less than the market value thereof at the time of increase, as shall be determined by the board of railroad commissioners, taking into account previous sales of stock of the corporation and other pertinent conditions. The directors shall cause written notice of such increase to be given to each stockholder who was such at the date of the vote to increase, stating the amount of such increase and the proportion thereof in shares or portions of shares which he would be entitled to receive on a division of the same, and the price fixed by the railroad commissioners as hereinbefore provided at which he is entitled to take the same, and fixing a time, not less than fifteen days from the date of such notice, within which he may subscribe for such additional stock; and each stockholder may, within the time fixed, subscribe for his portion of such stock, and the same shall be paid for in cash on the issue of a certificate therefor. *Provided*, that when the increase in the capital stock does not exceed four per cent of the existing capital stock of the corporation, the directors may dispose of the same in the manner hereinafter provided in this section without first offering the same to the stockholders. If, after the expiration of the notice above provided for, any shares of such stock remain unsubscribed for by the stockholders entitled to take them, the directors shall sell the same at auction. All shares of stock to be disposed of at auction under the provisions of this section shall be offered for sale to the highest bidder in the city of Boston, or in such city or town as may be prescribed by the railroad commissioners; and notice of the time and place of such sale shall be published at least five times during the ten days immediately preceding the time fixed for the sale, in such daily newspapers, not less than three in number, as may be prescribed by the commissioners. No shares shall be sold or issued for a less sum, to be actually paid in cash, than the par value thereof.

SEC. 23. Any member of the board of directors, or any treasurer or other officer or agent of any railroad company, who knowingly votes to authorize the issue of, or knowingly signs, certifies or issues, stock authorized by the provisions of the three preceding sections, contrary to such provisions or who knowingly votes to authorize the application of, or knowingly applies the proceeds of such stock contrary to the provisions of said sections, or who knowingly votes to assume or incur, or who knowingly assumes or incurs, in the name or behalf of such corporation, any debt or liability except for the legitimate purposes of the corporation, shall be punishable by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, or by both fine and imprisonment.

SEC. 24. Nothing contained in the six preceding sections shall be construed as a repeal of any of the powers conferred upon any railroad corporation under any *existing* (other) provision of law.

#### REAL ESTATE, HOW AND FOR WHAT PURPOSES TAKEN.

SEC. 25. A railroad corporation, for the location, construction, repair, and convenient use of its road, may purchase, or take and hold, as for public uses, land and all materials in and upon it; but the land so taken shall not exceed four rods in width unless necessary for excavation, embankment or materials. (a)

(a) 35 Me., 258; 40 Me., 556; 41 Me., 220; 47 Me., 46, 347; 51 Me., 320; 59 Me., 535; 66 Me., 38, 46; 67 Me., 360; 77 Me., 602; 83 Me., 277; 84 Me., 39; 86 Me., 130.

When stock is increased it shall be offered to stockholders proportionately.  
1901, c. 173.

—notice of increase shall be given each stockholder.

—time in which stock may be taken.

—when stock may be disposed of without offering same to stockholders.

—shares unsubscribed for shall be sold at auction.

—where such stock may be sold.

—public notice of time and place of sale shall be given.

Penalty for issuing stock contrary to the provisions of §§ 20-22.  
1897, c. 186, § 7.

Powers of railroad corporations under existing law not affected.  
1897, c. 186, § 8.

Land may be bought or taken for what purposes.  
R. S., c. 61, § 14.  
See §§ 27, 28, 30, 68.

Location,  
to be filed  
and recorded.  
R. S., c. 51, § 15.

—remedy for  
defective  
location.  
59 Me., 536.  
83 Me., 277.

—subscrip-  
tions, when  
released by  
new location.

—proceed-  
ings before  
county com-  
missioners.

—portion  
completed  
not affected  
by limitation  
in charter.

Company  
may take  
additional  
land for  
improving  
its roadbed,  
stations,  
repair shops,  
etc.  
R. S., c. 51, § 16.  
1897, c. 186, § 3.  
See § 68.

—railroad  
commission-  
ers to decide  
disputes as to  
necessity  
therefor.  
66 Me., 38-46.  
84 Me., 39.  
85 Me., 67.

—and to give  
certificate, to  
be recorded.

—proviso.

Limitation of  
right to enter  
on or take  
land.  
R. S., c. 51, § 17.  
See § 195.

Railroad  
companies  
may build  
branch tracks  
to mills,  
mines, quar-  
ries, gravel  
pits and  
factories.  
R. S., c. 51, § 18.  
1891, c. 129.  
83 Me., 277.

SEC. 26. The railroad shall be located within the time and substantially according to the description in its charter; and the location shall be filed with the county commissioners, approved by them and recorded. When a corporation, by its first location, fails to acquire the land actually embraced in its roadway, or the location as recorded is defective or uncertain, it may, at any time, correct and perfect its location, and file a new description thereof; and in such case it is liable in damages, by reason of such new or amended location, only for land embraced therein for which the owner had not previously been paid. Any subscriber to the stock, alleging that it has not been located according to its charter, may, before payment of his subscription, make written application to the county commissioners in the county where the deviation is alleged, stating it, who after fourteen days' notice to the corporation, and upon a view and hearing, shall determine whether it has been located as required; if they determine that it has been, no such defense shall be made to any process to enforce payment; if they determine that it has not, the subscription of such applicant is void. The prevailing party recovers costs. Provisions in railroad charters, when-ever granted, limiting the time within which such railroad shall be completed, shall not affect the portion thereof completed within such time; and all charters under which railroads have been constructed for a portion of the line authorized thereby are confirmed and made valid as to such portion.

SEC. 27. Any railroad corporation may also purchase or take and hold, as for public uses, additional land at any time required for the purpose of improving the alignment of its road, or for double tracking its road, also land for borrow and gravel pits, necessary tracks, side tracks, stations, wood sheds, repair shops, and car, engine and freight houses; but if the owner of said land does not consent thereto, or if the parties do not agree as to the necessity therefor or the area necessary to be taken, the corporation may make written application to the railroad commissioners, describing the estate, and naming the persons interested; the commissioners shall thereupon appoint a time for the hearing near the premises, and require notice to be given to the persons interested, as they may direct, fourteen days at least before said time; and shall then view the premises, hear the parties and determine how much, if any, of such real estate is necessary for the reasonable accommodation of the traffic and appropriate business of the corporation. If they find that any of it is so necessary, they shall furnish the corporation with a certificate containing a definite description thereof; and when it is filed with the clerk of courts in the county where the land lies, it shall be deemed and treated as taken; *provided, however*, that when land is held by a tenant for life, and the reversion is contingent as to the persons in whom it may vest on the termination of the life estate, such fact shall be stated in the application, and the commissioners shall, in addition to the notice to the tenant for life, give notice by publication to all others interested, in such manner as they deem proper.

SEC. 28. The land taken shall not be entered upon, except to make surveys, before the location has been filed, and the damages estimated and secured as hereinafter provided; and no railroad corporation shall take, without consent of the owners, meeting-houses, dwelling-houses, or public or private burying-grounds. (a)

SEC. 29. Any railroad corporation, under the direction of the railroad commissioners, may locate, construct and maintain branch railroad tracks to any mills, mines, quarries, gravel pits, or manufacturing establishments erected in any town or township, *but not within any city* through which the main line of said railroad is constructed, (but not within any city) without the consent of the city council, and for that purpose said corporation shall have all the powers and rights granted, and be subject to all the duties imposed upon it by its charter.

(a) 47 Me., 443; 66 Me., 40.

## ESTIMATION AND PAYMENT OF DAMAGES.

SEC. 30. For real estate so taken, the owners are entitled to damages, to be paid by the corporation and estimated by the county commissioners, on written application of either party, made within three years after filing the location, or if proceedings thus commenced fail for causes not affecting the merits, new ones may be commenced within one year thereafter; and when no estimate is made within such time, the owner may maintain an action of trespass, or have any remedy herein provided. The guardian of a person incapable of giving a valid conveyance, whose land is taken, may settle and give a valid release for damages; and persons having any interest in such land have the rights and remedies of owners to the extent of their interest. When requested by the owner, said commissioners shall require the corporation to give security for the payment of damages and costs, by depositing, at its risk, with the clerk, specie, notes or obligations of a state or public corporation, or other security satisfactory to the party requiring it. When entitled to it, so much of any specie so deposited shall be paid to him, as will satisfy his judgment. Notes or obligations so deposited shall be delivered to the officer having a warrant of distress, to be by him sold as personal property is sold on execution, to satisfy the warrant and fees, and any balance shall be paid to the treasurer of the corporation. When it neglects for more than thirty days to give the security required, the owner is entitled to the remedies by injunction herein provided. (a)

SEC. 31. In all cases of petition to the commissioners of any county praying for the assessment of damages on account of any railroad corporation having taken lands therein, the notice to the adverse party of the time and place of the hearing thereon, shall be a personal notice of fourteen days, or by publication of the petition and order of notice thereon in some newspaper published in said county, two weeks successively, the last publication to be fourteen days before said hearing.

SEC. 32. Said commissioners shall order the corporation to make and maintain such cattle guards, cattle passes and farm crossings as they think reasonable; prescribe the time and manner of making them, and consider this work in awarding pecuniary damages; and if the corporation after forty-eight hours' notice in writing to its president or superintendent, neglects to commence the work or complete it within a reasonable time, the owner may apply to the supreme judicial court, and the court, after due notice to said corporation, shall issue all necessary processes to enforce the specific performance of such orders, or restrain it by injunction; or the party interested may recover, in an action on the case, double the damage that he has sustained by such neglect.

SEC. 33. Said commissioners in awarding damages for land or other property taken by any railroad company may, on the application of such railroad company, prescribe such terms and conditions, in all respects, for the use of the land or property taken, by the owners thereof, and the railroad company respectively, as will secure the best accommodation of the owners, and the proper and convenient use of the same by such railroad company. *They shall in their award set forth all such terms and conditions so imposed by them.* In case of appeal by either party, the only question in issue shall be the amount or measure of damages on the terms and conditions imposed by the commissioners.

SEC. 34. Said commissioners shall (at a regular session,) make a report of their general estimate of damages, stating therein specifically, (the terms and conditions imposed by them and) the rights and obligations of each party, *at a regular session*, and cause it to be recorded; their clerk shall then make out a notice to each person, stating the amount of damages

Damages to be estimated by county commissioners. R. S., c. 51, § 19. See § 195; c. 81, § 108.

—if proceedings fail, new ones may be instituted.

—guardian may release damages.

—persons having any interest deemed owners.

—damages and costs, how secured.

Notice on petitions for assessment of damages. R. S., c. 51, § 20. See § 195. 94 Me., 390.

Cattle guards and passes to be made and maintained by road. R. S., c. 51, § 21.

—liable for double damages. 84 Me., 39. 85 Me., 311.

County commissioners, in awarding damages for property taken by railroad, may prescribe terms and conditions. 1893, c. 236. See § 34.

Commissioners to report damages and rights of each party.

—notice.

(a) 34 Me., 252; 47 Me., 446; 52 Me., 208; 59 Me., 537; 64 Me., 506; 65 Me., 249; 67 Me., 360; 72 Me., 99; 77 Me., 602; 86 Me., 130.

R. S., c. 51, § 22.  
See § 195.

—expenses.  
See c. 78, § 23.

Appeal from  
decision of  
county com-  
missioners,  
when made.  
R. S., c. 51, § 23.

—damages,  
how  
determined.  
See § 195.

—notice of  
appeal, how  
made.

—exceptions  
may be taken.

Company  
may deposit  
damages,  
interest and  
costs.  
R. S., c. 51, § 24.  
See § 195.

When dam-  
ages are not  
paid, bill in  
equity may  
be filed and  
injunction  
issued; or  
owner may  
pray for an  
estimate of  
damages to  
be ordered  
by the court.  
R. S., c. 51, § 25.  
See § 195.  
56 Me., 537.  
58 Me., 281.  
66 Me., 53.  
72 Me., 100.

Serving of  
process and  
notices, how  
made.  
R. S., c. 51, § 26.  
See § 195.

Proceedings  
for breach of  
injunction.  
R. S., c. 51, § 27.  
See § 195.

awarded to him, which shall be served by an officer on those resident in the state, and upon others, if any, by a publication three weeks successively in a newspaper printed in the county, if any, if not, in the state paper. The expense of notices shall be added to the costs of the proceedings and paid accordingly. The commissioners shall be paid the same for their services as in cases of highways; and in cases between the owners and occupants of lands and corporations, they shall be paid by the corporation. (a)

SEC. 35. Any person aggrieved by the decision or judgment of the county commissioners in relation to damages for land taken for railroad purposes, may appeal to the next term of the supreme judicial court to be held in the county where the land is situated, more than thirty days from the day when the report of the commissioners is made, excluding the day of the commencement of the session of said court, which court shall determine the same by a committee of reference if the parties so agree, or by a verdict of its jury, and shall render judgment and issue execution for the damages recovered, with costs to the party prevailing in the appeal, but no committee or jury shall alter the requirements in the report of the commissioners. The appellants shall serve written notice of such appeal upon the opposite party fourteen days at least before the session of said court, and shall at the first term file a complaint setting forth substantially the facts of the case. On the trial, exceptions may be taken as in other cases. (b)

SEC. 36. When the proceedings are closed, the corporation may deposit with the clerk the amount of damages, with interest thereon from the time when the estimation was recorded, and legal costs, in full satisfaction therefor, unless a demand had been previously made and payment neglected.

SEC. 37. When the damages remain unpaid for more than thirty days after they are due and demanded, a bill in equity may be filed in court, in term time or vacation, by the person entitled to them, praying for an injunction against the use or occupation of his land taken. If proceedings for an estimation of damages are not commenced within three years, and the owner of the land files a bill praying therefor, the court may estimate the damages, decree their payment and issue an execution therefor; and the plaintiffs shall be entitled to a bill for an injunction; and in either case, any justice of the court, after summary notice to the corporation and upon proof of the facts, may, without any bond filed, issue an injunction prohibiting such use and occupation until all damages and costs are paid. The bill shall be entered, service of it made, and continued at the next term after the injunction is issued. At the second term, if payment has not been made, the injunction may be made absolute; and all rights acquired by taking the land, and all rights of property in and to whatever has been placed upon it, cease, and the owner may maintain an action for its recovery and protection.

SEC. 38. Service of process and notice may be made upon the president of the corporation; when no president, upon any of its officers; and when no officer, upon a stockholder. Service of an injunction issued against any person, whether a party to the bill or not, may be made upon him, and he shall be liable to all the penalties and consequences provided for a breach of it.

SEC. 39. The court may order persons violating such injunction, after service, or using the land, to show cause at a time fixed, why a decree should not be entered and execution issued against them individually, and their goods and estate, for the damages, interest, costs, and for additional damages and costs for breach of the injunction. Upon service and return

(a) 45 Me., 267; 52 Me., 208; 60 Me., 286; 64 Me., 506; 65 Me., 249; 67 Me., 292; 81 Me., 481.

(b) 60 Me., 286; 63 Me., 363; 65 Me., 230; 67 Me., 292; 70 Me., 499; 81 Me., 481.

of such order, the court may enter such decree as is just and equitable against such persons, and issue execution accordingly; or may proceed against them as for breach of injunction in other chancery cases.

## CROSSINGS REGULATED.

SEC. 40. Railroads may cross highways or townways in the line of the railroad, but cannot pass along them without leave of the town, but when a railroad is hereafter laid out across a highway or other public way, it shall be constructed so as to pass either over or under such way, unless the railroad commissioners after notice and hearing authorize a crossing at grade. Before entering upon the construction of any railroad, the manner and conditions of crossing shall be determined as provided by section twenty-eight of chapter eighteen. But no crossing of a street in a city, not a highway, shall be made without the written consent of the mayor and aldermen. Crossings not so made are nuisances, and may be so treated, and the directors of railroad corporations making them, are personally liable.

SEC. 41. Highways and other ways may be raised or lowered to facilitate a crossing or to permit a railroad to pass over or under the same, or the course of the same may be altered so as to facilitate any crossing, or to permit a railroad to pass at the side thereof, on application to the railroad commissioners and proceedings as provided by section twenty-eight of chapter eighteen, and for such purposes, land may be taken and damages awarded as provided for laying out highways and other ways. The railroad commissioners may prescribe the manner in which the work shall be done by the corporation. While the use of any way is thereby obstructed, a temporary way shall be provided by the corporation.

[The above draft of section forty-one condenses the provisions of R. S., c. 51, § 29 and P. L. 1899, c. 73, § 2, as those statutes now read, but the commissioner suggests that the following draft may be a better form for that section:]

SEC. 41. Highways and other ways may be raised or lowered, or the course of the same may be altered to facilitate a crossing or to permit a railroad to pass over or under the same or at the side thereof, on application to the railroad commissioners, and proceedings as provided by section twenty-eight of chapter eighteen; and for such purposes land may be taken and damages awarded as provided in case of other lands taken for railroad purposes. The railroad commissioners may prescribe the manner in which the work shall be done by the corporation. While the use of any way is thereby obstructed, a temporary way shall be provided by the corporation.]

SEC. 42. When the corporation unnecessarily neglects to perform the acts so required, those injured may recover damages in an action on the case, commenced within one year after performance is required. (a)

SEC. 43. A railroad may be carried over or under a canal or railroad in such manner as not unnecessarily to impede the travel or transportation on them. The corporation making such crossing is liable for damages occasioned thereby in an action on the case. Bridges and their abutments, constructed for a crossing of any way, shall be kept in repair by the corporation, or by persons or parties running trains on any railroad crossing a highway or town way. The municipal officers of any city or town may give notice in writing to such persons, parties or corporations, that a bridge required at such crossing has not been erected, or is out of repair, and not safe and convenient, within the requirements of section fifty-five of chapter eighteen, or that the crossing of any such highway or town way passing such railroad at grade, within their respective cities or towns, is not made or maintained safe and convenient, as required by said section; and such persons, parties or corporations, shall erect or repair such bridge, or make such crossing safe and convenient, as aforesaid, within ten days from the service of said notice; and if they neglect so to do, any one of said municipal officers may apply to any justice of the supreme judicial court, in term time or vacation, to compel such delinquents to erect or repair such bridge,

Crossings of highways and streets, how made.

1889, c. 282, § 2.  
R. S., c. 51, § 28.  
45 Me., 563.  
49 Me., 1121, 156.  
51 Me., 315.  
57 Me., 134.  
58 Me., 47.  
65 Me., 292.  
77 Me., 602.  
78 Me., 67.  
87 Me., 249.

Ways may be raised or lowered, or course altered, on application to railroad commissioners.

1899, c. 73, § 2.  
R. S., c. 51, § 29.  
38 Me., 30.  
49 Me., 121, 157.  
87 Me., 253.

Neglect subjects to damages.

R. S., c. 51, § 30.

Railroad may be carried over or under a canal or railroad.

R. S., c. 51, § 31.

—bridges and abutments to be kept in repair.

—notice when bridge or crossing is not safe and convenient.

—repairs within ten days from service of notice.

(a) 49 Me., 126; 51 Me., 315; 67 Me., 357.

—proceedings in case of further neglect.

Company shall erect and maintain bridge-guards.  
R. S., c. 51, § 32.

—penalty for refusal, neglect or injury.

Bell on engine, and when to be rung.  
R. S., c. 51, § 33.

—whistle or bell sounded for warning.

—signs at crossing.  
55 Me., 441.  
57 Me., 134.  
67 Me., 105.

Town officers may request company to provide gates at railroad crossings.  
R. S., c. 51, § 34.  
1895, c. 165, § 1.  
88 Me., 225.  
89 Me., 563.

—application to railroad commissioners, in case of refusal.

Penalty for neglect of two preceding sections, and liability to action for damages.  
R. S., c. 51, § 35.  
67 Me., 134.

Railroad commissioners may determine manner in which railroads shall cross each other.  
1895, c. 72, § 1.

—application, notice and hearing.  
89 Me., 334, 563.

Crossing over railroad already built, shall be made

or make such crossing, as aforesaid; and after hearing, such justice or court may make any order thereon which the public convenience and safety require, and may, by injunctions compel the respondents to comply therewith; or said officers may, after ten days from the service of such notice, cause necessary repairs to be made, and the expense thereof shall be paid by the persons, parties or corporations whose duty it is to keep such crossing safe and convenient.

SEC. 44. Every railroad corporation shall erect and maintain suitable bridge-guards at every bridge or other structure, any portion of which crosses the railroad less than twenty feet above the track; such guards must be approved by the railroad commissioners, and be erected and adjusted to their satisfaction. Any corporation refusing or neglecting to comply with this section, for each month of continuance in such neglect or refusal, forfeits fifty dollars; and whoever wilfully destroys or breaks any such bridge-guard forfeits not exceeding one hundred dollars, and may be imprisoned not exceeding thirty days.

SEC. 45. A bell of the weight of thirty-five pounds or more shall be placed on each engine used on a railroad, and shall be rung at the distance of eighty-five rods or more from the crossing of a way on the same level or running contiguous thereto, and kept ringing until the engine has passed the same; and a steam whistle, or, in cities and villages, a bell, shall be sounded as a warning at a distance of a hundred rods; and boards, with the words, "Railroad Crossing," distinctly painted thereon, on each side, in letters plainly legible, shall be placed on the side of a way where it is crossed by a railroad, on a post or other structure, in such position as to be easily seen by persons passing upon such way.

SEC. 46. When the municipal officers of a town deem it necessary for public safety, that gates should be erected across a way where it is crossed by a railroad, and that a person should be appointed to open and close them, they may make such request in writing; and in case of neglect or refusal they may apply to the railroad commissioners to decide upon the reasonableness of such request, who after notice and hearing, shall decide. When they decide that such a request is reasonable, or that at said crossing a flag-man or automatic signals are necessary for the public safety, they may, upon said application, order a flag-man to be stationed or automatic signals to be maintained there instead of gates, and the corporation shall comply with such order and pay the costs; when they decide otherwise, the costs shall be paid by the applicants.

SEC. 47. For unnecessarily neglecting to comply with any provision of the two preceding sections, the corporation forfeits not exceeding five hundred dollars. Any person, whose duty it is to open or close such gates for the passage of an engine or traveler on a way, neglecting so to do, forfeits not exceeding fifty dollars. The corporation is liable for damages for its neglect to comply with these provisions, or for the neglect of any agent, or for the mismanagement of an engine, to be recovered in an action on the case by the person damaged thereby.

SEC. 48. The board of railroad commissioners shall *have authority to* determine the manner and conditions of one railroad of any kind crossing another. Any corporation or party operating such railroad may apply to said board for a change in the then existing condition, construction or manner of any such crossing. Such application shall be in writing, giving the location of the crossing, and said board shall give a hearing thereon, after they have ordered such notice to be given by the applicants, as to the time, place and purposes of such hearing, as said board shall deem proper. Said board shall determine at such hearing what changes, if any, are necessary, and how such crossings shall be constructed and maintained, the expense thereof to be borne as the railroad commissioners may order.

SEC. 49. In the case of a railroad company of any kind whose tracks are to be constructed across the tracks of any railroad already built, such crossings shall be made, constructed and maintained in such manner and

under such conditions as shall be ordered by the board of railroad commissioners, the expense thereof to be borne as the railroad commissioners may order. The parties contemplating making such crossing shall apply to the railroad commissioners in writing, giving the location of the crossing desired, and said commissioners shall give a hearing thereon after they shall have ordered such notice to be given by the applicants of the time, place and purposes of such hearing as said board shall deem proper. At such hearing the board of railroad commissioners shall determine the manner and conditions of construction and maintenance of such crossing and make their report as hereinafter provided.

SEC. 50. Bridges erected by any municipality, over which any railroad passes, shall be constructed and maintained in such manner and condition, as to safety, as the board of railroad commissioners may determine. Said board *shall have authority to* (may) require the officers of the railroad company and of the municipality to attend a hearing in the matter, after such notice of the hearing to all parties in interest as said board may deem proper. Said commissioners shall determine at such hearing the repairs, renewals or strengthening of parts, or if necessary the manner of rebuilding such bridge, required to make the same safe for the uses to which it is put. They shall determine who shall bear the expenses of such repairs, renewals, strengthening or rebuilding, or they may apportion such expense between the railroad company and the city or town, as the case may be, in such manner as shall be deemed by the board just and fair, and shall make their report as hereinafter provided.

[This section probably applies to street railroads only, notwithstanding the use of the general phrase "any railroad." On account however of the following sections, the commissioner has retained it with other sections relating to the same subject, instead of transferring it to that portion of the chapter relating to street railroads.]

SEC. 51. The board of railroad commissioners shall make a report in writing of their decision in all matters named in the three preceding sections, file the same in their office, and cause a copy of such decision to be sent by mail to each of the railroad corporations, or the municipal officers of the cities or towns as the case may be, interested therein. Such decision shall be final and binding upon all parties named, unless an appeal therefrom shall be taken and entered in the next succeeding term of the supreme judicial court, to be held in the county where the crossing or bridge is located, after thirty days from the date of the report.

SEC. 52. If any appeal shall be taken as provided in the preceding section, the appellant shall within thirty days from the date of the filing of such decision, file in the office of the board of railroad commissioners, its reasons of appeal, and fourteen days at least before the sitting of the appellate court, it shall cause a copy of such reasons, certified by the clerk of the board of railroad commissioners, to be served upon such other interested corporation or municipality. The presiding justice, at such term of court, shall make such order or decree thereon as law and justice may require. Exceptions may be taken to such order or decree. The final adjudication shall be recorded by the clerk of courts in the county where the crossing or bridge is located, and a copy of the same shall be certified by said clerk to the board of railroad commissioners for record in their office. Costs may be taxed and allowed to either party at the discretion of the court.

SEC. 53. Whenever any railroad company of any kind, whose tracks are to be constructed across the tracks of any railroad already built, shall apply to the railroad commissioners to determine in what manner and under what conditions such crossings shall be made, constructed and maintained and how the expense thereof shall be borne and an appeal is taken from the decision of the railroad commissioners thereon, the board of railroad commissioners may, if they find that public necessity and convenience require it, notwithstanding said appeal, determine the manner and conditions of

as ordered by railroad commissioners. 1895, c. 72, § 2. 89 Me., 334.

—application, notice and hearing.

Bridges erected by municipalities shall be maintained as commissioners may determine after hearing. 1895, c. 72, § 3.

See § 187.

Commissioners shall make report of their decisions, and send copies to parties interested. 1895, c. 72, § 4. 89 Me., 334.

—when appeals may be taken.

Appellant shall file reasons of appeal, and copy shall be served on other party. 1895, c. 72, § 5.

—final adjudication shall be recorded.

—costs, how taxed.

During pendency of appeal commissioners may determine temporary conditions of crossing. 1901, c. 191.

construction and maintenance of such crossing during the pendency of said appeal or of any legal proceedings that may delay final decree on said application and shall issue the necessary temporary decree therefor.

#### FENCES AND TRESPASSES ON ADJOINING LANDS.

Fences, how  
and where  
made.  
R. S., c. 51, § 36.  
See § 195.

—liability  
for injuries,  
and how  
recovered.

Line fences  
to be built  
on notice of  
abutter.  
R. S., c. 51, § 37.  
See § 195.  
39 Me., 276.  
60 Me., 244.  
82 Me., 124.

—penalty for  
neglect.

Injuring  
fences or  
turning  
animals  
into railroad  
enclosure.  
R. S., c. 51, § 38.  
See § 195.

Company lia-  
ble for tres-  
passes on ad-  
joining land.  
R. S., c. 51, § 39.  
See § 195.  
59 Me., 534.  
62 Me., 438.

Duties of  
corporations  
owning  
connecting  
roads.  
R. S., c. 51, § 40.  
46 Me., 73.  
47 Me., 200.  
52 Me., 434.

Trains due at  
same hour at  
crossing  
must wait  
and give  
time to  
change  
baggage.  
R. S., c. 51, § 41.  
47 Me., 200.

SEC. 54. Where a railroad passes through enclosed or improved land, or wood-lots belonging to a farm, legal and sufficient fences shall be made on each side of the land taken therefor, before the construction of the road is commenced, and such fences shall be maintained and kept in good repair by the corporation. For any neglect of such duty during the construction of the road, and for injuries thereby occasioned by its servants, agents or contractors, the directors are jointly and severally personally liable. For any subsequent neglect, the corporation shall be fined a sum sufficient to make or repair the fence, to be recovered by indictment and expended by an agent appointed by the court therefor. (a)

SEC. 55. The owner of any enclosed or improved land or wood-lot belonging to a farm abutting upon any railroad which is finished and in operation, may at any time between the twentieth day of April and the end of October, give written notice to the president, treasurer, or either of the directors of the corporation owning, controlling or operating such railroad, that the line fence against his land has not been built, or if built, that the same is defective and needs repair. And if said corporation neglects to build or repair such fence, for thirty days after receiving such notice, it forfeits to such owner one hundred dollars, to be recovered in an action on the case.

SEC. 56. Whoever takes down or intentionally injures any fence, erected to protect the line of any railroad, or turns any horse, cattle or other animal, upon or within the enclosure of such railroad, shall be fined not less than ten, nor more than one hundred dollars, or imprisoned not less than ten days nor more than six months.

SEC. 57. The corporation is liable for trespasses and injuries to lands and buildings adjoining or in the vicinity of its road, committed by a person in its employment, or occasioned by its order, if the party injured within sixty days thereafter, gives notice thereof to the corporation; but its liability does not extend to acts of wilful and malicious trespass. The person committing a trespass is also liable.

#### CONNECTIONS.

SEC. 58. *A corporation owning a railroad on which cars run, shall on request, at reasonable times, and for a toll not exceeding its ordinary rate, draw over its road the cars of any other railroad connecting with it. When it neglects, the corporation owning the connecting road may draw its cars over such road with its own engines during such neglect, subject, while on such road, to its regulations for the management of its own trains. The corporation owning the connecting road shall furnish its own stations at the termini of the other road, and be liable for all injuries occasioned by such drawing of its cars; from which the other corporation is exempted.*

SEC. 59. When railroads cross each other and passenger trains are due at the crossing at the same hour, the train first arriving shall wait for the arrival of the other, if it comes within twenty minutes; and each shall afford suitable opportunity for passengers desiring to change with their baggage from one train to the other; and the superintendent, conductor and engineer of the road violating this provision forfeits to the State for each offense, not less than ten, nor more than fifty dollars, to be recovered on complaint or by indictment.

(a) 29 Me., 308; 39 Me., 276; 46 Me., 166; 59 Me., 534; 60 Me., 243; 63 Me., 309; 65 Me., 338; 82 Me., 124; 87 Me., 306, 327.

## RATES OF FARE AND TOLL.

SEC. 60. *In September, annually, each corporation shall fix its rates of toll per mile for transportation of timber, wood, and bark, by ton, cord, or thousand feet; and on the first day of October following, shall post at all the stations and depots on its road, a copy of such rates and keep it posted during the year. For neglecting so to fix and post, or for receiving higher rates than those posted, it forfeits one hundred dollars to the prosecutor.*

[Sections 58 and 60 are thought to be entirely obsolete.]

SEC. 61. Any railroad corporation may establish for its sole benefit, fares, tolls and charges, upon all passengers and property conveyed and transported on its railroad, at such rates as may be determined by the directors thereof, and may from time to time by its directors regulate the use of its road; *provided*, that such rates of fares, tolls and charges, and regulations are at all times subject to alteration by the legislature, or by such officers or persons as the legislature may appoint for the purpose, anything in the charter of such corporation to the contrary notwithstanding.

SEC. 62. No railroad company shall limit the right of a ticket-holder to any given train, but such ticket-holder may travel on any train, whether regular or express, and may stop at any of the stations along the line of the road at which such trains stop; and such ticket shall be good for a passage as above for six years from the day it was first used; *provided*, that railroad companies may sell excursion, return, or other special tickets at less than the regular rates of fare, to be used only as provided on the ticket.

SEC. 63. The preceding section shall not prevent railroad corporations from establishing necessary rules and regulations for the cancelation of tickets, and exchange of partially used tickets; but such rules and regulations shall be publicly posted at each ticket office and on all passenger trains, and when practicable, printed upon the tickets. And any ticket or check given in exchange for the unused portion of a partially used ticket, continues in force for the full term of the original ticket, as provided in said section.

SEC. 64. No person other than a duly authorized agent of the railroad company issuing the same shall sell, offer for sale, or loan any railroad mileage books or any coupons therefrom, or any other railroad ticket limited to the use of a person or persons thereon specified at the time of its issuance by the railroad company, under a penalty of not less than ten dollars nor more than one hundred dollars for each offense, to be recovered on complaint.

SEC. 65. No person, other than one specified in any railroad mileage book, or other railroad ticket, limited to the use of a person or persons specified thereon, at the time of its issuance by the railroad company, shall offer for passage or in payment for transportation on any railroad, any such mileage book, or coupons therefrom, or any other railroad ticket limited as aforesaid, under a penalty of not less than one dollar nor more than ten dollars for each offense, to be recovered on complaint.

SEC. 66. Any railroad company which shall issue a mileage book limited to a person or persons named therein, shall, upon presentation thereof by the person to whom such book was issued or his legal representatives, at some one or more of its principal stations in each county through which its road runs, to be designated by such company, at any time after one year from the time when such book was issued, redeem all the coupons then attached to such book at the same rate a mile as (for which) such mileage book was sold at.

Rates of toll for lumber and wood, to be fixed and posted yearly.

R. S., c. 51, § 42.

—penalty.

Railroad companies may establish fares and tolls, subject to revision and alteration by the legislature.

R. S., c. 51, § 43.

53 Me., 282.

86 Me., 276.

Railroad tickets, good for six years.

R. S., c. 51, § 44.

60 Me., 519.

67 Me., 165.

72 Me., 389.

84 Me., 286.

—special tickets.

Railroad tickets, cancelation and exchange of.

R. S., c. 51, § 45.

Sale of mileage books and limited tickets, regulated.

1899, c. 69, § 1.

Use of such books and tickets restricted to persons specified.

1899, c. 69, § 2.

—penalty.

Limited mileage books shall be redeemed within one year after issue.

1899, c. 69, § 3.

## CHANGE OF ROUTE AND DISCONTINUANCE OF TRAINS.

SEC. 67. Any railroad corporation, under the direction of the railroad commissioners, may make any changes in the location of its road which it deems necessary or expedient, and such changes shall be recorded where the original location was required by law to be recorded.

Change in location of railroad.

1893, c. 193, § 1.

90 Me., 92.

May take land necessary for making any change.  
1893, c. 193, § 2.

Prohibition against change of location of railroad tracks, or refusal to operate road.  
R. S., c. 51, § 46.  
1893, c. 193, § 3.

Order of notice to be served on railroad corporations neglecting to run trains.  
R. S., c. 51, § 47.

—notice to be given to attorney general.

—court shall appoint a hearing.

—receivers shall be appointed,

—and shall give bond.

Notice of appointment.  
R. S., c. 51, § 48.

—duties.

—authority.

Receivers, authorized to raise money by loan, to repair railroad.  
R. S., c. 51, § 49.

—lien created, for payment of loan.

SEC. 68. Any railroad corporation may purchase, or take and hold, as for public uses, land and materials necessary for making any changes authorized by the preceding section, in the manner authorized by its charter or the general provisions of law, and may cross highways and town ways in accordance with the provisions of law regulating such crossings.

SEC. 69. No railroad having established its business upon a line shall substantially deviate from the track as originally built without the consent of the legislature or the railroad commissioners, and no railroad having established its business as aforesaid, shall cease to run its trains and operate its road, so long as said railroad company pays dividends to its stockholders from its earnings; but this section does not permit any railroad company to cease operating its road or running its trains.

SEC. 70. Whenever any railroad corporation, after commencing to receive tolls, neglects or refuses regularly to run trains upon and to operate its road for the transportation of passengers and freight for sixty days at any one time, the railroad commissioners, or any ten citizens residing in any county through which said railroad extends, may petition the supreme judicial court in any county through which such railroad extends, setting forth therein such neglect and refusal so to run trains and operate its road; which petition, before entry in court, may be presented to any justice thereof in term time or vacation, who shall order not less than fourteen days' notice thereon to be served on such corporation. The petitioners shall give written notice to the attorney general or the county attorney of the county in which said petition is filed, of the filing thereof, one of whom shall appear and take charge of proceedings in court. The court shall appoint a hearing, and at or after said hearing, if the allegations in such petition are found to be true, and if in its opinion public necessity and convenience require it, the court shall appoint some suitable person or persons or some other railroad corporation, a receiver or receivers, to take possession and control of said railroad, together with all corporation property belonging thereto, and shall require such receivers to give bond to said corporation in a reasonable sum, with sureties satisfactory to the court, for the faithful discharge of their trust, and shall also determine their compensation.

SEC. 71. Such receivers immediately after giving the required bond shall give notice of their appointment by publishing the same three weeks successively in one newspaper printed in each county through which said road extends, and shall immediately take possession and control of said railroad, and all its rolling stock, and stations and *depots*, together with all appendages belonging to the same and necessary for the convenient use thereof, and shall diligently proceed to repair and refurnish said railroad, its rolling stock and other appendages, and operate the same for the accommodation of the public. Said receivers have the same authority to demand and receive tolls and otherwise manage said railroad, and are subject to the same restrictions as are conferred and enjoined by the charter of said railroad upon its original corporators, and as may be provided by law.

SEC. 72. If said railroad, its track, bridges, rolling stock, and other appendages, shall be found to be too much out of repair, or its rolling stock and other appendages insufficient in amount to admit of safely or successfully operating the same, and the earnings are not sufficient to repair said railroad, its track, bridges, rolling stock, and other appendages, or to rebuild or refurnish the same, said receivers may raise, by loan, a sufficient sum of money, not exceeding five thousand dollars a mile, so to repair, rebuild or refurnish said railroad, its track, bridges, rolling stock and other appendages, said loan to bear a reasonable rate of interest, not exceeding eight per cent a year, payable semi-annually, and the principal payable within twenty years. A lien is created on the franchise and all the property, real and personal, road, road bed, track, stations, buildings, and equipment, pertaining to and constituting said railroad, for the payment of

the principal and interest thereof. Said loan, secured by such lien, takes precedence of all mortgages, bonds, stock, or other title or claim of indebtedness of any kind whatsoever, then existing or thereafter created on said railroad.

SEC. 73. Any justice of the supreme judicial court sitting in the county where the original petition was filed, on petition of said railroad corporation or its owners, and after reasonable notice to such receivers, may revoke their authority and restore the possession and control of said railroad to said corporation or its owners, upon their paying the principal and interest of the aforesaid loan then existing, together with the sum due said receivers for their personal services, with all the expenses incurred in operating and repairing said railroad and its appendages during their continuance in their said capacity, over and above the earnings thereof; *provided, however,* that said railroad corporation or its owners give bond to the State in such sum as the court orders, with sureties satisfactory to the court, conditioned that said corporation or its owners thus seeking to receive possession shall operate and keep in repair said railroad, its rolling stock, and other appendages to the satisfaction of the railroad commissioners, for five years following said order.

Railroad to be restored to corporation, on certain conditions. R. S., c. 51, § 50.

—proviso.

SEC. 74. If said receivers and said railroad corporation or owners are unable to agree upon the amount due said receivers from said corporation or its owners, the question shall be referred by order of court to the determination of the railroad commissioners, whose decision made to said court and accepted shall be final in the premises, and in no case shall said corporation or its owners receive possession and control of said railroad until said receivers are paid or tendered the full amount due them, as aforesaid, except by their written consent.

Railroad commissioners may decide amount due receivers. R. S., c. 51, § 51.

SEC. 75. The court may fill all vacancies in said office of receiver, and at the time of appointing said receivers or at any subsequent time during their continuing in said capacity, may issue all orders or decrees necessary to aid them in the full and faithful discharge of their said trust, and cause the same to be promptly enforced.

Vacancies in office of receivers, how filled. R. S., c. 51, § 52.

SEC. 76. Questions of law arising under the provisions of the six preceding sections shall, on motion of either party, be at once certified by the presiding justice and transmitted to the chief justice, be argued in writing by both sides within thirty days thereafter, be considered and decided by the justices of said court as soon as may be, and the decision thereon shall be certified to the clerk of courts of the county where the case is pending, and judgment made up as of the term next preceding the time of receiving the certificate.

Questions of law, how determined. R. S., c. 51, § 53.

#### ASSIGNMENTS, LEASES, TRANSFER OF SHARES, AND ISSUE OF BONDS.

SEC. 77. No (railroad) corporation can assign its charter or any rights under it; lease or grant the use or control of its road or any part of it, or divest itself thereof, without the consent of the legislature. But *this* (the foregoing provision) shall not be construed to prevent contracts between corporations allowing the trains of one to run over the road of another, both corporations assenting thereto. On a complaint of a violation of these provisions by any person, the attorney general shall file an information in the nature of quo warranto against the corporation, and the court may enter such decree as justice and equity require. These provisions do not extend to that portion of the Atlantic and Saint Lawrence Railroad in New Hampshire and Vermont; nor is any mortgage, made to secure payment of the debt of said corporation, affected thereby.

Assignment or lease of road without consent of legislature for bidden. R. S., c. 51, § 54. 1899, c. 1. See § 195. 84 Me., 470.

—exceptions.

SEC. 78. Shares in the capital of such corporations are personal estate, and may be transferred (in the same manner and with the same rights as shares in other corporations are transferred,) *by any written conveyance recorded in the books of the treasurer. No conveyances are operative, except between the parties, until so recorded. Upon such transfer, the cer-*

Shares, how transferred. R. S., c. 51, § 55. See § 195. See c. 46, § 26.

*tificates of shares shall be surrendered and new ones issued, unless the shares had been previously attached, when new certificates shall not be issued, until the attachment is dissolved, or the shares sold by process of law.*

[This section is apparently inconsistent with P. L. 1897, c. 293—See c. 46, §§ 26, 27.]

Bonds may be issued and sold at less than par.  
R. S., c. 51, § 56.  
See § 195.

Rights of holders of coupons.  
R. S., c. 51, § 57.  
See § 195.  
49 Me., 516.  
Damages by foreign railroad company leasing any railroad.  
R. S., c. 51, § 58.

—supreme judicial court may compel payment of.

Judgment creditor, remedy of, against lessors.  
R. S., c. 51, § 59.

SEC. 79. A railroad corporation, to obtain money to build or furnish its road, or to pay debts contracted for that purpose, may issue its bonds in sums not less than one hundred dollars, bearing interest, secured in such manner as it deems expedient, and binding upon it although sold at less than par value; and no defense of usury shall, for that cause, be admitted.

SEC. 80. When coupons for interest issued with bonds, are, for a valuable consideration, detached and assigned by delivery, the assignee may maintain assumpsit upon them in his own name against the corporation engaging to pay them.

SEC. 81. When any foreign railroad or railway company which is or has been doing business in this state, as the lessee of any railroad, refuses or neglects for sixty days after demand, to pay and discharge any judgment recovered by any person against the company owning such leased road for damages to the property of such person by the doings, misdoings or neglects of such foreign company, its agents or servants, which judgment belongs in equity to such foreign company to pay and discharge, the supreme judicial court, on petition, may compel payment thereof by such foreign corporation, and make, pass and enforce all necessary orders, decrees and processes for the purpose.

SEC. 82. When any such judgment is recovered, and such foreign company neglects, for sixty days, to satisfy it, the judgment creditor may have an action on the case against such foreign company for the recovery of the amount of such judgment, with interest and costs.

#### ANNUAL REPORTS.

Annual reports.  
R. S., c. 51, § 60.  
1891, c. 6, § 1.

—form.

—penalty for neglecting to make return.

SEC. 83. Every railroad corporation shall, by September first, make an annual return to the railroad commissioners of its operations for each year ending June thirty, verified by the oath of its treasurer, which return shall be in the form required to be made for the same year to the Interstate Commerce Commission of the United States, with such additions for any year as may be prescribed before the beginning of the year by the railroad commissioners of the state. Blank forms for said returns shall be seasonably prepared and furnished to each railroad corporation by said commissioners. Any railroad corporation wilfully neglecting to make such return, forfeits one thousand dollars to the state, to be recovered in an action on the case, or by complaint and indictment; and said commissioners shall notify the attorney general of such neglect, who shall prosecute for the recovery of such forfeiture.

#### PROVISIONS FOR SAFETY.

Number of brakemen.  
R. S., c. 51, § 61.

Danger signals, where disconnected cars are left on track.  
R. S., c. 51, § 62.

Penalty for violation of § 85.  
R. S., c. 51, § 63.  
—attorney general shall prosecute.  
—exception.

SEC. 84. No train of passenger cars, moved by steam, shall be run without one trusty and skilful brakeman to every two cars.

SEC. 85. No car disconnected from a train, shall be left or permitted to remain standing on the main track of any railroad, unless accompanied by danger signals, such as flagging by day and lanterns by night, placed at such distances from such obstruction, on the main line of the road, as will insure safety to and from moving trains, and such signals shall be in charge of and constantly attended by employes of the corporation owning or operating the road.

SEC. 86. A railroad corporation violating any provision of the preceding section, forfeits for each offense, one hundred dollars to the state, to be recovered in an action on the case, or by complaint and indictment; and the attorney general shall prosecute therefor. Said section does not apply to *horse* (street) railroads.

SEC. 87. When a building or other property is injured by fire communicated by a locomotive engine the corporation using it is responsible for such injury, and it has an insurable interest in the property along the route, for which it is responsible, and may procure insurance thereon. But such corporations shall be entitled to the benefit of any insurance upon such property effected by the owner thereof less the premium and expense of recovery. The insurance shall be deducted from the damages, if recovered before the damages are assessed, or, if not, the policy shall be assigned to such corporation, which may maintain an action thereon, or prosecute, at its own expense, any action already commenced by the insured, in either case with all the rights which the insured originally had. (a)

Railroad liable for damages by fire from locomotives. R. S., c. 51, § 64. 165 U. S. 13.

—railroad entitled to benefit of any insurance. 1895, c. 79.

SEC. 88. When a fatal accident occurs on a railroad, the corporation using it shall give immediate notice to the county attorney, who shall call upon a coroner, residing near the place of the accident, to hold an inquest upon the bodies of those whose deaths have been so caused. If the county attorney does not reside within ten miles of said place, some justice of the peace, residing in the county, shall be requested to notify a coroner to hold such inquest, before notice is given to said attorney.

Coroners to hold inquest on bodies of those killed on road. R. S., c. 51, § 65. See §§ 158-161.

SEC. 89. Whoever, having charge of a locomotive engine, or acting as conductor, brakeman, or switchman, is intoxicated while employed on a railroad, shall be fined not exceeding one hundred dollars, or imprisoned not exceeding six months, or both.

Intoxication of train officer, engineer or switchman, punished. R. S., c. 51, § 66. See § 195. Negligence of employe, punished. R. S., c. 51, § 67. See § 195.

SEC. 90. Any person employed in conducting trains who is guilty of negligence or carelessness causing an injury, shall be punished by imprisonment in jail not exceeding one year, or by fine not exceeding one thousand dollars; but the corporation employing him is not thereby exempt from responsibility. (b)

SEC. 91. No railroad corporation shall be *fined* (liable) for the death of a person walking or being on its road contrary to law, or to its valid rules and regulations.

[Section 68 of R. S. 1883, c. 51, is omitted from this revision. See State vs. M. C. R. R. Co., 90 Me., 267.]

No liability for death of person walking on road. R. S., c. 51, § 69.

SEC. 92. Whoever without right, stands or walks on a railroad track or bridge, or passes such bridge except by railroad conveyance, forfeits not less than five, nor more than twenty dollars, to be recovered by complaint; and whoever, without right, enters upon any railroad track with any team, or any vehicle however propelled, or drives any team or propels any vehicle upon any railroad track, shall be punished by fine of not less than fifty dollars, or by imprisonment not less than thirty days.

Forfeiture for standing or walking on track or bridge. R. S., c. 51, § 70. 1893, c. 233. —for entering upon track with team.

SEC. 93. A printed copy of the preceding section shall be kept posted in a conspicuous place in every railroad passenger station; for neglect thereof, the corporation forfeits not exceeding one hundred dollars for every offense.

Printed copy of preceding section to be posted. R. S., c. 51, § 71.

SEC. 94. Any person, other than a servant or employe of the road, or a passenger holding a ticket for a passage over the same, or mail agent or expressman, who gets upon or leaves any steam engine, tender or car at any place outside of a railroad station, while such engine, tender or car is in motion, shall be imprisoned not exceeding thirty days, or fined not exceeding ten dollars; but this provision does not affect the liability of any railroad corporation for injuries or damages caused by the fault or negligence of the corporation or its servants.

Punishment for stranger getting upon or leaving train when in motion. R. S., c. 51, § 72.

SEC. 95. Whoever behaves in a disorderly or riotous manner while on any train of railroad cars, street railroad car, steam boat or ferry, or uses indecent or profane language in such car, steamboat or ferry, is guilty of a breach of the peace and shall be fined not less than five, nor more than

—liability of corporation not affected.

Penalty for disorderly conduct on any public conveyance. R. S., c. 51, § 73. 1901, c. 153, § 1. 87 Me., 393.

(a) 37 Me., 94; 42 Me., 583; 46 Me., 114; 47 Me., 524; 58 Me., 85; 60 Me., 300; 63 Me., 296; 74 Me., 424; 76 Me., 274; 78 Me., 417, 480; 85 Me., 505; 86 Me., 422; 87 Me., 412; 90 Me., 156; 91 Me., 95; 93 Me., 58; 94 Me., 173.

(b) 43 Me., 270; 57 Me., 218; 63 Me., 70.

Officer in charge may arrest and hold such offenders.  
R. S., c. 51, § 74.  
1901, c. 153, § 2.

Frogs and guard rails to be blocked for protection of employes.  
1889, c. 216,  
93 Me., 80.

—penalty.

Method of heating cars shall be approved by commissioners.  
1889, c. 275, § 1.

—experiments may be permitted.

Lighting by naphtha, prohibited.  
1889, c. 275, § 2.

Penalty for violation.  
1889, c. 275, § 3.

Highways, how to be passed.  
R. S., c. 51, § 75.  
1896, c. 165, § 2.  
59 Me., 190.  
80 Me., 430.  
81 Me., 267.  
87 Me., 547.

Safety switches and switch lights at every siding.  
1887, c. 76, § 1.

Penalty for changing switch or lights.  
1887, c. 76, § 2.

Regulations at railroad crossings.  
R. S., c. 51, § 76.

—signals to warn approaching trains.

—penalty for violation.

Regulations at railroad crossings.  
1885, c. 336.

five hundred dollars, or imprisoned in jail not less than thirty days nor more than one year, in addition to any other penalty provided by law.

SEC. 96. The conductor of a train of cars on any railroad or street railroad car, or the officer in charge of any steamboat or ferry, may arrest and temporarily hold any person guilty of such a breach of the peace until a warrant can be obtained or he can be placed in the custody of the proper officers of the law.

SEC. 97. Every railroad corporation operating a railroad or part of a railroad in the state, shall adjust, fill or block the frogs and guard rails on its track, with the exception of guard rails on bridges, in a manner satisfactory to the board of railroad commissioners, so as to prevent the feet of the employes from being caught therein. Any railroad corporation failing so to do, shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars.

SEC. 98. No passenger, mail or baggage car on any railroad in the state shall be heated by any method of heating or by any furnace or heater, unless such method or the use of such furnace or heater shall first have been approved in writing by the board of railroad commissioners; *provided, however*, that in no event shall a common stove be allowed in any such car; and *provided also*, that any railroad corporation may, with the permission of said board, make such experiments in heating their passenger cars as said board may deem proper.

SEC. 99. No passenger car on a railroad shall be lighted by naphtha, nor by an illuminating oil or fluid made in part of naphtha, or which will ignite at a temperature of less than three hundred degrees Fahrenheit.

SEC. 100. Any railroad corporation violating any of the provisions of the two preceding sections forfeits not exceeding five hundred dollars.

SEC. 101. No engine or train shall be run across a highway near the compact part of a town at a speed greater than six miles an hour, unless the parties operating the railroad maintain a flag-man, or a gate or automatic signals ordered or approved by the railroad commissioners, at the crossing of such highway. And no way shall be unreasonably and negligently obstructed by engines, tenders or cars. The corporation forfeits not exceeding one hundred dollars for every such offense.

SEC. 102. Every railroad company running express trains in this state, shall place safety switches of an approved sort at every siding connecting with the main track; switch lights shall also be maintained throughout that portion of every railroad where trains are run after dark.

SEC. 103. Whoever, without authority, shall alter, change, or in any manner interfere with any safety switch or switch lights on any railroad, shall be liable to a fine of not less than one hundred dollars, or imprisonment for not less than sixty days.

SEC. 104. When one railroad crosses another on the same grade, every engine man on both, when approaching the point of intersection, with an engine with or without a train, shall stop his engine within five hundred feet of such point and before reaching it, and shall pass it at a rate not exceeding eight miles an hour, except when from the condition of the track or train it shall be necessary to run at greater speed; in which case the conductor or person in charge of the train shall station some person at said crossing, with a flag by day and a lantern by night, to warn trains approaching on the other road; but when two or more crossings on the same road are within four hundred feet of each other, one stop is sufficient; any such engine man, conductor, or person in charge of the train violating this provision forfeits, for each offense, one hundred dollars, and the corporation on whose road the offense is committed forfeits two hundred dollars.

SEC. 105. When railroads cross each other at grade, the parties operating the railroad last located there, shall build and maintain a suitable signal station at such crossing, at which a competent signal officer shall be kept at the joint expense of the parties operating the railroads. The signal

shall not be set for a train to cross, until the engine of such train shall have arrived within five hundred feet of the intersection and stopped; and no train or engine shall cross the track of the other road, until the proper signal for it to cross shall have been set in position by the signal officer. Only one train or engine shall be allowed to cross under one setting of the signal unless coming from opposite directions on the same railroad. When the signal has been set for the trains on one of the railroads, it shall not be changed until those trains shall have passed entirely over the crossing. When trains on both railroads approach the crossing at about the same time, preference shall be given to passenger trains and the signal shall be set for the trains on each road in alternate order.

SEC. 106. The board of railroad commissioners may, on the application of any railroad corporation whose road crosses another railroad at the same level, after due notice and hearing of the parties, authorize the applicant to establish and maintain a system of interlocking or automatic signals, at any crossing of said roads, at its own expense, and erect and maintain the necessary wires, rods, signal posts and signals, in such manner as the board shall prescribe. And when such system is established, and has been approved in writing by said board, the corporation establishing the same, and its railroad, shall be excepted, as to that crossing, from the provisions of the two preceding sections, so long as the railroad commissioners shall continue their approval.

SEC. 107. Whenever, after the establishment and approval of such system of signals, the party owning or operating said other railroad at such crossing shall have paid to the corporation by which said signals were established such part of the cost for establishing the same as shall, after hearing on petition of the party owning or operating said other railroad, be awarded by the board of railroad commissioners, both railroads shall be excepted, as to that crossing, as provided in the preceding section, from the provisions of sections one hundred and four and one hundred and five. Until such payment said other railroad corporation shall contribute toward the expense of operating said signals, in semi-annual payments, a sum equal to the cost to it of operating the signals used by it at said crossing before the establishment of the signals herein provided for. After payment of the award aforesaid the expense of maintaining and operating the same shall be borne by the two railroad corporations according to the proportions fixed by the award for paying the original cost of the signals. And said award, so far as it relates to the cost of maintaining and operating said signals, may, at the request of either party, be revised after an interval of five years from the original award or from the award next preceding such request.

SEC. 108. No railroad company shall construct or maintain a track, or run an engine or cars on a street or highway so near any station of another railroad as to endanger the safe and convenient access to and use of such station for ordinary station purposes.

#### EVASION OF FARES, AND LOITERING AT RAILROAD OR STEAMBOAT STATIONS.

SEC. 109. No person is entitled to transportation over a railroad, street railroad, or upon any steamboat or ferry, who does not on demand first pay the established fare. Whoever fraudulently evades payment by giving a false answer or by traveling beyond the place to which he has paid, or by leaving a train, street railroad car, steamboat or ferry, without paying, forfeits not less than five, nor more than twenty dollars, to be recovered on complaint.

SEC. 110. No person shall loiter or remain, without right, within any car, or station-house of a railroad corporation or steamboat, or upon the platform or grounds adjoining such station, after being requested to leave the same by any railroad officer or officer or agent of such steamboat. Whoever violates this section forfeits not less than two, nor more than ten dollars, to be recovered on complaint.

—signals for approaching trains.

—preference given to passenger trains at crossings.

Automatic signals may be established at railroad crossings. 1893, c. 227, § 1. 89 Me., 563.

—any railroad, establishing such system, shall be exempt from provisions of §§ 104 and 105.

When both such railroads may be exempt from provisions of §§ 104 and 105. 1893, c. 227, § 2.

—how expense of such system shall be paid.

—when award for payment of cost of signals, may be revised.

Location of railroad near the station of another company, forbidden. R. S., c. 51, § 77. 65 Me., 123.

Penalty for evading payment of fare. R. S., c. 51, § 78. 1901, c. 153, § 3. 53 Me., 282. 92 Me., 406.

No person to loiter in any railroad car, or steamboat station or grounds. R. S., c. 51, § 79.

—penalty.

Copies of law  
to be posted.  
R. S., c. 51, § 80.

SEC. III. The officers of all railroad corporations and steamboat companies, shall cause a copy of the preceding section to be posted in a conspicuous place at the several stations along the line of their roads and route of their steamboats.

#### THE ELECTION, POWERS AND DUTIES OF TRUSTEES OF MORTGAGES.

Trustees of  
railroads,  
vacancies,  
how filled.  
R. S., c. 51, § 85.  
50 Me., 561.  
69 Me., 398.  
72 Me., 74.  
74 Me., 425.  
85 Me., 88.

—supreme  
judicial court  
may affirm  
elections,  
and enforce  
decrees.

What con-  
stitutes a  
breach of  
mortgage.  
R. S., c. 51, § 86.  
—trustees to  
call meeting  
of bond-  
holders, and  
how notified.  
50 Me., 561.  
52 Me., 99.  
85 Me., 88.

Bondholders  
have one vote  
for every \$100  
of bonds.  
R. S., c. 51, § 87.

Trustees tak-  
ing posses-  
sion, have  
powers of  
corporation.  
R. S., c. 51, § 88.

Trustees to  
keep account  
of receipts  
and  
expenditures.  
R. S., c. 51, § 89.  
See c. 77, § 6,  
¶ VI.

—receipts,  
appropriated.

—trustees not  
liable; when  
to surrender  
road.  
59 Me., 48.  
76 Me., 274.

Trustees to  
call meetings  
of bond-  
holders, and  
report.  
R. S., c. 51, § 90.  
—bondholders  
may fix their  
compensation,  
and instruct  
them to con-  
tract for  
operating  
the road.  
74 Me., 426.

SEC. 112. When a railroad corporation mortgages its franchise for the payment of its bonds or coupons, and trustees are appointed by such corporation, by special law, or by the mortgage, the bondholders, at a regular meeting called for the purpose and notified as hereinafter provided, may, from time to time, elect by ballot new trustees to fill vacancies, when no other method for filling vacancies is specifically provided in the appointment, special law or mortgage. Any party interested may present the proceedings of such meeting to the supreme judicial court, or to a justice thereof in vacation, who shall appoint a time of hearing, and order such notice to parties interested as he deems proper, and may affirm such elections, and make and enforce any decrees necessary for the transfer of the trust property, to the new trustees. Such decrees shall be filed with the clerk of the court where the hearing is had, and be recorded by him.

SEC. 113. The neglect of the corporation to pay any overdue bonds or coupons secured by such mortgage, for ninety days after presentment and demand on the treasurer or president thereof, is a breach of the conditions of the mortgage; and thereupon the trustees shall call a meeting of the bondholders, by publishing the time and place thereof for three weeks successively in the state paper, and in some paper in the county where the road lies, the last publication to be one week at least before the time of the meeting.

SEC. 114. At such meeting and all others, each bondholder present shall have one vote for each hundred dollars of bonds held by him or represented by proxy; and they may organize by the choice of a moderator and clerk, and determine whether the trustees shall take possession of such road, and manage and operate it in their behalf.

SEC. 115. If they so determine, the trustees shall take possession of such road and all other property covered by the mortgage, and have all the rights and powers, and be subject to all the obligations of the directors and corporation of such road, and may also prosecute and defend suits in their own name as trustees. (a)

SEC. 116. They shall keep an accurate account of the receipts and expenditures of such road, and exhibit it, on request, to any officer of the corporation, or other person interested. They shall, from the receipts, keep the road, buildings and equipments in repair, furnish such new rolling stock as is necessary, and the balance, after paying running expenses, shall be applied to the payment of any damages arising from misfeasance in the management of the road, and after that according to the rights of parties under the mortgage. They are not personally liable except for malfeasance or fraud. When all overdue bonds and coupons secured by the mortgage are paid, they shall surrender the road and other property to the parties entitled thereto.

SEC. 117. They shall annually, and at other times on written request of one-fifth of the bondholders in amount, call a meeting of the bondholders in the manner prescribed in the by-laws of the corporation for calling a meeting of stockholders, and report to them the state of the property, the receipts, expenses and the application of the funds. At such meeting, the bondholders may fix the compensation of the trustees; instruct them to contract with the directors of the corporation or other competent party, to operate said road while the trustees have the right of possession, if approved by the bondholders at a regular meeting, otherwise

(a) 55 Me., 406; 74 Me., 427.

not exceeding two years, and to pay them the net earnings thereof; or may give them any other instruction that they deem advisable; and the trustees shall conform thereto, unless inconsistent with the terms of the trust.

#### FORECLOSURE AND REDEMPTION OF MORTGAGES.

SEC. 118. The trustees, on application of one-third of the bondholders in amount, to have such mortgage foreclosed, shall immediately give notice thereof, by publishing it three weeks successively in the state paper and in some paper, if any, in each county into which the road extends, therein stating the date and conditions of the mortgage, the claims of the applicants under it, that the conditions thereof have been broken, and that for that reason they claim a foreclosure; and they shall cause a copy of such notice and the name and date of each newspaper containing it, to be recorded in the registry of deeds in every such county, within sixty days from the first publication; and unless, within three years from the first publication, the mortgage is redeemed by the mortgagors or those claiming under them, or a bill in equity as in cases of the redemption of mortgaged lands is commenced, founded on payment or a legal tender of the amount of overdue bonds and coupons, or containing an averment that the complainants are ready and willing to redeem on the rendering of an account, the right of redemption shall be forever foreclosed.

SEC. 119. Each holder of overdue bonds or coupons shall present them to the trustees at least thirty days before the right of redemption expires, to be by them recorded; and such right is not lost by the non-payment of any claims not so presented; and the parties having the right to redeem shall have free access to the record of such claims.

SEC. 120. The foreclosure of the mortgage shall inure to the benefit of all the holders of bonds, coupons and other claims secured thereby; and they, their successors and assigns are constituted a corporation, as of the date of the foreclosure, for all the purposes, and with all the rights and powers, duties and obligations of the original corporation by its charter; and the trustees shall convey to such new corporation by deeds all the right, title and interest which they had by the mortgage and the foreclosure thereof, and thereupon they shall be discharged. If they neglect or refuse so to convey, the court, on application in equity, may compel them so to do. (a)

SEC. 121. The new corporation may call its first meeting in the manner provided for calling the first meeting of the original corporation, and may use therefore the old name, or by a notice, signed by one or more of said bondholders, setting forth the time, place and purpose of the meeting, a copy of which is to be published in a newspaper, in the county, if any, otherwise in the state paper, seven days before the meeting; but, at that meeting, it may adopt a new name by which it shall always thereafter be known; and it may take and hold the possession, and have the use of the mortgaged property, although a bill in equity to redeem is pending, and it may become a party defendant to such bill. This section applies to all corporations mentioned in section one hundred and thirty-six.

#### NEW CORPORATION MAY REDEEM PRIOR MORTGAGES.

SEC. 122. If any part of such property or franchise is subject to a prior mortgage, such new corporation, at a legal meeting called for that purpose, may vote to redeem the same, and make an assessment therefor on all holders of stock, certificates for fractions of stock, bonds, or coupons in such corporation in proportion to their amounts. The directors shall immediately assess such sum, and fix a time and place for the payment

How and when railroad mortgages may be foreclosed.  
R. S., c. 51, § 91.  
See c. 46, § 52.  
50 Me., 561.  
54 Me., 184.  
59 Me., 20, 47, 69.  
66 Me., 491, 507.  
88 Me., 90.

Presentation of overdue bonds and coupons for record.  
R. S., c. 51, § 92.

Foreclosure constitutes a corporation, and trustees shall convey to it.  
R. S., c. 51, § 93.

First meeting of new corporation.  
R. S., c. 51, § 94.  
66 Me., 607.  
88 Me., 90.  
—may adopt new name.  
—may take possession and have the use of mortgaged property.  
—this applies to § 136.

New corporation may vote to redeem prior mortgage, and make assessments therefor.  
R. S., c. 51, § 95.  
66 Me., 607.  
See § 136.  
See c. 46, § 52.

(a) 59 Me., 70; 66 Me., 507; 74 Me., 426; 88 Me., 90.

thereof to the treasurer, who shall publish notice accordingly six weeks successively in some newspaper, if any, in each of the counties where the road extends, the last publication to be two weeks at least before the time fixed for payment.

SEC. 123. If any person fails to pay his assessment within the time fixed, the treasurer shall sell enough of his stock at auction to pay the same, with twelve per cent interest and the cost of advertising and selling, by first publishing notice of such sale three weeks successively in a newspaper printed in the county where the sale is to be, if any, and if not, in an adjoining county. Thereupon the president and treasurer shall issue a new certificate of stock to the purchaser; and the delinquent stockholder shall surrender his certificate to be canceled, and may have a new one for his unsold shares; and if he held bonds, coupons or certificates for fractions of stock, he shall not be entitled to commute them or to receive any dividends thereon until he has paid his assessment, with twelve per cent interest.

SEC. 124. The directors shall apply the money realized from such assessments solely to the redemption of such prior mortgage until it is fully paid; and then all the property, rights and interests secured thereby vest in such new corporation.

#### REDEMPTION OF PRIOR MORTGAGES BY SUBSEQUENT MORTGAGEES.

SEC. 125. When a subsequent mortgage of a railroad, its franchise or any part of its other property, contains no provision for a sale, or contains a conditional provision depending on the application of a majority in amount of the claims secured thereby, and no such application has been made to the trustees, the holder of such mortgage may redeem a prior mortgage on the same property which is under process of foreclosure, at any time before it becomes absolute; and hold it in trust for those who contributed thereto in proportion to the amount paid by each.

SEC. 126. For such purpose, the trustees of such subsequent mortgage, on application of one or more persons interested therein, made six months prior to the absolute foreclosure of such prior mortgage, and on payment of reasonable expenses to be incurred thereby, shall call a meeting of all interested and publish a notice thereof, stating the time, place and purpose, three weeks successively in the state paper and such other papers as they think proper. If at such meeting, or one called by the trustees without application, the holders of a majority of the interests there represented vote to redeem the prior mortgage, each one may contribute his proportion thereto. The trustees shall give immediate notice of such vote by publishing it as above, and shall therein state the time and place of payment, and the amount to be paid on each hundred dollars as nearly as may be. If any one fails to pay his proportion, any other person interested in said subsequent mortgage may pay it, and succeed to all his rights except as hereinafter provided.

#### PART OF SUBSEQUENT MORTGAGEES MAY ALSO REDEEM.

SEC. 127. If no such meeting is called, or it is voted not to redeem, one or more of the persons interested in such subsequent mortgage, may pay to the trustees thereof the amount required to redeem the prior mortgage; and such trustees shall redeem it accordingly and then hold it in trust for the person so paying.

SEC. 128. When a prior mortgage has been redeemed in either mode aforesaid, and all persons interested in the subsequent mortgage have not paid their proportions thereof, the trustees shall publish a notice ten weeks successively in the state paper, the first publication not to be until the right of redeeming the prior mortgage would have expired, that delinquents may pay the same to them or their agents, with twelve per cent interest,

Sale of stock for non-payment. R. S., c. 51, § 96. 66 Me., 507.

—delinquent stockholder not entitled to commutation or dividends, until his assessment is paid.

Application of funds. R. S., c. 51, § 97.

When and how subsequent mortgagees may redeem prior mortgages. R. S., c. 51, § 98. See c. 46, § 52. 66 Me., 507.

Trustees to call a meeting and how mortgagees may vote to redeem. R. S., c. 51, § 99.

—each may contribute his proportion.

—or any other may for him.

Any one interested in subsequent mortgage, may redeem. R. S., c. 51, § 100.

Delinquents may afterwards pay their proportions and be restored to their rights. R. S., c. 51, § 101.

within one year from the first publication of said notice; and any person so paying has the same rights as if he had paid originally; and those not so paying are barred. Money so paid shall be divided ratably to those who advanced the redemption money; and they may become a new corporation, and new certificates of stock or fractions of stock may be issued in the manner and with the rights, powers and obligations hereinbefore provided.

SEC. 129. When a prior mortgage is thus redeemed, any number of the stockholders of the old corporation may redeem it within two years thereafter by paying to the trustees of such subsequent mortgage the amount paid therefor, with ten per cent interest, and also the amount secured by the subsequent mortgage due to those who had contributed to redeem the prior mortgage, after deducting the net earnings of said road or adding the net deficiencies, if operated by the trustees of the subsequent mortgage; and said stockholders may demand of said trustees an accurate account of the receipts and expenditures and amount due on the mortgage, and have the same remedies for a failure as in case of mortgages of real estate. After such redemption, the redeeming stockholders have all the rights of those from whom they redeemed.

SEC. 130. The stockholders redeeming as aforesaid, shall give notice to the stockholders who have not contributed thereto; and the latter shall have the same rights as hereinbefore provided in the case of bondholders.

SEC. 131. The persons interested in a prior mortgage on which a foreclosure is commenced, at a meeting called for the purpose, may extend the time of redemption; and thereupon the trustees of such mortgage, by a suitable writing, delivered to the party entitled to redeem, shall extend the time accordingly.

—those redeeming, may become a new corporation.

Redemption by stockholders of the old corporation. —what they must pay, and when. R.S., c.51, § 102. 54 Me., 185.

Notice to non-contributors. —their rights. R.S., c.51, § 103. Extension of time of redemption after foreclosure is commenced. R.S., c.51, § 104.

#### RIGHTS OF PURCHASERS UNDER A SALE OF RAILROAD AND FRANCHISE.

SEC. 132. When the franchise of a railroad and its road, wholly or partly constructed, or the right of redeeming the same from a mortgage thereof, are sold by a decree of court, by a power of sale in a mortgage thereof, or on execution, the purchasers have all the rights, powers and obligations of the corporation, under its charter, and may form a new corporation in the manner hereinbefore provided. If the original corporation or those claiming under it have a right to redeem, they may do so in the manner provided for the redemption of mortgaged real estate; but shall pay in addition to the amount of the sale and interest, the reasonable expenditures made by the new corporation in completing, repairing and equipping said road, and in the purchase of necessary property therefor, after deducting the net earnings thereof.

SEC. 133. The trustees of bondholders or other parties under contract with them operating a railroad, and all corporations formed in the modes hereinbefore provided, have the same rights, powers and obligations as the old corporation had by its charter and the general laws; but all said rights and privileges are also subject to amendment, alteration or repeal by the legislature, and to all the general laws concerning railroads, notwithstanding anything to the contrary in the original charter.

SEC. 134. The original corporation shall exist, after the foreclosure of the mortgage, for the sole purpose of closing its unsettled business; and the right of action against it or its stockholders is not thereby impaired; but in suits founded on any of the bonds or coupons secured by the mortgage, the proportional actual value of the property taken under the mortgage shall be deducted.

SEC. 135. The supreme judicial court, in addition to the jurisdiction specifically conferred by this chapter, has jurisdiction, as in equity, of all other matters in dispute, arising under the preceding sections relating to trustees, mortgages, and the redemption and foreclosure of mortgages; but not to take away any rights or remedies that any party has and may elect to enforce at law; and in all proceedings relating to trustees or to

Purchasers at sale to have rights of original corporation. R.S., c.51, § 105. 88 Me., 91.

—such corporation may redeem.

Succession to rights and obligations of original corporation, subject to alterations by law. R.S., c.51, § 106. 66 Me., 509.

Original corporation continues, to close business, and for suits. R.S., c.51, § 107. 66 Me., 507.

Supreme court has equity jurisdiction of all disputes. —rights at law preserved. R.S., c.51, § 108. 85 Me., 88.

mortgages, their foreclosure and redemption, not otherwise specifically provided for herein, the law relating to trusts and mortgages of real estate may be applied.

Preceding sections to apply to mortgages of corporations given to trustees, as if legally foreclosed. R.S., c. 51, § 109. See c. 46, § 52. 171 U. S. 641. 88 Me., 92.

See § 121.

1887, c. 103.

Holders of unpaid scrip and bonds, may foreclose mortgage. R.S., c. 51, § 110. 88 Me., 96.

Amount of capital stock of new corporation. R.S., c. 51, § 111.  
—value of shares.

—not liable to further assessment.

New corporation may buy right of redemption. R.S., c. 51, § 112. 88 Me., 91.  
When franchise lost stockholders may maintain suit in equity for dissolution. 1901, c. 154.

—notice.

—trustee.

Railroad commissioners. their appointment and tenure.

—qualification. R.S., c. 51, § 113. 1889, c. 313, § 1.

—shall keep record.  
—expenses. 1897, c. 181.

SEC. 136. Sections one hundred and twelve to one hundred and thirty-five each inclusive, apply to and include all mortgages of franchises, lands, property, hereditaments and rights of property of every kind whatever, whether heretofore given or hereafter to be given by any corporation to trustees, to secure the payment of scrip or bonds of said corporation, in all cases in which the principal of said scrip or bonds has been due and payable for more than three years, and remains unpaid in whole or in part, or on which no interest has been paid for more than three years, in the same way and to the same extent as if the mortgage had been legally foreclosed, subject to all rights of redemption, as provided in section one hundred and twenty-two; and the holders of said scrip or bonds shall have the benefit of said sections, and all the rights and powers of the corporation under its charter, and may form a new corporation in the manner provided in this chapter, whenever the holders of such scrip or bonds to an amount exceeding one-half of the same so elect, in writing. And any subsequent foreclosure, in any method provided by law, of the mortgage given to secure such bonds or scrip, shall inure at once for the benefit of such corporation, and vest therein the title acquired by such foreclosure.

SEC. 137. A corporation formed by the holders of such scrip or bonds, or if no such corporation has been formed, the holders of not less than a majority of such scrip or bonds may commence a suit in equity to foreclose such mortgage, and the court may decree a foreclosure thereof, unless the arrears are paid within such time as the court orders.

SEC. 138. The capital stock of such new corporation shall be equal to the amount of unpaid bonds and overdue coupons secured by such mortgage, taken at their face at the time of the organization of the new corporation, together with the amount required to redeem any prior mortgage, and shall be divided into shares of one hundred dollars each. All stock issued under the aforesaid provisions shall be taken and considered as paid for in full, and shall not be liable to further assessment; and no person, taking or holding the same, shall by reason thereof be liable for the debts of such corporation.

SEC. 139. Any corporation, formed under this chapter by the holders of railroad bonds, may acquire, by purchase, the right of redemption under the mortgage securing such bonds.

SEC. 140. Whenever any railroad corporation, by foreclosure of a mortgage or in any other method authorized by law, has finally parted with its franchise to construct, operate and maintain the railroad described in its charter, any stockholder may maintain a suit in equity in the supreme judicial court for the winding up of the affairs and dissolution of such corporation. In such case the court shall order such notice to all parties interested as it may deem proper and proceed according to the usual course of suits in equity. But no trustee shall be appointed, except upon motion of some party to the proceedings and then only in the discretion of the court.

#### RAILROAD COMMISSIONERS.

SEC. 141. The governor, with the advice and consent of the council, shall appoint three railroad commissioners who shall act as a board and hold their offices for three years; one of them shall be learned in the law and appointed and commissioned as chairman; one of them shall be a civil engineer who shall have had experience in the construction of railroads; and the third shall have had experience in the management and operation of railroads. Said board shall be provided with an office and suitable rooms for hearing in which its records shall be kept; the board may expend a sum not exceeding thirty-two hundred dollars annually in procuring necessary books, maps, stationery and statistics, and in defraying expenses

incidental and necessary to the discharge of its duties and procuring the assistance of a mechanical expert in the examination of iron bridges. A statement of such expenses shall accompany its annual report. Said board shall also have a clerk and an assistant clerk, both of whom shall be appointed by the governor on the recommendation of the board. The clerk shall keep a full and minute record of the proceedings of the board; the assistant clerk shall assist the clerk in the performance of his duties, and in the absence of the clerk shall have the same powers as the clerk.

—appointment and duties of clerk and assistant clerk.  
1901, c. 254, § 1.

SEC. 142. A majority of the board, annually, between the first of April and October, and at any other time on application or whenever they think necessary, shall carefully examine the tracks, rolling stock, bridges, viaducts and culverts of all railroads; shall give a certificate thereof to the clerk of the corporation, therein stating the condition of the road and rolling stock, and shall annually in December make a report to the governor of their official doings, with such facts as they deem of public interest or which he may require; and all persons managing railroads shall give the board such information as they at any time request.

Board to examine railroads and rolling stock, when necessary, and make annual reports.  
R.S., c. 51, § 114.  
See § 195.

SEC. 143. The corporation shall file such certificate in the office of the secretary of state before the first day of each December and pay the commissioners for the examination, or forfeit one thousand dollars to be recovered in an action on the case, half to the State and half to the prosecutor; and if the president and directors of a railroad while guilty of such neglect, allow a passenger train to run over it, they are personally liable for any damages occasioned by a defect in said road or rolling stock; but this shall not relieve the corporation.

Corporation to file certificate of the state of its road, and pay commissioners.  
R.S., c. 51, § 115.  
See § 195.

SEC. 144. No passenger train shall be run over any new railroad, or over any railroad in process of construction, until the railroad commissioners have made an inspection of such railroad and granted a certificate of its safety for public travel. Any person or corporation, violating the provisions of this section, forfeits to the state one hundred dollars for each offense, to be recovered in an action on the case, or by complaint and indictment; and the attorney general shall institute proceedings to recover the same.

Passenger trains shall not be run over any new railroad until granted certificate of safety by railroad commissioners.  
1885, c. 292.  
—penalty for violation.

SEC. 145. Every railroad corporation shall, when requested by the board of railroad commissioners, have an examination made of any iron bridge or other structure, by a competent and experienced mechanical engineer, who shall report to the board forthwith the results of his examinations, his conclusion and recommendations, and transmit a copy of the same to the corporation. The report shall furnish such information in detail, and with such drawings and prints, as may be in writing requested by the board of railroad commissioners.

May employ experienced engineer to examine bridges.  
1889, c. 313, § 2.

SEC. 146. Any (every) railroad corporation within the state shall furnish all reasonable facilities to the board of (railroad) commissioners for the prompt and faithful discharge of the duties prescribed under this chapter.

Railroad corporations shall furnish reasonable facilities.  
1889, c. 313, § 3.  
Road unsafe, board to notify managers.  
R.S., c. 51, § 116.  
See § 195.

SEC. 147. If the board, at any examination, find the track, culverts, bridges or rolling stock in use so out of repair as to be unsafe for travelers, they shall immediately notify the managers of said road of its condition, and the time in which the repairs shall be made; and may require them to reduce the speed of all trains until the repairs are made.

SEC. 148. If said managers do not comply with such requirements, the commissioners shall petition the supreme judicial court in any county where the railroad extends, setting forth their examination, the condition of the road, the notice and requirement, and refusal to comply; and shall notify the attorney general or the attorney of such county, of the filing of said petition, one of whom shall appear and take charge of the proceedings in court. The court shall order a notice thereon and appoint a hearing; and after a hearing, may order such things to be done by the managers of the road as they deem necessary to secure the safety of travelers; and unless such managers execute a bond to the State, with sufficient sureties, for such sum as the court deems necessary to make the

If managers do not comply, railroad commissioners to apply to supreme judicial court to compel them, or enjoin.  
R.S., c. 51, § 117.  
See §§ 156, 195.

repairs, conditioned that they will, within the time fixed by the court, make the repairs or otherwise satisfy the court that they will be so made, the court shall issue an injunction on said corporation and its managers, prohibiting the running of any passenger trains over the portion of the road found to be unsafe, until the order has been complied with or revoked.

Commissioners to prohibit passenger trains from running over railroads when unsafe.  
R.S., c. 51, § 118.  
See § 195.

SEC. 149. When, in the opinion of the railroad commissioners, the passage of passenger trains over any portion of a railroad would be attended with imminent danger, they may notify the president or superintendent of such road and order the immediate stopping of all passenger trains about to run over such portion thereof. If their order is not obeyed, said commissioners shall at once apply to some justice of the supreme judicial court, who may, upon satisfactory proof of the necessity for such order, and without notice to said company, issue an injunction prohibiting the running of passenger trains over said road until further order of the court.

When connecting railroads do not agree as to transportation of passengers and freight, they may apply to the commissioners to make award in the matter.  
R.S., c. 51, § 119.  
1891, c. 44.  
See § 166.

SEC. 150. When the managers of a railroad authorized to cross or connect with another road, are unable to agree therewith, as to transportation of passengers and freight over their roads, and upon other matters, or when the managers of the latter road neglect or fail or refuse to perform the requirements, provisions or conditions of the charter under which they hold and operate their railroad and acts additional and amendatory thereto, they may apply to said commissioners in writing, and either of them may indorse an order of notice thereon to all interested, fixing a time and place for hearing; and the applicant shall cause such order to be complied with. At such hearing any corporation or person claiming to be interested, may be made a party and be heard thereon, though not named in the application; said commissioners have the authority of courts of law to summon witnesses, and compel their attendance and testimony, and depositions may be taken and used as in suits at law. When the hearing is closed, they shall determine and award the rates for transporting passengers, freight or cars over the road of each, or over any road on which either is a common carrier by contract or otherwise, and all other matters in controversy between the two roads arising from such connecting or crossing, or the times of doing so; and may require either party to give security to the other for the payment of balances resulting from their mutual business, on such terms as they deem equitable; and may determine that their award may be suspended, after its acceptance, at the election of the party injured by the non-performance of the conditions thereof by the other.

Award to be returned to court for action.  
R.S., c. 51, § 120.  
See § 166.

—exceptions may be taken, and how heard.

SEC. 151. The award shall be returned to the supreme judicial court in the county where the hearing was had, and accepted, or for good cause, rejected or recommitted. Exceptions to any ruling of the court in such proceedings may be taken and allowed within the rules of the court, except in recommitting the report; and when so allowed, a certified copy thereof and of all papers used at the hearing, shall be forthwith sent by the clerk of the court to the chief justice; and the parties shall be heard thereon by the law court in the district where the hearing was had; but if such court does not sit within thirty days after the papers are received by the chief justice, he shall, at the request of either party, detail a majority of the justices to hear the case at the time and place ordered by him; send the order to the clerk of the court where the matter is pending, and he shall enter it on the docket under the case, and that shall be sufficient notice to the parties; and the case shall then and there be heard as if at a regular law term. When the award is accepted and judgment rendered thereon, it is binding on all parties notified, whether they appeared or not, until a new award is made on another application; the court has full power to make the award effectual by process for contempt or otherwise as in equity cases; and if the corporation or managers of any such road, after they are notified of the acceptance of such award, fail to comply with it, the directors, superintendent or other agents operating the same shall be fined not less than ten nor more than fifty dollars for each day of such failure, to be recovered by indictment in the county where it occurs.

—award, when accepted, binding; and court shall make it effectual.

—penalty.

SEC. 152. No railroad corporation shall take the grounds occupied by any other railroad company and necessary for its use for station purposes, without its consent. When application is made to take such grounds, the railroad commissioners, upon notice and hearing thereon, shall determine whether the land proposed to be taken is necessary as aforesaid or not, and whether any public necessity requires it to be taken.

Station grounds shall not be taken by another company. R.S., c. 51, § 121. See c. 18, § 30.

SEC. 153. Whenever any railroad passenger station shall be erected or maintained in any city or town in this state, any railroad corporation having or using a track or passenger station within such city or town, shall have the right to run its passenger trains to and from such station, over any railroad track or tracks leading thereto as herein provided, and to use the same for the purpose of delivering and receiving through passengers, under such reasonable terms and regulations, and over such tracks as may be agreed upon by the owner of such station, the railroad whose tracks are used in running to and from the same, and the railroad corporation so desiring its use for said purpose, and in case of disagreement, upon petition, notice and hearing thereon, the railroad commissioners shall fix and determine such terms, tracks and regulations. No corporation which shall deny, in any proceedings, the authority of the railroad commissioners to proceed and make the determination as herein provided, or which shall refuse to abide by their decision rendered therein, shall avail itself of the provisions of this section.

Use of railroad passenger stations, regulated. 1887, c. 120.

SEC. 154. The railroad commissioners, upon petition of responsible parties, representing that public convenience and necessity require the erection and maintenance of a *depot for freight and passengers, or a passenger station* (for freight and passengers, or for passengers alone,) on the line of any railroad, after fourteen days' notice by copy of said petition upon such corporation, and by publishing said petition, with the order of said commissioners thereon, in such public newspaper as is designated in said order, two weeks successively, the last publication to be prior to the time fixed for said hearing, shall hear the parties and determine whether the prayer of the petitioners shall be granted; and if such prayer is granted, they shall determine at what place or places a *depot or station* shall be erected, or maintained if erected, and whether for passengers or for passengers and freight.

The commissioners may order the erection of a station. R.S., c. 51, § 122. 142 U.S. 492, 503. 63 Me., 274, 284.

SEC. 155. Said commissioners shall designate the site and the kind of buildings to be erected and maintained, as the case seems to demand, and the time in which such corporation shall comply with said order.

Site and kind of station. R.S., c. 51, § 123. 63 Me., 284.

SEC. 156. If said corporation refuses or neglects to comply with the order of said commissioners, within the time prescribed therein, they shall enforce a compliance as provided in section one hundred and forty-eight.

Proceedings, if company refuses. R.S., c. 51, § 124. 63 Me., 284. Costs of hearing to be paid by losing party. R.S., c. 51, § 125.

SEC. 157. In all cases heard before the commissioners under the three preceding sections, the expenses and costs attending the same, including the compensation of the commissioners, shall be paid by the corporation against whom the complaint is made, if the prayer of the petitioners is granted, but if their prayer is denied, such expenses, costs and compensation shall be paid by the petitioners. If the party against whom costs are so adjudged refuses or neglects to pay them within thirty days after such adjudication, upon complaint for such costs made by said commissioners to any justice of the supreme judicial court, such justice may cause execution to issue therefor.

#### ACCIDENTS ON RAILROADS.

SEC. 158. Whenever a serious accident occurs within the state to any passenger or freight train on any railroad, whether any person be fatally injured or otherwise, notice thereof shall be given immediately by telegraph, if practicable, otherwise in writing, by the officers of the company operating the railroad on which the accident occurred, to the railroad commissioners.

The commissioners shall be notified immediately of accidents. 1891, c. 120, § 2. See § 4195.

SEC. 159. In the event of any such accident, the railroad commissioners, or the chairman thereof, shall, if they or he deem the public interests

If public interests require it,

commissioners shall make investigation. 1891, c. 120, § 3. See § 195.

—notice to county attorney.

—shall make special report.

—costs, how paid.

When notice is given county attorney, authority of coroners ceases. 1891, c. 120, § 4. See § 195.

Corporation or person interested, may be heard, with witnesses and other proofs. 1891, c. 120, § 5. See § 195.

—fees, how paid.

require it, cause an investigation to be made forthwith by the board, which investigation shall be held in the locality of the accident, unless, for reasons touching the convenience of all concerned, the commissioners shall order it to be commenced at some other place; but in either case, the investigation may be adjourned to some other suitable and convenient place. The board or the chairman thereof, shall seasonably notify the officers of the company, and also, if the accident shall have resulted fatally to one or more persons, the county attorney of the county where the accident occurred, of the time and place of the investigation. The board shall have power to issue subpoenas for witnesses, and the testimony of each witness shall be taken before a sworn stenographer and written out in full and signed by the witness either at the time of the investigation, or as soon thereafter as practicable. Prefixed to his signature shall be a statement that the deposition has been carefully read by the witness, or carefully read to him, before signing. Immediately after the investigation the board shall make a special report, stating what it finds to be the cause of the accident, transmit copies thereof to such county attorney, and the railroad corporation concerned, and publish the same in its annual report. The taxable costs of the investigation shall be made up and certified to the governor and council by the board, and the same shall be paid by the state. Witnesses in all such cases shall be allowed the same fees as in the supreme judicial court.

SEC. 160. Whenever, in consequence of any such accident having resulted fatally to one or more persons, notice shall have been given by the board or the chairman thereof to the county attorney of its intention to investigate as herein provided, the authority of all coroners over the case shall cease; and thereafter, no coroner nor any jury summoned by him, shall proceed further with reference thereto.

SEC. 161. Any corporation, or person interested in the subject matter of the investigation, may be present and heard at the same, either in person or by counsel, and with witnesses and other proofs; and shall be entitled to the aid of the board in securing the attendance of witnesses, the fees of such witnesses, nevertheless, to be paid by the corporation or person securing their attendance, except so far as the board shall find that justice requires that the same shall be paid by the state; and such corporation or person shall be entitled to a copy of the whole or any portion of the proceedings or report of the board, and of the evidence taken by it, on paying the reasonable cost of making the same.

#### EQUAL TRANSPORTATION FOR ALL RAILROADS.

Intersecting roads deemed connecting. R.S., c. 51, § 127. Consignor has the right to determine over what lines goods shall be forwarded. R.S., c. 51, § 128. See § 166.

(Obsolete.)

Railroads shall receive and forward passengers and freight without dis-

SEC. 162. Railroads intersecting or crossing at grade, shall be deemed, for all business purposes, connecting roads.

SEC. 163. *The owner or consignor of any freight destined to any point reached by the Portland and Rochester, Portland, Saco and Portsmouth, or Boston and Maine railroads, and their connections south and west, has at all times, at his own option, the right to direct over and by which of the above named roads his freight shall be forwarded. And any railroad in the state, by its agents or servants, receiving such freight for transportation, shall, in billing the same, follow explicitly the directions given by the consignor as to the route by which said freight shall be forwarded. But if, for any good reason, it cannot be billed through to its destination by the road receiving such freight, it shall be billed to such convenient point or junction on its own road as may be designated by the consignor, and there delivered to such other road or person as the owner or consignor designates.*

SEC. 164. Every railroad doing business in the state, shall receive, forward and deliver to every other connecting railroad, without discrimination, all passengers, freight and merchandise with equal facilities and despatch, and shall transport the same at rates of fare and freight as

favorable as at the time are established, made, or allowed for the passengers, freight and merchandise transported over its road only, or received from or destined to any other railroad; *provided, however*, that the Maine Central Railroad may receive the same proportion of the rates received for transportation of passengers, freight and merchandise received from or delivered to the (Boston and Maine Railroad at Deering Junction) *Portland and Rochester Railroad at Morrill's Corner, in Deering*, that they (it) would have received had such passengers, freight or merchandise been received from or delivered to the *Portland, Saco and Portsmouth Railroad*, the Boston and Maine Railroad, or any persons at Portland, and no more.

SEC. 165. Any railroad company, chartered under the laws of this state, which refuses to receive, transport, or deliver any freight, merchandise or passengers according to the provisions of the three preceding sections, forfeits for each offense to the corporation injured, one hundred dollars, to be recovered by an action on the case in any county where said company has a place of business.

SEC. 166. The four preceding sections and sections one hundred and fifty and one hundred and fifty-one, and all other sections of this chapter relating to the transportation of passengers and freight by railroad, apply to, and may be taken advantage of by any railroad in the state, whether it makes close connection with other railroads or not; and the railroad commissioners have the same authority and power as in cases where the railroads make a close and direct connection; and no railroad doing business within the state shall demand or receive of any other railroad doing business therein, whether making direct connection or not, or from passengers over the same, or from freight forwarded over the same, higher rates of fare or freight than it demands or receives from any other railroad within the state.

SEC. 167. No rebate, drawback, allowance or other advantage shall be made or extended by any railroad in favor of another railroad doing business over the same, by which the operation of the preceding section shall be changed or affected, or by which one railroad doing business over it, shall receive any greater advantage than any other railroad doing business over the same.

SEC. 168. Any railroad company chartered under the laws of the state, which refuses to receive, transport or deliver any freight, merchandise or passengers according to the two preceding sections, and under the terms thereof, or which demands or receives from any other railroad in the state, for the transportation of its passengers or freight, any sum in excess or violation of said provisions, forfeits for each offense to any corporation injured, one hundred dollars, to be recovered by an action on the case in any county in which any of the parties thereto has a residence or place of business.

#### EQUAL TRANSPORTATION FOR ALL EXPRESSES.

SEC. 169. Every railroad operating in the state shall furnish reasonable and equal facilities and accommodations to all persons engaged in express business for transportation of themselves, agents, servants, merchandise and other property; for the use of their *depots*, (stations) buildings and grounds, and for exchanges at points of junction with other roads, under a penalty not exceeding five hundred dollars, to be recovered by indictment; and are liable to the aggrieved party in an action on the case for damages.

#### TOWNS MAY AID IN THE CONSTRUCTION OF RAILROADS.

SEC. 170. A city or town by a two-thirds vote, at any legal meeting called for the purpose, may raise by tax or loan, from time to time, or all at once, a sum not exceeding in all five per cent on its regular valuation for the time being, to aid in the construction of railroads, in such manner as it deems proper, and for such purpose may contract with any person or

crimination.  
R.S., c.51, § 129.

—proviso.

—proportion of rates that Maine Central Railroad shall receive in certain cases.

Penalty for not complying with foregoing provisions.  
R.S., c.51, § 130.

Sections 150, 151, and 162 to 165, inclusive, apply to all railroads.  
R.S., c.51, § 131.

Equal advantages to be given to all railroads.  
R.S., c.51, § 132.

Penalty for violation.  
R.S., c.51, § 133.

Railroads to furnish equal facilities to all expresses.  
R.S., c.51, § 134.  
57 Me., 197.  
81 Me., 94.  
—penalty.  
—liability.

City or town may aid in construction of road.  
—may make contracts.  
R.S., c.51, § 135.  
See § 195.

[See Amend-  
ment xxii.]  
67 Me., 298.

—vote, how  
taken and  
declared.

—duty of  
clerk and of  
town officers.

Provisions  
for payment  
of loan.  
R.S., c. 51, § 136.  
1891, c. 77.  
See § 195.

How meet-  
ings in cities  
shall be  
called, and  
votes cast  
and counted.  
R.S., c. 51, § 137.  
See § 195.

To vote only  
once a year  
on same  
question.  
R.S., c. 51, § 138.  
See § 195.  
Town agents  
may vote on  
town stock.  
R.S., c. 51, § 139.  
See § 195.

Railroads  
owned in part  
by towns,  
eligibility of  
citizens as  
directors.  
R.S., c. 51, § 140.  
See § 195.

Liability of  
railroad com-  
panies for  
payment of  
laborers.  
R.S., c. 51, § 141.

—termination  
of liability.

railroad corporation. At such meetings the legal voters shall ballot, those in favor of the proposition, voting "Yes," and those opposed, voting "No." The ballots cast shall be sorted, counted and declared in open town meeting, and recorded, and the clerk shall make return thereof to the municipal officers, who shall examine such return, and if two-thirds of the ballots cast, are in favor of the proposition, said officers shall forthwith proceed to carry the same into effect.

SEC. 171. A city or town raising money by loan as aforesaid or under authority conferred by special act of the legislature, shall raise and pay or fund besides the interest, each year after the third, not less than three per cent of the principal. Any town or city receiving money, bonds, certificates of indebtedness or other evidence of debt in consideration of exchange, release or sale of its securities held to indemnify said city or town for having loaned its credit, or issued its bonds in aid of any railroad shall hold such money, bonds, certificates of indebtedness, or other evidence of debt or the proceeds thereof as a trust fund to liquidate such outstanding liabilities so long as they may continue.

SEC. 172. Meetings for the purposes aforesaid in cities, shall be called by the municipal officers, on the order of the common council, like meetings for the election of city officers; and said council shall set forth in their order the substance of the proposition to be inserted in the warrant. At such meetings, the voters shall vote in wards by ballot, those in favor of the proposition in the warrant voting "Yes," and those opposed, voting "No," and the ballots cast shall be sorted, counted and declared in open ward meeting and recorded; the clerks shall make returns thereof to the municipal officers, who shall examine the same; and if two-thirds of the ballots cast are in favor of the proposition, said officers shall forthwith proceed to carry it into effect. (Lists of voters for use at such meetings shall be prepared in the same manner as for meetings for elections of town or city officers, and such lists shall be used at all meetings held under this section and section one hundred and seventy.)

SEC. 173. Whenever a city or town has voted at any legal meeting thereof upon any question of loaning its credit to, or taking stock in, or in any way aiding any person or corporation, said city or town shall not vote again upon the same subject, except at its annual meetings.

SEC. 174. When a city or town holds stock in a railroad, the municipal officers thereof, or an agent appointed by them in writing, may vote thereon at any meeting of the corporation.

SEC. 175. Whenever any city or town in the state, in its corporate capacity, holds one-fifth, or more, of the shares in the capital stock of any railroad incorporated by the legislature, any citizen thereof, being a freeholder and resident therein, is eligible as a director of such railroad company.

#### CONTRACTORS' LABORERS PROTECTED.

SEC. 176. Every railroad company, in making contracts for the building of its road, shall require sufficient security from the contractors for the payment of all labor thereafter performed in constructing the road by persons in their employment; and such company is liable to the laborers employed, for labor actually performed on the road, if they, within twenty days after the completion of such labor, in writing, notify its treasurer that they have not been paid by the contractors. But such liability terminates unless the laborer commences an action against the company, within six months after giving such notice. (a)

(a) 85 Me., 372; 86 Me., 316; 87 Me., 245; 93 Me., 137; 95 Me., 530.

## RAILWAY EQUIPMENT.

SEC. 177. In any contract for the sale of railroad or street railway equipment or rolling stock, it shall be lawful to agree that the title to the property sold or contracted to be sold, although possession thereof may be delivered immediately, or at any time or times subsequently, shall not vest in the purchaser until the purchase price shall be fully paid, or that the seller shall have and retain a lien thereon for the unpaid purchase money. And in any contract for the leasing or hiring of such property, it shall be lawful to stipulate for a conditional sale thereof at the termination of such contract, and that the rentals or amounts to be received under such contract, may, as paid, be applied and treated as purchase money, and that the title to the property shall not vest in the lessee or bailee until the purchase price shall have been paid in full, and until the terms of the contract shall have been fully performed, notwithstanding delivery to and possession by such lessee or bailee; *provided*, that no such contract shall be valid as against any subsequent judgment creditor, or any subsequent bona fide purchaser for value and without notice, unless:

I. The same shall be evidenced by an instrument executed by the parties and duly acknowledged by the vendee or lessee or bailee as the case may be, or duly proved, before some person authorized by law to take acknowledgment of deeds, and in the same manner as deeds are acknowledged or proved.

II. Such instrument shall be filed for record in the office of the secretary of state of this state.

III. Each locomotive engine, or car so sold, leased or hired, or contracted to be sold, leased or hired as aforesaid, shall have the name of the vendor, lessor or bailor plainly marked on each side thereof, followed by the word "owner" or "lessor" or "bailor," as the case may be.

SEC. 178. The contracts herein authorized shall be recorded by the secretary of state in a book of records to be kept for that purpose. And on payment in full of the purchase money, and the performance of the terms and conditions stipulated in any such contract, a declaration in writing to that effect may be made by the vendor, lessor, or bailor, or his or its assignee, which declaration may be made on the margin of the record of the contract, duly attested, or it may be made by a separate instrument, to be acknowledged by the vendor, lessor, or bailor, or his or its assignee, and recorded as aforesaid. *And for such services the secretary of state shall be entitled to a fee of five dollars, for recording each of said contracts and each of said declarations, and a fee of one dollar for noting such declaration on the margin of the record. Said fees to be retained by the secretary of state to his own personal use.*

SEC. 179. The provisions of section five of chapter one hundred and eleven shall not apply to any contract specified in section one hundred and seventy-seven, nor shall any contract specified in said section be construed a mortgage or an instrument under chapter ninety-one, requiring foreclosure and entitling the holder of property thereunder to an equity of redemption, but any personal property held under any contract specified in section one hundred and seventy-seven shall be subject to trustee process as provided in section fifty of chapter eighty-six.

SEC. 180. The three preceding sections shall not be held to invalidate or affect in any way, any contract of the kind referred to in section one hundred and seventy-seven, made before April twenty-nine, in the year eighteen hundred and ninety-three, and any such contract theretofore made may, upon compliance with the provisions hereof, be recorded as herein provided.

Contract for conditional sale of railway equipment. 1893, c. 213, § 1.

—in contract for leasing, conditional sale may be stipulated,

—when contract shall not be valid.

—shall be evidenced by duly executed instrument.

—instrument shall be recorded.

—engines and cars leased, shall be marked with name of vendor, etc.

Contracts and declarations shall be recorded by secretary of state. 1893, c. 213, § 2.

—fees for recording. See c. 115, § 20.

Provisions of c. 111, § 5, and c. 91, shall not apply to such contracts. 1893, c. 213, § 3.

—property subject to trustee process.

Contracts made before April 29, 1893, not affected. 1893, c. 213, § 4.

—such contracts may be recorded.

## STREET RAILROADS.

All street  
railroads  
shall have  
powers con-  
ferred by  
the general  
laws.  
1899, c. 100.  
Organization  
of street  
railroad  
companies.  
1897, c. 249, § 1.

—articles of  
association.

—gauge.

—capital  
stock.

—shares.

—directors.

—subscription  
to articles.

Articles of  
association,  
when to be  
filed.  
1893, c. 268, § 2.

Approval of  
articles by  
commis-  
sioners.  
1893, c. 268, § 3.

—secretary  
of state  
shall issue  
certificate.

—form of  
certificate.

—to be evi-  
dence of  
establishment  
of corpo-  
ration.

SEC. 181. All street railroad corporations shall, in addition to their chartered rights, have all the rights and powers conferred from time to time by general laws upon street railroad corporations, subject to the conditions, restrictions and limitations thereby imposed.

SEC. 182. Any number of persons not less than five, a majority of whom shall be citizens of this state, may form a company for the purpose of constructing, maintaining and operating by electricity, compressed air or animal power, a street railroad for public use, for street traffic for the conveyance of persons and property, and for that purpose may make and sign articles of association in which shall be stated the name of the company, the gauge of the road, the places, cities and towns from which, in which and to which the road is to be constructed, maintained and operated, the length of such road, as nearly as may be, the amount of capital stock which shall not be less than four thousand dollars for every mile of road proposed to be constructed, the number of shares of which said stock shall consist, and the names and places of residence of at least three persons, a majority of whom shall be citizens of this state who shall act as directors of the proposed company, and manage its affairs until others are chosen in their places. Each subscriber shall sign his name, residence and number of shares which he agreed to take in said company.

SEC. 183. Said articles of association shall not be filed and recorded in the manner provided in the following section, until the capital stock named in the preceding section has been subscribed thereto, in good faith, by responsible parties, and five per cent paid thereon in cash, to the directors named in said articles, nor until there is indorsed thereon or annexed thereto, an affidavit made by a majority of the directors named therein, that the amount of stock required by the preceding section, has been in good faith subscribed, and five per cent paid thereon in cash as aforesaid, and that it is intended in good faith to construct, maintain and operate the road mentioned in such articles which affidavit shall be recorded therewith as aforesaid.

SEC. 184. Whenever it is shown to the satisfaction of the railroad commissioners that all the provisions of the two preceding sections have been complied with, they shall indorse upon said articles a certificate of such facts and their approval in writing. The secretary of state shall, upon payment of *twenty dollars to the state treasurer*, (the fees prescribed by section five of chapter forty-six) cause the same with the indorsement thereon to be recorded, and shall issue a certificate in the following form:

## "STATE OF MAINE.

"Be it known that whereas" (here the names of the subscribers to the articles of association should be inserted) "have associated themselves together with the intention of forming a corporation under the name of" (here insert the name of the corporation) "for the purpose of building and operating a street railway in" (here insert a description of the road contained in the articles of association) "and have complied with the statutes of the state in such cases made and provided. Now, therefore, I" (here insert the name of the secretary) "secretary of the state of Maine, hereby certify that said" (names of subscribers) "their associates and successors, are legally organized and established as an existing corporation under the name of" (name of corporation) "with the powers, rights and privileges and subject to the limitations, duties and restrictions which by law appertain thereto.

Witness my official signature thereunto subscribed and the seal of the state of Maine hereunto affixed this            day of            A. D. 19    ." (day, month and year inserted.)

The secretary of state shall sign the same and cause the seal of the state to be affixed, and such certificate shall be conclusive evidence of the organization and establishment of such corporation at the date thereof. The

secretary of state shall also cause a record of such certificate to be made, and a certified copy of such record may with like effect as the original certificate be given in evidence to prove the existence of such a corporation.

SEC. 185. The first meeting for the purpose of organizing such corporation shall be called by a notice, signed by three of the subscribers to such articles of association, stating the time, place and purpose of such meeting, a copy of which notice shall, seven days at least before the day appointed therefor, be given to each subscriber, or left at his usual place of business or residence, or deposited in the post office, post paid, addressed to him at his usual place of business or residence; and whoever gives such notice shall make affidavit of his doings which shall be recorded in the records of the company.

First meeting,  
how called.  
1893, c. 268, § 4.

SEC. 186. If the capital stock of any company formed under the foregoing provisions is found to be insufficient for constructing and operating its road, such company may increase the same from time to time, to any amount for the purpose aforesaid. Such increase must be sanctioned by a vote, in person or by proxy, of two-thirds in amount of all the stockholders at a meeting thereof called by the directors for that purpose.

Capital stock,  
how in-  
creased.  
1893, c. 268, § 5.  
See §§ 20-22,  
and note  
to § 5.

SEC. 187. Every corporation organized under the foregoing provisions before commencing the construction of its road shall present to the railroad commissioners a petition for approval of location, defining its courses, distances and boundaries, accompanied with a map of the proposed route on an appropriate scale with the written approval of the proposed route and location as to streets, roads or ways, of the municipal officers of the cities and towns in which said railway is to be constructed in whole or in part and with a report and estimate prepared by a skilful engineer. If the municipal officers upon written application therefor neglect for thirty days to approve a route and location as to streets, roads or ways, or if they refuse to approve such a route and location, or if such route and location approved by them is not accepted by the corporation, in either case said corporation may appeal to the next term of the supreme judicial court to be held in any county where any part of said railway is located more than thirty days from the expiration of said thirty days or from the date of such refusal, or from the approval of a location that is not accepted by the corporation, or otherwise, as the case may be, excluding the day of the commencement of the session of said court. If said railway is located in two or more counties, the supreme judicial court in either county shall have jurisdiction of any such appellate proceedings. The appellant shall serve written notice of such appeal upon said municipal officers fourteen days at least before the session of said court and shall at the first term file a complaint setting forth substantially the facts of the case. If the appeal is then entered, and not afterwards, the court shall appoint a committee of three disinterested persons, who shall be sworn, and if one of them dies, declines or becomes interested, the court may appoint some suitable person in his place. They shall give such notice as the court has ordered, view the proposed route or routes and location or locations and make their report at the next term of the court after their appointment, defining therein the route and location as to streets, roads or ways as determined by them, which, after acceptance and entry of judgment thereon, shall forthwith be certified as to the railroad commissioners and received by them in lieu of the approval of the municipal officers. Costs may be taxed and allowed as the court may order. A failure to appeal shall not bar the corporation from making a new application as to municipal officers. Said commissioners shall upon presentation of such petition appoint a day for a hearing thereon and the petitioner shall give such notice thereof as said commissioners deem reasonable and proper, in order that all persons interested may have an opportunity to appear and object thereto. At such hearing any party interested may appear in person or by counsel. The board of railroad commissioners after hearing the petition shall, if they approve such location, subject to the provisions of section one hundred

Petition for  
approval of  
location.  
1893, c. 268, § 6.  
1901, c. 187, § 4.  
94 Me., 568.  
95 Me., 362.

—if location  
not approved  
by town  
officers or is  
not accepted  
by corpora-  
tion appeal  
may be taken  
to supreme  
judicial court.

—proceedings.

—committee.

—costs, how  
taxed.

—if railroad  
commis-  
sioners  
approve  
location, cer-  
tificate shall  
be filed with  
their clerk  
within 30  
days.

—corporations may proceed with construction but shall first file plans of location.

—extensions and additions may be made.

—no railroad shall be located across tide waters without consent of the legislature.

See § 50.

Articles of association may be amended as railroad commissioners deem necessary.  
1901, c. 177.

—location may be amended.

—petition may be amended.

Municipal officers may approve additional locations for turnouts.  
1901, c. 187, § 5.

Pending appeal, how disposed of.  
1901, c. 187, § 7.

and ninety-three, then determine whether public convenience requires the construction of such road and make a certificate of such determination in writing, which certificate shall be filed with their clerk within thirty days after such hearing. Within five days after the filing of such certificate with him, said clerk shall notify all who have become parties of record as aforesaid, or their counsel, of such determination and decision by sending to each party or their counsel, by mail, a certified copy of such certificate so filed with him. If the board of railroad commissioners approve such location and find that public convenience requires the construction of said road the corporation may proceed with the construction of said road, *provided*, that it first files with the clerk of county commissioners for the county in which said street railway is to be located a copy of the location and plan aforesaid and another copy of the same with the board of railroad commissioners. Any extension of, addition to, or variation from the location of any street railroad, organized under the provisions hereof, may be made in accordance with and subject to the foregoing provisions, *provided*, that no railroad shall be located across tide waters where vessels can navigate unless special permission of the legislature is obtained; no such permission shall be necessary where such railroad is desired, to cross public bridges already erected, but the authority to determine whether such crossing shall be permitted shall rest with the municipal officers of the cities or towns liable for the repair of such bridges respectively, who may impose such conditions and terms upon railroads desiring to cross the same as to them may seem expedient. In case any county is liable for the repair of a bridge, the county commissioners of such county shall have authority in the premises.

SEC. 188. Articles of association filed under the general laws of the state for the organization of street railroad corporations (section one hundred and eighty-four) may be amended at any time upon petition therefor signed by all of the corporators after such notice thereof as the railroad commissioners may deem necessary. No proceedings shall be dismissed because of the death of any person named as a director or corporator before final decree of approval of location, but the survivors may elect a new director or admit another associate, who shall sign the original articles of association and the subscription of stock then on file in the office of said commissioners. Any location may be amended at any time before final approval thereof, after notice and hearing thereon by the railroad commissioners, by filing a consent to said amendment signed by the municipal officers of the town interested. Amendments to petitions (relating to street railroad corporations) filed under such general laws before the railroad commissioners may be made at any time before final decree with or without notice, as the commissioners may decide public interests may require.

SEC. 189. When the location of any street railroad shall have been approved as provided by law, the municipal officers may approve such additional locations for turnouts and spurs to property used or to be used by said corporation in the operation of its road as shall be necessary therefor, and such additional locations shall not be deemed to be extensions, additions or variations within the meaning of this chapter.

SEC. 190. In all proceedings brought prior to March thirteen, nineteen hundred and one, where the railroad commissioners have found that public convenience requires the construction of any road and an appeal therefor (from) shall be then pending, the petitioners in all petitions *hereafter* (hereafter) filed for the approval of the location of such road, shall omit the prayer for the railroad commissioners to determine the issue of public convenience. In any case where an appeal was pending on said March thirteen the petitioners may by proper entry upon the docket of the railroad commissioners, cause their petition to be dismissed without prejudice and begin proceedings under this act *de novo* (anew under this chapter.)

[It is quite probable that when this report is submitted to the legislature, all cases to which this section can apply will have been disposed of.]

SEC. 191. If any corporation formed under the foregoing sections does not, within three years after its articles of association are filed and recorded in the office of the secretary of state, begin the construction of its road and expend thereon ten per cent of its capital, its corporate existence and power shall cease.

Construction of road to begin within three years. 1893, c. 268, § 7. See c. 1, § 6, ¶ XXVIII.

SEC. 192. The board of railroad commissioners may revive the *charter* (corporate existence and power) of any such corporation which may have *lapsed* (ceased) by its failure to proceed with its construction within the time limited by the foregoing section, upon an application made to them therefor by the directors of such corporation after notice and hearing thereon.

Commissioners may revive any charter. 1893, c. 268, § 8.

SEC. 193. Such corporation may purchase or take and hold by its location aforesaid, as for public uses, land outside of the limits of streets, roads or ways, and all materials in and upon it, for the location, construction and convenient use of its road, whenever for any reason it appears to be impracticable to locate such a railway within the limits of said street, roads or ways, but the land so taken shall not exceed four rods in width unless necessary for excavation, embankments or materials; no location outside of the limits of any street, road or way shall be approved by said commissioners, unless it appears to be impracticable to locate said railway within the limits of said streets, roads or ways. All damages for land and materials so taken shall be determined and paid in the manner and under proceedings as provided in case of lands taken for steam railroads.

Corporations may take land outside of streets and ways, if location within limits is impracticable. 1893, c. 268, §§ 9, 20.

See § 30.

SEC. 194. Any street railroad corporation *organized under a special legislative act or formed under the foregoing sections* (of this state), may be authorized to extend, construct, maintain and operate its road to, into and through *adjoining* cities and towns, other than and in addition to those named in its charter or articles of association, on application to the board of railroad commissioners, and by compliance with and subject to the provisions of section one hundred and eighty-seven of this chapter. *Such corporations (organized under special legislative acts) shall, in addition to their chartered rights have all the rights and powers conferred from time to time by general laws upon street railroad corporations, subject to the conditions, limitations and restrictions thereby imposed,\* but no corporation (organized under special legislative act) shall have the right to run over the tracks of another street railroad, without legislative consent, heretofore or hereafter granted, and the right of any connecting street railroad company specially conferred upon it by its charter shall be preserved unimpaired.*

Street railroads may be extended to other places. 1897, c. 249, § 5. 1901, c. 181. 1901, c. 187, § 6.

—such corporations shall have all the powers conferred by general laws upon street railroads.

—limitations. See § 198.

\* This clause is thought to be an unnecessary repetition of sec. 181, and the following restriction upon chartered street railroad companies may have been removed by the same section. If this construction is correct, the last clause of sec. 194 may be added to sec. 181.

SEC. 195. So far as applicable the provisions of sections twenty-eight, thirty, thirty-one, thirty-four, thirty-five, thirty-six, thirty-seven, thirty-eight, thirty-nine, fifty-four, fifty-five, fifty-six, fifty-seven, seventy-seven, seventy-eight, seventy-nine, eighty, eighty-nine, ninety, one hundred and forty-two, one hundred and forty-three, one hundred and forty-seven, one hundred and forty-eight, one hundred and forty-nine, one hundred and fifty-eight to one hundred and sixty-one both inclusive, one hundred and seventy, one hundred and seventy-one, one hundred and seventy-two, one hundred and seventy-three, one hundred and seventy-four, one hundred and seventy-five of this chapter shall apply to street railways.

Certain provisions made applicable to street railways. 1897, c. 249, § 3. 1897, c. 263.

SEC. 196. Street railways shall be constructed and maintained in such form and manner, and with such rails, and upon such grade as the municipal officers of the cities and towns where the same are located may direct, and whenever in the judgment of such corporation it shall be necessary to alter the grade of any street, town or county road, said alterations shall be made at the sole expense of said corporation with the assent and in accordance with the directions of such municipal officers. *If the tracks of*

Shall be constructed in manner prescribed by municipal officers. 1893, c. 268, § 11.

—manner of crossing steam railways.

*a street railway cross any steam railway and a dispute arises in any way in regard to the manner of crossing, the board of railroad commissioners shall, upon hearing, decide and determine in writing in what manner the crossing shall be made, and it shall be constructed accordingly.*

[This provision is apparently superseded by P. L. 1895, c. 72. See § 48 and § 49 of this chapter.]

Shall not be operated until commissioners grant certificate of safety.  
1893, c. 268, § 12.  
—penalty.

SEC. 197. No street railway shall be operated for street traffic until said commissioners have made an inspection of such railway and granted a certificate of its safety for public travel. Any person or corporation violating the provisions of this section, forfeits to the state one hundred dollars for each offense, to be recovered in an action on the case, or by complaint and indictment, and the attorney general shall institute proceedings to recover the same.

But one railway shall occupy streets at same time.  
1893, c. 268, § 13.  
See § 194.

SEC. 198. No corporation or person shall be permitted to construct or maintain any railway for similar purposes over the streets, roads or ways that may be lawfully occupied by a street railway in any city or town, but any person or corporation lawfully operating any street railway to any point to which the tracks of any other street railway extend, may enter upon, connect with and use the same, on such terms and in such manner as may be agreed upon between the parties or if they shall not agree, to be determined by the railroad commissioners upon application, notice and hearing therefor.

May erect all necessary power stations, etc.  
1893, c. 268, § 14.  
See c. 53, §§ 19-28.

SEC. 199. Any corporation organized under the provisions of section one hundred and eighty-two may erect and maintain all necessary or convenient power stations, car houses and lines of poles, wires, appliances and appurtenances, subject to the general laws of the state regulating the erection of posts and lines, for the purposes of electricity.

Any street railroad company may maintain hotels, etc.  
1897, c. 249, § 4.

SEC. 200. Any street railroad corporation, *organized under the general laws of the state, or under a special charter* (of this state,) may erect and maintain hotels, cottages, places of amusement and pleasure grounds along its route, and for that purpose may purchase and hold real estate and personal property necessary or convenient therefor, *provided* that the right of taking lands or other property shall not extend to property to be used for such purposes, and such street railroad corporations may purchase and hold shares of the capital stock of any other corporation engaged in the business of owning, leasing, maintaining or operating such hotels, cottages, places of amusement and pleasure grounds.

—may hold real estate.

May issue bonds and mortgage property.  
1897, c. 249, § 6.

SEC. 201. *Any street railroad corporation may issue bonds in accordance with the provisions of the general law for any lawful purpose, and secure the same by mortgage of its road, franchises and property.*

[This section is thought to be an unnecessary repetition of sec. 79, which by sec. 195 is made applicable to street railroads.]

Municipal officers may make necessary regulations.  
1893, c. 268, § 15.

SEC. 202. The municipal officers of any town may at all times make all such regulations as to the mode of use of tracks of any street railway, the rate of speed and the removal and disposal of snow and ice from the streets, roads and ways, by any street railway corporation, as the public safety and convenience may require.

Corporations shall keep streets in repair.  
1893, c. 268, § 16.

SEC. 203. Such corporations shall keep and maintain in repair such portions of the streets, roads or ways, as shall be by them occupied, and shall make all other repairs therein, rendered necessary by such occupation. If not repaired upon reasonable notice, such repairs may be made by said towns at the expense of said corporation.

Liable for all damages.  
1893, c. 268, § 17.

SEC. 204. All street railway corporations shall be liable for any loss or damage which any person may sustain, by reason of any *carelessness*, negligence or misconduct of any such corporation, its agents or servants, or by reason of any obstructions, or defects in any street or road of any city or town, caused by the negligence of such corporation, its agents or servants, and shall hold such city or town harmless from any suits for such loss or damages: *provided*, such company shall have notice of any such suit, and shall be allowed to defend the same.

SEC. 205. Whoever wilfully and maliciously obstructs any street railway corporation in the use of its roads, tracks or property, or the passing of cars of said corporation thereon, and whoever aids or abets therein, shall be punished by a fine not exceeding two hundred dollars, or *may be imprisoned in the county jail for a period* (by imprisonment) not exceeding sixty days.

Penalty for obstructing corporation. 1893, c. 268, § 18.

SEC. 206. Upon a written application by any street railway corporation, to the municipal officers of any city or town, and hearing thereon, the municipal officers may authorize said corporation to discontinue the running of its cars, during such portion of the winter months, and upon such terms and conditions as they may determine; said corporation may appeal from such decision to the board of railroad commissioners, who shall after reasonable notice and hearing, make such a determination thereon as shall be reasonable and proper, and their decision shall be final.

Municipal officers may authorize company to discontinue running of cars in winter. 1893, c. 268, § 19. —appeal may be taken to railroad commissioners.

[Section 21 of P. L. 1893, c. 268 was apparently superseded by P. L. 1899, c. 100, (sec. 181) and is accordingly omitted from this revision.]

Note. Duties of railroad companies in the prevention of forest fires, c. 5, §§ 61-63.

Ways may not be located over land of railroad company without notice to company, c. 18, § 27.

Railroad commissioners to determine whether crossing shall be at grade or not, c. 18, § 28; whether way shall be laid out across land used for station purposes, c. 18, § 30.

Railroad companies may be notified and take upon themselves defense of action for damages at crossing, c. 18, § 80.

Provisions for foreclosure of railroad mortgages extended to certain mortgages given by other corporations, c. 46, § 52.

Provisions for fortnightly payment of wages apply to street railroads, c. 48, § 42.

Procedure for selling unclaimed baggage or other merchandise, c. 52, §§ 17, 18; perishable merchandise, § 19; live stock, § 20; transportation of property, title to which is in dispute, may be delayed, § 22.

Erection of electrical line along a railroad, c. 53, § 28.

Vacancies in trustees under trust deed or mortgage, how filled, c. 68, §§ 16-18.

Penalty for destruction of human life by obstruction of railroad tracks, c. 117, § 5; for breaking and entering railroad car, with intent to commit felony, c. 118, § 8; for larceny from railroad car, c. 119, § 2; for railroad strikes, c. 122, § 6; for gambling in railroad cars, c. 124, § 5; for malicious mischief to railroad cars, c. 126, § 6; to milestone or guide board on railroad, c. 126, § 18; for wanton injury to baggage, c. 126, § 23.

Regulation of transportation of cattle and other animals, c. 123, §§ 41-45.

## CHAPTER 52.

### CORPORATIONS FOR NAVIGATION BY STEAM. COMMON CARRIERS.

SEC. 1. *Officers of corporations, created for navigation by steam, shall be stockholders therein, and their treasurers* (of corporations created for navigation by steam) shall keep an office within the state.

[By this provision all officers of these corporations, including clerk and treasurer, must be stockholders, contrary to the general provisions of chapters forty-six and forty-eight. The commissioner does not perceive any reason for the distinction.]

Officers to be stockholders. R. S., c. 52, § 1.

SEC. 2. *They* (Such corporations) are liable for breach of contracts, express or implied, made as common carriers; for their neglect and misconduct; and for that of their agents, to the same extent as owners of vessels are by the maritime law.

Liability for neglect and misconduct. R. S., c. 52, § 2. 57 Me., 211.

SEC. 3. For loss or damage of property transported on a river, stream, or bay, by boat for hire, the boat is liable, whether owned or not by the person undertaking such transportation, and may be attached on a writ against him, sued out within sixty days after such loss or damage, and sold like other personal property on an execution issued on the judgment recovered in such suit, and any surplus shall be paid to the owner of the boat. Such attachment is effectual against any conveyance or lien after such loss or injury, and prior to the attachment.

Boats liable for loss or damage of property transported, and may be attached. R. S., c. 52, § 6.

## PROVISIONS FOR SAFETY ON INLAND STEAMERS.

Steamboats  
on inland  
waters.  
R. S., c. 52, § 11.  
1893, c. 231, § 1.

SEC. 4. All vessels propelled by steam upon inland waters are subject to the following provisions; and before being so employed they shall be examined and receive the certificate of the inspectors authorizing their employment.

Inspectors,  
appointment  
and qualifi-  
cation of.  
R. S., c. 52, § 12.

SEC. 5. The governor, with the advice and consent of council, shall appoint two inspectors of steamboats, of suitable qualifications, one of whom shall have a practical knowledge of ship building, and the other, of the construction and use of boilers, engines and their appurtenances; they shall be sworn to the faithful performance of their duties, and shall continue in office for five years, unless sooner removed for good cause, and may be re-appointed at the expiration of their term.

—term of  
office.

Steamboats,  
how to be  
constructed.  
R. S., c. 52, § 13.

SEC. 6. All vessels mentioned in section four, shall be so constructed that the wood work about the boilers, chimneys, fire-boxes, cook houses, stove and steam pipes, exposed to ignition, shall be so shielded by some incombustible material, that the air may circulate freely between such material and wood work, or other ignitable substances; and before granting a certificate of inspection, the inspectors shall require all other necessary provisions to be made throughout such vessel as they judge expedient to guard against loss or damage by fire.

—inspectors  
shall require  
all necessary  
provisions  
for safety to  
be made.

Vessels to  
be supplied  
with good  
boats, life  
lines, etc.  
R. S., c. 52, § 14.

SEC. 7. Every such vessel shall have at least one substantial boat, with life lines attached, and properly supplied with oars, and kept tight and in good condition at all times and ready for immediate use; also such other boats, if any, as the inspectors, on account of the route or the number of passengers, deem requisite, and the master of such vessel shall exercise and discipline his crew in the launching, use and management of the boats until they become skilful boatmen.

—discipline  
of crews.

Life  
preservers.  
R. S., c. 52, § 15.

SEC. 8. Every vessel mentioned in section four shall be provided with a good life preserver, made of suitable material, to the acceptance of the inspectors, for every passenger which she is authorized to transport, also for every one of her crew, which life preservers shall be kept in convenient, accessible places in such vessel, in readiness for immediate use in case of accident, and the places where the same are so kept shall be designated in the inspectors' certificate, and also pointed out by printed notices posted in such places as the inspectors direct; floats may also be required by said inspectors. Every such vessel shall carry such number of buckets and axes for use in case of fire as the inspectors shall consider necessary.

—floats, etc.

—buckets  
and axes.  
1893, c. 231, § 2.

Stairways  
and  
gangways.  
R. S., c. 52, § 16.

SEC. 9. Every such vessel shall be provided with permanent stairways and other sufficient means convenient for passing from one deck to the other, with gangways large enough to allow persons freely to pass, which shall always be open, fore and aft of the length of the vessel, and to and along the guards; and whoever obstructs said gangways by freight or otherwise forfeits fifty dollars.

—penalty for  
obstructing.

Inspectors,  
duty of.  
R. S., c. 52, § 17.

SEC. 10. The inspectors shall annually, or oftener if they have good cause to believe it reasonable, inspect every vessel of the description mentioned in section four, examine carefully her hull, engine, boiler, boats and other equipments, apply proper tests to her boilers, ascertain how long it will be safe to use the same, determine the pressure of steam to be allowed, and so regulate the fusible plugs, safety valves and steam cocks, as to insure safety; and they may require such changes, repairs and improvements to be adopted and used as they deem prudent for the contemplated route; they shall also fix the number of passengers to be transported, and no greater number shall be received or allowed at any one time, under a penalty of ten dollars, to be paid by the master, for each passenger in excess of the allowed number, unless special permission is first obtained from the inspectors, under such precautions as they deem expedient.

—may  
require  
improve-  
ments.

—number of  
passengers.

—penalty for  
violation.

Certificate of  
inspection,  
specifica-

SEC. 11. The inspectors, if satisfied that such vessel is in all respects safe and in conformity to this chapter and their requirements, shall give

their certificate, setting forth the age of the vessel and date of inspection, the name of the master and vessel, the age of the boilers, the pressure of steam that she is authorized to carry, the number of boats and life preservers required, and the number of passengers that she can transport, one copy of which certificate and of sections four to sixteen both inclusive of this chapter shall be kept posted in some conspicuous place upon such vessel.

SEC. 12. *Whoever intentionally loads or obstructs or causes to be loaded or obstructed in any way the safety valve of the boiler, or employs any other means or device whereby the boiler may be subjected to a greater pressure than the amount allowed by the inspector's certificate, or intentionally deranges or hinders the operation of any machinery or device employed to denote the stage of the water or steam in any boiler or to give warning of approaching danger, or intentionally permits the water to fall below the prescribed low water line of the boiler, or is directly or indirectly concerned therein, is guilty of a felony, and shall be fined not exceeding five hundred dollars or imprisoned not exceeding five years; and if death is caused thereby, he is guilty of manslaughter, and shall be imprisoned not less than two, nor more than ten years.*

[The commissioner recommends that section twelve be omitted from this chapter and incorporated with section six of chapter one hundred and seventeen.]

SEC. 13. Every person employed as master, pilot, or engineer on board such vessel, shall be examined by the inspectors as to his qualifications, and if satisfied therewith they shall grant him a license for the office for one year; said license shall be framed under glass and posted in some conspicuous place on board such vessel. Whoever acts as master, pilot, or engineer without having first received such license, shall be fined fifty dollars for every day that he so acts; and such license continues in force for one year, unless revoked by the inspectors for intemperance, incompetency, or a wilful violation of duty. But any master, pilot or engineer holding a license for any such vessel on any line owning or navigating more than one vessel, may under such license be employed on any vessel owned or navigated by the persons owning or navigating the vessel for which said officer obtained his license.

SEC. 14. All vessels described in section four shall comply with all the terms and provisions of sections four to sixteen both inclusive, of this chapter, and with all orders, regulations and requirements of the inspectors; and if any such vessel is navigated without complying therewith, or without the certificate of the inspectors, the owners and master severally forfeit to the State five hundred dollars for each offense, half thereof for the informer, unless otherwise provided, for which sum the vessel so engaged is liable, and may be proceeded against in a quo tam action by attachment commenced within sixty days after the commission of the offense, or said penalty may be recovered by indictment. In case of damage by fire or by explosion of steam or by collision, the inspectors shall forthwith investigate the cause thereof, and if found by them to have been occasioned by a violation of any of the aforesaid provisions, or of the orders, regulations and requirements of said inspectors, they shall so certify to the governor, and to the county attorney in the county where the offense was committed, together with the names of the parties and witnesses, and prosecution shall forthwith be instituted against all parties liable. But if any such vessel is deprived of the services of any licensed officer, without the consent, fault, or collusion of the master, owner, or any person interested in the vessel, the deficiency may be temporarily supplied, until another licensed officer can be obtained; *provided, however*, that if the owners and master of such vessel seasonably notify the inspectors of the expiration of her certificate, and request a new inspection and certificate, and said inspectors fail to make said inspection and issue said certificate, if the vessel is entitled thereto, such owners and master are not liable for any of the penalties provided in this chapter on account of navigating said vessels without a certificate of inspection.

tions of.  
R. S., c. 52, § 18.

—to be posted.

Interference  
with safety  
valve, etc.,  
is a felony.  
R. S., c. 52, § 19.

—punishment.

Officers to be  
licensed.  
R. S., c. 52, § 20.

—penalty for  
neglect.

—term of  
license.

—employment  
on other  
vessels.

What vessels  
must comply  
with this  
chapter.  
R. S., c. 52, § 21.

—penalty for  
violation.

—in case of  
damage by  
collision,  
fire or steam,  
inspectors to  
investigate  
the cause.  
1889, c. 265.  
1893, c. 231, § 3.

—licensed  
officers,  
deficiency of,  
how supplied.

—proviso.

—owners and  
master not  
liable in  
certain cases.

In case of the death of any person, damages, how assessed and recovered. R. S., c. 62, § 22. 1893, c. 231, § 4.

—persons damaged, entitled to remedy.

—liability of owners, limited.

—damages, how assessed.

Compensation of inspectors. 1895, c. 146.

—fees for inspection and license.

—proviso.

—accounts of inspectors.

SEC. 15. If the death of any person is caused by such collision, explosion or fire, his executors or administrators may recover therefor from the owners or master of the vessel, for the benefit of the widow and children, if any, of the deceased, otherwise for the benefit of his estate, such damages, not exceeding five thousand dollars, as the jury assess; and for the damages so recovered, a lien is created upon such vessel, which takes precedence of all other liens, claims, rights or interest therein, and may be enforced by attachment against her on the original writ; any party claiming an interest in said vessel may intervene, and on proof of any right, claim or interest therein may be allowed to appear and defend the same; any person damaged in his person or property by such explosion or fire, is entitled to like remedies to the same extent and effect and with the same proceedings for the recovery of his damages; if any of the crew of said vessel, or persons in her employment, thus sustains injury, his executors and administrators are entitled to all the benefit of this section, if the jury are satisfied that the negligence of the party thus injured did not occasion or contribute materially to the injury; the liability of the owners shall not exceed twice the value of the vessel at the commencement of the trip upon which the injury is sustained, and if the damages assessed in all the cases exceed such sum, the same shall be apportioned pro rata by the court in which the suit wherein the earliest attachment was made, is pending, and judgment shall be rendered in the several cases against the owners for the proportionate amount of double the value of such vessel.

SEC. 16. The inspectors shall each receive from the state, the sum of four dollars a day for the time they are actually employed under this chapter, and shall also be paid their actual traveling expenses incurred in performing the duties imposed upon them by this chapter. The owners of each vessel inspected and certified under this chapter, shall pay to the inspectors the sum of five dollars, and each person licensed under this chapter, shall pay to the inspectors the sum of two dollars for each original license, and two dollars for each renewal of the same; *provided*, that in the case of vessels of five tons of measurement or less, no fees, either for inspection or for licenses, shall be required or paid; *provided, also*, that in cases where the master is also pilot of the vessel he shall not be required to hold two licenses, but may act in either or both capacities under one license, such license stating on its face that he is authorized to do so. The inspectors shall account for all such sums to the governor and council, and pay the same into the state treasury. The accounts of the inspectors for compensation and expenses under this chapter, shall be audited by the governor and council.

Note. Penalty for disorderly conduct on steamboat, c. 51, §§ 95, 96; for evading payment of fare, c. 51, § 109; for loitering without right, c. 51, §§ 110, 111.

#### UNCLAIMED BAGGAGE AND MERCHANDISE.

Merchandise unclaimed for six months, may be sold to pay charges. 1897, c. 217. See note to c. 31, § 10.

SEC. 17. Whenever baggage, goods, merchandise, packages or parcels, transported by any railroad, steamboat, express, or stage company, existing by virtue of the laws of this state, remain unclaimed for six months after its arrival at the point to which it shall have been directed; *or baggage, goods, merchandise, or other personal property remain in a public warehouse for six months, after the charges thereon have been rightfully demanded and left unpaid*, the same may be sold at auction in the city or town where said railroad, steamboat, express or stage company has its general or principal office, or where said warehouse is situated; and whenever baggage, goods, merchandise, packages or parcels transported by any railroad, steamboat, express or stage company, not existing by virtue of the laws of this state, and having no office of president, treasurer, clerk or general superintendent within this state, but doing business in this state, remain unclaimed for six months after its arrival at the point to which it shall have been directed, the same may be sold at auction, to pay the charges thereon and the expense of advertising and selling.

SEC. 18. Any company existing by virtue of the laws of this state *before selling* (holding) any such articles or merchandise, *holding* (shall before selling) the same, *shall* give thirty days' notice of the time and place of sale, in four public newspapers, one published at Portland, in the county of Cumberland; one published at Augusta, in the county of Kennebec; one published at Lewiston, in the county of Androscoggin; and one published at Bangor, in the county of Penobscot; said notices shall contain a brief description and list of all such property, and shall describe such marks thereon as may serve to identify them, together with the name of the consignee and the place to which said articles were billed. Any company not existing by virtue of the laws of this state, and having no office of president, treasurer, clerk, or general superintendent, within this state, but doing business within this state, before selling any such articles or merchandise, shall give thirty days' notice of the time and place of sale, by publishing notice in some public newspaper, printed in the county where such merchandise is so held, three weeks successively the last publication to be at least seven days before the day appointed for the sale; if no newspaper is published in the county where such articles or merchandise are so held, such notice shall be published in some newspaper in an adjoining county. Such articles or merchandise shall be sold at the place where held. The proceeds of all goods so sold, after deducting the costs of transportation, storage, advertising and sale, shall be placed to the credit of the owner, in the books of the company making the sale; and shall be paid to him on demand; and such company shall not be liable to said owner of such property for any greater sum than so received from said sale.

Notice of sale, how to be given.  
1891, c. 42, § 2.

—disposal of proceeds.

SEC. 19. When a common carrier has transported property of a perishable nature, which cannot be kept without great deterioration or substantial destruction, to its place of destination, and has notified the owner or consignee of the arrival of the same, and the owner or consignee, after such notice, has refused or omitted to receive and take away the same and pay the freight and proper charges thereon, said carrier may, in the exercise of a reasonable discretion, sell the same at public or private sale without advertising, and the proceeds, after deducting the amount of said freight and charges and expenses of sale, shall be held for the persons entitled thereto; and if the owner or consignee cannot be found on reasonable inquiry, the sale may be made without such notice.

Common carriers may sell perishable goods which owner neglects or refuses to receive.  
1893, c. 142, § 1.

SEC. 20. When a common carrier has transported live stock which can be kept only at continual expense, to its place of destination, and has notified the owner or consignee of the arrival of the same, and the owner or consignee after such notice has refused or omitted to receive and take away the same and pay the freight and proper charges thereon, said carrier may cause the same to be sold at auction to pay the freight and charges thereon, including the cost of keeping, and the expenses of advertising and selling; and if the owner or consignee cannot be found on reasonable inquiry, the carrier may cause the same to be advertised and sold as aforesaid without such notice. Before selling any such live stock, the common carrier holding the same shall give two weeks' notice of the time and place of sale in a newspaper published in the place where said live stock is held, if any; otherwise in a newspaper published at a place nearest thereto. Said notice shall reasonably describe said live stock; and the proceeds of sale, after deducting the amount of freight and charges, including the cost of keeping, and the expenses of advertising and sale, shall be held for the persons entitled thereto.

May sell live stock at auction after owner has been notified and refused to take away.  
1893, c. 142, § 2.

—proceedings, when owner or consignee cannot be found.

—notice of sale, how given.

SEC. 21. All sales under the foregoing provisions, shall be recorded in a suitable book, open to the inspection of claimants, in which the articles sold shall be correctly described, and the charges and expenses thereon, and the price at which they were sold, shall be entered.

All sales shall be recorded.  
R. S., c. 52, § 10.  
1893, c. 142, § 3.

## TRANSPORTATION OF PROPERTY IN DISPUTE.

Transportation of property, when the title is in dispute, 1897, c. 270.

—proceedings.

SEC. 22. When property is delivered to a common carrier, for transportation, and any person other than the consignor or consignee shall claim the title to such property and shall forbid its transportation, he shall forthwith give written notice to the carrier forbidding its transportation, and thereupon the carrier shall be authorized to delay the transportation for the space of five days, and unless within such five days such claimant shall replevy such property, or if he shall fail to give such written notice, the carrier is authorized to proceed with the transportation of such property and shall not be liable for so transporting.

## CHAPTER 53.

## TELEGRAPH AND TELEPHONE COMPANIES, GAS, AND ELECTRIC LIGHT AND POWER COMPANIES.

Telegraph and telephone companies, 1895, c. 103, § 1, and other electrical, and gas companies may be organized under c. 48, 1895, c. 102, § 1. —gas or electric company shall not operate in any city or town where a company is already established, without act of legislature. 1901, c. 273.

Certificate of telegraph or telephone company shall set forth route. 1895, c. 103, § 2.

—of gas or electric company shall specify cities and towns where corporation proposes to do business. 1895, c. 102, § 2.

Manufacturing corporations may take stock in such electric company. 1895, c. 102, § 3.

May hold real estate. 1895, c. 102, § 4.

SEC. 1. Corporations for the operation of telegraphs or telephones, and corporations for the operation of both telegraphs and telephones, and corporations for the purpose of making, generating, selling, distributing and supplying gas or electricity, or both, for lighting, heating, manufacturing or mechanical purposes, in any city or town, or two or more adjoining cities or towns, within the state, or for either or any of such purposes, may be organized under the provisions of the first nine sections of chapter forty-eight, and all provisions of said sections are applicable to such corporations. But no corporation, so organized, shall have authority, without special act of the legislature, to make, generate, sell, distribute or supply gas or electricity, or both, for any purpose, in or to any city or town, in or to which another company, person or firm are making, generating, selling, distributing or supplying, or are authorized to make, generate, sell, distribute or supply gas or electricity, or both.

SEC. 2. The certificate provided by section three of chapter forty-eight to be prepared and filed in the secretary of state's office, by such telegraph or telephone company shall set forth, in addition to the statements required by said section, the general route of telegraph or telephone lines proposed to be constructed by such corporation and the points to be connected thereby; and the certificate to be prepared and filed by such gas or electric company shall specify, in addition to the statements required by said section, the city or town, or the adjoining cities or towns within which said corporation proposes to make, generate, sell, distribute or supply gas or electricity, or both, for the purposes named in section one of this chapter, and no corporation so organized shall be authorized to make, generate, sell, distribute or supply gas or electricity, in any city or town not specified in said certificate.

SEC. 3. Any manufacturing corporation located and doing business in a town or city in which a company organized under this chapter proposes to manufacture and introduce gas or electricity for any of the purposes named herein, may take and hold stock in such gas or electric company to an amount not exceeding ten per cent of the capital stock of such last named company.

[If the amendment to c. 48, sec. 9, suggested by the commissioner, is adopted, this section may be omitted.]

SEC. 4. Corporations organized under this chapter may purchase, hold and convey such real estate and personal property as shall be necessary for the purposes for which they are created.

SEC. 5. Every corporation organized hereunder for the purpose of operating telegraphs or telephones, may, except as herein limited, construct, maintain and operate its lines upon and along the route or routes and between the points stated in its certificate of incorporation; and may, subject to the conditions and under the restrictions provided in this chapter, construct its lines along, over, under and across any of the roads and streets and across or under any of the waters upon and along such route or routes, with all necessary erections and fixtures therefor. But no such corporation organized hereunder shall without special act of the legislature, construct its lines along the route or routes, used or authorized to be used, by any other telegraph or telephone company, person or firm, or between points connected, or authorized to be connected, by the lines of any such company, person or firm, unless it shall first obtain the consent of such other company, person or firm. Every corporation organized hereunder for the purpose of making, generating, selling, distributing and supplying gas or electricity for the purposes named in this chapter, may lay its pipes and wires and construct and maintain its lines in, upon, along, over, across and under the roads and streets in any city or town in which it is authorized to supply gas or electricity, or both, subject, however, to the conditions and under the restrictions provided in this chapter. No corporation organized hereunder shall have authority, except by special act of the legislature, to take, appropriate or use, the location, pipes, lines, land or other property of any other corporation, person or firm, doing or authorized to do a similar business, without consent of such other corporation, person or firm.

SEC. 6. No such corporation shall lay its pipes or place its wires under the surface of any road or street, or dig up or open the ground in any road or street, until it shall have obtained (as prescribed in the following section) a permit in writing from the municipal officers of the city or town in which such road or street is located, which permit shall be signed by such municipal officers, and shall specify the roads and streets and the location therein in which such pipes or wires shall be laid; but such permit shall not affect the right of any party or parties to recover damages for any injury to persons or property by the doings of any such corporation. *Upon application to them for such permit, the municipal officers to whom it is presented shall appoint a time and place of hearing thereon, and cause said corporation to give public notice by publication in some newspaper published or printed in said city or town, if any, at least fourteen days before said hearing; if no newspaper is published or printed in said town or city, then by posting such notice in two or more public and conspicuous places therein, at least fourteen days before said hearing. At such hearing any resident and property owner in said city or town, and all other parties interested, may appear, and shall be given an opportunity to be heard.*

SEC. 7. Telegraph, telephone, (gas,) electric light, heat or power companies chartered by special act of legislature or organized under the general laws of the state, and all such companies, wherever chartered or organized, engaged in the business of transmitting intelligence, heat, light or power by electricity, (or of furnishing gas for light, heat or power,) may, in any city or town, place their (pipes) wires and cables and all conduits and other structures for conducting and maintaining such wires and cables under the surface of those streets and highways in which such companies are empowered to obtain locations for their (pipes,) poles and wires; subject, however, to the written permit therefor of the municipal officers of such city or town, and subject also to such rules and regulations as to location and construction as such municipal officers may designate in their permit. Proceedings for obtaining such permit shall be had in accordance with the provisions of the last ten sections of this chapter relating to the location of posts and wires in public ways. (But permits to open streets and highways for the purpose of relaying or repairing such

Telegraph and telephone companies may pass along highways and across waters on route. 1895, c. 103, §§ 3, 4. 94 Me., 214.

—but not along routes already established, without act of legislature. 1895, c. 103, § 3.

—gas and electric companies may pass along highways. 1895, c. 102, § 5.

—lines already located, shall not be taken without authority of legislature, or consent of owners. 1895, c. 103, § 7. 1895, c. 102, § 5.

Before laying pipes and wires, shall obtain permit of municipal officers. 1895, c. 102, § 6.

—permit shall not be granted until a hearing is had.

Telegraph, telephone, light, heat and power corporations authorized to place wires, etc., under surface of streets. 1901, c. 163.

—how permits may be obtained.

pipes, wires, cables, conduits and other structures may be granted without notice.)

[It is thought that P. L. 1901, c. 168, supersedes a portion of P. L. 1895, c. 102, sec. 6, so far as the latter relates to electric light, heat and power companies. The above amendments are suggested to place gas companies under the same conditions, and to permit the omission of the latter portion of P. L. 1895, c. 102, sec. 6, incorporated into the preceding section.]

Shall not obstruct public travel in opening streets.  
1895, c. 102, § 7.

SEC. 8. Any such corporation digging up and opening such roads and streets, shall do so in such a manner as to (cause the least possible interference with) *discommode the public travel as little as possible*, and shall put all such highways, roads and streets which it shall dig into and open, into as good repair as they were before they were dug into and opened; and on failure to do so within a reasonable time, such corporation shall be *decreed* (deemed) guilty of (causing a public) nuisance, (and shall be liable to the city or town for all expenses incurred in making such repairs.)

Poles, lines and fixtures shall be so constructed as not to incommode public travel.  
1895, c. 102, § 8.  
1895, c. 103, § 4.

SEC. 9. Every such corporation shall so construct and maintain its poles, lines, fixtures and appliances in, along, over, under and across the roads and streets, in which it may obtain locations, and across or under any of the waters upon and along its route or routes, as not to incommode the use of such roads and streets for public travel, or interrupt the navigation of such waters; and *provided, further, that* no such corporation shall injure, cut down or destroy any fruit tree, or any tree or shrub standing and growing for the purposes of shade or ornament; and *provided, further, that* (but) this chapter shall not be so construed as to authorize the construction of any bridge across any of the waters of the state.

—or interfere with ornamental trees.

Authorized to issue bonds, and mortgage property, and franchise.  
1895, c. 102, § 9.  
1895, c. 103, § 5.

SEC. 10. Any *such* corporation (organized under the provisions of this chapter), by vote at a meeting of its stockholders called for the purpose, may issue coupon or registered bonds to provide means for constructing its lines and plant, funding its floating debt, or for the payment of money borrowed for any lawful purpose, and may mortgage or pledge, as security for the payment of the principal and interest of such bonds, a part or all of its property and franchise. Such bonds may be issued in sums not less than one hundred dollars each, payable at periods not exceeding twenty years from the date thereof, and bearing interest not exceeding six per cent a year, payable annually or semi-annually, to an amount which, including that of bonds previously issued, shall not exceed in all the capital stock of the corporation actually paid in at the time.

Liability for damages.  
1895, c. 102, § 10.

SEC. 11. Every corporation *incorporated* (organized) under the provisions of this chapter *for the purpose of making, generating, selling, distributing and supplying gas or electricity for the purposes named in this chapter* shall be liable in all cases, to repay any city or town all sums of money that said city or town may be obliged to pay on any judgment recovered against it for damages occasioned by any obstruction, digging up or displacement of any way or street by said corporation, together with counsel fees and expenses necessarily incurred in defending said town in actions therefor; *provided, however, that* said corporation shall have notice of the commencement of any and all suits for such damage, and such corporation shall have the right to defend any such action at its own expense.

Telegraph or telephone companies may connect with other lines.  
1895, c. 103, § 6.  
—may take land as for public uses.  
1895, c. 103, § 7.  
R. S., c. 53, § 4.  
—damages, how estimated.

SEC. 12. Every *such* corporation operating a telegraph or telephone line in the state may connect its line or lines with those of any other like corporation, and may sell or lease its lines and property, in whole or in part, to any other like corporation, and may purchase or lease the line, or lines, and property, in whole or in part, of any like corporation, upon such terms as may be agreed upon by the contracting parties; and may purchase, or take and hold as for public uses, land necessary for the construction and operation of its lines. Land may be so taken and damages therefor may be estimated, secured, determined and paid as in case of railroads.

[No reason is perceived for making a distinction between telegraph and telephone companies organized under general law and those incorporated by special act of legislature.]

Telephone connections, how reg-

SEC. 13. Every corporation operating a telephone line in the state shall, upon the application of any other corporation operating a telephone line,

allow to the corporation first making such application, connection between such lines upon the same rates as charged for the same distances upon the lines of the corporations so connecting, and with the same charges for use of telephone exchanges as established for the patrons of such corporations. Every corporation authorized by its charter to grant telephone privileges, including the leasing of instruments and other appliances, shall grant such privileges upon equal and uniform terms and conditions.

SEC. 14. All (corporations) *gaslight companies* in the state which are authorized to furnish gas for lighting may furnish gas for heating and for power, and proper appliances therefor, under the same conditions and with the same rights as they are now authorized to furnish gas for lighting purposes.

SEC. 15. A person or company owning or using a line of telegraph, wholly or partly in the state, for any error or unnecessary delay in writing out, transmitting or delivering a dispatch within its delivery limits, making it less valuable to the person interested therein, is liable for the whole amount paid on such dispatch; all dispatches shall be transmitted in the order in which they are received, under a penalty of one hundred dollars, to be recovered by the person whose dispatch is wilfully postponed; an operator or agent who designedly falsifies a dispatch, forfeits not less than twenty, nor more than one hundred dollars, to be recovered in an action of debt; and in case of his avoidance or inability to pay such judgment, the person or company employing him forfeits a like sum; and if such operator or agent wilfully divulges any part of the contents of a private dispatch entrusted to him for transmission or delivery, he shall be fined not exceeding one hundred dollars, or imprisoned not more than three months.

SEC. 16. Nothing herein exonerates telegraph operators, agents, clerks or other officers, from liability for fraud committed or attempted by means of telegraphic communication; or the company from any liability existing at common law for the neglect or wrong-doing of such company or its agents. (a)

SEC. 17. *Whoever desires to disconnect or remove the wires of a telegraph company in order to move a building, or for any other purpose, shall leave a written statement of the time and place at its office, if it has any in that town, twenty-four hours before the time fixed; if not, he shall send it by mail, post paid, to its nearest office, three days before the time; and whoever disconnects or removes such wires without first giving such notice, shall be fined not exceeding five hundred dollars, or imprisoned not more than three years.*

[If the amendments to section 22 suggested by the commissioner are adopted, this section is unnecessary.]

SEC. 18. *When a telegraph company is authorized to locate its line over the lands of others and the parties cannot agree on the damages, they shall be estimated, secured and paid in the manner provided in case of land taken for railroads.*

[If the amendment to section 12 suggested by the commissioner are adopted, this section is unnecessary.]

#### REGULATION OF POSTS AND WIRES.

SEC. 19. Every company incorporated for the transmission of intelligence, heat, light, or power by electricity, and all persons and associations engaged in such business, shall be subject to the duties, restrictions and liabilities prescribed in the following sections.

SEC. 20. No such company, person or association shall construct lines upon and along the highways and public roads of any city or town, without first obtaining a written permit, signed by the mayor and aldermen, or selectmen, specifying where the posts may be located, the kind of posts, and the height at which and the places where the wires may be run. Before granting such permit, fourteen days' public notice thereof shall be given, and residents and owners of property upon the highways to be

ulated.  
1885, c. 378, § 9.

Gas companies authorized to furnish gas for power.  
1895, c. 61.

Owners of telegraphs liable for errors or delays in sending dispatches: to be sent in the order that they are received, under penalty.  
R.S., c. 53, § 1.  
60 Me., 29, 33.

—penalty for falsifying or divulging contents of dispatch.

Officers responsible for frauds, and company subject to common law liabilities.  
R. S., c. 53, § 2.  
Person desiring to disconnect wires, shall notify company.  
R. S., c. 53, § 3.  
—penalty for neglect.

Land damages, how estimated and paid.  
R. S., c. 53, § 4.  
See c. 51, §§ 30-39.

Electric companies subject to duties and liabilities prescribed herein.  
1885, c. 378, § 1.  
86 Me., 237.  
Shall not construct lines along highways without written permit of municipal officers.  
1885, c. 378, § 2.  
82 Me., 471.  
95 Me., 290.

—public notice shall be given of application for permit.

—manner of notice.

—when personal notice shall be served.

—if notice is defective, new notice shall be given.

—lines may be changed by order of municipal officers.

Land and other damages, how appraised.  
1885, c. 378, § 3.

—award and costs, how recovered.

Wires may be cut and poles removed to allow removal of buildings or repair of streets, etc.  
1885, c. 378, § 4.  
R. S., c. 53, § 3.

Fees of municipal officers for services.  
1885, c. 378, § 5.

affected thereby, shall have full opportunity to show cause why such permit should not be granted. Such public notice shall be given by publication in some newspaper printed in such city or town, if any, the last publication to be fourteen days before said hearing; if no newspaper is printed therein, then by posting the same in some public and conspicuous place therein fourteen days before said hearing; when the application for such permit is filed, the mayor, or chairman of the selectmen shall indorse thereon what *personal* (other) notice, if any, shall be given by such company, persons or associations, to the residents and owners of property to be affected thereby. At the hearing, such company, persons or associations, before proceeding, shall first prove that such order of notice has been complied with and public notice given as hereinbefore required, and the adjudication of the mayor and aldermen, or selectmen, that such *personal* and *public* notice has been given shall be final and conclusive. If from any cause the notice given appears to have been defective, the municipal officers may order new notice, not exceeding seven days, and adjourn said hearing to a time named in said new order of notice. After the erection of the lines, having first given such company, persons, associations or their agents opportunity to be heard, the municipal officers may direct any alteration in the location or erection of such posts, and in the height of the wires. Such permits, specifications and decisions shall be recorded in the records of the city or town.

SEC. 21. An owner of land near to or adjoining a highway or road along which lines shall hereafter be constructed, erected or altered in location or construction by any company, person or association, if said owner's property is any way injuriously affected or lessened in value, whether by occupation of the ground, or air, or otherwise by such construction, alteration or location of any such line, whether such owner is also the owner of the fee in such way or not, may within six months after such construction, alteration or location apply to the mayor and aldermen, or selectmen, to assess and appraise the damage. Before entering upon the service, they shall severally be sworn to faithfully and impartially perform the duties required of them by this act. They shall, on view, make a just appraisal, in writing, of the loss or damage, if any, to the applicant, sign duplicates thereof, and, on demand, deliver one copy to the applicant, and the other to the company or its agent. If damages are assessed, the company shall pay the same, with the costs of the appraisers. If the appraisers award that the applicant has suffered no damage, he shall pay the costs of the appraisers. The award and costs may be recovered in an action of debt, if not paid in thirty days after written demand therefor served upon the company or any of its agents; the supreme judicial court for the county shall have jurisdiction thereof, and full costs shall be allowed. Before entering upon the discharge of their duties under this section, such municipal officers may require the applicant to advance to them their fees for one day and from day to day thereafter.

SEC. 22. Whoever desires to cut, disconnect or remove the wires or poles of a (telegraph) telephone or electric light company in order to move a building, alter, repair or improve a street, bridge or way, or for any other necessary purpose, shall leave a written statement of the time when and the place where such removal is desired, at its office if it has any in that town, and if it has not, he shall send it by mail to its nearest office three days before such time; upon the expiration of which time, if such removal is not made by the company, such person may make the removal, and recover the cost thereof in an action of debt. (Whoever disconnects or removes such wires or poles without first giving such notice, shall be fined not exceeding five hundred dollars, or imprisoned not more than three years.)

SEC. 23. The mayor and aldermen and selectmen shall each receive, for services performed under this chapter, two dollars a day.

SEC. 24. Either party aggrieved by the assessment of damages, may, within twenty days after the award, file in the office of the clerk of courts for the county, a copy of the award, with reasons of appeal, a copy of which papers, attested by the clerk, shall be served on the adverse party at least fourteen days before the term of the supreme judicial court for that county, to be holden next after the expiration of said fourteen days. After entry, the matter shall be determined by a jury, or by the court by agreement of parties, in the same manner as other civil causes. If the company is the appellant, and the award is not decreased, the costs shall be paid by the company; if the applicant appeals, and the award is not increased, the costs shall be paid by the applicant.

Party aggrieved by assessment of damages, may appeal.  
1885, c. 378, § 6.

—how determined.

—costs, how paid.

SEC. 25. No enjoyment by any company, person or association, for any length of time, of the privilege of having or maintaining posts, wires, or apparatus, in, upon, over, or attached to any building or land of other persons shall give a legal right to the continued use of such enjoyment, or raise any presumption of a grant thereof.

Enjoyment of right to attach wire, etc., to any building, limited.  
1885, c. 378, § 7.  
96 Me., 291.  
Liability of company for personal and other injury.  
1885, c. 378, § 8.  
86 Me., 237.  
87 Me., 265.

—liability of city or town.

—damages and costs, how paid.

SEC. 26. When an injury is done to a person or to property by the posts, wires, or other apparatus of any company, person, or association, mentioned in section nineteen, such company, person, or association shall be responsible in damages to the person injured. If the same be erected on a highway or town way, the city or town shall not, by reason of anything contained in this chapter or done thereunder be discharged from its liability, but all damages and costs recovered against a city or town on account of such injury shall be re-imbursed by the company, persons, or associations owning such posts, wires, or apparatus.

Penalty for affixing wire to building, etc., without consent of owner.  
1885, c. 378, § 12.

SEC. 27. Every company, association or person maintaining or operating a telephone or other electrical line, or any one who in any manner affixes or causes to be affixed to the buildings, or building, of another, any structure, fixture, wire, or other apparatus, or enters upon the property of another for the purpose of affixing the same, in either case without the consent of the owner or lawful agent of the owner of such property shall, on complaint of such owner, or his tenant, be punished by fine not exceeding one hundred dollars.

SEC. 28. Such company, person or association may construct a line upon or along any railroad by the written permit of the person or corporation operating such railroad, but in case such company cannot agree with the parties operating such railroad, as to constructing lines along the same, or as to the manner in which lines may be constructed upon, along or across the same, either party may apply to the railroad commissioners, who, after notice to those interested, shall hear and determine the matter and make their award in relation thereto, which shall be binding upon the parties. The expenses of the hearing shall be paid by the company, person or association seeking to construct lines on the railroad, except that if the railroad commissioners shall find that parties operating the railroad, have unreasonably refused their consent, said parties shall pay the expenses.

May construct line along any railroad, by written permit.  
1885, c. 378, § 13.

—if parties cannot agree, either may apply to railroad commissioners.

—expenses, how paid.

Note. Penalty for unlawful combination against gas, and telegraph companies, c. 122, § 9; for malicious injuries to telegraph, telephone or electric light fixtures, c. 126, § 7.

Provisions for fortnightly payment of wages apply to telegraph and telephone companies, c. 48, § 42.

Limitation of proceedings for damage for land taken by right of eminent domain, c. 81, § 108.

## CHAPTER 54.

## AQUEDUCTS AND WATER COMPANIES.

Meetings of  
proprietors  
for incor-  
poration,  
how called.  
R. S., c. 54, § 1.

SEC. 1. Any persons associated by agreement in writing as proprietors of an aqueduct, for conveying fresh water into or within any town, or as proprietors of funds for establishing such aqueduct, may apply, in writing, to some justice of the peace for the county in which any portion thereof is situated, or is proposed to be made, stating the name and style of their association, and the objects of their proposed meeting, and requesting such justice to issue his warrant to some one of the persons applying, directing him to call such meeting; and such justice may thereupon issue his warrant accordingly, stating therein the time, place and object of such meeting; and the proprietor, to whom the warrant is directed, shall notify such meeting, by posting the substance of the warrant, with his notice annexed thereto, seven days at least before the meeting, in some public place in every town in which any portion of the aqueduct is, or is proposed to be made.

Proprietors  
become a  
corporation,  
and may  
agree how to  
call future  
meetings and  
choose clerk,  
directors, and  
other officers.  
R. S., c. 54, § 2.

SEC. 2. The proprietors assembled under such warrant, and their successors and assigns, shall be a corporation by the name stated in their application; and may at any legal meeting, agree on the manner of calling future meetings; choose any number of directors and other officers to manage their business, and a clerk who shall be sworn, and shall record all by-laws, votes and other proceedings of the corporation, in books provided and kept by him therefor, open to the inspection of any person appointed by the legislature for that purpose.

Directors to  
choose presi-  
dent, make  
assessments,  
and collect  
them by  
suit, or by  
sale of shares.  
R. S., c. 54, § 3.

SEC. 3. The directors shall choose one of their number president; and may make such assessments on the proprietors of the shares in such aqueduct or funds as they find necessary; and if a proprietor fails to pay such assessment for thirty days after notice, they may maintain an action on the case in their corporate name to recover the amount thereof, or may sell, at auction, so many of his shares, as are sufficient to pay the same, with necessary charges; the sale of such shares shall be first notified, by advertising in some newspaper printed in the county three weeks successively, or by posting notifications thereof, twenty days at least before the sale, in some public places in each town wherein such aqueduct is, or is proposed to be made; and the surplus money, if any, arising from such sale, shall be paid to the owner of the share so sold.

Registry of  
shares and  
transfers.  
R. S., c. 54, § 4.

SEC. 4. At or immediately after the first meeting, the clerk shall enter, in such books, the names of the several proprietors, and the shares owned by each; and the subsequent transfer of shares shall also be entered by him, within three months after it is made, in such form and for such fees as the directors order; and no person shall be deemed a proprietor, whose share or interest is not so entered.

Manner of  
voting.  
—powers of  
proprietors.  
R. S., c. 54, § 5.

SEC. 5. The proprietors have one vote for each share, and may vote by proxy; for the breach of their by-laws they may impose penalties not exceeding thirty dollars for each offense; may purchase and hold real estate necessary for their purpose not exceeding thirty thousand dollars in value; and with the written consent of the municipal officers, they or any person, may dig up or open any road for the purpose of laying their pipes, or repairing or extending their aqueduct; but not so as to prevent the convenient passage of teams and carriages.

Shares sold  
for debts of  
holders;  
franchise,  
pipes, foun-  
tains, etc.,  
may be sold  
for corporate  
debts.

SEC. 6. Shares in such corporation are personal estate and may be attached on a writ and sold on execution for the debts of the holders, like shares in other corporations; and the franchises, fixtures, pipes, fountains and interests in lands of such corporations are liable to attachment and sale on execution, as personal property, for their corporate debts; but the purchaser thereof at such sale, shall not interfere with the possession of

the corporation for two months after the sale; and within that time, it may redeem such franchise and property by paying the sum for which they were sold with interest; but if not so redeemed, the purchaser shall have the same rights under the franchise and to such property as the corporation had. Any creditor of such corporation, whose execution has been satisfied by an ineffectual sale of such franchise or property, may revive the judgment by scire facias.

SEC. 7. Whoever maliciously injures such aqueduct or any of its appurtenances, forfeits not exceeding twenty dollars to the town, to be recovered by indictment; and is liable in a civil action, brought by the corporation, to pay treble the amount of the damages sustained thereby.

SEC. 8. A town where such aqueduct is located may put conductors into its pipes and draw water, free of expense, to extinguish fire in a burning building, if such conductors are so secured that water shall be drawn for that purpose only.

SEC. 9. All contracts made by or with such corporation, are in force after its dissolution; and the last shareholders shall have a corporate capacity and may prosecute and defend suits respecting such contracts, commenced within six years after the dissolution, or after the cause of action accrued; and if no corporate property can be found to satisfy such judgments, and they are not satisfied within six months, the creditors may satisfy them from the private property of the shareholders as if the judgment had been against them in their private capacity.

SEC. 10. If such corporation owns any estate at its dissolution the proprietors shall be tenants in common thereof in proportion to the shares or interest which they hold in its stock.

—redemption.  
—execution,  
when revived  
by scire  
facias.  
R. S., c. 54, § 6.

Penalty for  
injuring an  
aqueduct.  
R. S., c. 54, § 7.

Town may  
use pipes in  
case of fire.  
R. S., c. 54, § 8.  
See c. 6, § 6,  
¶ X.

Corporate  
powers con-  
tinue after  
dissolution;  
enforcement  
of judgments.  
R. S., c. 54, § 9.

Proprietors,  
tenants in  
common of  
property left.  
R. S., c. 54, § 10.

#### CONDEMNATION PROCEEDINGS BY WATER COMPANIES.

SEC. 11. Unless otherwise provided in their acts of incorporation, when any water company, duly authorized therefor, finds it necessary for its purposes and uses to take any land or other property, it shall file in the office of the county commissioners of the county where the land or other property taken is situated, plans and descriptions of all the land, and description of all other property taken.

SEC. 12. All such plans and descriptions, or all such descriptions filed, as aforesaid, prior to March nine, eighteen hundred and eighty-nine, are valid and legal for all purposes of taking.

SEC. 13. All corporations chartered for the purpose of supplying towns and cities with pure water, shall have the same right to make application to the tribunal authorized by their respective charters for assessment of damages for land, rights or other property taken, as the parties owning or claiming said property have.

Proceedings  
by water  
companies,  
authorized to  
take land.  
1889, c. 284, § 1.  
82 Me., 337.  
94 Me., 90.

Certain  
proceedings,  
valid.  
1889, c. 284, § 2.

Corporations  
may make  
application  
for assess-  
ment of  
damages.  
1887, c. 48.  
See c. 81, § 108.

Note. Provisions for fortnightly payment of wages apply to water companies, c. 48, § 42.

Limitation of proceedings to recover damages for land taken by right of eminent domain, c. 81, § 108.

Malicious injury of property of water companies, c. 126, § 4.

Pollution of water supply, c. 127, § 1.

## CHAPTER 55.

## LIBRARIES AND CHARITABLE SOCIETIES.

Libraries and societies for certain charitable, literary, social, moral and benevolent purposes, how incorporated.  
R. S., c. 55, § 1.  
1891, c. 24.  
1895, c. 88.  
90 Me., 410.  
91 Me., 255.  
94 Me., 400.

SEC. 1. When seven or more persons desire to be incorporated as proprietors of a social, military, literary, scientific, or county law library; as a masonic lodge or chapter of any order or degree; as a lodge of the independent order of odd fellows; as a division of the sons of temperance; as a tent of rechabites; as a grange of patrons of husbandry; as a council of the sovereigns of industry; as a grand army post; as a relief or benefit association for mutual assistance; as a monument or memorial association; as a society to promote temperance; as a village improvement society; or for any literary, scientific, musical, charitable, educational, social, military, agricultural, moral, religious or benevolent purpose; they may apply in writing to any justice of the peace in the county, who may issue his warrant directed to one of said applicants, requiring him to call a meeting thereof at such time and place as the justice appoints.

Notice of meeting, how given.  
R. S., c. 55, § 2.  
94 Me., 400.

SEC. 2. Such applicant may call it, by reading the warrant in the presence and hearing of each, or by leaving an attested copy thereof at his last and usual place of abode, at least fourteen days before the day of meeting, or by publishing an attested copy thereof in some newspaper printed in said county, for two weeks successively, the first publication to be at least fourteen days before the day of meeting.

Manner of organizing into a body corporate.  
R. S., c. 55, § 3.  
94 Me., 400.

SEC. 3. When assembled pursuant to the warrant, they may organize themselves into a corporation, adopt a corporate name, and they, their associates, and successors may have continual succession; have a common seal; elect all necessary officers; adopt by-laws, not inconsistent with law, and enforce the same by suitable penalties; have the same rights and be under the same liabilities, as other corporations, in prosecuting and defending suits at law; and enjoy all other rights, privileges, and immunities, of a legal corporation.

Officers shall file certificate of organization with secretary of state.  
1897, c. 192.

SEC. 4. The president, treasurer and majority of the directors or trustees of every corporation organized under the foregoing sections shall, within sixty days after organization, prepare a certificate setting forth the name and purposes of the corporation, the town where located, the number and names of the officers, and shall sign and make oath to it, and shall file the same in the office of the secretary of state, and the secretary of state shall keep a list of the same in a book prepared for that purpose, showing the name, location, and date of organization of each such corporation.

Power to hold property.  
R. S., c. 55, § 4.  
90 Me., 41.

SEC. 5. Such corporation may take and hold by purchase, gift, devise, or bequest, personal or real estate, in all not exceeding in value one hundred thousand dollars, owned at any one time, and may use and dispose thereof only for the purposes for which the corporation was organized.

Charitable corporations, suits by or against.  
R. S., c. 55, § 5.  
95 Me., 497.

SEC. 6. No corporation, organized for charitable or benevolent purposes, shall sue any of its members for dues or contributions of any kind, or be sued by any member for any benefit or sum due him, but all such rights and benefits, dues and liabilities, shall be regulated and enforced only in accordance with its by-laws.

## COUNTY LAW LIBRARIES.

County law library association, how organized.  
R. S., c. 55, § 6.

SEC. 7. In every county, where five or more attorneys reside, any five of them may procure themselves and the other attorneys resident in the county to be incorporated as aforesaid for the purpose of establishing a law library; and the notification required, if posted in some conspicuous part of the court house seven days previous to their meeting, is sufficient; they may take the name of "The trustees of the law library in the county

of——;” and at such meeting, which shall be held at a term of the court therein, they may choose a clerk, librarian and treasurer, to be sworn, and hold their offices during the pleasure of the corporation; they may make all necessary and lawful regulations; and at their meetings, the oldest member present shall preside.

SEC. 8. The treasurer of each library association, under the direction of the trustees, shall apply all moneys received of the county treasurer, and all bequests and gifts, to form a law library under the appointed regulations; and the clerk shall keep an exact record of all their proceedings.

SEC. 9. The treasurer shall keep an exact account of all moneys, gifts, and bequests, belonging to the corporation, and annually settle the same on oath, in the manner prescribed; and the treasurer, librarian and clerk, shall be answerable for all misfeasance in an action by the corporation. The treasurer shall, annually, before the second Wednesday in January, deposit in the office of the treasurer of state a statement of the funds received by the corporation during the year preceding.

Duties of treasurer and clerk.  
R. S., c. 55, § 7.  
See c. 8, § 10.

Treasurer shall keep an account of all moneys, and annually settle the same.  
R. S., c. 55, § 8.

#### FREE PUBLIC LIBRARIES.

SEC. 10. Any town may establish a free public library therein, for the use of its inhabitants, and provide suitable rooms therefor, under such regulation for its government as the inhabitants from time to time prescribe; and may appropriate, for the foundation and commencement of such library, a sum not exceeding two dollars, and for its maintenance and increase annually, a sum not exceeding one dollar, for each of its ratable polls in the year next preceding. Any town in which there is a free public library may establish and maintain under the same general management and control, such branches of the same as the convenience and wants of its citizens seem to demand.

Towns may establish public libraries, and raise money therefor.  
R. S., c. 55, § 9.  
1893, c. 242, § 1.  
—may maintain branches.  
1897, c. 233, § 2.

SEC. 11. Any incorporated village *within this state* located in a town where no free library exists, may establish a library within its limits for the free use of all of its inhabitants; and may levy and assess a corporate tax and appropriate therefrom for the foundation and commencement of such library, a sum not exceeding two dollars, and for its maintenance and increase annually a sum not exceeding one dollar for each ratable poll *resident* within the corporate limits of such village in the year next preceding. *Such library so established and maintained shall be entitled to receive from the state treasury, a sum equal to ten per cent of the amount annually raised and appropriated by the village corporation therefor.* Village libraries established under this section shall be subject to all the duties and entitled to all the privileges prescribed by the laws relating to free public libraries in towns.

Villages may establish free libraries.  
1897, c. 233, § 1.  
—may assess tax in support of.

—library shall be entitled to stipend from the state.  
See § 14.

SEC. 12. Any town may raise and appropriate annually a sum of money, not exceeding the legal limit established for maintaining free libraries, for the purpose of securing to its inhabitants the free use of a library located in an adjoining town, and shall be entitled to receive from the treasurer of state a sum equal to ten per cent of the amount so raised, appropriated and expended yearly, (to be paid on the certificate of its municipal officers returned as provided in section fourteen).

Any town may raise money to secure free use of library in adjoining town.  
1901, c. 176, § 2.

SEC. 13. Two or more adjacent towns may unite in establishing and maintaining a free public library with branches thereof in each town, for the free use of all the inhabitants of said towns, and may each raise and appropriate for that purpose annually a sum not exceeding the legal limit established for maintaining free libraries, and such towns shall be subject to all duties and entitled to all the benefits *established* (prescribed) by the laws *concerning* (relating to) free libraries.

Adjacent towns may unite in establishing free library.  
1901, c. 176, § 3.

SEC. 14. The municipal officers in any town or city, (and the assessors of any village corporation) where a free public library is established, shall annually, on the first day of May, certify to the governor and council the amount of money appropriated and expended by said town, or city (or vil-

State shall annually pay ten per cent of amount expended by any town, for

support of  
public library.  
1893, c. 242, § 2.  
1895, c. 110.

Free library  
maintained by  
an association  
receiving aid  
shall be con-  
sidered a  
public library.  
1893, c. 242, § 3.  
1895, c. 111.  
1901, c. 176, § 4.

Free public  
libraries shall  
be entitled to  
Maine reports,  
etc., from  
state library.  
1893, c. 242, § 4.  
1895, c. 53.

—officers shall  
report annu-  
ally to state  
librarian.

—aid shall  
be withheld  
until report  
is made.

Librarian  
authorized to  
assist certain  
towns in  
establishing  
free public  
libraries.  
1893, c. 242, § 5.  
1901, c. 176, § 1.  
—town not  
entitled to  
benefits, until  
it has raised  
one hundred  
dollars.  
1893, c. 242, § 6.

Librarians  
may receive  
advice from  
governor and  
council.  
1893, c. 242, § 7.

Towns may  
receive de-  
vices and gifts  
for public  
libraries.  
R. S., c. 55, § 10.

—may accept  
land and  
buildings for

lage corporation) during the preceding year, for the purchase of books and documents for the use and benefit of such free public library, and for the payment of the running expenses thereof; and the governor, with the advice and consent of the council, shall draw a warrant on the treasurer of state for the purchase of books for the use of such library, for a sum equal to ten per cent of the amount expended by said town (or village corporation) as certified by its municipal officers (or assessors.)

SEC. 15. Any town or city, in which there is a library owned or controlled by a corporation or association, may appropriate a sum not exceeding one dollar for each of its ratable polls in the year next preceding, to procure from such library the free use of its books for all the inhabitants of the town or city, under such restrictions and regulations as shall insure the safety and good usage of the books; and such library shall then be considered a free public library within the meaning of this chapter, and said town or city shall be entitled to the benefits of the preceding section, provided that any books and documents purchased with said stipend, and all books and documents donated by the state, shall be and remain the property of said municipality.

SEC. 16. In every town and city where a free public library exists, the librarian of the state library shall transmit to such library all laws, Maine reports, and other documents which the town or city is by law entitled to receive from the state, and the same shall be constantly kept in such library for the use and benefit of all the citizens; and the municipal officers of said town or city, shall transfer to said library all the laws, Maine reports and other documents, heretofore received from the state, and now in custody of any of the officers of said town or city; and the officers of said library, on or before the first day of April of each year, shall send to the librarian of the state library a report containing a list of all books and documents purchased with the state stipend for the preceding year, and of all books and documents received from the state in said library. The aid from the state, hereby provided, shall be withheld from any town, or city (or village corporation) until the report herein required to be made on or before the first day of April of each year, shall have been received by the librarian of the state library. And the same shall also be withheld unless said report shall show that the laws, Maine reports and other documents furnished to said town or city by the state are kept in said library as required by this section.

SEC. 17. The librarian shall donate from the state library to any town having no free public library owned or controlled by the town, books purchased for that purpose, not exceeding fifty per cent in value (of) the books and documents purchased by said town for the purpose of founding a free public library therein; said donation in no case to exceed one hundred dollars. No town shall be entitled to the benefits of this provision, until its legal voters, at a regularly called town meeting, have raised and appropriated not less than one hundred dollars for the purchase of books, and have provided for the care, custody and distribution of its own books, and of those to be donated by the state.

SEC. 18. The librarian or trustees of any free public library may ask the governor and council for advice in regard to the selection of books, and may receive instruction at the state library in cataloguing, and any other matters pertaining to the maintenance or administration of the library.

SEC. 19. Any *city, town or plantation*, as such, may receive, hold and manage devises, bequests or gifts for the establishment, increase or maintenance of a public library therein; and may accept by vote of the *people*, (legal voters) thereof, any land or land and buildings thereon, to be used as a public library or art gallery, or both combined; *also any books, charts or maps and any funds, the income of which to be used to purchase books, maps or charts, and keep the same in order.* When any

plantation is incorporated into a town, such gifts and the proceeds thereof fully vest in such town.

[This provision as to books, charts or maps, is within the first sentence of this section, and the provision as to funds is thought to be an unnecessary repetition of sec. 82 of c. 3.]

purposes of  
public  
libraries.  
1887, c. 93.  
90 Me., 414.

## CHAPTER 56.

### PROPRIETORS OF LANDS, WHARVES, AND OTHER REAL ESTATE, IN COMMON.

SEC. 1. When any five, or a majority of the proprietors of lands lying in common, desire a meeting of the proprietors, and make written application signed by them or their agents, to any justice of the peace residing in the county in which the lands lie, he may issue his warrant calling a meeting, at the time and place, and for the purposes distinctly stated in the application, directed to one of the proprietors, requiring him to give notice thereof.

Warrant for  
calling meet-  
ings, to whom  
directed.  
R. S., c. 56, § 1.  
12 Me., 313, 400.  
18 Me., 215.  
26 Me., 549.

SEC. 2. If the lands lie in one or more incorporated towns, a notice in writing shall be posted in some public place in each, and published in the state paper, and in one of the newspapers printed in the county where any part of them lies, fourteen days before the meeting; but if not, in the state paper, and in one other newspaper, if any, in the county where any part of them lies, four weeks successively next before the meeting; or the meeting may be warned by posting written notifications, in some public place in each town where any proprietor resides, fourteen days before the time appointed therefor.

Modes of  
giving notice.  
R. S., c. 56, § 2.

SEC. 3. At such meeting, such proprietors as assemble in person or by attorney may choose a moderator, clerk, treasurer, assessors, collector of taxes, committees, and other needful officers; and may by vote decide upon the manner of calling and notifying future meetings. (a)

Officers, and  
calling of  
future  
meetings.  
R. S., c. 56, § 3.

SEC. 4. The clerk, treasurer, assessors, and collector, shall be sworn by the moderator or a justice of the peace, and the clerk shall record the votes passed at all meetings. (b)

Officers to  
be sworn.  
R. S., c. 56, § 4.

SEC. 5. No business shall be acted upon at any meeting, unless distinctly expressed in the warrant therefor; the proprietors' votes shall be counted according to the interest of each in the common lands, if known, and in that way the moderator shall make certain all doubtful votes; and they may pass by-laws as to the management, improvement, division, and disposal of their lands, or wharves, subject to the approval of the county commissioners of the county where the lands lie, and may annex penalties to the breach of them, not exceeding three dollars for one offense, to be disposed of as they direct.

No business  
to be trans-  
acted, unless  
specified in  
the warrant;  
how votes  
are to be  
counted.  
R. S., c. 56, § 5.

SEC. 6. The proprietors may prosecute and defend suits by their agent, and the certificate of the proprietors' clerk is evidence of such agency.

Prosecution  
and defense  
of actions.  
R. S., c. 56, § 6.  
37 Me., 44.  
Raising and  
assessment  
of moneys;  
publications.  
R. S., c. 56, § 7.  
See § 2.

SEC. 7. At any legal meeting, they may raise money for bringing forward, completing the settlement of, managing, or improving said lands, or for their common good, and assess the same according to their interests in the lands; and the treasurer, collector or committee shall publish such assessment in the same manner as a meeting of the proprietors is notified.

SEC. 8. If any proprietor neglects to pay his assessment to the treasurer, collector, or committee, for six months, if he resides in the state, otherwise for twelve months, then the committee may, from time to time, sell at auction so much of his right in the common lands, as is sufficient to pay his tax and the reasonable charges of sale, after notice thereof, posted

Payment may  
be enforced  
by sale.  
R. S., c. 56, § 8.  
4 Me., 248.  
5 Me., 348.  
7 Me., 408.

(a) 18 Me., 215; 26 Me., 549.

(b) 26 Me., 553; 53 Me., 233.

as aforesaid, and published in two of the newspapers before named five weeks successively next before the time of sale; and may give deeds thereof in fee to the purchaser.

Right of redemption.  
R. S., c. 56, § 9.

SEC. 9. The proprietor of the right so sold may redeem it within a year, by paying to the committee the sum for which it was sold, with twelve dollars for each hundred produced by such sale, and in that proportion for a greater or less sum.

Treasurer's powers and duties.  
R. S., c. 56, § 10.

SEC. 10. The treasurer may sue for and collect all debts due to the proprietors, and shall render his account of all moneys received and paid; and he shall hold his office during their pleasure.

Management of property.—proxies.  
R. S., c. 56, § 11.  
48 Me., 526.  
Proprietors' records, how preserved.  
R. S., c. 56, § 12.  
53 Me., 233.

SEC. 11. A majority of proprietors present at any legal meeting, may order, manage, improve, divide, or dispose of their lands as they choose; and may vote in person, or by attorney appointed in writing.

SEC. 12. After a final division of their common property, they shall cause their records to be deposited in the office of the clerk of the town in which some part of such lands lies; and he may record votes and certify copies of such records, as the proprietors' clerk might have done; and the last clerk chosen shall continue in office until the records are so deposited.

Certain corporate powers continued for ten years after final division.  
R. S., c. 56, § 13.

SEC. 13. Such a final division shall not dissolve the corporation until ten years thereafter; but the last proprietors in common and their heirs shall continue in their corporate capacity, for the collection and payment of all debts due to or owing by the corporation; and may call and hold meetings, and vote assessments to pay their debts and all other charges necessary for closing their business.

Money may be raised for highways.  
R. S., c. 56, § 14.  
See c. 18, § 42.

SEC. 14. The owners of an unincorporated township or tract may call meetings to raise money, for making and repairing highways lawfully laid out, and to choose officers to assess and collect it.

[The commissioner calls attention to the fact that the word "wharves" is found in this chapter in section five only; while the owners of wharves held in common are probably included in the phrase in the first section "proprietors of lands lying in common," he suggests that the owners of wharves should be specifically included. He also suggests that the authority of such proprietors to organize into a corporation should be specifically stated in section one and in section three, and suggests the following new draft for section one:

SEC. 1. When any five, or a majority, of the proprietors of lands or wharves, held in common, desire a meeting of the proprietors for the purpose of forming a corporation, or for any other purpose, they may make written application signed by them or their agents, to any justice of the peace residing in the county in which the lands or wharves are situated; said justice shall thereupon issue his warrant calling a meeting at the time and place, and for the purposes distinctly stated in the application, directed to one of the proprietors, requiring him to give notice thereof.

The commissioner also suggests an amendment of section three by inserting after the word "may" in the second line, the words "organize into a corporation, if not already so organized." It is thought that these amendments will make clearer the corporate character of the organization of such proprietors under this chapter.]

## CHAPTER 57.

## MILLS AND THEIR REPAIRS.

SEC. 1. When an owner of a mill, or of the dam necessary for working it, thinks it necessary to rebuild or repair it in whole or in part, he may apply in writing to a justice of the peace in the county where it is situated, or if partly in two counties, to a justice in either, to call a meeting of the owners, stating the object, time, and place of the meeting, and such justice may issue his warrant for the purpose, directed to such owner, which shall be published in some newspaper printed in such county, if any, three weeks successively, the last publication to be not less than ten, nor more than thirty days before the meeting; or a true copy of the warrant may be delivered to each of said owners, or left at his last and usual place of abode; and either notice is binding on all the owners.

SEC. 2. At such meeting, whether all the owners attend or not, the owners in interest of at least one-half of such mill or dam may rebuild or repair so far as to make them serviceable; and shall be re-imbursed out of said mill or its profits, what they advanced therefor beyond their proportions, with interest in the meantime.

SEC. 3. If they are not re-imbursed by the profits of the mill, or paid by the other owners, within six months after the work is completed, they may charge one per cent a month on the amount advanced, from the end of six months until so re-imbursed; and if a delinquent owner dies, or alienates his interest in the premises, the advancing owners have a continuing lien thereon for re-imburement; but no special contract, made by the owners, respecting the building or repair of such mill or dam, is hereby affected.

SEC. 4. Where any part of such mill or dam, at the time of meeting and notice, is owned by minors, *married women*, tenants by curtesy, in tail, for life or years, or by mortgagor or mortgagee, the guardians of such minors, *husband of such married woman in her right*, such tenant, mortgagor, or mortgagee shall be deemed, for the purposes of this chapter the proprietors thereof, and shall be notified, vote, and contribute accordingly; and all advances so made by them, if not paid, may be recovered in a special action on the case, with interest.

SEC. 5. The owner or occupant of every grist mill shall keep scales and weights therein to weigh corn, grain and meal, when required; and he shall well and sufficiently grind as required, according to the nature, capacity and condition of his mill, all grain brought to his mill for that purpose, and in the order in which it shall be received; and for neglecting or refusing to weigh the same when required, or failing to grind the same in the order received, or for taking more than lawful toll, he shall be fined for *every such* (each) offense not less than ten, nor more than fifty dollars; *provided*, that this section shall not be so construed as to preclude the right of any owner or occupant of any mill to enter into any mutual agreement with any customer or customers as to the order in which the grain of such customers shall be received and ground, made at the time said customer or customers shall bring his or their grain to the mill for the purpose of being ground.

SEC. 6. The toll for grinding, cleansing and bolting all kinds of grain, shall not exceed one-sixteenth part thereof.

Manner of calling a meeting of mill owners.  
R. S., c. 57, § 1.  
31 Me., 35.  
57 Me., 103.  
81 Me., 358.

Owners of half or more may repair or rebuild.  
R. S., c. 57, § 2.  
11 Me., 172.  
53 Me., 553.

How to be re-imbursed.  
R. S., c. 57, § 3.  
53 Me., 553.  
81 Me., 360.

Proceedings, if a part owner is a minor, or otherwise disqualified.  
R. S., c. 57, § 4.  
See c. 61.

Owners of grist mills to furnish scales for weighing grain.  
1835, c. 332.

—grind grain in the order it is received at mill.  
86 Me., 103.

—penalty.

Tolls.  
R. S., c. 57, § 6.  
86 Me., 103.

## CHAPTER 58.

## AGRICULTURAL INSTITUTIONS.

## DEPARTMENT OF AGRICULTURE.

State department of agriculture.  
1901, c. 204, § 1.  
—commissioner shall be elected biennially.  
See Const. Me. Art. IX., § 1.

—tenure.

—bond.

—duties.  
R. S., c. 58, § 5.

Shall hold institutes annually.  
1901, c. 204, § 3.

—character of the work of the institutes.

—may employ lecturers, etc.

—how institutes may be held.

Shall hold a state dairymen's conference.  
1901, c. 204, § 4.

Appropriation.  
1901, c. 204, § 5.

Shall assist in promoting horticultural and dairy work.  
1901, c. 204, § 6.

Shall apportion the state stipend due societies.  
1901, c. 204, § 7.

SEC. 1. A state department of agriculture shall be maintained for the improvement of agriculture and the advancement of the interests of husbandry. A commissioner of agriculture shall be elected biennially by the legislature by joint ballot of the senators and representatives in convention *and he shall take and subscribe the oath provided by the constitution of this state*, and shall hold his office for the term of two years and until his successor is elected and qualified. He shall give bond in the sum of ten thousand dollars to the state of *Maine*, with sufficient sureties, to be approved by the treasurer of state, conditioned to faithfully account for all moneys received and disbursed by him as said commissioner. He shall by personal observation, investigation, and correspondence, acquaint himself, with the methods and wants of practical husbandry, the means of fertilization, and the adaptation of various products to the soils and climate of *Maine*; also with the progress of scientific and practical agriculture elsewhere, with a view to the more complete development of the natural resources of the state.

SEC. 2. The commissioner of agriculture shall hold or cause to be held two farmers' institutes in each county annually and as many more as the appropriation therefor will allow. The work of said institutes shall be devoted to the presentation and discussion of questions bearing upon agriculture and the agricultural interests of the state; and for this purpose said commissioner may employ speakers who are qualified and versed in the subjects assigned them; and he shall semi-annually publish in the leading agricultural paper of the state a list of available speakers and their subjects, from which lists selection may be made for said institute purposes. He may also appoint and employ assistants, experts, lecturers, a stenographer and other aids needed in conducting such institute work, and shall fix the compensation of such employes. He may hold such institutes independently or in connection with other organizations devoted to agricultural interests and as far as possible and for the best agricultural interests of the state, aid and encourage agricultural societies and associations in the state, and shall collect and preserve in his office for public inspection all valuable data relating to the practical work of such societies and associations.

SEC. 3. He shall, in connection with, and with the aid of the state dairymen's association, annually hold a state dairymen's conference for the exhibit of dairy products and appliances, wherein prizes for high merit and quality in butter and cheese may be offered, and may employ experts and lecturers to enhance dairy interests, but the expenses of the same shall not exceed the sum of five hundred dollars annually.

SEC. 4. An appropriation of three thousand dollars annually shall be made for said institute work and for all other purposes set out in the two preceding sections.

SEC. 5. The commissioner of agriculture shall aid and assist societies and associations organized and established for the advancement of pomology, horticulture and dairy work, also societies devoted to the interests of the pure breeding of stock of all kinds.

SEC. 6. He shall apportion annually the stipend due from the state to the said agricultural societies, including the state pomological society, *in accordance with the laws as now provided*; he shall issue blanks to the proper officers of said societies for such returns as may be deemed necessary for a full and complete knowledge of the work of said societies for each year, and shall certify to the governor and council the amount of

bounty due such society, and shall designate to the treasurer of state to whom such moneys shall be paid, but said societies shall not be entitled to such bounty unless they shall make such returns.

SEC. 7. He shall annually make a report to the governor and council, on or before the first day of January of each year, of the work of the department of agriculture in detail, combining in the same a report of the state pomological society, state dairymen's association, and the State of Maine Cattle Commission, and all other matters relating to the promotion of agriculture; and for the purpose of making his said report, said society, association and commission shall furnish said commissioner with all necessary data therefor on or before the first day of December of each year. He shall further report all farmers' institutes held and the work therein done, and all public lectures carried on under his authority, and such part of said reports as is of public interest shall be printed for free distribution; for the purpose of making up his report as herein provided, said commissioner shall attend the various agricultural exhibitions in the state and report upon the quality and character of the work of the same.

Shall make report annually.  
1901, c. 204, § 8.

See c. 14, § 86.

—shall report all institutes and lectures.

SEC. 8. He shall render on the first day of January of each year a detailed and itemized account of all expenses of his office, of all institutes held and of all moneys paid out for employes under the provisions hereof, also all sums of money paid for prizes on exhibits and for all other purposes; and for this purpose he shall keep necessary books in which an account of all moneys received and expended shall be entered, which books shall be open to public inspection.

Shall render annually an itemized account of all expenses.  
1901, c. 204, § 9.

—keep books of account.

SEC. 9. He shall act for the state in the enforcement of the laws relating to the sale or manufacture of any impure or adulterated food or seed products; and for said purpose he may employ chemists, agents and counsel, as may be necessary for the proper enforcement of such laws; and for such expenses there shall be appropriated a sum not exceeding five hundred dollars, to be allowed upon the approval of the governor and council upon the presentation of proper itemized vouchers.

Shall enforce laws relating to sale of adulterated food or seed products.  
1901, c. 204, § 10.

—expenses.

#### AGRICULTURAL EXPERIMENT STATION.

SEC. 10. The department of the University of Maine known and designated as the Maine Agricultural Experiment Station, heretofore established at said university in connection therewith, and under its direction, for the purpose of carrying into effect the provisions of an act of the Congress of the United States, approved March two, eighteen hundred and eighty seven, to establish Agricultural Experiment Stations in connection with the colleges established in the several states under the provisions of an act approved July two, eighteen hundred and sixty-two, and of the acts supplementary thereto, shall be maintained in accordance with the purposes for which it was originally established.

Agricultural experiment station.  
1887, c. 119.

#### STATE AGRICULTURAL SOCIETY.

SEC. 11. The Maine State Agricultural Society, at its annual meeting, shall elect, by ballot, a president, secretary, treasurer, trustees and other necessary officers.

Officers. to be elected.  
R. S., c. 58, § 8.

SEC. 12. Said society may take and hold property, real and personal, the annual income of which shall not exceed five thousand dollars, to be applied exclusively to the advancement of agriculture, horticulture, and the arts connected therewith; and the treasurer of said society shall give a suitable bond to the board of trustees, for the safe keeping of said property, and for the faithful discharge of his duties. At each annual meeting, the treasurer shall submit a full and correct account of the money received and expended; and the secretary shall make a report of the doings of the society, with such information and suggestions as he deems useful to the public.

Powers of society: bond and account of treasurer; annual report of secretary.  
R. S., c. 58, § 9.

## COUNTY AND LOCAL AGRICULTURAL SOCIETIES.

County and local societies, or treasurers, may hold and manage property; treasurers to give bond.  
R. S., c. 58, § 10.

SEC. 13. County and local agricultural societies may take and hold property, real and personal, the (annual) income of which shall not exceed three thousand dollars, to be applied to the purposes provided in their charters; or their treasurers may receive conveyances or leases of such property, for their societies, and hold, sell, mortgage or pledge it, and shall give bonds to the trustees for the safe keeping thereof and the faithful discharge of their duties.

Amount that shall be paid to the agricultural societies by the state.

SEC. 14. There shall be appropriated annually from the state treasury, a sum of money not exceeding one cent to each inhabitant of the state, which shall be divided among the legally incorporated agricultural societies of the state not provided for by special enactment, according to the amount of premiums and gratuities actually paid in full by said societies, *provided*, that the stipend shall *herewith* be based entirely upon the premiums and gratuities actually paid in full on exhibition stocks and products, and *provided*, that no society shall receive from the state a sum greater than that actually raised and paid by the society for said purposes. But the Penobscot and Aroostook Union Agricultural Society may annually receive as much as is raised by it, not exceeding one hundred dollars, without regard to population; and the Waldo and Penobscot Agricultural Society, as much as is raised by it, not exceeding two hundred and fifty dollars; and the Ossipee Valley Union Agricultural Society, not exceeding two hundred dollars; *provided also*, that each of the said societies shall cause the prohibitory liquor law to be enforced on all grounds over which they have control, and not allow gambling in any form, or games of chance on said grounds.

—how divided.  
R. S., c. 58, § 11.  
1897, c. 288, § 1.

—exceptions.

—proviso.

No payments made until certain certificates and specifications are filed.  
R. S., c. 58, § 12.

SEC. 15. None of such payments shall be made to any society until the treasurer thereof files with the treasurer of state a certificate, on oath, stating the amount raised by it and containing the specifications required in section seventeen, and also a certificate from the commissioner of agriculture that said society has complied with the requirements of section eighteen.

How the bounty of the state shall be spent.  
R. S., c. 58, § 13.

SEC. 16. Every society receiving the bounty of the State, shall expend an equal amount each year in premiums and gratuities for the improvement and encouragement of agriculture, horticulture, or the mechanic arts, unless the commissioner of agriculture directs for what purposes a sum not exceeding half of such bounty shall be expended; and then it shall be expended accordingly.

Statements required from competitors, for bounties, and specifications in treasurer's certificate to state treasurer.  
1897, c. 288, § 2.

SEC. 17. Every society applying for the bounty of the state shall require of all competitors for premiums either on animals, crops, dairy products, or improvements of soils or manures, a full and accurate statement of the process or method of rearing, managing, producing and accomplishing the same, together with its cost and value, with a view of showing the profits or benefits derived or expected therefrom; and the application for bounty shall embrace all the specifications included in the following form, to wit:

—form of application for bounty.

"I, A. B., treasurer of the ——— society, hereby apply for bounty in aid of said society, as granted by law, and being sworn, or affirmed, say that \$—— has been raised and paid in good faith into the treasury of said society, and that \$—— has been actually paid in full in premiums, in conformity with law."

Secretaries to report annually to commissioner of agriculture.  
R. S., c. 58, § 15.

SEC. 18. The secretaries of the several societies shall prepare an annual report, embracing a concise statement of the financial condition and doings of the society, with a synopsis of the premiums awarded, to be made by filling blanks furnished by the commissioner of agriculture. Said report shall also state the leading features of the annual exhibition, the character of the efforts of the society for the advancement of agriculture, the principal crops raised in the county or district, the success attending their culture as compared with former years, and the obstacles met with; and generally the condition, prospects and wants of agriculture; which report,

with a list of the officers of the society and the post office address of each, renewed at each new election, and all statements made by successful competitors for premiums, and any reports of committees, essays, addresses or other papers presented to the society containing matters of general interest, shall be returned to the commissioner by the first Wednesday of each December. Upon receipt and after examination of said returns, if the commissioner finds them full, faithful and accurate, according to the intent hereof, he shall issue the certificate mentioned in section fifteen, and not otherwise.

—when to be made.

SEC. 19. All incorporated agricultural societies may, by their officers, define and fix bounds of sufficient extent for the erection of their cattle pens and yards, and for convenient passage ways to and about the same, on the days of their cattle shows and exhibitions, and for their plowing matches and trial of working teams, within which no person shall enter or pass, unless in conformity with the regulations of the officers thereof; but they shall not so occupy or include the lands of any person without his consent, or obstruct the public travel of any highway.

May fix bounds for exhibitions, but not to include land without owner's consent, nor to obstruct highway.  
R. S., c. 58, § 16.

SEC. 20. Whoever, contrary to such regulations and after notice thereof, enters or passes within the bounds so fixed, forfeits to such society not exceeding five dollars, to be recovered on complaint.

Penalty for violation of regulations.  
R. S., c. 58, § 17.

SEC. 21. The officers of any such society may appoint a sufficient number of suitable persons, to act as constables at cattle shows and exhibitions, with all the powers of constables, for the preservation of the public peace, and the enforcement of the regulations of said society, within the towns where such shows and exhibitions are held, from noon of the day preceding the commencement of the same until noon of the day succeeding the termination thereof, and no longer.

Persons may be appointed to keep order, with powers of constables.  
R. S., c. 58, § 18.

SEC. 22. Whoever sells any refreshments, or other merchandise, or exhibits any show or play, within a quarter of a mile of the fair grounds of any agricultural society, during the time of any exhibition thereof, unless in his own dwelling-house, or usual and ordinary place of business or lets any land or building adjoining, or overlooking the fair grounds of such society, to spectators of any exhibition thereof, during the time of such exhibition, without the written consent of its trustees, forfeits to such society not exceeding one hundred dollars, to be recovered on complaint of two of its trustees.

Sale of merchandise, and refreshments, and exhibitions, near grounds of agricultural societies, restricted.  
R. S., c. 58, § 19.

—penalty.

SEC. 23. The corporation known as Eastern Maine State Fair shall have all of the police powers, together with all other powers and privileges, at all of its exhibitions of whatever name or nature, which are conferred upon agricultural societies by sections nineteen, twenty and twenty-one and the provisions, restrictions, forfeitures and penalties provided by the preceding section shall be applicable to all exhibitions of such corporation.

Powers and privileges of Eastern Maine State Fair.  
P. & S. L. 1885, c. 459, §§ 3, 4.

SEC. 24. The receipts of the Maine State Agricultural Society, the Eastern Maine State Fair and all county agricultural societies, are hereby exempted from attachment, trustee process and seizure on execution until current expenses of the fair, purses and premiums awarded by the society are paid, *provided*, that the same are paid within three months from the close of the fair.

Receipts of fairs and agricultural societies, exempt from attachment.  
1887, c. 94.

SEC. 25. Whoever makes entries of animals or articles as competitors for premiums or purses offered by any agricultural society, or by any person or association in the state, shall be holden to pay the entry fee in accordance with the advertised rules and regulations of any such society, person, or association, not in conflict with the laws of the state; and a lien is hereby created upon such animals and articles for such entry fee to secure payment thereof with costs, to be enforced by an action of debt against the person owning such animals or articles, or the person entering the same; the same to be enforced in the same manner as liens on goods in possession and choses in action, but such lien shall not affect the title of any innocent purchaser of said animals or articles without actual notice of such lien.

Competitors for premiums offered by agricultural societies, holden to pay entry fee.  
1891, c. 70, § 1.

—lien on animals, to secure payment.

—how enforced.  
See c. 91, § 66.

How  
exhibitions  
shall be  
conducted.  
1891, c. 70, § 3.

SEC. 26. Agricultural societies, persons and associations, holding public exhibitions for competition for premiums or purses are authorized to conduct and manage the same in accordance with the advertised rules and regulations, not in conflict with the laws of the state.

Note. Penalty for false registration of blooded animal, c. 125, § 10.

Penalties for entering in any race a disguised horse, or entering a horse in wrong class, c. 125, § 11.