

# MAINE STATE LEGISLATURE

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THE  
REVISED STATUTES

OF THE  
STATE OF MAINE,

PASSED APRIL 17, 1857;

TO WHICH ARE PREFIXED  
THE CONSTITUTIONS

OF THE  
UNITED STATES AND OF THE STATE OF MAINE:

WITH AN  
APPENDIX.

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PUBLISHED BY AUTHORITY OF THE LEGISLATURE.

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BANGOR:  
WHEELER & LYNDEN.

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1857.

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1848, c. 64, § 2.

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R. S., c. 76, § 31.

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#### 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 known by the corporate name of — "The president, directors, and company of the — bank;" the blank shall be filled with the name authorized in its charter.

Banks, their powers, duties and liabilities. To notify secretary of state of acceptance of charter. To be kept in town where established. Corporate name.

1841, c. 1, § 1, 2, 3, 9.

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; and no two members of a co-partnership shall be directors in the same bank, nor any person a director in two banks at the same time.

Number and qualifications of directors. 1841, c. 1, § 4.

SEC. 3. They shall be chosen by ballot at a meeting of the stockholders to be held on one of the first fifteen days of October annually, 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.

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1841, c. 1, § 24. 1856, c. 275.

ing notice as before provided; and vacancies in their board may be filled at such meetings, when the purpose is specified in the notice.

SEC. 5. They shall choose one of their number president, and make him such compensation as they think reasonable; and 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.

SEC. 6. Every stockholder shall be entitled to vote in proportion to the number of shares 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, shall, in no case, be entitled to a vote, or be represented by any person in the transactions thereof.

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 the duties of their offices, shall be sworn, and give bonds 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 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 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 prevail 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 shall 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 the written application of the proprietors of one-fifth part of the capital stock thereof, 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. It shall be the duty of the directors of each bank, in the month of October annually, to make an examination in regard to its condition, and the responsibility of the sureties on the bond of the cashier. 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 one half of such stock has been paid in, in such money deposited in its vaults and examined by the bank commissioners, as provided in section fifty-eight.

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 their moneys and effects by discounting on banking principles on such security as their regulations permit; but no loan 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 endorsers thereon, and for this purpose, a firm composed of two or more persons is to 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, endorsers, or sureties, shall at no time exceed one-third part of the amount of the capital of such bank; nor shall the debts due from any one director, as principal, endorser, or surety, exceed eight per cent. of the capital stock.

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 by way of security, to an amount sufficient to reimburse the sum loaned, with interest and expenses.

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

SEC. 17. Every bank may hold, sell, and dispose of such real estate as is requisite for the convenient transaction of its business; but such real estate shall not, unless by special authority for the purpose, 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.

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Cashier to call special meetings, on request; if he refuses, justice may call.

1841, c. 1, § 25.

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39 Maine, 489.

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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 in execution and sold agreeably to the provisions of chapters seventy-six, eighty-one, and eighty-four.

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.

SEC. 20. No loan or discount shall be made, nor any bill or note issued by any bank or by any person on their account, except at its usual banking house.

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 this 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 any special deposit of specie kept by it in the Suffolk bank, Boston, not exceeding three thousand dollars, a certificate of which is taken and kept by it, shall be deemed in its vaults for the purposes of this section; and 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 shall forfeit for the use of 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.

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

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; and each director violating this provision shall forfeit five hundred dollars.

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, shall be binding on the bank. Every bank shall receive its own bills if offered in payment for all its dues.

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, receive in pay-

ment, 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 offence.

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

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 be liable to pay it in specie to the holder thereof on demand at said bank, without a previous demand at the place where it is made payable.

SEC. 28. Nothing in the preceding section shall extend 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 this state on another bank within or without this 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.

SEC. 29. If the officers of a bank 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, on demand in its usual banking hours, it shall be liable, after the expiration of fifteen days from such demand, to pay to the holder thereof, in damages, at the rate of twenty-four per cent. by the year, during such delay or refusal after said fifteen days, and interest at the rate of six per cent. during said fifteen days.

SEC. 30. If the bank, after such demand and refusal, at any time afterwards causes a legal tender 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, of the amount of such bill, note, check or draft, and all interest, damages, and costs, which have accrued at that time, all further interest and damages on account thereof shall thereafter cease.

SEC. 31. No bank shall be permitted to take a greater interest or discount on any note, draft, or security, than at the rate of six per cent. a year, 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; but 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.

SEC. 32. No bill or note of the denomination of one hundred dollars or less shall be issued by any bank for circulation, unless it is impressed from the patent stereotype plate of Abraham

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Fractional bills prohibited.

1841, c. 1, § 34.

Interest may be paid on deposits.

Notes bearing interest not to be issued.

1841, c. 1, § 35.

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1841, c. 1, § 36.

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1841, c. 1, § 37.

Twenty-four per cent. yearly damages for not redeeming bills.

18 Maine, 166, 240.

1841, c. 1, § 38, 39.

Damages to cease on tender of amount.

1841, c. 1, § 40.

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31 Maine, 414.

1841, c. 1, § 49.

Plates for bills.

Bills not void by alterations.

1841, c. 1, § 36.

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1841, c. 1, § 64.

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1841, c. 1, § 65.

Counterfeit and altered bills may be marked by cashier.

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1855, c. 180, § 1, 2, 3, 4.

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1857, c. 32, § 1.

Right of the state to take stock in any bank.

1841, c. 1, § 13.

Semi-annual state tax.

Payment thereof, how enforced.

20 Maine, 470. 1841, c. 1, § 16, 17.

Right of the state to require

Perkins or his assigns, or unless said bank is in writing authorized by the commissioners to issue bills of such other plates, as they judge to afford greater security against counterfeiters. Every bank shall be held to pay to an innocent holder the original amount of any note of said bank, notwithstanding it is altered.

SEC. 33. The directors of banks once in five years shall 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; which shall supersede so far as respects such banks the sealing of their weights by the town sealer.

SEC. 34. No tender of gold by any bank, weighed with weights other than those thus compared, proved, and sealed, shall be 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.

SEC. 35. The cashier or other officer of any bank may write or stamp the word "counterfeit" upon any counterfeit bill, and the word "altered" upon any altered bill, offered to it in payment, for deposit, or for redemption, adding thereto his own name and the name of his bank; but if he make such writing or stamp upon a bill not in fact counterfeit or altered, he shall be liable only for the actual damage sustained, unless it was fraudulently done; and the cashier shall keep 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 time when so stamped or written upon.

SEC. 36. The charters of all banks in force when this act takes effect, or hereafter incorporated, are extended to the first day of October, eighteen hundred and sixty-seven, subject to all existing laws relating to banks and banking, any thing in their charters to the contrary notwithstanding.

## RIGHTS OF THE STATE IN BANKS.

SEC. 37. The state shall have a right, when the legislature makes provision by law, to subscribe, on account of the state, to the capital of any bank, a sum or sums not exceeding in the whole one-tenth part of the previous capital of such bank in addition thereto, 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.

SEC. 38. Every bank, within ten days after the first Mondays of April and October in each year, shall pay to the treasurer of state for use of the state a tax of one-half of one per cent. on the amount of its capital stock actually paid in; and if any bank neglects to pay said tax for thirty days after it is due, the treasurer shall issue a warrant of distress to compel payment thereof out of the estate or effects of the bank, which shall be executed like warrants of distress issued against the estate and effects of delinquent sheriffs under the provisions of chapter six.

SEC. 39. Upon any 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, reimbursable 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.

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loans from  
banks.  
1841, c. 1, § 50.

SEC. 40. When such loan is required of a bank, the treasurer of the state shall give written notice to the president or cashier thereof of the amount, which it is to furnish, and 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.  
1841, c. 1, § 51.

#### INDIVIDUAL LIABILITY OF DIRECTORS AND STOCKHOLDERS.

SEC. 41. If any bank becomes indebted beyond the amount allowed by section nineteen, the directors, under whose administration it happens, shall be 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 shall 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.  
1841, c. 1, § 28.

SEC. 42. Any director, 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 meeting he may call for that purpose.

Innocent  
directors  
exonerated.  
1841, c. 1, § 29.

SEC. 43. Those directors, by whose official mismanagement a loss or deficiency of capital stock of a bank occurs, shall be liable therefor in their individual capacity; and in case of their inability, each stockholder, whether a person or a corporation, shall be liable therefor, to an amount not exceeding the amount of his stock at that time; but such stockholder's liability shall continue only 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.

Loss from mis-  
management  
of directors,  
how made up.  
23 Maine, 343.  
1841, c. 1, § 44.

SEC. 44. 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, shall be liable to 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.

Private prop-  
erty of stock  
holders liable  
in certain  
cases.  
23 Maine, 308.  
33 Maine, 509.  
1841, c. 1, § 41.

SEC. 45. Any director of a bank, against which such 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

Directors to  
disclose names  
and interests  
of stockhold-  
ers.

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1841, c. 1, § 42,  
43.Liability of  
stockholders  
at the expira-  
tion of charter.1841, c. 1, § 45,  
48.Mode of en-  
forcing pay-  
ment from  
directors, or  
stockholders.

1841, c. 1, § 46.

Mode of ob-  
taining contri-  
bution by a  
stockholder  
who has been  
compelled to  
pay.

1841, c. 1, § 47.

stockholders thus liable, with the amount of stock for which each is so liable; and should he unreasonably neglect or refuse to do so, his private property shall be liable to the full amount of the judgment recovered in such suit.

SEC. 46. The holders of stock in any bank at the expiration of its charter, whether a person or corporation, shall be 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 shall continue only two years after notice of such expiration has been given in the state paper.

SEC. 47. A creditor of a bank suffering loss as described in section forty-three, or a holder of unredeemed bills as described in section forty-six, 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.

SEC. 48. Any stockholder, whether a person or corporation, who, by the provisions of 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 RETURNS.

Cashier to  
make returns  
when required  
by the gover-  
nor. Form of  
return.

1841, c. 1, § 52.

SEC. 49. The cashier of each bank shall make a return of the state of such bank, as it existed on the first Saturday of any month at two o'clock in the afternoon, when thereto required by the governor, and transmit it to the office of the secretary of state, within the time directed by the governor in his requisition, 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.:

State of — bank, on the first Saturday of —, 18—, two o'clock, P. M.

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 this 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, \$

SEC. 50. On the first Mondays of the months of January and June in each year he shall make a return, signed by him and sworn to according to his best knowledge and belief, exhibiting the state of the bank as existing at two o'clock in the afternoon of the preceding Saturdays, and transmit it within fifteen days to the secretary of state, stating all the particulars mentioned in the preceding section with the addition of the following, viz.:

Amount due from the directors as principals, \$  
 Amount due from the directors as sureties, as individuals, or as members of a firm, or as agents or officers of a corporation, \$  
 Amount due from stockholders as principals, \$  
 Amount of matured debts unpaid, \$

On the first Monday of each other month, he shall make a similar return, signed and sworn to by him, but not by the directors, and transmit it to the secretary of state within five days, stating the capital stock, bills in circulation, specie, deposits, loan, amount due from other banks, bills issued and amount of unsigned bills on hand.

SEC. 51. When required by the legislature he shall also under a similar oath make returns of the names of the stockholders and the amount of stock owned by each in such bank.

SEC. 52. A majority of the directors, on oath, shall certify on the cashier's said returns, that the books of the bank indicate the state of facts so returned, and that they have full confidence in the truth thereof.

SEC. 53. For neglect or refusal of the cashier or directors to make any such return, the bank shall forfeit for each offence a sum not exceeding one thousand dollars to the use of the state, to be recovered by the treasurer thereof.

SEC. 54. The secretary of state shall furnish to the cashier of each bank, in the month of March or April annually, twenty printed copies of each form of the returns required by sections forty-nine and fifty; and after receiving the returns required by section fifty, shall, on or before the first day of the next month, cause a true abstract of them to be prepared and printed, with each column thereof footed up; have it published in the state paper, and such others as the governor and council direct; and transmit one copy thereof by mail to the cashier of each bank in the state.

Cashiers to make semi-annual and monthly returns.  
 Form thereof.  
 1841, c. 1, § 53.  
 1856, c. 235.  
 1857, c. 32, § 4.

Cashier to return names of stockholders when required.  
 1841, c. 1, § 55.  
 Cashier's return to be verified by directors.  
 1841, c. 1, § 56.  
 Penalty for not making returns.  
 1841, c. 1, § 57.

Secretary of state to furnish blanks, and publish abstracts.  
 1841, c. 1, § 58, 59.

#### COMMISSIONERS.

SEC. 55. The governor, with the advice of the council, shall appoint two commissioners, who, during their continuance in office, shall not hold any office in any bank in this state; and at least

Bank commissioners; appointment, qualifications,

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duties and  
compensation.

1841, c. 1, § 60.

1846, c. 220, § 4.

1857, c. 32, § 12.

once a year, and as much oftener as the governor and council deem it expedient, they shall inquire into and examine the transactions of the several banks in this state, and ascertain their condition, and whether there has been any departure by brokerage or otherwise from the ordinary business of banking associations; note all over-issues shown by the cashier's weekly balances; and make report of their doings annually to the governor and council, to be laid before the legislature. Each of them shall be paid his expenses and four dollars for every day employed in his duties, not exceeding six hundred dollars in any year; and the governor and council shall audit his account and draw their warrant on the treasurer for the amount found due, and may remove them and fill vacancies at pleasure.

Power to ex-  
amine banks  
and savings  
institutions,  
&c

1841, c. 1, § 61.

SEC. 56. They may visit all banks in this state, as often as they deem it expedient for the public safety, and thoroughly inspect and examine all their affairs, and make all inquiries necessary to ascertain their condition and ability to fulfill their engagements, and for that purpose, they may summon and examine, under oath, all the directors, officers, or agents thereof, and such other witnesses, as they think proper; and any director, officer, or agent, or other person, who refuses without justifiable cause, to appear and testify when so required, or who obstructs, in any way, any commissioner in the discharge of his duty, as herein prescribed, shall be subject to a fine not exceeding one thousand dollars, or imprisonment not exceeding two years.

Proceedings of  
commissioners  
in cases of  
over-issue and  
when they  
deem a bank  
or savings in-  
stitution un-  
safe.

SEC. 57. The bank commissioners shall, from time to time, examine the weekly balances made by the cashiers; and when it appears that a bank has made over-issues, they shall notify its cashier forthwith to pay over the forfeiture mentioned in section twenty-one; and if it is not so paid in ten days after notice, they 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 over-issued, 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 commissioners think 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 failed to comply with all the rules, restrictions and conditions provided by law, they may apply to any justice of the supreme judicial court to issue an injunction to restrain it in whole or in part, from further proceeding 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 busi-

ness 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 commissioners may appoint a clerk of their board, prescribe his duties and fix his compensation, when they think the public good demands it. All banks whose charters have expired or are surrendered or revoked, shall continue subject to all the provisions and penalties in this chapter, during the time allowed their stockholders to act in their corporate capacity for the purpose of closing their concerns; and the commissioners shall examine and proceed against them in the same manner as if their charters were still existing.

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Banks closing up concerns subject to provisions.

1841, c. 1, § 62.  
1857, c. 32, § 9.

SEC. 58. When a new bank is about to go into operation, said commissioners, 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 they shall return a certificate thereof to the office of the secretary of state.

New banks going into operation, commissioners to count money.

1841, c. 1, § 10.

SEC. 59. The commissioners may make a like requisition to be returned to one of them, as the governor is authorized to make by section forty-nine.

Commissioners may require returns.

## RECEIVERS.

SEC. 60. 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 the space of 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 judge 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.

Application to a judge of supreme court, if a bank refuse to pay its bills or deposits. Duty of judge in such case.

1841, c. 1, § 66.

SEC. 61. If the president, cashier, or other authorized agent of the bank does not so appear, or does not show sufficient cause against further proceedings, the judge 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.

Judge may appoint receivers and require bond.

1841, c. 1, § 67.

SEC. 62. A judge of the supreme judicial court may revoke the authority of receivers, on application as provided in section sixty, and notice to them and hearing of the parties.

Authority of receivers may be revoked.

1841, c. 1, § 71.

SEC. 63. Either party aggrieved by the decision of a judge in appointing receivers, or in revoking their authority, on complaint to the supreme judicial court, and such notice as any judge orders, may have the same revised at the law term thereof, and reversed for sufficient cause.

Appeal from any order of a judge to whole court.

1841, c. 1, § 72.



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Duties of receivers.

1841, c. 1, § 68.

Liability of officer for refusing to surrender property to receivers.

1841, c. 1, § 74.

Commissioners may sell real estate and mortgages, after notice.

1841, c. 1, § 69.

May collect or sell any of the debts due to the bank.

1841, c. 1, § 70.

Receivers, after paying the debts, to deliver up the residue of property to the bank.

1841, c. 1, § 75.

Compensation to receivers.

1841, c. 1, § 73.

Claims and demands, how settled by receivers. Report of receivers.

1855, c. 164, § 3.

SEC. 64. Such receivers, or those appointed under section fifty-seven, 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. 65. 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 shall be liable in his individual capacity for the payment of all debts due from said bank in an action on the case.

SEC. 66. 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 shall have the same rights and powers as a purchaser of real estate and mortgages taken on execution as aforesaid.

SEC. 67. They may collect the debts due the bank, and commence and prosecute in its name or their own names as receivers, any action necessary for the collection of said debts, or they may sell or assign said debts with the evidences thereof, or if they think any debt cannot be collected, they may receive payment of it in the bills of such bank, or compound it on such terms as they think expedient.

SEC. 68. 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 shall cease, 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 judge aforesaid may require.

SEC. 69. 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 judge thereof, at a term held in the county where the bank is located, may fix such sum.

SEC. 70. When receivers are appointed for any bank and qualified as provided by law, all claims and demands against such bank, founded on its bills or other evidence of indebtedness, shall be laid before them for examination and allowance. And such bills shall be filed with them, and they shall give to the holders a schedule thereof under their hands. They shall make a report in detail to the supreme judicial court at such times as the court directs, specifying all claims presented, and the amount allowed in each case, which shall be accepted, if no objection is

made thereto, and the court is satisfied it is correct and ought to be allowed.

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SEC. 71. When such report is so presented, any claimant interested in the decision of the receivers in the allowance or rejection of any claim, may make his objection specifying in writing the claim, which he demands to have allowed or increased, rejected or diminished; and the court shall hear the parties and determine the case. If either party requests it, the court may direct an issue to be made up and submitted to the jury. Questions of law arising in the course of the proceedings may be made and carried before the full court in the manner provided in actions in court. All claims allowed shall bear interest from the time they are filed.

Objections to report, how made and disposed of. 1855, c. 164, § 4.

SEC. 72. 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 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.

Assets, how applied. 1855, c. 164, § 5.

SEC. 73. If it appears to the court, that such assets are insufficient to pay the claims against the bank, said receivers shall forthwith 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 to be given. 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.

Assets not sufficient, bill, in equity to be filed.

Proceedings of court in such cases. 1855, c. 164, § 6.

SEC. 74. 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 shall continue, that it 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 of money equal to his liability.

Lien on real estate of stockholders. 1855, c. 164, § 7.

SEC. 75. No action shall be maintained against any bank after the appointment of receivers thereof; but all its creditors must seek their remedy under the provisions of the five 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.

No actions against bank after receiver's appointment. 1855, c. 164, § 8.

SEC. 76. Nothing in the preceding seven sections shall be construed to 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 assessing the amount for stockholders to pay, the court may have reference to such liability of the directors.

Liability of directors and stockholders not diminished. 1855, c. 164, § 9.

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Court may decree distribution, reserving to meet contested claims.  
1855, c. 164,  
§ 10.

SEC. 77. 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 there shall be reserved from distribution an amount sufficient to meet such contested claim or claims, if allowed.

## DISPOSAL OF REAL ESTATE AFTER CHARTER EXPIRES.

Sale of real estate of banks after expiration of charter.  
1855, c. 164, § 2.

SEC. 78. When the charter of a bank has expired, and there remains any real estate standing in its name but belonging to the stockholders thereof, the trustees authorized by law to close its concerns may sell and dispose of such real estate for the benefit of such stockholders at public auction, after giving the notice required by law to be given by receivers in such cases, and execute all proper instruments of conveyance thereof.

## PRIVATE, ASSOCIATED, AND FOREIGN BANKING PROHIBITED.

Banking companies prohibited unless authorized by the state.  
1841, c. 1, § 78.

SEC. 79. No person, unless specially authorized by the legislature, shall contribute to the funds or become a member of any company or banking association for the purpose of issuing notes to be circulated as money, receiving deposits, making discounts, or transacting any other business, which banks may transact by virtue of their charters; and all notes or other securities for the payment of money or the delivery of property, made to such company or association, or for their use, shall be void.

Agencies of foreign banks and bankers prohibited unless specially authorized by law.  
1841, c. 1, § 79.

SEC. 80. No person or corporation, unless specially authorized by law, shall hold any agency in this state for the purpose of receiving and issuing, loaning or putting in circulation, as money, the bills, notes, orders, or other evidences of debt, of any banking company not incorporated by the legislature of this state, nor of any private banker not a resident in this state; but this prohibition shall not extend to any incorporated bank in this state exercising its powers under the foregoing provisions of this chapter, nor prevent it from paying out the bills of foreign banks received in its usual course of business, the circulation of which is not prohibited by law.

No person to issue bills as a private banker.  
1841, c. 1, § 80.

SEC. 81. No person shall issue any drafts, bills, or promissory 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.

Penalty for violating the three preceding sections.  
1841, c. 1, § 81.

SEC. 82. If any corporation, private company, or individual, is guilty of any of the offences described in the three preceding sections, such offender shall forfeit one thousand dollars for each offence, to be recovered by indictment for the use of the state, or by action of debt, one-half to the use of the state, and the other half to the person first suing therefor.

## PUNISHMENT OF FRAUDS.

Punishment for frauds and

SEC. 83. The following offences 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 hereby declared to be high misdemeanors, and the persons guilty thereof shall be punished by 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 any or all of said punishments according to the aggravation of the offence:

*First.*—If any 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.

*Second.*—If he issues or aids in issuing any bank notes or other evidence of debt obligatory on said bank, with the intent that the same shall not be paid.

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

*Fourth.*—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.

*Fifth.*—If he makes any dividend of the funds or effects of such bank amongst the stockholders or any of them, beyond the profits actually accrued to such bank, or aids therein, thereby diminishing the capital of said bank.

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embezzle-  
ments.

1841, c. 1, § 82.

#### SAVINGS INSTITUTIONS.

SEC. 84. All the provisions of sections fifty-five and fifty-six shall apply to savings institutions as well as to banks.

Provisions  
applicable.

SEC. 85. When a savings institution has not sufficient assets to pay all its debts to depositors and others, its trustees or any depositor may file a bill in equity in the supreme judicial court, in term time or vacation, praying for a sequestration and an equitable distribution of its assets. The court or a judge thereof may order it served by publication in the newspaper and for the time designated in the order, requiring the institution and all persons interested to appear and show cause why said prayer should not be granted.

Institutions  
for savings  
becoming in-  
solvent, bill in  
equity may be  
filed for an  
equal distribu-  
tion of assets.  
Service of the  
bill, how made.  
1842, c. 32,  
§ 1, 2.

SEC. 86. After service as aforesaid, the court may appoint a receiver to take possession of all the assets of such institution, and manage and dispose of them as the court directs; existing attachments shall thereby be dissolved; and no action can thereafter be commenced against it, until proceedings under the bill are closed.

Receiver may  
be appointed,  
attachments  
thereby dis-  
solved; no  
action after.  
1842, c. 32,  
§ 1, 2.

SEC. 87. After a decree of sequestration is passed, the court shall appoint commissioners, who are to give notice of the times and places of their session as the court orders; receive and decide upon all claims against the institution; and make report to the court of the claims allowed, and disallowed, and of the amount due each depositor, which is subject to exception and amendment as reports of masters in chancery. When the amount due each person is established, the court shall cause others than depositors

Commission-  
ers to decide  
on claims;  
their proceed-  
ings.  
Distribution of  
assets.  
1842, c. 32, § 3.

**CHAP. 47.** to be paid in full, and after deducting expenses, the balance to be ratably distributed among the depositors.

Compromise  
of debts.  
1842, c. 32, § 4.

**SEC. 88.** The trustees and receiver may compromise any debt due the institution.

## CHAPTER 48.

### MANUFACTURING CORPORATIONS.

- SEC. 1.** Officers' powers and liabilities.
2. Officers when chosen. Number of directors. President. Treasurer to give bond. Clerk to be sworn.
3. First meeting how called. By-laws.
4. Capital fixed, divided into shares, names of owners and their shares entered of record at first meeting. Capital may be increased.
5. Certificates of stock to be issued, transferable.
6. Assessments may be made, shares sold for neglect to pay.
7. Notice of sale, how given; title of purchaser.
8. Treasurer to publish statements semi-annually; what to contain, penalty.
9. Prohibition to contract debts beyond certain amount, stockholders not liable individually, if do not.
10. Dividends may be made, not to reduce capital or debts due. Penalty.
11. Names of directors, clerk, and schedule of property, furnished to an officer.
12. Officer having an execution may elect to take debts due corporation; proceedings.
13. Person refusing to obey two preceding sections, subject to penalty.
14. Books to be produced on trial for a penalty.
15. Children under fifteen years of age not to be employed without proof of schooling. Certificate of teacher, evidence.
16. Penalty for violation. County attorney to prosecute.
17. Persons under sixteen years of age not to be employed more than ten hours of a day. Penalty.

Officers' powers and liabilities.

R. S., c. 78,  
§ 1, 2, 3.

**SEC. 1.** Manufacturing corporations are to exercise the powers and be subject to the duties and liabilities contained in this and the forty-sixth chapter, and in their charters. They are to have a president, directors, clerk, treasurer, and any other desirable officers.

Officers, when chosen.  
Treasurer to give bond.  
Clerk to be sworn.

R. S., c. 78,  
§ 3, 4.

**SEC. 2.** These officers are to be chosen annually, and are to continue in office till others are chosen and qualified in their stead. There are not to be less than three directors, one of whom is to be by them elected president. No director or treasurer can hold such office after he ceases to be a stockholder. The treasurer is to give bond for the faithful discharge of his duties in such sum and with such sureties as are required. The clerk is to be sworn, and to record all votes of the corporation in a book kept for that purpose.

First meeting, how called.  
By-laws.

R. S., c. 78,  
§ 5, 6.

**SEC. 3.** The first meeting may be called by a majority of the persons named in the act, in the manner prescribed in section two, chapter forty-six, giving fourteen days notice thereof. By-laws may be made and enforced as provided in section five of that chapter.