

MAINE STATE LEGISLATURE

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FOURTH REVISION.

THE
REVISED STATUTES

OF THE
STATE OF MAINE,

PASSED AUGUST 29, 1883, AND TAKING EFFECT JANUARY 1, 1884.

BY THE AUTHORITY OF THE LEGISLATURE.



PORTLAND:
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CHAP. 46. reduce their stock below its par value, until all debts are paid, and then only for the purpose of closing their concerns.

R.S., c. 46, § 33.
59 Me., 474.
Judgment creditor may file bill in equity in certain cases.
R.S., c. 46, § 34.

SEC. 52. 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, § 35.

SEC. 53. 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.

On dissolution, estate vests in shareholders.
R.S., c. 46, § 36.

SEC. 54. 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)

Property of inhabitants of counties, towns, &c., may be taken for debts.
R.S., c. 46, § 37.

SEC. 55. 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.

BANKS OF DISCOUNT.

- SEC. 1. Banks, except savings banks, their powers, duties and liabilities. To notify secretary of state of acceptance of charter. To be kept in town where originally established. Corporation name.
2. Number and qualification of directors.
 3. Annual meeting for choice of directors, when held and how notified.
 4. Directors may call special meetings; notice, how given. Vacancies.
 5. Directors shall choose one of their number president and fix his pay. Majority may do business; may authorize president or a director to act.
 6. Votes of stockholders, how regulated. Stock owned by or pledged to the bank, not entitled to representation.

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

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

- SEC. 7. Appointment of cashier and other officers, and their salaries.
8. Cashier shall not be a director, nor he nor clerks vote in choice thereof, nor represent shares.
9. Cashier and clerks to be sworn and give bond. Cashier's bond; amount; not to be signed by a director; to be renewed annually; how to be executed. Suit on same, how brought. Proceedings on judgment and execution. Costs, how paid. Rights of sureties.
10. Cashier to call special meetings of stockholders on request of one fifth; if he refuses, a justice may call. Notice of such meetings.
11. Directors to examine condition of bank and cashier's bond in October annually. Bond to be recorded.
12. Capital stock, how paid in. Bank not to go into operation until half the capital is paid in, and examination by bank examiner.
13. Amount of stock held by one person, limited. Shares not transferable until whole capital has been paid in.
14. Loans and discounts; not to be made on pledge of stock; what security shall be required. Restrictions on loans to stockholders. Debts and liabilities of directors limited.
15. Banks not to engage in trade or commerce.
16. Dividends of profits to be made half yearly.
17. Power of banks to hold real estate; restrictions.
18. Shares, real estate, and mortgages and debts thereby secured, may be attached and taken on execution.
19. Limitation of amount of debts and credits.
20. Loans and issues not to be made except at banking house; nor to any public officer on official check. Penalty.
21. Circulation how limited. Bills actually redeemed in Boston not to be deemed in circulation. Forfeiture for excess of circulation. Weekly balances to be made by cashier, showing specie and circulation.
22. Amount of specie to be kept in vault.
23. Provisions, when bills are destroyed; penalty for violation by a director.
24. Form and signature of bills. Bank shall receive its own bills in payment.
25. Restriction as to bills under five dollars. Fractional bills prohibited.
26. Interest may be paid on deposits. Notes payable at a future day or bearing interest, not to be issued.
27. Bills to be redeemable in specie at the bank; liability, if issued otherwise.
28. Exception as to drafts or checks.
29. Twenty-four per cent. yearly damages for not redeeming bills within fifteen days after demand.
30. Damages to cease after tender of amount.
31. Interest limited to six per cent. Exchange may be charged.
32. Bills not void on account of alterations.
33. Weights to be sealed by treasurer of state once in five years.
34. Gold, how to be weighed.
35. Counterfeit and altered bills may be marked by cashier or other officer. Damages, in case of mistake. Cashier to keep record of bills marked.

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- SEC. 36. Right of the State to take stock in any bank.
37. Semi-annual state tax; payment, how enforced. U. S. tax to be deducted.
38. Right of the State to require loans from the banks.
39. Requisition for such loans, how to be made.

INDIVIDUAL LIABILITY OF DIRECTORS AND STOCKHOLDERS.

- SEC. 40. Liability of directors, if bank becomes indebted beyond amount allowed.
41. Innocent directors how exonerated.
42. Loss from mismanagement of directors, how made up. Liability of directors and stockholders in such case.
43. Private property of stockholders, liable in certain cases.
44. Directors to disclose names and interests of stockholders. Liability for neglect or refusal to do so.
45. Liability of stockholders upon the expiration of charter.
46. Mode of enforcing payment from directors or stockholders.
47. How a stockholder who has been compelled to pay, may obtain contribution.

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BANK EXAMINER.

- SEC. 48. Governor and council to appoint bank examiner for three years.
 49. His duties.
 50. Shall examine banks. May summon directors and others to testify. Penalty for refusing or obstructing.
 51. Proceedings of examiner in cases of over issue, and when he deems a bank unsafe. Banks, closing their concerns, are subject to this chapter.
 52. New banks going into operation, examiner to examine and count money actually in vault.
 53. Examiner shall enforce penalty of section twenty.
 54. Cashier to make and transmit returns, when required by examiner. Form.

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- SEC. 55. Application to a judge of S. J. Court when a bank refuses or neglects for fifteen days after demand to pay its bills or deposits. Duty of judge.
 56. Judge may appoint receivers, and require them to give bond, and may discharge surety and require another.
 57. Authority of receivers may be revoked.
 58. Appeal may be made from any order of a judge to the whole court.
 59. Duties of receivers.
 60. Liability of officers for refusing to surrender property to the receivers.
 61. Receivers may sell real estate and mortgages, after notice.
 62. May collect, sell, or compound any of the debts due to the bank.
 63. Receivers, after paying debts, to deliver residue of property to bank.
 64. Receivers may retain sum agreed on for their services; on disagreement, amount may be fixed by court, on application.
 65. Claims and bills to be presented to receivers for allowance, and when.
 66. A year allowed to convert assets and to report, unless court extends time. Objections to report, how made and disposed of. Interest on claims if assets suffice.
 67. Assets to be applied under order of court.
 68. When assets are insufficient, court may assess on stockholders; each may deposit such sum with receivers; and court may authorize receivers to compound.
 69. When assets are not sufficient, bill in equity to be filed. Proceedings.
 70. What costs stockholders are liable for. Court may require security. Execution against each stockholder for his part.
 71. Execution, how enforced against stockholder of bank in hands of receivers.
 72. Execution or land taken on execution may be sold, after notice.
 73. Appointment of receivers creates a lien on land of stockholders liable; land may be taken under process of court, and sold or set off.
 74. Actions not maintainable against banks after appointment of receivers. Remedy of creditors. Costs on previous suits, how disposed of.
 75. Liability of stockholders and directors not diminished by operation of the preceding eleven sections. In assessing stockholders, court to have reference to liability of directors.
 76. Distribution may be decreed by court, reserving sufficient to meet contested claims.

SURRENDER OF CHARTERS, CLOSING BUSINESS, AND REDEEMING BILLS.

- SEC. 77. Bank may surrender its charter, and how. Six years to close affairs and redeem bills. Not applicable to banks in hands of receivers.
 78. On surrendering charter, plates, dies, and unsigned bills of bank to be delivered to secretary of state to be destroyed. Penalty.
 79. Banks surrendering charters, to make dividends as often as ten per cent. is realized. Penalty.
 80. Chose in action sold by bank, may be sued in buyer's name, after surrender of charter, and pending actions may be prosecuted in name of bank.
 81. In March, secretary of state to publish list of banks, whose liability to redeem their bills expires within a year.

PUNISHMENT FOR FRAUDS.

- SEC. 82. Punishment for frauds and embezzlements by bank officers.

PRIVATE, ASSOCIATED AND FOREIGN BANKING PROHIBITED.

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SEC. 83. Private, associated and foreign banking prohibited, unless authorized by legislature. Penalty.

SAVINGS INSTITUTIONS, AND TRUST AND LOAN ASSOCIATIONS.

- SEC. 84. Savings banks and trust and loan associations declared corporations. Their powers; perpetual succession; seal; by-laws; deposits.
85. How organized. Three fourths of corporators to reside in county.
86. Certificates of organization to be sent to secretary of state and examiner.
87. Notice of intention to organize, how given.
88. Examiner to ascertain whether such organization will promote the convenience of depositors, and if the corporators are responsible.
89. Examiner may issue certificate of authorization to corporators, and a duplicate to secretary of state.
90. When corporation is authorized to transact business.

SAVINGS BANKS.

- SEC. 91. Powers and obligations of savings banks.
92. Officers. Trustees, number of, and restrictions.
93. Term of office.
94. Trustees, election and duties. Cannot serve two savings banks.
95. Officers elected by trustees. Term. Treasurer is clerk ex-officio. Bonds of treasurer and assistant to be examined annually by examiner. Their pay, and that of trustees, how fixed.
96. Vacancies, how filled.
97. Special meetings, how called. Annual meetings, how notified.
98. Corporation to consist of not less than thirty members. How elected and disqualified.
99. Savings banks may receive deposits, not exceeding two thousand dollars. Trustees may refuse any deposit.
100. Investments of deposits regulated.
101. Bank may hold real estate not exceeding one hundred thousand dollars, nor beyond five per cent. of deposits, for bank building.
102. Investments in capital stock of corporations restricted. Mortgages of real estate not to exceed fifty per cent. of deposits. Proviso.
103. May deposit on call in banks.
104. Trustees to direct investments, but shall not borrow of bank.
105. Penalty if bank officer receives fee on account of loan. Proviso. Borrower to pay expenses.
106. Semi-annual dividends not to exceed two and a half per cent. Exceptions. Reserved fund to be five per cent. Excess to be divided. Dividends to be declared by trustees, but not to exceed earnings.
107. No interest other than dividends, to be paid on deposits.
108. What notice must be given by depositor wishing to withdraw money.
109. Treasurers and trustees, restrictions upon. How assets of savings bank connected with a national or stock bank shall be kept.
110. Securities to be kept within the state to the approval of examiner.
111. Weekly trial balance and annual record of deposits, to be made by treasurer.
112. Duplicate book of deposit, how obtained, if original is lost.
113. Annual return to be made to examiner by treasurer.
114. Treasurer may assign, discharge and foreclose mortgages and convey land.
115. Real estate to be insured by trustees.
116. Use of bank funds by officers, declared embezzlement.
117. Deposits of married women and minors not to be paid to husband or parents. Exception.
118. Treasurer's account to be settled annually with trustees, who shall report to examiner.
119. Examiner shall visit and examine every bank semi-annually. Proceedings and statement to be published by bank.
120. Examiner may summon officers and witnesses. Penalty for refusal to appear and testify.
121. Examiner may apply to Supreme Court for injunction against bank until after hearing. Proceedings. Receivers appointed, to report annually.

- CHAP. 47.** SEC. 122. After decree of sequestration, court shall appoint commissioners. Their duties and powers. Court may extend time for hearing claims. How paid.
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125. Deposit account may, on petition and examination, be reduced by court. Proviso. Deposits not to be paid or received after filing petition, until decree of court. Proceedings pending petition, and in case of denial.
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128. What savings banks are held legally organized.
129. Bank clerks to make annual return of election of officers to examiner.
130. Penalty for advertising an unauthorized savings bank.
131. Charters are modified to conform to this chapter. Unlawful investment declared a misdemeanor.

LOAN AND BUILDING ASSOCIATIONS.

- SEC. 132. Loan and building associations, how organized. Their powers.
133. First meeting, how called. Examiner's fee.
134. Capital stock. Monthly payments on shares, lien and issue of new shares.
135. Loans to shareholders. Regulations. Security, interest and payment.
136. Withdrawal of stockholders. Notice. Proviso. Death of stockholder, proceedings on; money of, how distributed.
137. When directors may invest money.
138. Minors may hold shares by trustees. Two shares exempt from attachment.

BANKS OF DISCOUNT.

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

R.S., c. 47, § 1.

Number and qualifications of directors.

R.S., c. 47, § 2.

Annual meeting for choice of directors.

R.S., c. 47, § 3.

Directors may call special meetings; vacancies, how filled.

R. S., c. 47, § 4.
President:

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.

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.

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.

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.

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.

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.

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

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majority of directors may do business.
R.S., c. 47, § 5.
52 Me., 565.

Votes of stockholders, regulated:
—stock owned by or pledged to bank not entitled to a vote.
R.S., c. 47, § 6.

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; amount; not to be signed by a director; to be renewed annually.

—manner of bond which may be accepted.
36 Me., 192.
50 Me., 250.

—suit on bond, how brought.

—proceedings on judgment and execution.

—costs, how paid.

—sureties, rights of.

Cashier to call special meeting, on request; if he refuses, justice may call.
R.S., c. 47, § 10.

Directors to examine bank and

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bond in Oct.
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;
shares not
transferable
until capital
is paid in.
R.S., c. 47, § 13.
64 Me., 113.
Loans and
discounts;
not to be
made on
pledge of
stock; what
security shall
be required.
R.S., c. 47, § 14.

—restrictions
on loans to
stockholders.

—liabilities
of directors,
limited.
39 Me., 490.
42 Me., 590.
52 Me., 533.
64 Me., 114.
Banks not to
engage in
trade or
commerce,
R.S., c. 47, § 15.

Dividends,
half yearly.
R.S., c. 47, § 16.

Powers of
banks to hold
real estate.
R.S., c. 47, § 17.
—restrictions.

Shares, real
estate and
mortgages
may be
attached and
taken on
execution.
R.S., c. 47, § 18.

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

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 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 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.

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.

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

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.

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.

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 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 offence.

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.

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; each director violating this provision forfeits 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, are binding on the bank. Every bank shall receive its own bills if offered in payment for any of 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, 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 offence.

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.

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.

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No loans or issues except at bank; nor to public officer on official check.

R.S., c. 47, § 20.

Circulation allowed, but limited.

R.S., c. 47, § 21.

—bills redeemed in Boston, not in circulation.

—forfeiture for excess of circulation.

—weekly balances to be made.

Specie to be kept in vault.
R.S., c. 47, § 22.

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

—penalty for violation by a director.

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

Restrictions on bills under five dollars.

R.S., c. 47, § 25.

—fractional, prohibited.

Interest may be paid on deposits.

—notes on interest not to be issued.
R.S., c. 47, § 26.

Bills to be redeemable in specie at the bank; liability, if issued otherwise.

R.S., c. 47, § 27.

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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.

Twenty-four
per cent.
annual
damages for
not redeem-
ing 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
limited, but
exchange
may be
charged.
R.S., c. 47, § 31.
31 Me., 416.

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.

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

Weights to
be sealed
by state
treasurer.
R.S., c. 47, § 33.

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

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 pur- CHAP. 47.
ports to have issued, its date and number, and the date of such writing
or stamping.

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.
1875, c. 50.
R.S., c. 47, § 37.
See c. 11, § 117.
20 Me., 472.

—U. S. tax deducted.

—payment how enforced.
See c. 6,
§§ 160, 162,
163, 164.

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

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

CHAP. 47. governor and council, and to the stockholders at any general meeting, which he may call for that purpose.

Loss from
mismanage-
ment of di-
rectors, how
made up.
R.S., c. 47, § 42.
23 Me., 344.
48 Me., 404.
50 Me., 275.
56 Me., 388.

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, 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 prop-
erty of stock-
holders, lia-
ble in certain
cases.
R.S., c. 47, § 43.
23 Me., 309.
26 Me., 339.
31 Me., 59.
33 Me., 511.
50 Me., 275.

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.

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 the
expiration
of charter.
R.S., c. 47, § 45.
48 Me., 403.
51 Me., 166.
52 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 en-
forcing pay-
ment 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
by a stock-
holder who
has been com-
pelled to pay.
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, § 54.

SEC. 48. The governor, with the advice and consent of council, shall appoint an 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.

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72 Me., 556.

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.

Duties of
examiner.
R.S., c. 47, § 55.

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 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.

Power to ex-
amine banks.
R.S., c. 47, § 56.

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.

Proceedings
of examiner
in cases of
overissue,
and when he
deems a bank
unsafe.
R.S., c. 47, § 57.

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,
if he deems
the bank
insolvent.

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

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 capacity 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.

New banks going into operation, examiner to count money. R.S., c. 47, § 58.

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.

Examiner to enforce § 20. R.S., c. 47, § 59.

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

Cashiers to make and transmit returns, whenever required by examiner.

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:

—form of returns. 1883, c. 222. See R. S., of 1871, c. 46, §§ 48, 49; 1871, c. 191.

"Condition of the ——— bank of ———, on the first Saturday of ———, 18—, at 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 the state, }	\$
whatsoever due from the bank, not }		Bills of other banks without the }	\$
bearing interest; its bills in cir- }		state, }	\$
culation, profits, and balances due }		Balances due from other banks, }	\$
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

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.

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.

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.

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.

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.

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.

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court, if a bank refuses to pay its bills or deposits: duty of judge in such case. R.S., c. 47, § 60.

Judge may appoint receivers and require bond; may discharge surety and require another. R.S., c. 47, § 61. 48 Me., 403. 54 Me., 441. 69 Me., 369.

Authority of receivers may be revoked. R.S., c. 47, § 62.

Appeal from any order of a single justice to the whole court. R.S., c. 47, § 63.

Duties of receivers. R.S., c. 47, § 64. 40 Me., 387. 57 Me., 390. See § 65.

Liability of officer refusing to give up property to receivers. R.S., c. 47, § 65. Receivers may sell real estate and mortgages, after notice. R.S., c. 47, § 66.

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Receivers
may sell,
compound or
collect any
debt due the
bank, and
bring suits
and levy
executions
therefor.
R.S., c. 47, § 67.
54 Me., 441.
56 Me., 169.

Receivers,
after paying
the debts, to
deliver up the
residue of
property to
the bank.
R.S., c. 47, § 68.

Compensa-
tion of
receivers.
R.S., c. 47, § 69.

Claims and
bills against
the bank,
when to be
presented to
receivers for
allowance.
R.S., c. 47, § 70.

A year
allowed to
convert
assets and
make report,
unless court
extends the
time:
objections to
report, how
made and
disposed of.
R. S., c. 47, § 71.

—interest on
claims, if
assets suffice.
1872, c. 86, § 3.

Assets, how
applied.
R.S., c. 47, § 72.

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.

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.

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.

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.

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.

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 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.

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.

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.

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.

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.

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.

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

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56 Me., 169.

When assets are insufficient, court may assess on stockholders; each may deposit such sum with receivers; and court may authorize receivers to compound.
R.S., c. 47, § 73.
62 Me., 207.

If assets are not sufficient, bill in equity to be filed; proceedings of court in such cases.
R.S., c. 47, § 74.
48 Me., 403.
50 Me., 274.
56 Me., 169.
61 Me., 165.
62 Me., 207.

What costs, stockholders are liable for.
R.S., c. 47, § 75.

—court may require security.

—execution against each stockholder for his part.

Enforcement of execution against stockholder of a bank in hands of receivers.
1872, c. 86, § 1.
Execution, or land taken thereon, may be sold, if the execution cannot be collected immediately.
1872, c. 86, § 2.

Lien on real estate of stockholders.
R.S., c. 47, § 76.
50 Me., 384.

CHAP. 47. 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, § 77.
40 Me., 387.

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, § 78.
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 assessing the amount for stockholders to pay, the court may have reference to such liability of the directors.

Court may
decree
distribution,
reserving
enough to
meet con-
tested claims.
R.S., c. 47, § 79.

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.

SURRENDER OF CHARTERS, CLOSING BUSINESS, AND REDEEMING BILLS.

Bank may
surrender
its charter,
and how.
R.S., c. 47, § 80.
54 Me., 440.

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.

—six years to
close affairs
and redeem
bills.

—not applica-
ble to banks
in hands of
receivers.

On surren-
dering its
charter,
plates, and
unsigned bills
of bank to
be delivered
to secretary
of state, to be
destroyed.
—penalty.
R.S., c. 47, § 81.

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.

Such defunct
banks to
make
dividends, as
often as ten
per cent. is
realized.
R.S., c. 47, § 82.

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.

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 defences; 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.

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.

PUNISHMENT OF FRAUDS.

SEC. 82. 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 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:

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.

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.

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

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.

V.—If he makes 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.

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

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—liability
for neglect.

Chose in action sold by such bank, may be sued in name of buyer; pending actions may be prosecuted in bank's name. R.S., c. 47, § 83.

In March, secretary of state to publish list of banks, whose liability to redeem bills ends within a year. R.S., c. 47, § 84.

Punishment for frauds and embezzlements by bank officers. R.S., c. 47, § 85.

Conversion of bank property.

Fraudulent issues.

Fraudulent indebtedness.

Fraudulent loans.

Fraudulent dividends.

Private, associated, and foreign banking, prohibited, unless authorized by legislature. R.S., c. 47, § 86.

- CHAP. 47.** 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 offence, 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.

SAVINGS INSTITUTIONS, AND TRUST AND LOAN ASSOCIATIONS.

Savings banks, &c., corporations. 1876, c. 96, § 1.
—powers of. Perpetual succession.
May sue and be sued.

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.

Seal.

III.—To make and use a common seal.

By-laws.

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.

May receive deposits.

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.

Savings banks, &c., how organized. 1876, c. 96, § 2.
—three quarters of corporators to reside in county where bank is located.

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.

Certificates of organization to be sent to the secretary of state and bank examiner. 1876, c. 96, § 3.

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 corporators and the places where they reside; their business occupation; 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.

Notice of intention to organize, to be given. 1876, c. 96, § 4.

SEC. 87. A notice of intention to organize such bank or trust and loan association, signed by all the corporators, 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.

Bank examiner, duty of. 1876, c. 96, § 5.

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, it shall be his duty, from the best information at his command, to ascertain : CHAP. 47.

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. Bank examiner to ascertain the convenience of depositors.

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. Responsibility of corporators.

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 authorization to corporators. 1876, c. 96, § 6.

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. —and to the secretary of state.
Corporation, when authorized to transact business. 1876, c. 96, § 7.

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. 1877, c. 218, § 1. 68 Me., 518.

SEC. 92. 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 three of whom shall be directors in any national bank, nor more than two of them, directors in the same national bank, who shall elect from their number, or otherwise, such other officers as they see fit. Officers. 1883, c. 202, § 1.
—trustees, number and restrictions. 72 Me., 227.
—may elect other officers.

SEC. 93. Such 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. Term of office. 1877, c. 218, § 3.

SEC. 94. 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 Trustees, election and duties of. 1877, c. 218, § 4. 68 Me., 404.

CHAP. 47. 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.

Officers,
election of.
1883, c. 202, § 2.
69 Me., 369.

—term.

—treasurer,
ex-officio
clerk.

—bonds of
treasurer and
assistant
treasurer.

—shall be
annually
examined by
bank
examiner.

—pay fixed
by trustees.
—compensa-
tion of trust-
ees fixed by
corporation.

Vacancies,
how filled.
1877, c. 218, § 6.

Special
meetings,
how called.
1877, c. 218, § 7.

—annual
meetings,
how notified.

Corporation
to consist of
not less
than thirty
members.

—how
elected.
1878, c. 5.

—how
disqualified.

May receive
deposits.
1877, c. 218, § 9.

—restrict-
ions.
72 Me., 276.
73 Me., 72.

—trustees
may refuse
any deposits.

Investments
of deposits.

SEC. 95. 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. 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. 96. If any office becomes vacant during the year, the trustees may fill the same until it is filled at the next annual meeting.

SEC. 97. Such corporations may at any time hold special meetings by order of the trustees; and 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. 98. 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. 99. Such corporations 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 exceeding said sum, except for deposits by widows, orphans, administrators, executors, guardians, charitable institutions, and as trust funds. The trustees may refuse any deposit at their pleasure.

SEC. 100. 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, or of the United States; in the municipal bonds of cities of ten thousand inhabitants, or more, of the states of New York, Pennsylvania, Maryland, Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois and Missouri, and in the public funds of each of the above named states, and in the bonds of counties in said states, having twenty thousand population, when not issued in aid of railroads; *provided*, that no investment shall be made in the bonds of any cities or counties of the states above named, except of the city of St. Louis, Missouri, where the municipal indebtedness of such city or county exceeds five per cent. of its valuation; in the first mortgage bonds of any completed railroads of the states above named, together with New Jersey, Kansas and Nebraska, 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; in the stocks of any railroad company in this state unincumbered by mortgage; 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 thereof; and 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. Savings banks may invest in the car trust securities issued by any railroad not in default on the interest upon its first mortgage bonds, and any car trust securities guaranteed by a car trust or railroad equipment company; *provided*, that such car trust or equipment company has paid two dividends on its capital stock. 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. 101. Any such bank or institution may hold real estate to an amount not exceeding five per cent. of its deposits, but no part of said amount shall be invested in real estate, except in the purchase of a building or a site, and the erection and preparation of a suitable building to be used for banking purposes; *provided*, that such corporation shall not hold real estate, for the purpose aforesaid, exceeding one hundred thousand dollars in value.

SEC. 102. 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,

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1883, c. 202, § 3.
68 Me., 404.
71 Me., 52.

Shall have
authority to
hold real
estate.
1877, c. 218, § 11.
—purpose.
—proviso.

Investments
in capital
stock of
corporations
restricted.

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1883, c.202, § 4.
—application
of §§ 100, 101
and 102.

May deposit
on call in
banks.
1877, c.218, § 13.

Trustees to
invest.
1877, c.218, § 14.
—no loan to
a trustee.

No officer to
receive gift,
fee, &c.
1877, c.218, § 18.

—proviso.

—borrower
to pay
expenses.

Dividends,
not to exceed
two and a
half per cent.,
semi-
annually.
1883, c.202, § 6.
—exceptions.

—reserved
fund shall be
kept until it
amounts to
five per cent.

—excess,
when to be
divided.

—dividends,
to be
declared,
credited and
paid, by vote
of trustees.

—not to
exceed earn-
ings of bank.

Interest on
deposits,
prohibited.
1877, c.218, § 20.

Notice for
payment to
depositor.
1877, c.218, § 21.

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.

SEC. 103. Savings banks 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.

SEC. 104. 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 of the trustees, or to any firm of which a trustee is a member. (a)

SEC. 105. 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 offence, 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.

SEC. 106. 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, 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. 107. 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. 108. No savings bank is required to pay any depositor five hundred dollars or less, until after thirty days' notice, nor any sum exceeding five hundred dollars, until after sixty days' notice.

SEC. 109. 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. All coin, bills, notes, bonds, securities and evidences of debt, comprising the assets of said 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.

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Treasurers and trustees, regulations relating to. 1877, c. 218, § 22.

—assets of bank, connected with national or stock bank, how to be kept.

SEC. 110. 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.

Securities to be kept within the state, in a place approved by examiner. 1877, c. 218, § 23.

SEC. 111. 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.

Treasurer shall make trial balance weekly. 1883, c. 202, § 7.
—annually to record net sum of each deposit.

SEC. 112. When the person to whom a book of deposit was issued, 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.

Duplicate book of deposit, how obtained, in case of loss of original. 1877, c. 218, § 26. 56 Me., 509.

SEC. 113. 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.

Treasurer shall make annual return to bank examiner. 1877, c. 218, § 27.

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.

May assign, discharge and foreclose mortgages, and convey land. 1877, c. 218, § 28. Trustees

SEC. 115. The trustees shall cause all real estate of an insurable

CHAP. 47. 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.

shall effect insurance.
1877, c. 218, § 29.
Funds not to be used by officer.
1877, c. 218, § 30.

SEC. 116. No officer of the corporation shall use or appropriate any of its funds for his own private purposes, under the penalties for embezzlement.

Deposits of married women or minors, are property of depositors.
1877, c. 218, § 31.
—exception in case of fraud.

SEC. 117. Money deposited by a married woman or minor, is the property of and to 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 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 woman or minor for such deposits and interest, or any part thereof, is a valid release and discharge to the corporation.

Treasurer's account to be settled annually.
1877, c. 218, § 32.

SEC. 118. 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.

—examiner to furnish blanks.

He shall examine savings banks, &c.
1883, c. 202, § 8.

SEC. 119. Such institutions and associations are under the charge of the bank examiner for the purposes of examination. He shall visit every savings bank, institution for savings, and trust and loan association, incorporated by authority of the State, twice 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 fulfill all its engagements, and whether it has complied with the law. 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 place nearest thereto.

—shall visit every institution semi-annually.

—shall make thorough examination.

—proceedings, and statement of condition of corporation, to be published.

He may summon officers and witnesses.
1877, c. 218, § 34.

SEC. 120. 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.

—penalty for refusal to testify.

Examiner may apply to justice of supreme court for injunction to restrain corporation

SEC. 121. 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 prosecution 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. 122. 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.

SEC. 123. 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. 124. All claims not presented to the commissioners within the time fixed by the court, or litigated as aforesaid, are forever barred.

SEC. 125. Whenever a savings bank, 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 vaca-

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from doing further business until a hearing can be had.

1877, c. 218, § 35.
66 Me., 244.
68 Me., 400.

—powers and duties of the justice in such cases.

—may appoint receivers, who shall report annually.
See § 125.

After decree of sequestration, court or justice shall appoint commissioners.

1878, c. 45, § 1.
66 Me., 244.

—duties and powers.

—court may extend time for hearing claims.

—claims, how to be paid.

Attachments dissolved, and suits discontinued.

1878, c. 45, § 2.

—actions at law shall not be maintained, unless authorized by court or justice.

—judgment recovered, to be added to claims.

Claims, when barred.
1878, c. 45, § 3.

Supreme court or justice thereof may, on petition and examination,

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reduce depos-
it account
of each
depositor.
1883, c.202, § 9.
68 Me., 399,
402.

—proviso.

—proceed-
ings, if
petition is
denied.

Examiner
shall make
annual report
to the
governor
and council.
1877, c.218, § 37.
—to be laid
before the
legislature.

Examiner
shall report
violations of
law.
1877, c.218, § 38.

—penalty.

Institutions,
legally
organized.
1877, c.218, § 39.

Clerks shall
annually re-
turn election
of officers.
1877, c.218, § 40.

tion, 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-one.

SEC. 126. 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, 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 by the secretary of state.

SEC. 127. 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.

SEC. 128. 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.

SEC. 129. The clerks thereof shall make return of the annual election of officers to the bank examiner, within ten days after their election and qualification.

SEC. 130. Whoever, not authorized by law, advertises his business as that of a savings bank, or receives deposits under pretence of conducting a savings bank, forfeits one hundred dollars for each offence; 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.

SEC. 131. 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 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 said securities are valid in favor of the bank, pursuant to any law in force when such investments were made, or transactions had, 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, 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 offence.

LOAN AND BUILDING ASSOCIATIONS.

SEC. 132. 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 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.

SEC. 133. 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.

SEC. 134. The capital stock of each association shall consist of not more than thirty-five hundred shares, to be issued in one or successive series, as shareholders may vote. Each shareholder shall, on every share of stock held by him, pay one dollar on such days in each month, and to

CHAP. 47.

Punishment for unauthorized persons advertising business as a savings bank. 1877, c. 218, § 41.

Powers, privileges, duties, and restrictions, conferred by charters, are modified so as to conform to this chapter. 1877, c. 218, § 42.

—legality of former investments and transactions, not affected.

—such securities valid.

—change of investments not required, except as it can be made without loss.

—investments in securities not herein named, a misdemeanor. See § 102

Loan and building associations, how organized.

1877, c. 198, § 1.

—constituted a body corporate and politic.

—powers.

—seal.

—may hold and convey property.

—perpetual succession.

First meeting, how called.

1877, c. 198, § 2.

—examiner's fee.

Capital stock. 1877, c. 198, § 3.

—monthly payments on shares.

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—subject to
lien.

—new shares
may be
issued.

Loans to
shareholders.
1877, c.198, § 4.

—how
disposed of.

—security.

—interest to
be charged,
in case of
neglect.

—payment of
principal and
interest.

—loans, when
payable.

Shareholders
may with-
draw from
association.
1877, c.198, § 5.

—proviso.

—death of
shareholders,
proceedings
in case of.

—money of
deceased
share-
holders, how
distributed.

Directors
may invest
money.
1877, c.198, § 6.

Minors may
hold shares.
—exemption.
1877, c.198, § 7.

such officer, as the by-laws require, until the value of the whole fund of the series to which such shares belong is sufficient to divide to each share of that series two hundred dollars. Every share is subject to a lien, for the payment of any unpaid instalments and other charges incurred thereon, under this chapter and the by-laws, and the by-laws may provide the method of enforcing such lien. New shares may be issued in the place of shares withdrawn, forfeited or redeemed.

SEC. 135. Each shareholder, for every share of stock held in such association, is entitled to receive a loan not exceeding two hundred dollars, such loan to be disposed of by the directors, at stated monthly meetings, to the shareholder who bids the highest premium for the preference or priority of the loan. Whenever a shareholder is entitled by such preference to a loan, he shall give such security for the repayment of the same and interest as the directors deem sufficient, and he shall assign to the association one share of stock for every two hundred dollars or fraction thereof borrowed by him, which stock so assigned shall be held as collateral security for the repayment of such loan. If such shareholder neglects to offer security approved by the directors, within such time as the by-laws provide, he shall be charged with one month's interest on the loan, together with expenses incurred, and the money may be loaned to the next highest bidder or re-sold at the next meeting. In case of non-payment of instalments or interest, by borrowing shareholders, for six months, payment of principal and interest, without deducting premium paid, may be enforced by proceeding on the securities according to law. Loans may be repaid at any time before maturity, and, if before the expiration of eight years from the commencement of the series to which it belongs, one eighth of the premium paid for each of said eight years then unexpired, shall be deducted from the same.

SEC. 136. Any shareholder, who has not received a loan from the association, wishing to withdraw from the same, may do so by giving thirty days' notice of his intention so to do, when he shall be paid the amount that he has paid into the association, and such proportion of the profits as the shareholders may vote, less the amount of any fines and charges; *provided*, that at no time shall more than one half the funds in the treasury be applicable to the demands of withdrawing members, without the consent of the directors. Upon the death of a shareholder, his legal representatives are entitled to receive the full amount paid in, with six per cent. interest on the same, first deducting all fines and charges due thereon; or such representatives may assume and pay future instalments, under the same rights and liabilities as the deceased. The money 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. 137. When no applications are made to borrow the money in the treasury, at any monthly meeting of the directors they may invest such money as they deem for the best interests of the association.

SEC. 138. Minors may hold shares by trustees, and at least two shares of each shareholder are exempt from attachment and execution.