

MAINE STATE LEGISLATURE

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CHAPTER 43
ORGANIZATION

Sec.

- 441. Establishment.
- 442. Branch offices.
- 443. Powers.

§ 441. Establishment

1. Incorporation. Any number of persons, not less than 20, may associate themselves for the purpose of organizing a savings bank in accordance with this Title. All incorporators shall be residents of the State.

2. Certificate of incorporation. Persons so associating themselves shall execute triplicate certificates, to be sent to the commissioner, in which shall be set forth:

- A.** The name of the proposed bank;
- B.** The proposed location of such bank;
- C.** The names, residences and occupations of the proposed incorporators;
- D.** The reasons why such a bank is needed in that location.

3. Notice of intention to organize. A notice of intention to organize such savings bank, signed by all the incorporators, shall be published once a week for 3 consecutive weeks in some newspaper published in the county where said bank is to be located, if any; otherwise, in some newspaper published in an adjoining county. The commissioner shall cause such other notice to be given to banks located within the area to be served by such proposed bank as in his judgment may be necessary.

4. Investigation by commissioner. When any such certificate of incorporation, in proper form, shall have been filed, the commissioner shall thereupon ascertain, by such investigation as he may deem necessary, with or without a public hearing:

- A.** Whether the character, responsibility and general fitness of the persons named in such certificate are such as to command the confidence of the community and to warrant belief that the business of the proposed corporation will be honestly and efficiently conducted;
- B.** That public convenience and advantage will be promoted by the organization of such bank;

C. That such bank has reasonable promise of sufficient volume of deposits for successful operation.

5. Certificate; approval or disapproval by commissioner. After making such determination, the commissioner shall, within 60 days after the filing of the certificate of incorporation, endorse upon each certificate, over his official signature, the word "Approved" or "Disapproved" as the case may be, and shall forthwith notify the proposed incorporators. In the case of approval, one of the triplicate certificates shall be filed by the commissioner in his own office, another with the Secretary of State, and the third shall be returned to the incorporators after they have complied with section 442. Such certificate so returned shall constitute the authorization to commence business.

In case of disapproval, the application may be renewed in the manner provided after a period of not less than one year.

6. Initial surplus fund. The incorporators shall deposit to the credit of the savings bank in cash, as an initial surplus fund, such sum, not less than \$50,000, as the commissioner may require. If the population of the town or city in which such bank is authorized to begin business is in excess of 20,000, the amount of such required surplus shall be not less than \$150,000, and if such population is in excess of 30,000, it shall be not less than \$200,000. The commissioner, in ascertaining the number of inhabitants of such town or city for the purpose of determining the sufficiency of such surplus, may require such proof in addition to the last preceding United States census as he may deem necessary; but no charter, once granted, shall ever be deemed void for any error in computing the population.

Such contributions and such dividends as may be subsequently declared thereon may be returned to the corporators, or their heirs, executors, administrators or assigns, upon the conditions and in the manner provided.

7. Time limit for commencing business. Any corporation which shall not commence business within 6 months after the date on which its approved certificate of organization is issued shall forfeit its rights and privileges as a corporation, and its corporate powers shall cease, which fact the commissioner shall certify to the Secretary of State. The commissioner may, for satisfactory cause to him shown, extend by order for not more than one year the time within which business may be commenced, such order to be so certified and filed as in the case of the organization certificate.

1955, c. 380, § 1.

§ 442. Branch offices

1. Branches. No savings bank shall establish or operate a branch or agency until it shall have received a warrant to do so from the commissioner, who shall issue such warrant only when satisfied that public convenience and advantage will be promoted thereby. The commissioner may require such notice on an application for a branch or agency as he deems proper. No savings bank shall be permitted to establish or operate a branch or agency except within the county of its main office or a county adjoining that of its main office. This limitation shall not prevent a savings bank from establishing or operating a branch or agency in any municipality where there is no bank regularly transacting customary banking business or where a unit bank or branch is taken over. If granted, the commissioner shall issue his warrant in duplicate, one copy to be delivered to the bank and the other to the Secretary of State for record. Within 10 days after opening a branch or agency, the bank shall file with the commissioner a certificate thereof signed by its president or treasurer. The right to open a branch or agency shall lapse at the end of one year from the date of filing the commissioner's warrant with the Secretary of State, unless it shall have been opened and business actually begun in good faith. An application for permission to open a branch or agency shall not be acted upon until the petitioning bank shall have paid to the Treasurer of State the sum of \$200, to be credited and used as provided in section 2. This section shall not apply to branches or agencies authorized and in existence on September 16, 1961.

1961, c. 417, § 150; 1963, c. 162, § 1.

2. Relocation and closing. No branch, agency or main office may be moved to a new location without the prior written consent of the commissioner who shall give such consent if he finds that the proposed move does not create hazardous competitive conditions for existing financial institutions. Any branch or agency may be closed or discontinued with the consent of the commissioner after such public notice, as in his judgment, the public interest may require.

1955, c. 380, § 1; 1961, c. 379, § 1; c. 417, § 150; 1963, c. 162, § 1.

§ 443. Powers

1. Subject to corporation laws and this Title. Each savings bank, lawfully organized, shall be subject, except as other-

wise provided, to the laws of Maine regulating corporations in general. The powers, privileges, duties and restrictions conferred and imposed upon any savings bank, 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 Title. 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.

2. Specific powers. Every savings bank, subject to the restrictions and limitations contained in this Title, shall have the following powers:

- A.** To have perpetual succession by its corporation name;
- B.** To sue and to be sued, complain and defend, in any court;
- C.** To adopt and use a common seal;
- D.** To make and amend bylaws consistent with law for the management of its property and the conduct of its business; within 10 days of the adoption of any bylaws or amendments thereto, the clerk shall file with the commissioner a copy thereof;
- E.** To receive and repay deposits, to lend and invest the same in the manner and upon the conditions prescribed in chapters 41 to 51, to declare dividends in the manner prescribed, and to exercise by its board of trustees or duly authorized officers or agents, subject to law, all such powers as are reasonably incidental to the business of a mutual savings bank;
- F.** To hold real estate in the cities or towns in which such bank or any branches thereof are located, to a total amount not exceeding 5% of its deposits or to an amount not exceeding its reserve fund; but these limitations shall not apply to real estate acquired by the foreclosure of mortgages thereon, or upon judgments for debts or in settlements to secure debts;
- G.** To borrow money within or without the State, when in the judgment of the trustees such action is desirable, subject to such limitations on borrowing as may be prescribed by regulation of the commissioner in accordance with procedure provided in this Title for making regulations;

- H.** To collect promissory notes or bills of exchange;
- I.** To deposit on call in banks or banking associations incorporated under the authority of this State, or the laws of the United States, or in any bank of the Federal Reserve System located anywhere in the United States; and to deposit, subject to the approval of the commissioner, with such banks or banking associations, any securities received as collateral for loans made to any person or corporation without the State;
- J.** To act as agent for the sale of travelers' checks;
- K.** To participate with other lending institutions in the making of loans which savings banks can lawfully make under this Title, to service such loans for themselves and other participants, and to agree to the servicing thereof by any other such participating institutions;
- L.** Any savings bank may, from time to time, issue capital notes or debentures upon such terms and conditions as its trustees may upon a majority vote prescribe, and sell the same to any officer, board, commission, corporation or body created by the Federal Government, or pledge any such capital notes or debentures as security for any loan or loans of money from any such officer, board, commission, corporation or body, and may, from time to time, extend, refund or renew any such capital notes or debentures. Such capital notes or debentures may, in whole or in part or to any degree, be subordinated to claims of the depositors or other creditors of any such savings bank, or be made prior to the claims or interests of depositors in and to the surplus of any such savings bank. No such capital notes or debentures shall be so issued, sold or pledged without the approval of the commissioner. Nothing in this section shall be deemed or construed to require the approval by the commissioner of the acceptance by any such savings bank of such loans, secured or unsecured, from any such officer, board, commission, corporation or body, or other source, as it may from time to time require in the transaction of its business in the usual course;
- M.** To provide for, and rent to its depositors and other persons, safe deposit boxes or other receptacles for the safe-keeping or storage of personal property, subject to general laws and regulations applicable to safe deposit boxes;
- N.** To become a member of the Federal Reserve Bank of the district in which such bank is located, to purchase and

hold so much of the stock of, and assume and discharge such obligations to, such Federal Reserve Bank as may be necessary for that purpose, and to have and exercise all powers, not in conflict with the laws of this State, which may be required of member banks of that system. Such savings bank and its trustees and officers shall continue to be subject to all liabilities and duties imposed upon them by the laws of this State and the provisions of this Title relating to savings banks;

O. To assume and discharge such obligations due to the Federal Deposit Insurance Corporation as may be necessary or required for the purpose of maintaining deposit insurance in such corporation, without otherwise limiting or impairing in any way the authority conferred upon the commissioner under the laws of this State;

P. To become a member of the Federal Home Loan Bank and to purchase and hold the stocks, bonds, debentures and other securities of such bank; to comply with any condition of membership therein, and to have and exercise all rights, powers and privileges, not in conflict with the laws of this State, which are or may be conferred upon any member or borrower by the Federal Home Loan Bank Act and amendments and supplements thereto. Such savings bank and its trustees and officers shall continue to be subject to all liabilities and duties imposed upon them by the laws of this State and all the provisions of this Title relating to savings banks;

Q. To contribute to community funds, or to charitable, philanthropic, educational or benevolent instrumentalities conducive to public welfare, or civic betterment, or the economic advantage of the community, such sums as a majority of the board of trustees may deem expedient;

R. To act as collection agent and to receive and transmit payments made on accounts of quasi-municipal corporations, public utility corporations or nonprofit hospital or medical service corporations, subject to such regulations as the commissioner may prescribe. (1959, c. 5; 1961, c. 179, § 1; 1963, c. 414, § 44.)

1955, c. 380, § 1; 1959, c. 5; 1961, c. 179, § 1; 1963, c. 414, § 44.