

MAINE STATE LEGISLATURE

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CHAPTER 143

ORGANIZATION AND INCORPORATION

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§ 1591. Creation of association

Any number of persons, not less than 20, all of whom shall be residents of this State, may associate themselves in organizing an association in accordance with chapters 141 to 167 for the purpose of promoting thrift and home building and ownership. Associations formed in accordance with chapters 141 to 167 shall be known as Savings and Loan Associations, and the name of every association so formed shall contain as part thereof the words "Savings and Loan" or "Loan and Building".

1961, c. 198, § 1.

§ 1592. Certificates; filing and approval

Persons associating themselves as provided in section 1591 shall execute quadruplicate certificates, to be sent to the commissioner, in which shall be set forth:

1. **Name.** The name of the proposed association;
2. **Location.** The proposed location of such association;
3. **Incorporators.** The names, residences and occupations of the proposed incorporators;
4. **Reasons.** The reasons why such an association is needed in that location.

A notice of intention in form prescribed by the commissioner to organize such association, signed by all the incorporators, shall be published once a week for 3 consecutive weeks in some newspaper published in the municipality where said association is to be located, if any, otherwise in such newspaper as the commissioner may order. The commissioner shall cause such no-

tice to be given to associations within the area to be served by such proposed association and to any other person or corporation as in his judgment may be necessary.

When any such certificate of incorporation, in proper form, shall have been filed with the commissioner and the sum of \$500 shall have been paid to the Treasurer of State for deposit for use of the banking department as provided in section 2, the commissioner shall thereupon ascertain, by such special investigation as he may deem necessary, with or without public hearing: 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 association will be honestly and efficiently conducted; that public convenience and advantage will be promoted by the organization of such association and that such association has reasonable promise of sufficient volume of business for successful operation.

After making such determination, the commissioner shall, within 6 months 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 quadruplicate certificates shall be filed by the commissioner in his own office, the 2nd with the Secretary of State, the 3rd with the register of deeds in the county where the association will have its principal place of business and the 4th shall be returned to the incorporators. Such certificate so returned shall constitute the authorization to commence business.

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

1961, c. 198, § 1; c. 417, § 153.

§ 1593. Capital reserve

As a condition precedent to the approval of any application the incorporators shall execute an agreement to subscribe to and upon the commencement of business pay into an account of the association to be known as the "capital reserve" such amount as the commissioner may require but not less than \$25,000. The form of such agreement shall be approved by the commissioner. Such capital reserve shall be subordinate to the shares and accounts of the members. It shall be used as a guarantee against the impairment of the capital of the association and to the extent

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that it may be necessary for that purpose, losses and expenses of the association shall be charged to it. The account shall not be released to the owners thereof in less than 3 years from the date upon which payment was made into the account. If, thereafter, the commissioner finds that the guaranty fund of the association exceeds the initial contribution or an amount equal to 5% of the association's withdrawable accounts, whichever is greater, he shall permit the excess to be released to the owners thereof as provided, proportionate to the holdings.

The amount paid in by each subscriber to the capital reserve shall be recorded on the books of the association in his name, and shall be evidenced by a certificate in a form approved by the commissioner. The amount standing to the credit of any person in such account may be transferred to another person subject to the conditions of the account. Dividends may be declared upon the amounts standing to the credit of each owner of a proportionate interest in the capital reserve, in accordance with the terms of the association's aforementioned agreement, but not in excess of the maximum rate of dividends paid on members' shares or accounts in the association for the same period. Each owner of a proportionate interest in such capital reserve shall have one vote at any annual or special meeting of the association. Upon release, the amount released may be transferred to shares and accounts in the association in the name of the owner, who shall thereupon be entitled to all the rights and privileges and shall be subject to all of the duties and liabilities of membership.

1961, c. 198, § 1.

§ 1594. Forfeiture for failure to commence business

Any association 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 an association, and its corporate powers shall cease, which fact the commissioner shall certify to the Secretary of State, provided that 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.

1961, c. 198, § 1.

§ 1595. Branch offices

No savings and loan association 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 and loan association 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. If granted, the commissioner shall issue his warrant in duplicate, one copy to be delivered to the association and the other to the Secretary of State for record. Within 10 days after opening a branch or agency, the association 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 association 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. 198, § 1; c. 417, § 154.

§ 1596. Bylaws

Each association shall adopt such bylaws as may be required by chapters 141 to 167 and as it may deem necessary or desirable for the regulation of its business and affairs and for the attainment of its purposes, consistent with chapters 141 to 167 and may change the same from time to time. The original bylaws of any association hereafter incorporated shall be adopted by the incorporators. Changes in the bylaws of an association may be adopted by its board of directors or by its members and upon such notice and in such form as the bylaws shall provide. Within 10 days of the adoption of any bylaws or amendments thereto, the secretary shall file with the commissioner a copy thereof.

1961, c. 198, § 1.

§ 1597. Relocation; closing of branch or agency

No branch, agency or main office may be moved to a new location without the prior written consent of the commissioner

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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 after such public notice, as in the judgment of the commissioner, the public interest may require.

1961, c. 198, § 1.

§ 1598. Change of name

An association may, with the approval of the commissioner, change its name by a vote of its members or by $\frac{2}{3}$ vote of its board of directors if the bylaws of the association permit a change of bylaws by the directors. A certificate signed by the president and secretary setting forth the former name and the new name and that it was so adopted by a vote of the members or the board at a meeting held at a date specified in the certificate shall be filed with the commissioner, the Secretary of State and the register of deeds in the county where the principal office is located. The name so certified shall from the time of filing the certificate with the Secretary of State be the corporate title of the association. All deeds, mortgages, contracts, actions, judgments, transactions, proceedings and records made, received, entered into, carried on, or done by an association before the adoption of the certification of a change of name, but wherein the association is called by the name so subsequently adopted, shall be as valid as if the association were called therein by the name set forth in its original certificate of incorporation.

1961, c. 198, § 1.