

§324. Corporate finance

1. Initial capital deposits.

A. The initial capital deposits required under section 323, subsection 4, for commencing business shall be paid into an account of the institution known as the "capital reserve" account. [PL 1975, c. 500, §1 (NEW).]

B. The institution shall record on its books the amount which each capital depositor has contributed to such capital reserve and such amounts shall be evidenced by a certificate issued to the contributor thereof. [PL 1975, c. 500, §1 (NEW).]

C. Dividends or interest may be paid 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 deposit agreement, but in no event shall such dividends or interest be in excess of the maximum rate paid on shares or accounts of the institution for the same period. [PL 1975, c. 500, §1 (NEW).]

D. The capital reserve established pursuant to this section shall be used as a guarantee against losses, contingencies and impairments of capital, and all losses and expenses not otherwise absorbed shall be charged against it until such time as the conditions in subsection 2 are met; provided that the amount credited to each contributor shall be reduced only by its proportionate share of such losses or expenses. [PL 1975, c. 500, §1 (NEW).]

E. The capital reserve shall be subordinate to all other deposits or share accounts of the institution. [PL 1975, c. 500, §1 (NEW).]

F. The capital contribution standing to the credit of each capital depositor in the capital reserve of the institution shall be transferable, together with any interest or dividends credited thereon, subject to the conditions and restrictions of this section. [PL 1975, c. 500, §1 (NEW).]
[PL 1975, c. 500, §1 (NEW).]

2. Return of initial capital deposit. The initial capital deposits, together with any dividends or interest credited thereon, may be returned, pro rata, to the contributors, or their heirs, executors, administrators or assigns, subject to the following conditions and limitations:

A. Prior to return of all or part of the initial capital reserve, the institution shall obtain the superintendent's approval for such return; [PL 1975, c. 500, §1 (NEW).]

B. A return of all or part of the capital reserve may not reduce the institution's capital below the greater of the total initial capital contributions or the minimum amount prescribed by the superintendent in accordance with section 412-A; [PL 1997, c. 398, Pt. D, §9 (AMD).]

C. Upon release and return, the contributor's proportionate share of the amount to be returned must be credited in the contributor's name to a share account or deposit in the institution, and the contributor is then entitled to all rights and privileges, and is subject to all duties and liabilities, connected with that share account or deposit; [RR 2025, c. 1, Pt. D, §21 (COR).]

D. In the event of the liquidation of an institution before such contributions have been repaid in full, any portion of such contributions not required for the repayment of the expenses and the payment of creditors and other depositors in full, pursuant to section 365, may be repaid pro rata to the initial capital depositors. [PL 1975, c. 500, §1 (NEW).]
[RR 2025, c. 1, Pt. D, §21 (COR).]

3. Capital debentures as capital reserve. Subject to prior approval of the superintendent, a financial institution may issue capital notes or debentures, the proceeds from the sale of which may be used in lieu of capital deposits to establish part of the capital reserve required in subsection 1, provided that:

A. Such capital notes or debentures are issued pursuant to section 413; [PL 1975, c. 500, §1 (NEW).]

B. Such notes or debentures are subject to conditions governing the repayment of principal and interest which are comparable to the requirements governing return of initial capital deposits as set forth in subsection 2; and [PL 1975, c. 500, §1 (NEW).]

C. Repayment of the principal amount of such capital notes or debentures issued pursuant to this section shall have priority over the return of any initial capital deposits in the capital reserve account pursuant to subsection 2. [PL 1975, c. 500, §1 (NEW).]

[PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1997, c. 398, §D9 (AMD). RR 2025, c. 1, Pt. D, §21 (COR).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Special Session of the 132nd Maine Legislature and is current through October 1, 2025. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.