

BUREAU OF BANKING

Department of Professional and Financial Regulation

State of Maine

December 23, 1975

BULLETIN #7 HONORARY DIRECTORS

To the Chief Executive Officer Addressed:

The questions has been raised whether corporators or directors of a financial institution, upon reaching the mandatory retirement age required by statute, policy or by-laws of such institution, may be appointed honorary corporators or directors. The new Code is silent on this question.

It is the opinion of the Bureau that financial institutions may designate or appoint honorary directors or corporators as long as these persons do not have any right to vote. These persons would be permitted to attend meetings and otherwise participate in activities of the institution.

Persons who are honorary directors or corporators of one financial institution would not be permitted to serve as a director, corporator or officer of any other financial institution in this State. The Bureau believes that a person serving in such a dual role would provide essentially the same information link between two institutions as if such person were a voting member of both institutions. For this reason, the Bureau takes the position that honorary officials are subject to the same prohibition on interlocking positions under 9-B M.R.S.A. § 462 as are voting officers, directors or corporators of financial institutions.

/s/ Ralph H. Gelder
Superintendent