WEST VIRGINIA CODE: §31A-8-4

§31A-8-4. Change in control of banking institution; loans on bank stocks; required procedures; prohibitions; penalties.

(a) Whenever a change occurs with respect to the outstanding voting stock of any banking institution which will result in control or in a change in the control of such banking institution, the president or other chief executive officer of such bank shall promptly report such facts to the commissioner of banking upon obtaining knowledge of such change. As used in this subsection, the term "control" means the power to directly or indirectly direct or cause the direction of the management or policies of the banking institution. A change in ownership of voting stock which would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of less than ten percent of the outstanding voting stock shall not be considered a change of control. If there is any doubt as to whether a change with respect to the outstanding voting stock is sufficient to result in control thereof or to effect a change in the control thereof, such doubt shall be resolved in favor of reporting the facts to the commissioner.

(b) Whenever a banking institution makes a loan or loans, secured, or to be secured, by twenty-five percent or more of the outstanding voting stock of another banking institution, the president or other chief executive officer of the lending bank shall promptly report such fact to the commissioner of banking upon obtaining knowledge of such loan or loans, except that no report need be made in those cases where the borrower has been the owner of record of the stock for a period of one year or more, or the stock is that of a newly organized bank prior to its opening.

(c) The reports required by this section shall contain the following information to the extent that it is known by the person making the report: (1) the number of shares involved, (2) the names and addresses of the sellers (or transferors), (3) the names and addresses of the purchasers (or transferees), (4) the names and addresses of the beneficial owners if the shares are registered in another name, (5) the purchase price, (6) the total number of shares owned by the sellers (or transferors), the purchasers (or transferees) and the beneficial owners both immediately before and after the transaction, and in the case of a loan, (7) the name and address of the borrower, (8) the amount of the loan, and (9) the name of the banking institution issuing the stock securing the loan and the number of shares securing the loan. In addition to the foregoing, such reports shall contain such other information as may be available to inform the commissioner of the effect of the transaction upon control of the bank whose stock is involved.

(d) Whenever such a change as described in subsection (a) of this section occurs, such banking institution shall report promptly to the commissioner any changes or replacements of its chief executive officer or of any director which occur in the next twelve-month period, including in its report a statement of the past and current business and professional affiliations of the new chief executive officer or directors thereof.

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(e) It shall be unlawful for any person to purchase or acquire the stock in any banking institution for purposes of transferring, selling, lending, investing or otherwise disposing of properties, funds, securities or other assets of the institution in any manner jeopardizing or imperiling the institution's financial condition.

(f) Any person who violates any provision of this section shall be guilty of a misdemeanor and, be subject to the penalties provided in section fifteen of this article.

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