WEST VIRGINIA CODE: §31A-8-5

§31A-8-5. Dealing in own stock; stock purchases; limitations; exceptions.

(a) No banking institution shall make any loan or discount any obligation on the security of the shares of its own capital stock, unless taken as a pledge to prevent loss upon a debt previously contracted lawfully and in good faith; and all shares of its stock, held in such manner, shall, within six months after the time of the pledge, be sold or disposed of at public or private sale.

(b) A banking institution may purchase its equity securities in an amount up to ten percent of its net worth in any twelve-month period or restructure its ownership interests for a legitimate corporate purpose without the prior approval of the commissioner, so long as the bank remains well-capitalized under federal regulatory guidelines before and after the purchase or restructuring, the bank is well-managed, the bank is not the subject of any unresolved supervisory issues and the transaction does not constitute a change in control of the banking institution that must be reported pursuant to section four of this article. The banking institution must apply for approval for the purchase of equity securities, on a form prescribed by the commissioner, if the gross consideration for the purchase, when aggregated with the net consideration paid by the banking institution for all such purchases during the preceding twelve months, is equal to ten percent or more of the bank's net worth. For purposes of this section, "net consideration" is the gross consideration paid by the banking institution for all of its equity securities purchased during the period minus the gross consideration received for all of its equity securities sold during the period. The commissioner shall approve or deny the application after considering whether the proposed purchase would constitute an unsafe or unsound practice.

(c) Any banking institution and any officer thereof who violates any provision of this section shall be guilty of a misdemeanor and, subject to penalties provided in section fifteen of this article.

WV Legislature