

WEST VIRGINIA CODE: §31C-6-10

§31C-6-10. Reduction in shares.

(a) Whenever the losses of any credit union, resulting from a depreciation in value of its loans or investments or otherwise, exceed the aggregate of its undivided earnings, reserves and membership shares if any, so that the estimated value of its assets is less than the total amount of share accounts, and the board of directors determines that the credit union may be subject to involuntary liquidation, the credit union board may propose a reduction in shares. The credit union may by a three-fourths majority vote of those voting on the proposition order a reduction in the share accounts of each of its shareholders to divide the loss in proportion to the shareholdings held by shareholders in their respective share accounts.

(b) If the credit union thereafter realizes from such assets a greater amount than was fixed by the order of reduction, such excess shall be proportionately restored to the shareholders whose assets were reduced, but only to the extent of such reduction.