WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1939

ENROLLED

HOUSE BILL No. 213

(By Mr. White)

PASSED March 2, 1939

In Effect from Passage
AN ACT to amend and reenact section sixteen, article four, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, relating to liability of stockholders of banking institutions.

Be it enacted by the Legislature of West Virginia:

That section sixteen, article four, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, be amended and reenacted to read as follows:

Section 16. Liability of Stockholders. Each stockholder of any banking institution, organized under the laws of this state, in addition to the liability imposed upon him as a stockholder of a corporation under the provisions of article one of this chapter, shall be liable to the creditors of the banking institution, on obligations accruing while he is a
shareholder, to an amount equal to the par value of the
shares of stock held by him; and no sale or transfer of the
shares of stock made by any such stockholder, after the
liability of the banking institution originated or accrued,
shall relieve the stockholder from the liability imposed by this
section. Any proceeding in equity to enforce the liability
of stockholders imposed by this section may be prosecuted
severally against any one stockholder or jointly against any
numbers of stockholders: Provided, That the additional lia-
bility imposed upon such stockholders by this section shall
not apply on and after the first day of July, one thousand
nine hundred thirty-nine, with respect to any such institu-
tion, so long as such institution, in pursuance of the pro-
visions of chapter seventeen, acts of the Legislature, one
thousand nine hundred thirty-five, has its deposits insured
by the federal deposit insurance corporation, or by any other
similar federal instrumentality that may be hereafter created.
provided there shall be such instrumentality in existence and
available for the purpose: Provided further, That such ad-
ditional liability shall not apply on and after the first day
of July, one thousand nine hundred thirty-nine, with respect
to any banking institution from and after the time it shall
obtain from the commissioner of banking a certificate setting
forth that such institution has, as ascertained by him, an
unimpaired surplus equal to at least fifty per cent of the
authorized capital of such institution. Upon application by
any banking institution to the commissioner of banking for
such certificate, the commissioner shall ascertain whether such
institution has in fact such unimpaired surplus, and if such
unimpaired surplus be found by him to exist, then he shall
issue such certificate. If impairment of such surplus shall
thereafter occur, such impairment shall not impose further or
additional liability upon the stockholders of such institu-
tion: and Provided further, That not less than three months
prior to the first day of July, one thousand nine hundred
thirty-nine, such institution shall have caused notices of such
prospective termination of liability to be published in a news-
paper published in the city, town, or county in which such
institution is located, and if no newspaper is published in
such city, town, or county, then in a newspaper of general
circulation therein. If the institution fail to give such no-
tice, as and when above provided, a termination of such ad-
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49 ditional liability may thereafter be accomplished as of the
50 date three months subsequent to publication of the notice in
51 the manner above provided.

52 Nothing in this section shall affect or impair the authority
53 of the officers and directors of a banking institution to cause
54 to be made good any impairment of the capital of such in-
55 stitution, under the provisions of section fourteen, article
56 eight of this chapter.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the House of Delegates

Takes effect from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 9th day of March, 1933.

Governor.

Filed in the office of the Secretary of State of West Virginia MAR 9 1933

Wm. S. O'Brien,
Secretary of State