

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1939



ENROLLED

HOUSE BILL No. 213

(By Mr. White)



PASSED March 7, 1939

In Effect from Passage

213

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
2 of any banking institution, organized under the laws of this
3 state, in addition to the liability imposed upon him as a
4 stockholder of a corporation under the provisions of article
5 one of this chapter, shall be liable to the creditors of the
6 banking institution, on obligations accruing while he is a

7 shareholder, to an amount equal to the par value of the
8 shares of stock held by him; and no sale or transfer of the
9 shares of stock made by any such stockholder, after the
10 liability of the banking institution originated or accrued,
11 shall relieve the stockholder from the liability imposed by this
12 section. Any proceeding in equity to enforce the liability
13 of stockholders imposed by this section may be prosecuted
14 severally against any one stockholder or jointly against any
15 numbers of stockholders: *Provided*, That the additional lia-
16 bility imposed upon such stockholders by this section shall
17 not apply on and after the first day of July, one thousand
18 nine hundred thirty-nine, with respect to any such institu-
19 tion, so long as such institution, in pursuance of the pro-
20 visions of chapter seventeen, acts of the Legislature, one
21 thousand nine hundred thirty-five, has its deposits insured
22 by the federal deposit insurance corporation, or by any other
23 similar federal instrumentality that may be hereafter created,
24 provided there shall be such instrumentality in existence and
25 available for the purpose: *Provided further*, That such ad-
26 ditional liability shall not apply on and after the first day
27 of July, one thousand nine hundred thirty-nine, with respect

28 to any banking institution from and after the time it shall
29 obtain from the commissioner of banking a certificate setting
30 forth that such institution has, as ascertained by him, an
31 unimpaired surplus equal to at least fifty per cent of the
32 authorized capital of such institution. Upon application by
33 any banking institution to the commissioner of banking for
34 such certificate, the commissioner shall ascertain whether such
35 institution has in fact such unimpaired surplus, and if such
36 unimpaired surplus be found by him to exist, then he shall
37 issue such certificate. If impairment of such surplus shall
38 thereafter occur, such impairment shall not impose further or
39 additional liability upon the stockholders of such institu-
40 tion: and *Provided further*, That not less than three months
41 prior to the first day of July, one thousand nine hundred
42 thirty-nine, such institution shall have caused notices of such
43 prospective termination of liability to be published in a news-
44 paper published in the city, town, or county in which such
45 institution is located, and if no newspaper is published in
46 such city, town, or county, then in a newspaper of general
47 circulation therein. If the institution fail to give such no-
48 tice, as and when above provided, a termination of such ad-

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.

E. Wiseman
.....
Chairman Senate Committee

John B. Walter
.....
Chairman House Committee

Originated in the *House of Delegates*.....

Takes effect *from*..... passage.

Charles Brinkley
.....
Clerk of the Senate

W. S. Hall
.....
Clerk of the House of Delegates

Wm. B. ...
.....
President of the Senate

James T. Thomas
.....
Speaker House of Delegates

The within *approved*..... this the *9th*.....

day of *March*....., 1933.

James G. ...
.....

Governor. 

Filed in the office of the Secretary of State
of West Virginia. **MAR 9 1933**
Wm. S. O'BRIEN,
Secretary of State