## WEST VIRGINIA LEGISLATURE

**REGULAR SESSION, 1965** 

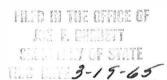
## ENROLLED

HOUSE BILL No. 990

(By Mr. Frages)

PASSED March (2) 1965

In Effect 72 instenciones pum Passage



17 990

## ENROLLED House Bill No. 990

(By Mr. Frazer)

[Passed March 13, 1965; in effect ninety days from passage.]

AN ACT to amend and reenact section six-b, article four, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the sale of capital notes or debentures by banking institutions.

Be it enacted by the Legislature of West Virginia:

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

## Article 4. Banking Institutions.

Section 6-b. Sale of Capital Notes or Debentures.-

2 With the approval of the state banking commissioner any

- 3 banking institution may at any time through action of its
- 4 board of directors and without requiring any action of its
- 5 stockholders issue and sell its capital notes or debentures.
- 6 Such capital notes or debentures shall be subordinate
- 7 and subject to the claims of depositors and may be sub-
- 8 ordinated and subjected to the claims of other creditors.
- 9 The term "capital" as used in the laws of this state
- 10 relating to banking shall be construed to embrace the
- 11 amount of outstanding capital notes and debentures leg-
- 12 ally issued by any banking institution. The capital stock
- 13 of any such banking institution may be deemed to be
- 14 unimpaired when the amount of such capital notes and
- 15 debentures as represented by cash or sound assets exceeds
- 16 the impairment as found by the state banking commis-
- 17 sioner. Before any such capital notes or debentures are
- 18 retired or paid by the bank any existing deficiency of its
- 19 capital (disregarding the notes or debentures to be re-
- 20 tired) must be paid in cash, to the end that the sound
- 21 capital assets shall at least equal the capital stock of the
- 22 bank.
- 23 Such capital notes or debentures shall in no case be

- 24 subject to any assessment. The holders of such capital
- 25 notes or debentures shall not be held individually re-
- 26 sponsible as such holders for any debts, contracts, or en-
- 27 gagements of such institution, and shall not be held liable
- 28 for assessments to restore impairments in the capital of
- 29 such institution.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.
O. Ray Farder
Chairman Senate Committee
Jomes W. Loop Chairman House Committee
Originated in the House.
Takes effect ninety days from passage.
Thomas Huger
Clerk of the Senate
Ca Blankenship
Clerk of the House of Delegates
Vaurandle Carso
President of the Senate
A. Salan To hite
Speaker House of Delegates
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The within approved this the 19
day of March, 1965.
Hulett C. Frank
Governor