WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 2002

ENROLLED

COMMITTEE SUBSTITUTE
FOR
House Bill No. 4426

(By Delegates R. M. Thompson, H. White, Kominar and Harrison)

Passed March 8, 2002

In Effect Ninety Days from Passage
ENROLLED

COMMITTEE SUBSTITUTE

FOR

H. B. 4426

(by delegates R. M. Thompson, H. White, Kominar and Harrison)

[Passed March 8, 2002; in effect ninety days from passage.]

AN ACT to amend chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article four-a, relating to the conversion of national banks to state-chartered banks; establishing a procedure for the conversion; and declaring a continuity of entity, assets and obligations from the national charter to the state charter.

Be it enacted by the Legislature of West Virginia:

That chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article four-a to read as follows:

ARTICLE 4A. CONVERSION OF NATIONAL BANKS TO STATE-CHARTERED BANKS.
§31A-4A-1. Conversion of national bank into state bank authorized.

Any bank organized under the laws of the United States may, by a majority vote of the directors of the bank, convert into a state bank with any name approved by the board of banking and financial institutions in accordance with this article.

§31A-4A-2. Procedure for conversion of national bank into state bank.

(a) A national bank converting its charter to become a state bank shall file an application with the division on a form prescribed by the commissioner along with articles of incorporation, by-laws for the proposed state bank and a check for two thousand five hundred dollars. The application shall declare that a majority of the national bank’s board of directors has authorized the representatives of the bank to make such application and to convert the national bank into a state bank.

(b) The application to convert to a state bank shall be subject to the same requirements and procedures as established for a newly organizing state bank at sections five, six and seven, article four of this chapter.

(c) The examination and investigation by the board of banking and financial institutions pursuant to section six, article four of this chapter shall include an examination of the safety and soundness of the applicant national bank. The scope of the examination shall be determined at the discretion of the commissioner.

§31A-4A-3. Effect of conversion of national bank into state bank.

(a) When the board of banking and financial institutions has given to the bank an order that the provisions of this article
have been complied with, the bank and all its stockholders, officers and employees shall have the same powers and privileges and shall be subject to the same duties, liabilities and regulations, in all respects, as shall have been prescribed for banks originally organized as banking corporations under the laws of West Virginia.

(b) At the time when such conversion of the national bank into a state bank, under the charter of the latter, becomes effective, all the property of the national bank, including all its rights, title and interest in and to all property of whatsoever kind, whether real, personal or mixed, and things in action, and every right, privilege, interest and asset of any conceivable value or benefit then existing, belonging or appertaining to it or which would inure to it, shall immediately, by act of law and without any conveyance or transfer and without any further act or deed, be vested in and become the property of the state bank, which shall have, hold and enjoy the same in its own right as fully and to the same extent as if the same were possessed, held and enjoyed by the national bank.

(c) Upon such conversion becoming effective, the state bank shall be considered to be a continuation of the entity and of the identity of the national bank and all the rights, obligations and relations of the national bank to or in respect to any person, estate, creditor, depositor, trustee or beneficiary of any trust shall remain unimpaired. The state bank, as of the time the conversion takes place, shall succeed to all such rights, obligations, relations and trusts and the duties and liabilities connected therewith and shall execute and perform each and every trust or relation in the same manner as if the state bank had itself originally assumed the trust or relation, including the obligations and liabilities connected therewith.

(d) Any reference to the national bank in any contract, will or document shall be considered a reference to the state bank
unless expressly provided to the contrary in the contract, will or
document.

§31A-4A-4. Filing of incorporation.

After the board of banking and financial institutions issues
an order granting a state charter to the converting national bank,
the bank shall file in the office of the secretary of state a
certificate of incorporation in compliance with the applicable
provisions of chapter thirty-one of this code and section five,
article four of this chapter.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within bill is approved, this the 21st day of ______, 2002.

Governor