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OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 2002



ENROLLED

COMMITTEE SUBSTITUTE
FOR

House Bill No. 4543

(By Delegates R. M. Thompson and H. White)



Passed March 9, 2002

In Effect Ninety Days from Passage

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H. B. 4543

(BY DELEGATES R. M. THOMPSON AND H. WHITE)

[Passed March 9, 2002; in effect ninety days from passage.]

AN ACT to amend and reenact section eight, article four, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to frequency of meetings of bank directors.

Be it enacted by the Legislature of West Virginia:

That section eight, article four, chapter thirty-one-a 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 AND SERVICES GENERALLY.

§31A-4-8. Directors, their qualifications and oaths.

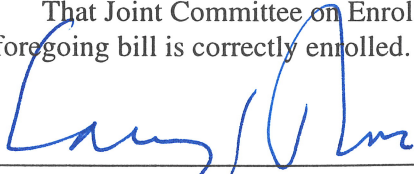
- 1 For every state-chartered banking institution there shall be
- 2 a board of not less than five nor more than twenty-five direc-

3 tors, who shall meet at least once each month and who shall
4 have power to do, or cause to be done, all things that are proper
5 to be done by the banking institution; and a majority of whom
6 shall at all times be United States citizens and residents of this
7 state: *Provided*, That the commissioner of banking, upon
8 application from banking institutions with deposits greater than
9 five hundred million dollars, may issue a waiver from the
10 minimum number of meeting requirements established by this
11 section and allow no fewer than four quarterly meetings for
12 such institutions: *Provided, however*, That at least four of the
13 board of directors meetings of any state-chartered banking
14 institution shall be held within the state of West Virginia. Every
15 such director shall own capital stock in the banking institution
16 of which he is a director. Said director must own shares in the
17 aggregate par value of not less than five hundred dollars, an
18 exception being that if a bank holding company has control of
19 that banking institution, shares owned by a director of the
20 subsidiary bank in the controlling bank holding company will
21 satisfy the requirements of this section: *Provided*, That the
22 director owns, in his own right, common or preferred stock of
23 the controlling bank holding company in an amount equal to or
24 greater than any one of the following: (i) Aggregate par value
25 of five hundred dollars; (ii) aggregate shareholders' equity of
26 five hundred dollars; or (iii) aggregate fair market value of five
27 hundred dollars. Determination of the fair market value of the
28 controlling bank holding company's stock shall be based upon
29 the value of that stock on the date it was purchased or on the
30 date the person became a director, whichever is greater. If a
31 bank holding company controls more than one bank subsidiary,
32 a director owning at least five hundred dollars of the shares of
33 a bank holding company is qualified, if otherwise permitted by
34 applicable law, to serve as a director of every bank subsidiary
35 controlled by that bank holding company. Before entering on
36 the discharge of his duties as such director, he shall take an oath
37 that he will, so far as the duty devolves upon him, diligently and

38 honestly administer the affairs of the banking institution, and
39 that he will not knowingly or willingly permit to be violated
40 any of the provisions of the laws of this state relative to banking
41 and banking institutions, and that the stock standing in his name
42 upon the books of the banking institution is not hypothecated or
43 pledged in any way as security for loans obtained from or debts
44 owing to the banking institution of which he is a director, and
45 that the number of shares necessary to qualify a stockholder to
46 be a director are not now, and shall not at any time while he
47 serves as a director be pledged or hypothecated in any manner
48 for any debt or obligation of the director, or any other person;
49 which oath subscribed by him and certified by the officer before
50 whom it was taken shall be filed and preserved in the office of
51 the commissioner of banking. Should a director fail to subscribe
52 to or renew the oath herein provided within sixty days after
53 notice of his election or re-election, or at any time after
54 qualifying as such, sell or dispose of, or in any manner hypothe-
55 cate or pledge as security for a debt or obligation, such qualify-
56 ing shares, or any number thereof, necessary for his qualifica-
57 tion, thereupon the remaining directors shall elect another
58 director in his stead. No person shall serve as a director of any
59 banking institution who has evidenced personal dishonesty and
60 unfitness to serve as such director by his conduct or practice
61 with another financial institution which resulted in a substantial
62 financial loss or damage thereto or who has been convicted of
63 any crime involving personal dishonesty.

Enr. Com. Sub. for H. B. 4543] 4

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.



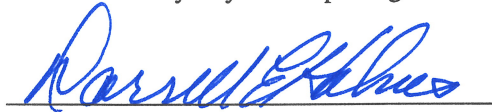
Chairman Senate Committee



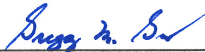
Chairman House Committee

Originating in the House.

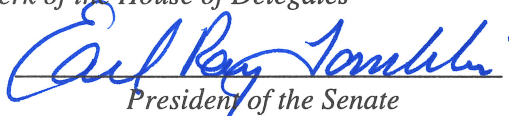
In effect ninety days from passage.



Clerk of the Senate



Clerk of the House of Delegates

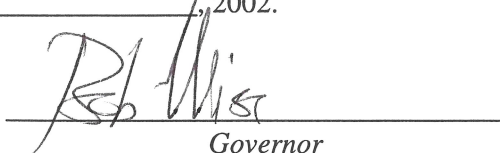


President of the Senate



Speaker of the House of Delegates

The within is approved this the 2nd
day of April, 2002.



Governor

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