WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 2002

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ENROLLED

COMMITTEE SUBSTITUTE
FOR
House Bill No. 4543

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

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Passed March 9, 2002

In Effect Ninety Days from Passage
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COMMITTEE SUBSTITUTE

FOR

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 a board of not less than five nor more than twenty-five direc-
tors, who shall meet at least once each month and who shall have power to do, or cause to be done, all things that are proper to be done by the banking institution; and a majority of whom shall at all times be United States citizens and residents of this state: Provided, That the commissioner of banking, upon application from banking institutions with deposits greater than five hundred million dollars, may issue a waiver from the minimum number of meeting requirements established by this section and allow no fewer than four quarterly meetings for such institutions: Provided, however, That at least four of the board of directors meetings of any state-chartered banking institution shall be held within the state of West Virginia. Every such director shall own capital stock in the banking institution of which he is a director. Said director must own shares in the aggregate par value of not less than five hundred dollars, an exception being that if a bank holding company has control of that banking institution, shares owned by a director of the subsidiary bank in the controlling bank holding company will satisfy the requirements of this section: Provided, That the director owns, in his own right, common or preferred stock of the controlling bank holding company in an amount equal to or greater than any one of the following: (i) Aggregate par value of five hundred dollars; (ii) aggregate shareholders’ equity of five hundred dollars; or (iii) aggregate fair market value of five hundred dollars. Determination of the fair market value of the controlling bank holding company’s stock shall be based upon the value of that stock on the date it was purchased or on the date the person became a director, whichever is greater. If a bank holding company controls more than one bank subsidiary, a director owning at least five hundred dollars of the shares of a bank holding company is qualified, if otherwise permitted by applicable law, to serve as a director of every bank subsidiary controlled by that bank holding company. Before entering on the discharge of his duties as such director, he shall take an oath that he will, so far as the duty devolves upon him, diligently and
honestly administer the affairs of the banking institution, and
that he will not knowingly or willingly permit to be violated
any of the provisions of the laws of this state relative to banking
and banking institutions, and that the stock standing in his name
upon the books of the banking institution is not hypothecated or
pledged in any way as security for loans obtained from or debts
owing to the banking institution of which he is a director, and
that the number of shares necessary to qualify a stockholder to
be a director are not now, and shall not at any time while he
serves as a director be pledged or hypothecated in any manner
for any debt or obligation of the director, or any other person;
which oath subscribed by him and certified by the officer before
whom it was taken shall be filed and preserved in the office of
the commissioner of banking. Should a director fail to subscribe
to or renew the oath herein provided within sixty days after
notice of his election or re-election, or at any time after
qualifying as such, sell or dispose of, or in any manner hypothe-
cate or pledge as security for a debt or obligation, such qualify-
ing shares, or any number thereof, necessary for his qualifica-
tion, thereupon the remaining directors shall elect another
director in his stead. No person shall serve as a director of any
banking institution who has evidenced personal dishonesty and
unfitness to serve as such director by his conduct or practice
with another financial institution which resulted in a substantial
financial loss or damage thereto or who has been convicted of
any crime involving personal dishonesty.
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 approval this the day of , 2002.

Governor