

SB 424

FILED

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**WEST VIRGINIA LEGISLATURE**

WEST VIRGINIA  
SECRETARY OF STATE

**SEVENTY-NINTH LEGISLATURE**

**REGULAR SESSION, 2009**

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**ENROLLED**

**Senate Bill No. 424**

(BY SENATORS MINARD AND JENKINS)

[Passed April 9, 2009; in effect ninety days from passage.]

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**Senate Bill No. 424**

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AN ACT to amend and reenact §31A-4A-1, §31A-4A-2, §31A-4A-3 and §31A-4A-4 of the Code of West Virginia, 1931, as amended, all relating to the conversion of banks and other financial institutions to a West Virginia state-chartered bank; and allowing any bank, thrift or credit union organized under the laws of the United States or any other state to convert into a state-chartered bank.

*Be it enacted by the Legislature of West Virginia:*

That §31A-4A-1, §31A-4A-2, §31A-4A-3 and §31A-4A-4 of the Code of West Virginia, 1931, as amended, be amended and reenacted, all to read as follows:

**ARTICLE 4A. CONVERSION OF OTHER FINANCIAL INSTITUTIONS TO STATE-CHARTERED BANKS.**

**§31A-4A-1. Conversion of bank, thrift or credit union into state bank authorized.**

1 Any bank, thrift or credit union organized under the  
2 laws of the United States or any other state may, by a  
3 majority vote of its directors or other governing body,  
4 convert into a state bank with any name approved by the  
5 Board of Banking and Financial Institutions in accordance  
6 with this article.

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

1 (a) A converting institution shall file an application with  
2 the division on a form prescribed by the commissioner  
3 along with articles of incorporation, bylaws for the  
4 proposed state bank and a check for \$2,500. The applica-  
5 tion shall declare that a majority of the converting institu-  
6 tion's board of directors or other governing body has  
7 authorized the representatives of the converting institu-  
8 tions to make such application and to convert into a state  
9 bank.

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

15 (c) The examination and investigation by the Board of  
16 Banking and Financial Institutions pursuant to section six,  
17 article four of this chapter shall include an examination of  
18 the safety and soundness of the applicant. The scope of  
19 the examination shall be determined at the discretion of  
20 the commissioner.

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

1 (a) When the Board of Banking and Financial Institu-  
2 tions has provided the converting institution an order that  
3 this article has been complied with, the converting institu-  
4 tion and all its stockholders or members, officers and

5 employees shall have the same powers and privileges and  
6 duties, liabilities and regulations as shall have been  
7 prescribed for banks originally organized under the laws  
8 of West Virginia.

9 (b) At the time when such conversion into a state bank  
10 becomes effective, all the property of the converting  
11 institution, including all its rights, title and interest in and  
12 to all property of whatsoever kind, whether real, personal  
13 or mixed, and things in action, and every right, privilege,  
14 interest and asset of any conceivable value or benefit then  
15 existing, belonging to it or which would inure to it, shall  
16 immediately, by act of law and without any conveyance or  
17 transfer and without any further act or deed, become the  
18 property of the state bank, which shall have in its own  
19 right as fully and to the same extent as if the same were  
20 possessed, held and enjoyed by the converting institution.

21 (c) Upon such conversion becoming effective, the state  
22 bank shall be considered to be a continuation of the entity  
23 and of the identity of the converting institution and all the  
24 rights, obligations and relations of the converting institu-  
25 tion to or in respect to any person, estate, creditor, deposi-  
26 tor, trustee or beneficiary of any trust shall remain  
27 unimpaired. The state bank, as of the time the conversion  
28 takes place, shall succeed to all such rights, obligations,  
29 relations and trusts and the duties and liabilities con-  
30 nected therewith and shall execute and perform each and  
31 every trust or relation in the same manner as if the state  
32 bank had itself originally assumed the trust or relation,  
33 including the obligations and liabilities connected there-  
34 with.

35 (d) Any reference to the converting institution in any  
36 contract, will or document shall be considered a reference  
37 to the state bank unless expressly provided to the contrary  
38 in the contract, will or document.

**§31A-4A-4. Filing of incorporation or organization.**

1 After the Board of Banking and Financial Institutions  
2 issues an order granting a state charter to the converting  
3 institution, the bank shall file in the office of the Secretary  
4 of State a certificate of incorporation in compliance with  
5 chapter thirty-one-d of this code or articles of organiza-  
6 tion in compliance with chapter thirty-one-b of this code  
7 as applicable under section five, article four of this  
8 chapter.

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

*[Signature]*  
.....  
Chairman Senate Committee

*[Signature]*  
.....  
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

*[Signature]*  
.....  
Clerk of the Senate

*[Signature]*  
.....  
Clerk of the House of Delegates

*[Signature]*  
.....  
President of the Senate

*[Signature]*  
.....  
Speaker House of Delegates

The within *is approved* ..... this the *30<sup>th</sup>* .....  
Day of *April* ....., 2009.

*[Signature]*  
.....  
Governor

PRESENTED TO THE  
GOVERNOR

APR 27 2009

Time 2:15 pm