



1 the banking institution; and a majority of whom shall at all times  
2 be United States citizens and ~~residents of~~ reside either within  
3 this state or within one hundred miles of any physical office of  
4 the banking institution: *Provided,* That the Commissioner of  
5 Banking, upon application from banking institutions with deposits  
6 greater than \$500 million, ~~dollars~~ may issue a waiver from the  
7 minimum number of meeting requirements established by this section  
8 and allow no fewer than four quarterly meetings for such  
9 institutions: *Provided, however,* That at least four of the board  
10 of directors meetings of any state-chartered banking institution  
11 shall be held within the State of West Virginia. Every such  
12 director shall own capital stock in the banking institution of  
13 which he or she is a director. Said director must own shares in  
14 the aggregate par value of not less than \$500, an exception being  
15 that if a bank holding company has control of that banking  
16 institution, shares owned by a director of the subsidiary bank in  
17 the controlling bank holding company will satisfy the requirements  
18 of this section: *Provided further,* That the director owns, in his  
19 or her own right, common or preferred stock of the controlling bank  
20 holding company in an amount equal to or greater than any one of  
21 the following: (i) Aggregate par value of \$500; (ii) aggregate  
22 shareholders' equity of \$500; or (iii) aggregate fair market value  
23 of \$500. Determination of the fair market value of the controlling

1 bank holding company's stock shall be based upon the value of that  
2 stock on the date it was purchased or on the date the person became  
3 a director, whichever is greater. If a bank holding company  
4 controls more than one bank subsidiary, a director owning at least  
5 \$500 of the shares of a bank holding company is qualified, if  
6 otherwise permitted by applicable law, to serve as a director of  
7 every bank subsidiary controlled by that bank holding company.  
8 Before entering on the discharge of his or her duties as such  
9 director, he or she shall take an oath that he or she will, so far  
10 as the duty devolves upon him or her, diligently and honestly  
11 administer the affairs of the banking institution, and that he or  
12 she will not knowingly or willingly permit to be violated any of  
13 the provisions of the laws of this state relative to banking and  
14 banking institutions, and that the stock standing in his or her  
15 name upon the books of the banking institution is not hypothecated  
16 or pledged in any way as security for loans obtained from or debts  
17 owing to the banking institution of which he or she is a director,  
18 and that the number of shares necessary to qualify a stockholder to  
19 be a director are not now, and shall not at any time while he or  
20 she serves as a director be pledged or hypothecated in any manner  
21 for any debt or obligation of the director, or any other person;  
22 which oath subscribed by him or her and certified by the officer  
23 before whom it was taken shall be filed and preserved in the office

1 of the Commissioner of Banking. Should a director fail to  
2 subscribe to or renew the oath herein provided within sixty days  
3 after notice of his or her election or reelection, or at any time  
4 after qualifying as such, sell or dispose of, or in any manner  
5 hypothecate or pledge as security for a debt or obligation, such  
6 qualifying shares, or any number thereof, necessary for his or her  
7 qualification, thereupon the remaining directors shall elect  
8 another director in his or her stead. No person shall serve as a  
9 director of any banking institution who has evidenced personal  
10 dishonesty and unfitness to serve as such director by his or her  
11 conduct or practice with another financial institution which  
12 resulted in a substantial financial loss or damage thereto or who  
13 has been convicted of any crime involving personal dishonesty.

NOTE: The purpose of this bill is to provide an alternate means of meeting the residency requirement applicable to the majority of the board of a West Virginia chartered banking institution.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.