

# VIRGINIA ACTS OF ASSEMBLY -- 1994 SESSION

## CHAPTER 105

*An Act to amend and reenact §§ 6.1-32.22, 6.1-48, 6.1-48.1, 6.1-194.14 and 6.1-194.117 of the Code of Virginia, relating to the State Corporation Commission; filing of information by directors; taking of oaths; penalties.*

[S 152]

Approved March 28, 1994

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 6.1-32.22, 6.1-48, 6.1-48.1, 6.1-194.14 and 6.1-194.117 of the Code of Virginia are amended and reenacted as follows:**

§ 6.1-32.22. Directors.

The affairs of every trust company shall be directed by a board of directors which shall consist of not less than five nor more than twenty-five persons. A majority of the directors shall be citizens of this Commonwealth.

Every director of a trust company shall be the sole owner and have in his personal possession or control shares of stock of such trust company having a par value of not less than \$2,000 and, within ~~sixty~~ thirty days of election, shall take and subscribe to an oath that he will diligently and honestly perform his duties as a director and that he is the sole owner and has in his possession or control the required amount of stock, unencumbered in any way. When a director is reelected or reappointed, the oath shall certify his ownership and control throughout his previous term.

Any director who fails for a period of ~~sixty~~ thirty days to take the oath required by this section or who does not comply with the requirement for ownership of stock in this section shall automatically forfeit his office.

*Within sixty days following the election or reelection of any person as a director of a trust company, the trust company shall furnish such information to the Commission relative to the personal character, integrity, financial condition, and personal and business background, as the Commission shall from time to time prescribe. Such report, under oath, shall be signed by the director as well as a designated officer of the trust company. Any person knowingly making a false statement in such a report shall be guilty of perjury and be punished accordingly.*

§ 6.1-48. Oaths of directors.

Every director of a bank incorporated under the laws of this Commonwealth shall, within ~~sixty~~ thirty days after his election or reelection, take and subscribe to an oath that he will diligently and honestly perform his duties as director, and that he is the owner and has in his personal possession or control, standing in his sole name on the books of the bank or bank holding company, unpledged and unencumbered in any way, shares of stock of the bank of which he is a director or, when a bank is controlled by a bank holding company as defined in § 6.1-4, shares of stock of the bank holding company, having a par value of not less than the amounts respectively prescribed by § 6.1-47, and, in case of reelection or reappointment, that during the whole of his immediate previous term as a director, such stock was not at any time pledged or in any other manner encumbered or hypothecated to secure a loan. Such oath subscribed to by such director, certified by the officer before whom it is taken, shall be transmitted by the cashier of such bank to the Commission. Any director who fails for a period of ~~sixty~~ thirty days after his election or appointment to take the oath as required by this section, shall automatically forfeit his office.

§ 6.1-48.1. Report to Commission of election of director.

Within ~~thirty~~ sixty days following the election or reelection of any person as a director of a bank, the bank ~~shall report such election to the Commission and~~ shall further furnish such information to the Commission relative to the personal character, integrity, financial condition, and personal and business background, as the Commission shall from time to time prescribe. Such report, under oath, shall be signed by the director as well as a *designated officer* of the bank. Any person knowingly making a false statement in such a report shall be guilty of perjury and be punished accordingly.

§ 6.1-194.14. Board of directors generally; report to Commission; oaths of directors.

A. The affairs of every *state* association shall be managed by a board of directors of not less than five nor more than twenty-five persons. Every director of a stock association shall be the owner in his own name and have in his personal possession or control, shares of stock in the association of which he is a director which have a market value at the time such director is first elected to the board of not less than \$500. Such shares of stock shall be unpledged, except as required to be pledged to a Federal Home Loan Bank, and unencumbered at the time of his becoming a director and during the whole of his term as such. When a stock association is controlled by a savings institution holding company as defined in § 6.1-194.87, a director may comply with the provisions of this section for each stock association of which he is a director by ownership, in similar manner, of shares of capital stock of the holding

company which have a market value at the time such director is first elected to the board of not less than \$500.

B. Every director of a mutual *state* association shall have a savings account in the association of which he is a director, in his own name or jointly with his spouse, of not less than \$500. Such account must be unpledged, except as required to be pledged to a Federal Home Loan Bank, and unencumbered at the time of his becoming a director and during the whole term as such. The office of any director violating the provisions of this section shall immediately become vacant.

~~C. Within thirty days following the election or reelection of any person as a director of a savings institution, the institution shall report such election or reelection to the Commission and shall further furnish such information to the Commission relative to the personal character, integrity, financial condition, and personal and business background as the Commission shall from time to time prescribe. The report, under oath, shall be signed by the director as well as by a designated officer of the institution. Any person knowingly making a false statement in such a report shall be guilty of perjury and be punished accordingly.~~

~~D. C. Every director of a savings institution incorporated under the laws of this Commonwealth state association, within sixty thirty days after his election or reelection, shall take and subscribe to an oath that he (i) will diligently and honestly perform his duties as director and (ii) is the owner and has in his personal possession or control the shares of stock or savings account in the institution association required by this section and, in the case of reelection or reappointment, that, during the whole of his immediate previous term as a director, such stock or account was not at any time pledged or encumbered in any other manner to secure a loan. The oath, subscribed to by the director, certified by the officer before whom it is taken, shall be transmitted to the Commission. Any director who fails for a period of sixty thirty days after his election, reelection, appointment or reappointment to take the oath required by this section shall forfeit his office.~~

~~D. Within sixty days following the election or reelection of any person as a director of a state association, the association shall furnish such information to the Commission relative to the personal character, integrity, financial condition, and personal and business background as the Commission shall from time to time prescribe. The report, under oath, shall be signed by the director as well as by a designated officer of the association. Any person knowingly making a false statement in such a report shall be guilty of perjury and be punished accordingly.~~

§ 6.1-194.117. Board of directors generally.

A. The affairs of every state savings bank shall be managed by a board of directors of not less than five nor more than twenty-five persons. Every director of a state savings bank shall be the owner in his own name and have in his personal possession or control, shares of stock in the savings bank of which he is a director which have a market value at the time such director is first elected to the board of not less than \$500, and such shares of stock shall be unpledged (except as may be required to be pledged to a Federal Home Loan Bank, Federal Reserve Bank or other federal agency) and unencumbered at the time of his becoming a director and during the whole of his term as such. When a state savings bank is controlled by a holding company, a director may comply with the provisions of this section for each state savings bank of which he is a director by ownership, in similar manner, of shares of capital stock of the holding company which have a market value at the time such director is first elected to the board of not less than \$500.

B. A mutual state savings bank shall be subject to the requirements of subsection A of this section, except that, in lieu of owning qualifying shares of stock in the savings bank, each director shall maintain, while a director, a savings account in the savings bank of not less than \$500. Such account shall be unpledged, except as required to be pledged to a Federal Home Loan Bank, and unencumbered at the time of his becoming a director and during the whole term as such. The office of any director violating the provisions of this section shall immediately become vacant.

*C. Every director of a state savings bank, within thirty days after his election or reelection, shall take and subscribe to an oath that he (i) will diligently and honestly perform his duties as director and (ii) is the owner and has in his personal possession or control the shares of stock or savings account in the savings bank required by this section and, in the case of reelection or reappointment, that, during the whole of his immediate previous term as a director, such stock or account was not at any time pledged or encumbered in any other manner to secure a loan. The oath, subscribed to by the director, certified by the officer before whom it is taken, shall be transmitted to the Commission. Any director who fails for a period of thirty days after his election, reelection, appointment or reappointment to take the oath required by this section shall forfeit his office.*

*D. Within sixty days following the election or reelection of any person as a director of a savings bank, the savings bank shall furnish such information to the Commission relative to the personal character, integrity, financial condition, and personal and business background as the Commission shall from time to time prescribe. The report, under oath, shall be signed by the director as well as by a designated officer of the savings bank. Any person knowingly making a false statement in such a report shall be guilty of perjury and be punished accordingly.*