

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 6.2-862 of the Code of Virginia, relating to the requirement that bank*
3 *directors own stock in bank.*

4 [H 789]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 6.2-862 of the Code of Virginia is amended and reenacted as follows:**8 **§ 6.2-862. Directors to own stock in bank.**

9 A. As used in this section, "bank holding company" means (i) a bank holding company as defined in
10 § 6.2-800 or (ii) any corporation organized under the laws of the Commonwealth and doing business in
11 the Commonwealth that owns all of the capital stock of one bank, except those shares issued as
12 directors' qualifying shares, and at least 66 and two-thirds percent of the assets of the holding company,
13 computed on a consolidated basis, consists of assets held by such bank and controlled subsidiaries of
14 such bank.

15 B. Every director of a bank incorporated under the laws of the Commonwealth shall be the sole
16 owner of, and have in his personal possession or control, shares of stock in such bank having a book
17 value of not less than \$5,000, calculated as of the last business day of the calendar year immediately
18 preceding the election of the director. So long as a director shall successively be reelected, there shall be
19 no requirement to increase the shares of stock owned according to this section. Such stock shall be
20 unpledged and unencumbered at the time such director becomes a director and during the whole of his
21 term as such. A director shall be deemed to be the sole owner of, and have in his personal possession or
22 control:

23 1. Shares held through a brokerage account or similar arrangement, provided that the director retains
24 sole beneficial ownership and sole legal control over the shares;

25 2. Shares held jointly or as a tenant in common, but only to the extent of the book value of the
26 shares divided by the number of joint or tenant in common holders;

27 3. Shares deposited by the director in a living trust, or inter vivos trust, as to which the director is
28 ~~the sole~~ a trustee and retains an absolute power of revocation; or

29 4. Shares held through a profit-sharing plan, individual retirement account, retirement plan, or similar
30 arrangement, provided that the director retains sole beneficial ownership and sole legal control over the
31 shares.

32 C. When a bank is controlled by a bank holding company, a director may comply with the
33 requirements of subsection B for each bank of which he is a director by ownership, in similar manner,
34 of shares of capital stock of the bank holding company having an aggregate book value equal to the
35 book value of shares of bank stock that he would be obligated to own under subsection B.

36 D. A director of a bankers' bank shall not be required to own or control any shares of stock of such
37 bankers' bank or any shares of stock of a bank holding company that controls such bankers' bank.

38 E. Any director violating the provisions of this section shall, immediately, vacate his office.

39 F. The requirements of this section shall not apply to any person duly elected a director of a bank
40 prior to July 1, 1995, or so long as such person shall successively be reelected a director, and as to such
41 person the requirements of the law prior to such date shall apply.

ENROLLED

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