

Chapter 30A.12 RCW
OFFICERS, EMPLOYEES, AND STOCKHOLDERS

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RCW 30A.12.010 Directors—Election—Meetings—Oath—Vacancies.

Every bank shall be managed by not less than five directors, who need not be residents of this state. Directors shall be elected by the stockholders and hold office for such term as is specified in the

articles of incorporation, not exceeding three years, and until their successors are elected and have qualified. In the first instance the directors shall be those named in the articles of incorporation and afterwards, those elected at the annual meeting of the stockholders to be held at least once each year on a day to be specified by the bank's bylaws. Shareholders may not cumulate their votes unless the articles of incorporation specifically so provide. If for any cause no election is held at that time, it may be held at an adjourned meeting or at a subsequent meeting called for that purpose in the manner prescribed by the corporation's bylaws. The directors shall meet at least once each quarter and whenever required by the director. A majority of the then serving board of directors shall constitute a quorum for the transaction of business. At all stockholders' meetings, each share shall be entitled to one vote, unless the articles of incorporation provide otherwise. Any stockholder may vote in person or by written proxy.

Each director, so far as the duty devolves upon him or her, shall diligently and honestly administer the affairs of such corporation and shall not knowingly violate or willingly permit to be violated any provision of law applicable to such corporation. Vacancies in the board of directors shall be filled by the board. [2014 c 37 § 170. Prior: 1994 c 256 § 54; 1994 c 92 § 62; 1987 c 420 § 1; 1986 c 279 § 30; 1982 c 196 § 8; 1981 c 89 § 3; 1975 c 35 § 1; 1969 c 136 § 8; 1957 c 190 § 1; 1955 c 33 § 30.12.010; prior: 1947 c 129 § 1; 1917 c 80 § 30; Rem. Supp. 1947 § 3237. Formerly RCW 30.12.010.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1982 c 196: See note following RCW 30A.04.550.

Severability—1981 c 89: See note following RCW 30A.04.180.

RCW 30A.12.020 Meetings, where held—Corporate records. All meetings of the stockholders of any bank, except organization meetings and meetings held with the consent of all stockholders, must be held in the county in which the head office or any branch of the corporation is located. Meetings of the directors of any bank may be held either within or without this state. Every such corporation shall keep records in which shall be recorded the names and residences of the stockholders thereof, the number of shares held by each, and also the transfers of stock, showing the time when made, the number of shares and by whom transferred. In all actions, suits and proceedings, said records shall be prima facie proof of the facts shown therein. All of the corporate books, including the certificate book, stockholders' ledger and minute book or a copy thereof shall be kept at the corporation's principal place of business. Any books, record, and minutes may be in written form or any other form capable of being converted to written form within a reasonable time. [2014 c 37 § 171; 1994 c 256 § 55; 1986 c 279 § 31; 1969 c 136 § 9; 1955 c 33 § 30.12.020. Prior: 1927 c 179 § 1; 1917 c 80 § 31; RRS § 3238. Formerly RCW 30.12.020.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

RCW 30A.12.025 Rights of shareholder to examine and make extracts of records—Penalty—Financial statements. Any person who has been a shareholder of record at least six months immediately preceding his or her demand or who is the holder of record of at least five percent of all the outstanding shares of a bank, upon written demand stating the purpose thereof, has the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the bank's minutes of the proceedings of its shareholders, its shareholder records, and its existing publicly available records. The person is entitled to make extracts therefrom, except that the person is not entitled to view or make extracts of any portion of minutes that refer or relate to information which is confidential.

Any officer or agent who, or a bank that, refuses to allow any such shareholder or his or her agent or attorney, to examine and make extracts from its minutes of the proceedings of its shareholders, record of shareholders, or existing publicly available books and records, for any proper purpose, shall be liable to the shareholder for actual damages or other remedy afforded the shareholder by law.

It is a defense to any action for penalties under this section that the person suing therefor has, within two years: (1) Sold or offered for sale any list of shareholders for shares of such bank or any other bank; (2) aided or abetted any person in procuring any list of shareholders for any such purpose; (3) improperly used any information secured through any prior examination of existing publicly available books and records, or minutes, or record of shareholders of such bank or any other bank; or (4) not acted in good faith or for a proper purpose in making his or her demand.

Nothing in this section impairs the power of any court of competent jurisdiction, upon proof by a shareholder of proper purpose, irrespective of the period of time during which the shareholder has been a shareholder of record, and irrespective of the number of shares held by him or her, to compel the production for examination by the shareholder of the existing publicly available books and records, minutes, and record of shareholders of a bank.

Upon the written request of any shareholder of a bank, the bank shall mail to the shareholder its most recent financial statements showing in reasonable detail its assets and liabilities and the results of its operations. As used in this section, "shareholder" includes the holder of voting trust certificates for shares. [2014 c 37 § 172; 1986 c 279 § 32. Formerly RCW 30.12.025.]

RCW 30A.12.030 Fidelity bonds—Casualty insurance. (1) Except as otherwise permitted by the director under specified terms and conditions, the board of directors of each bank shall direct and require good and sufficient surety company fidelity bonds issued by a company authorized to engage in the insurance business in the state of Washington on all active officers and employees, whether or not they draw salary or compensation, which bonds shall provide for indemnity to such bank, on account of any losses sustained by it as the result of any dishonest, fraudulent or criminal act or omission committed or omitted by them acting independently or in collusion or combination with any person or persons. Such bonds may be individual, schedule or blanket form, and the premiums therefor shall be paid by the bank.

(2) The said directors shall also direct and require suitable insurance protection to the bank against burglary, robbery, theft and

other similar insurance hazards to which the bank may be exposed in the operations of its business on the premises or elsewhere.

The said directors shall be responsible for prescribing at least once in each year the amount or penal sum of such bonds or policies and the sureties or underwriters thereon, after giving due consideration to all known elements and factors constituting such risk or hazard. Such action shall be recorded in the minutes of the board of directors. [2014 c 37 § 173; 1994 c 92 § 63; 1986 c 279 § 33; 1955 c 33 § 30.12.030. Prior: 1947 c 132 § 1; 1927 c 224 § 1; 1917 c 80 § 32; Rem. Supp. 1947 § 3239. Formerly RCW 30.12.030.]

RCW 30A.12.040 Removal of a board director, officer, or employee—Prohibiting participation in bank or holding company affairs—Grounds

—Notice. (1) The director may issue and serve a board director, officer, or employee of a bank with written notice of intent to remove the person from office or employment or to prohibit the person from participating in the conduct of the affairs of the bank or any other depository institution, bank holding company, thrift holding company, or financial holding company doing business in this state whenever, in the opinion of the director:

(a) Reasonable cause exists to believe the person has committed a material violation of law, an unsafe and unsound practice, or a violation or practice involving a breach of fiduciary duty, personal dishonesty, recklessness, or incompetence; and

(b) The bank or holding company has suffered or is likely to suffer substantial financial loss or other damage; or

(c) The interests of depositors or trust beneficiaries could be seriously prejudiced by reason of the violation or practice.

(2) The director may issue and serve a board director, officer, or employee of a holding company with written notice of intent to remove the person from office or employment or to prohibit the person from participating in the conduct of the affairs of the holding company, its subsidiary bank, or any other depository institution, bank holding company, thrift holding company, or financial holding company doing business in this state whenever, in the opinion of the director:

(a) Reasonable cause exists to believe the person has committed a material violation of law, an unsafe and unsound practice, or a violation or practice involving a breach of fiduciary duty, personal dishonesty, recklessness, or incompetence; and

(b) The subsidiary bank has suffered or is likely to suffer substantial financial loss or other damage; or

(c) The interests of depositors of the subsidiary bank could be seriously prejudiced by reason of the violation or practice. [2014 c 37 § 174; 2010 c 88 § 20; 1994 c 92 § 64; 1977 ex.s. c 178 § 5; 1955 c 33 § 30.12.040. Prior: 1933 c 42 § 1; 1917 c 80 § 10; RRS § 3217. Formerly RCW 30.12.040.]

Effective date—2010 c 88: See RCW 32.50.900.

Severability—1977 ex.s. c 178: See note following RCW 30A.04.450.

RCW 30A.12.0401 Written notice of charges under RCW 30A.12.042.

The director may serve written notice of charges under RCW 30A.12.040 to suspend a person from further participation in any manner in the conduct of the affairs of a bank or holding company, if the director determines that such an action is necessary for the protection of the bank, or the interests of the depositors of the bank. Any suspension notice issued by the director is effective upon service, and unless the superior court of the county of its principal place of business issues a stay of the order, remains in effect and enforceable until:

- (1) The director dismisses the charges contained in the notice served to the person; or
- (2) The effective date of a final order for removal of the person under RCW 30A.12.040. [2014 c 37 § 175; 2010 c 88 § 21. Formerly RCW 30.12.0401.]

Effective date—2010 c 88: See RCW 32.50.900.

RCW 30A.12.042 Removal of a director, officer, or employee or prohibiting participation in bank or holding company affairs—Notice contents—Hearing—Order of removal or prohibition. (1) A notice of an intention to remove a director, officer, or employee from office or to prohibit his or her participation in the conduct of the affairs of a bank or holding company shall contain a statement of the facts which constitute grounds therefor and shall fix a time and place at which a hearing will be held. The hearing shall be set not earlier than ten days or later than thirty days after the date of service of the notice unless an earlier or later date is set by the director at the request of the director, officer, or employee for good cause shown or of the attorney general of the state.

(2) Unless the director, officer, or employee appears at the hearing personally or by a duly authorized representative, the person shall be deemed to have consented to the issuance of an order of removal or prohibition or both. In the event of such consent or if upon the record made at the hearing the director finds that any of the grounds specified in the notice have been established, the director may issue such orders of removal from office or prohibition from participation in the conduct of the affairs of the bank or holding company as the director may consider appropriate.

(3) Any order shall become effective at the expiration of ten days after service upon the bank or holding company and the director, officer, or employee concerned except that an order issued upon consent shall become effective at the time specified in the order.

(4) An order shall remain effective except to the extent it is stayed, modified, terminated, or set aside by the director or a reviewing court. [2014 c 37 § 176; 2010 c 88 § 22; 1994 c 92 § 65; 1977 ex.s. c 178 § 6. Formerly RCW 30.12.042.]

Effective date—2010 c 88: See RCW 32.50.900.

Severability—1977 ex.s. c 178: See note following RCW 30A.04.450.

RCW 30A.12.044 Removal of one or more directors of a bank or holding company—Effect upon quorum—Procedure. If at any time because

of the removal of one or more directors under this chapter there shall be on the board of directors of a bank or holding company less than a quorum of directors, all powers and functions vested in or exercisable by the board shall vest in and be exercisable by the director or directors remaining until such time as there is a quorum on the board of directors. If all of the directors of a bank or holding company are removed under this chapter, the director shall appoint persons to serve temporarily as directors until such time as their respective successors take office. [2014 c 37 § 177; 2010 c 88 § 23; 1994 c 92 § 66; 1977 ex.s. c 178 § 7. Formerly RCW 30.12.044.]

Effective date—2010 c 88: See RCW 32.50.900.

Severability—1977 ex.s. c 178: See note following RCW 30A.04.450.

RCW 30A.12.045 Removal of delinquent officer or employee or prohibiting participation in bank affairs—Administrative hearing—Judicial review. See RCW 30A.04.470.

RCW 30A.12.046 Removal of delinquent officer or employee or prohibiting participation in bank affairs—Jurisdiction of courts in enforcement or issuance of orders, injunctions or judicial review. See RCW 30A.04.475.

RCW 30A.12.047 Removal of a director, officer, or employee of a bank or holding company—Violation of final order—Penalty. Any present or former director, officer, or employee of a bank or holding company, or any other person against whom there is outstanding an effective final order served upon the person and who participates in any manner in the conduct of the affairs of the bank or holding company involved; or who directly or indirectly solicits or procures, transfers or attempts to transfer, or votes or attempts to vote any proxies, consents, or authorizations with respect to any voting rights in the bank or holding company; or who, without the prior approval of the director, votes for a director or serves or acts as a director, officer, employee, or agent of any bank or holding company shall upon conviction for a violation of any order, be guilty of a gross misdemeanor punishable as prescribed under chapter 9A.20 RCW, as now or hereafter amended. [2014 c 37 § 178; 2010 c 88 § 24; 1994 c 92 § 67; 1977 ex.s. c 178 § 10. Formerly RCW 30.12.047.]

Effective date—2010 c 88: See RCW 32.50.900.

Severability—1977 ex.s. c 178: See note following RCW 30A.04.450.

RCW 30A.12.060 Loans to officers or employees. (1) Any bank shall be permitted to make loans to any employee of such corporation, or to purchase, discount or acquire, as security or otherwise, the obligation or debt of any employee to any other person, to the same extent as if the employee were in no way connected with the

corporation. Any bank shall be permitted to make loans to any officer of such corporation, or to purchase, discount or acquire, as security or otherwise, the obligation or debt of any officer to any other person: PROVIDED, That the total value of the loans made and obligation acquired for any one officer shall not exceed such amount as shall be prescribed by the director pursuant to regulations adopted in accordance with the Administrative Procedure Act, chapter 34.05 RCW, as now or hereafter amended: AND PROVIDED FURTHER, That no such loan shall be made, or obligation acquired, in excess of five percent of a bank's capital and unimpaired surplus or twenty-five thousand dollars, whichever is larger, unless a resolution authorizing the same shall be adopted by a vote of a majority of the board of directors of such corporation prior to the making of such loan or discount, and such vote and resolution shall be entered in the corporate minutes. In no event shall the loan or obligation acquired exceed five hundred thousand dollars in the aggregate without prior approval by a majority of the corporation's board of directors. No loan in excess of five percent of a bank's capital and unimpaired surplus or twenty-five thousand dollars, whichever is larger, shall be made by any bank to any director of such corporation nor shall the note or obligation in excess of five percent of a bank's capital and unimpaired surplus or twenty-five thousand dollars, whichever is larger, of such director be discounted by any such corporation, or by any officer or employee thereof in its behalf, unless a resolution authorizing the same shall be adopted by a vote of a majority of the entire board of directors of such corporation exclusive of the vote of such interested director, and such vote and resolution shall be entered in the corporate minutes. In no event may the loan or obligation acquired exceed five hundred thousand dollars in the aggregate without prior approval by a majority of the corporation's board of directors.

Each bank shall at such times and in such form as may be required by the director, report to the director all outstanding loans to directors of such bank.

The amount of any endorsement or agreement of suretyship or guaranty of any such director to the corporation shall be construed to be a loan within the provisions of this section. Any modification of the terms of an existing obligation (excepting only such modifications as merely extend or renew the indebtedness) shall be construed to be a loan within the meaning of this section.

(2) "Unimpaired surplus," as used in this section, consists of the sum of the following amounts:

- (a) Fifty percent of the reserve for possible loan losses;
- (b) Subordinated notes and debentures;
- (c) Surplus;
- (d) Undivided profits; and
- (e) Reserve for contingencies and other capital reserves,

excluding accrued dividends on preferred stock. [2014 c 37 § 179; 1994 c 92 § 69; 1985 c 305 § 6; 1969 c 136 § 5; 1959 c 165 § 1; 1955 c 33 § 30.12.060. Prior: 1947 c 147 § 1, part; 1933 c 42 § 22, part; 1917 c 80 § 52, part; Rem. Supp. 1947 § 3259, part. Formerly RCW 30.12.060.]

RCW 30A.12.070 Unsafe loans and discounts to directors or officers. The director may at any time, if in his or her judgment excessive, unsafe, or improvident loans are being made or are likely to be made by a bank to any of its directors or officers or the

directors or officers of its holding company, or to any corporation, copartnership or association of which such director is a stockholder, member, co-owner, or in which such director is financially interested, or like discounts of the notes or obligations of any such director, corporation, copartnership or association are being made or are likely to be made, require such bank to submit to him or her for approval all proposed loans to, or discounts of the note or obligation of, any such director, officer, corporation, copartnership or association, and thereafter such proposed loans and discounts shall be reported upon such forms and with such information concerning the desirability and safety of such loans or discounts and of the responsibility and financial condition of the person, corporation, copartnership or association to whom such loan is to be made or whose note or obligation is to be discounted and of the amount and value of any collateral that may be offered as security therefor, as the director may require, and no such loan or discount shall be made without his or her written approval thereon. [2014 c 37 § 180; 2010 c 88 § 25; 1994 c 92 § 70; 1955 c 33 § 30.12.070. Prior: 1947 c 147 § 1, part; 1933 c 42 § 22, part; 1917 c 80 § 52, part; Rem. Supp. 1947 § 3259, part. Formerly RCW 30.12.070.]

Effective date—2010 c 88: See RCW 32.50.900.

RCW 30A.12.090 False entries, statements, etc.—Penalty. Every person who shall knowingly subscribe to or make or cause to be made any false statement or false entry in the books of any bank or holding company, or shall knowingly subscribe to or exhibit any false or fictitious paper or security, instrument or paper, with the intent to deceive any person authorized to examine into the affairs of any bank or holding company, or shall make, state, or publish any false statement of the amount of the assets or liabilities of any bank or holding company, is guilty of a class B felony punishable according to chapter 9A.20 RCW. [2014 c 37 § 181; 2010 c 88 § 26; 2003 c 53 § 186; 1955 c 33 § 30.12.090. Prior: 1917 c 80 § 56; RRS § 3263. Formerly RCW 30.12.090.]

Effective date—2010 c 88: See RCW 32.50.900.

Intent—Effective date—2003 c 53: See notes following RCW 2.48.180.

RCW 30A.12.100 Destroying or secreting records—Penalty. Every officer, director, or employee or agent of any bank or holding company who, for the purpose of concealing any fact or suppressing any evidence against himself or herself, or against any other person, abstracts, removes, mutilates, destroys or secretes any paper, book or record of any bank or holding company, or of the director, or of anyone connected with his or her office, is guilty of a class B felony punishable according to chapter 9A.20 RCW. [2014 c 37 § 182; 2010 c 88 § 27; 2003 c 53 § 187; 1994 c 92 § 71; 1955 c 33 § 30.12.100. Prior: 1917 c 80 § 56; RRS § 3264. Formerly RCW 30.12.100.]

Effective date—2010 c 88: See RCW 32.50.900.

Intent—Effective date—2003 c 53: See notes following RCW 2.48.180.

RCW 30A.12.110 Commission, etc., for procuring loan—Penalty.

No officer, director, agent, employee or stockholder of any bank shall, directly or indirectly, receive a bonus, commission, compensation, remuneration, gift, speculative interest or gratuity of any kind from any person, firm or corporation other than the bank or as allowed by RCW 30A.12.115 for granting, procuring or endeavoring to procure, for any person, firm or corporation, any loan by or out of the funds of such bank or the purchase or sale of any securities or property for or on account of such bank or for granting or procuring permission for any person, firm or corporation to overdraw any account with such bank. Any person violating this section shall be guilty of a gross misdemeanor. [2014 c 37 § 183; 1986 c 279 § 35; 1955 c 33 § 30.12.110. Prior: 1919 c 209 § 20; RRS § 3290. Formerly RCW 30.12.110.]

RCW 30A.12.115 Transactions in which director or officer has an interest. (1) If a transaction is fair to a corporation at the time it is authorized, approved, or ratified, the fact that a director or an officer had a direct or indirect interest in the transaction is not grounds for either invalidating the transaction or imposing liability on the director or officer.

(2) In any proceeding seeking to invalidate a transaction with the corporation in which a director or an officer had a direct or indirect interest in a transaction with the corporation, the person asserting the validity of the transaction has the burden of proving fairness unless:

(a) The material facts of the transaction and the director's or officer's interest was disclosed or known to the board of directors, or a committee of the board, and the board or committee authorized, approved, or ratified the transaction; or

(b) The material facts of the transaction and the director's or officer's interest was disclosed or known to the shareholders entitled to vote, and they authorized, approved, or ratified the transaction.

(3) For purposes of this section, a director or an officer of a corporation has an indirect interest in a transaction with the corporation if:

(a) Another entity in which the director or officer has a material financial interest, or in which such person is a general partner, is a party to the transaction; or

(b) Another entity of which the director or officer is a director, officer, or trustee is a party to the transaction, and the transaction is or should be considered by the board of directors of the corporation.

(4) For purposes of *subsection (3)(a) of this section, a transaction is authorized, approved, or ratified only if it receives the affirmative vote of a majority of the directors on the board of directors or on the committee who have no direct or indirect interest in the transaction. If a majority of the directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a

director with a direct or indirect interest in the transaction does not affect the validity of any action taken under *subsection (3)(a) of this section if the transaction is otherwise authorized, approved, or ratified as provided in that subsection.

(5) For purposes of *subsection (3)(b) of this section, a transaction is authorized, approved, or ratified only if it receives the vote of a majority of shares entitled to be counted under this subsection. All outstanding shares entitled to vote under this title or the articles of incorporation are entitled to be counted under this subsection except shares owned by or voted under the control of a director or an officer who has a direct or indirect interest in the transaction. Shares owned by or voted under the control of an entity described in subsection (3)(a) of this section shall not be counted to determine whether shareholders have authorized, approved, or ratified a transaction for purposes of *subsection (3)(b) of this section. The vote of the shares owned by or voted under the control of a director or an officer who has a direct or indirect interest in the transaction and shares owned by or voted under the control of an entity described in subsection (3)(a) of this section, however, shall be counted in determining whether the transaction is approved under other sections of this title and for purposes of determining a quorum. [1986 c 279 § 36. Formerly RCW 30.12.115.]

***Reviser's note:** The reference to subsection (3) appears to be erroneous. Reference to subsection (2) was apparently intended.

RCW 30A.12.120 Loans to officers or employees from trust funds—Penalty. No corporation doing a trust business shall make any loan to any officer, or employee from its trust funds, nor shall it permit any officer, or employee to become indebted to it in any way out of its trust funds. Every officer, director, or employee of any such corporation, who knowingly violates this section, or who aids or abets any other person in any such violation, is guilty of a class B felony punishable according to chapter 9A.20 RCW. [2003 c 53 § 188; 1955 c 33 § 30.12.120. Prior: 1917 c 80 § 53; RRS § 3260. Formerly RCW 30.12.120.]

Intent—Effective date—2003 c 53: See notes following RCW 2.48.180.

RCW 30A.12.130 Trust company as legal representative—Oath by officer. When any trust company shall be appointed executor, administrator, or trustee of any estate or guardian of the estate of any infant or other incompetent, it shall be lawful for any duly authorized officer of such corporation to take and subscribe for such corporation any and all oaths or affirmations required of such an appointee. [1955 c 33 § 30.12.130. Prior: 1917 c 80 § 50; RRS § 3257. Formerly RCW 30.12.130.]

RCW 30A.12.180 Levy of assessments. Whenever the director shall notify the board of directors of a bank to levy an assessment upon the stock of such corporation and the holders of two-thirds of the stock shall consent thereto, such board shall, within ten days from the issuance of such notice, adopt a resolution for the levy of such

assessment, and shall immediately upon the adoption of such resolution serve notice upon each stockholder, personally or by mail, at his or her last known address, to pay such assessment; and that if the same be not paid within twenty days from the date of the issuance of such notice, his or her stock will be subject to sale and all amounts previously paid thereon shall be subject to forfeiture. If any stockholder fail within said twenty days to pay the assessment as provided in this section, it shall be the duty of the board of directors to cause a sufficient amount of the capital stock of such stockholder to be sold to make good the deficiency. The sale shall be held at such time and place as shall be designated by the board of directors and shall be either public or private, as the board shall deem best. At any time after the expiration of sixty days from the expiration of said twenty-day period the director may require any stock upon which the assessment remains unpaid to be canceled and deducted from the capital of the corporation. If such cancellation shall reduce the capital of the corporation below the minimum required by this title or its articles of incorporation the capital shall, within thirty days thereafter be increased to the required amount by original subscription, in default of which the director may take possession of such corporation in the manner provided by law in case of insolvency. [2014 c 37 § 184; 1994 c 92 § 72; 1955 c 33 § 30.12.180. Prior: 1923 c 115 § 8; 1917 c 80 § 34; RRS § 3241. Formerly RCW 30.12.180.]

RCW 30A.12.190 General penalty—Effect of conviction. (1) Every person who shall knowingly violate, or knowingly aid or abet the violation of any provision of RCW 30A.04.010, 30A.04.030, 30A.04.050, 30A.04.060, 30A.04.070, 30A.04.075, 30A.04.111, 30A.04.120, 30A.04.130, 30A.04.180, 30A.04.210, 30A.04.220, 30A.04.280, 30A.04.300, 30A.08.010, 30A.08.020, 30A.08.030, 30A.08.040, 30A.08.050, 30A.08.060, 30A.08.080, 30A.08.090, 30A.08.140, 30A.08.150, *30A.08.160, 30A.08.180, 30A.08.190, 30A.12.010, 30A.12.020, 30A.12.030, 30A.12.060, 30A.12.070, 30A.12.130, 30A.12.180, 30A.12.190, 30A.16.010, 30A.20.060, 30A.44.010, 30A.44.020, 30A.44.030, 30A.44.040, 30A.44.050, 30A.44.060, 30A.44.070, 30A.44.080, 30A.44.090, 30A.44.100, 30A.44.130, 30A.44.140, 30A.44.150, 30A.44.160, 30A.44.170, 30A.44.240, 30A.44.250, 43.320.060, 43.320.070, 43.320.080, and 43.320.100, and any director, officer, or employee of a bank or holding company who fails to perform any act which it is therein made his or her duty to perform, shall be guilty of a misdemeanor.

(2) A director, officer, or employee of a bank or holding company who has been convicted for the violation of the banking laws of this or any other state or of the United States shall not be permitted to engage in or become or remain a board director, officer, or employee of any bank, trust company, or holding company organized and existing under the laws of this state, or of any other depository institution, trust company, bank holding company, thrift holding company, or financial holding company doing business in this state. [2014 c 37 § 185; 2010 c 88 § 28; 1989 c 220 § 2; 1983 c 3 § 47; 1955 c 33 § 30.12.190. Prior: 1919 c 209 § 18; 1917 c 80 § 80; RRS § 3287. Formerly RCW 30.12.190.]

***Reviser's note:** RCW 30A.08.160 was repealed by 2019 c 389 § 103.

Effective date—2010 c 88: See RCW 32.50.900.

RCW 30A.12.205 Stock purchase options—Incentive bonus contracts, stock purchase or bonus plans, and profit sharing plans. Subject to any restrictions in its articles of incorporation and in accordance with and subject to the provisions of RCW 30A.08.088, the board of directors of a bank may grant options entitling the holders thereof to purchase from the corporation shares of any class of its stock. The instrument evidencing the option shall state the terms upon which, the time within which, and the price at which such shares may be purchased from the corporation upon the exercise of such option. If any such options are granted by contract, or are to be granted pursuant to a plan, to officers or employees of the bank, then the contract or the plan shall require the approval, within twelve months of its approval by the board of directors, of the holders of a majority of its voting capital stock. Subsequent amendments to any such contract or plan which do not change the price or duration of any option, the maximum number of shares which may be subject to options, or the class of employees eligible for options may be made by the board of directors without further shareholder approval.

Subject to any restrictions in its articles of incorporation, the board of directors of a bank shall have the authority to enter into any plans or contracts providing for compensation for its officers and employees, including, but not being limited to, incentive bonus contracts, stock purchase or bonus plans and profit sharing plans. [2014 c 37 § 186; 1986 c 279 § 37. Formerly RCW 30.12.205.]

RCW 30A.12.220 Preemptive rights of shareholders to acquire unissued shares—Articles of incorporation may limit or permit—Later acquisition. The articles of incorporation of any bank organized under this title may limit or permit the preemptive rights of a shareholder to acquire unissued shares of the corporation and may thereafter by amendment limit, deny, or grant to shareholders of any class of stock the preemptive right to acquire additional shares of the corporation whether then or thereafter authorized. [2014 c 37 § 187; 1979 c 106 § 8. Formerly RCW 30.12.220.]

RCW 30A.12.230 Immunity of shareholders of bank insured by the federal deposit insurance corporation. The shareholders of a banking corporation organized under the laws of this state and the deposits of which are insured by the federal deposit insurance corporation shall not be liable for any debts or obligations of the bank. [1986 c 279 § 50. Formerly RCW 30.12.230.]

RCW 30A.12.240 Violations—Director liability. If the directors of any bank or holding company shall knowingly violate, or knowingly permit any of the officers, agents, or employees of the bank to violate any of the provisions of this title or any lawful regulation or directive of the director, and if the directors are aware that such facts and circumstances constitute such violations, then each director who participated in or assented to the violation is personally and individually liable for all damages which the state or any insurer of

the deposits of the bank sustains due to the violation. [2014 c 37 § 188; 2010 c 88 § 29; 1994 c 92 § 73; 1989 c 180 § 7. Formerly RCW 30.12.240.]

Effective date—2010 c 88: See RCW 32.50.900.