

DIRECTOR SHALL BE IN THE AMOUNT OF AT LEAST:

(I) \$500; OR

(II) \$250, IF THE COMMERCIAL BANK IS A STATE BANK THAT HAS \$50,000 OR LESS IN CAPITAL STOCK.

(3) TO DETERMINE THE AMOUNT OF CAPITAL STOCK OWNED BY A DIRECTOR:

(I) ONLY THE PAR OR STATED VALUE OF COMMON AND PREFERRED STOCK MAY BE CONSIDERED; AND

(II) DEBT INSTRUMENTS OF THE COMMERCIAL BANK OR CORPORATION MAY NOT BE CONSIDERED.

(B) STATE BANKS.

A MAJORITY OF THE DIRECTORS OF A STATE BANK SHALL BE RESIDENTS OF THIS STATE.

REVISOR'S NOTE: This section is new language that combines without substantive change CA §§ 6-127(b) and 6-148(b).

In subsection (a) (1) of this section, the introductory phrase "[a]fter the initial issuance of capital stock..." is added to permit the initial directors named in the articles of incorporation (see § 3-202(b) (6) of this title) to serve and function until they can meet the requirements of this section.

The term "commercial bank" is defined in § 1-101 of this article.

The terms "capital stock", "debt instrument", and "State bank" are defined in § 3-101 of this title.

As to prohibitions against multiple directorships, see § 5-510 of this article.

As to subsection (a) of this section, the General Assembly might consider whether its provisions continue to serve any useful purpose.

As to subsection (b) of this section, the General Assembly might consider whether this requirement should apply to trust companies as well as State banks.

3-404. OATH OF DIRECTORS.

EACH DIRECTOR OF A COMMERCIAL BANK SHALL TAKE AN OATH:

(1) TO PERFORM DILIGENTLY AND HONESTLY THE
