

**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.