

As Introduced

132nd General Assembly

Regular Session

2017-2018

H. B. No. 35

Representative Hughes

**Cosponsors: Representatives Patton, Lipps, Antani, Blessing, Faber, Schaffer,
Hambley, Sprague, Bocchieri, Seitz**

A BILL

To amend sections 102.02, 109.572, 111.15, 119.01, 1
121.07, 131.11, 135.03, 135.032, 135.32, 2
135.321, 135.51, 135.52, 135.53, 323.134, 3
339.06, 513.17, 749.081, 755.141, 902.01, 4
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1103.18, 1103.19, 1103.20, 1103.21, 1105.01, 9
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1105.11, 1107.03, 1107.05, 1107.07, 1107.09, 11
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1109.43, 1109.44, 1109.45, 1109.47, 1109.48, 17
1109.49, 1109.53, 1109.54, 1109.55, 1109.59, 18
1109.61, 1109.63, 1109.64, 1109.65, 1109.69, 19
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1111.07, 1111.08, 1111.09, 1113.01, 1113.03, 21
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1125.27, 1125.28, 1125.29, 1125.30, 1125.33,	36
1181.01, 1181.02, 1181.03, 1181.04, 1181.05,	37
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1181.25, 1349.16, 1509.07, 1509.225, 1510.09,	39
1514.04, 1707.03, 1901.31, 2335.25, 3351.07,	40
3767.41, 4303.293, and 5814.01; to amend, for	41
the purpose of adopting new section numbers as	42
indicated in parentheses, sections 1103.01	43
(1113.01), 1103.06 (1113.04), 1103.08 (1113.12),	44
1103.09 (1113.13), 1103.11 (1113.11), 1103.13	45
(1113.14), 1103.14 (1113.15), 1103.15 (1113.16),	46
1103.16 (1113.17), 1103.21 (1117.07), and	47
1113.01 (1113.02) and to enact new section	48
1121.52 and sections 1101.05, 1103.99, 1109.021,	49
1109.04, 1109.151, 1109.441, 1109.62, 1114.01,	50
1114.02, 1114.03, 1114.04, 1114.05, 1114.06,	51
1114.07, 1114.08, 1114.09, 1114.10, 1114.11,	52
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1116.08, 1116.09, 1116.10, 1116.11, 1116.12,	55
1116.13, 1116.16, 1116.18, 1116.19, 1116.20,	56
1116.21, and 1121.19, and to repeal sections	57
1105.06, 1107.01, 1109.60, 1115.18, 1115.19,	58
1115.25, 1121.52, 1133.01, 1133.02, 1133.03,	59
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1151.09, 1151.091, 1151.10, 1151.11, 1151.12,	65
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1155.011, 1155.02, 1155.021, 1155.03, 1155.05,	84
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1165.22, 1165.23, 1165.24, 1165.25, 1165.26,	121
1165.27, 1165.28, 1165.29, 1165.30, 1165.33,	122
1181.16, 1181.17, and 1181.18 of the Revised	123
Code for the purpose of enacting a new banking	124
law for the State of Ohio.	125

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 102.02, 109.572, 111.15, 119.01,	126
121.07, 131.11, 135.03, 135.032, 135.32, 135.321, 135.51,	127
135.52, 135.53, 323.134, 339.06, 513.17, 749.081, 755.141,	128
902.01, 924.10, 924.26, 924.45, 1101.01, 1101.02, 1101.03,	129
1101.15, 1101.16, 1103.01, 1103.02, 1103.03, 1103.06, 1103.07,	130
1103.08, 1103.09, 1103.11, 1103.13, 1103.14, 1103.15, 1103.16,	131
1103.18, 1103.19, 1103.20, 1103.21, 1105.01, 1105.02, 1105.03,	132
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1109.55, 1109.59, 1109.61, 1109.63, 1109.64, 1109.65, 1109.69,	139
1111.01, 1111.02, 1111.03, 1111.04, 1111.06, 1111.07, 1111.08,	140
1111.09, 1113.01, 1113.03, 1113.05, 1113.06, 1113.08, 1113.09,	141
1115.01, 1115.05, 1115.06, 1115.07, 1115.11, 1115.111, 1115.14,	142
1115.15, 1115.20, 1115.23, 1115.27, 1117.01, 1117.02, 1117.04,	143
1117.05, 1119.11, 1119.17, 1119.23, 1119.26, 1121.01, 1121.02,	144
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1121.17, 1121.18, 1121.21, 1121.23, 1121.26, 1121.30, 1121.33, 146
1121.34, 1121.38, 1121.41, 1121.43, 1121.45, 1121.47, 1121.48, 147
1121.50, 1121.56, 1123.01, 1125.01, 1125.03, 1125.04, 1125.05, 148
1125.06, 1125.09, 1125.10, 1125.11, 1125.12, 1125.13, 1125.14, 149
1125.17, 1125.18, 1125.19, 1125.20, 1125.21, 1125.22, 1125.23, 150
1125.24, 1125.25, 1125.26, 1125.27, 1125.28, 1125.29, 1125.30, 151
1125.33, 1181.01, 1181.02, 1181.03, 1181.04, 1181.05, 1181.06, 152
1181.07, 1181.10, 1181.11, 1181.21, 1181.25, 1349.16, 1509.07, 153
1509.225, 1510.09, 1514.04, 1707.03, 1901.31, 2335.25, 3351.07, 154
3767.41, 4303.293, and 5814.01 be amended; sections 1103.06 155
(1113.04), 1103.08 (1113.12), 1103.09 (1113.13), 1103.11 156
(1113.11), 1103.13 (1113.14), 1103.14 (1113.15), 1103.15 157
(1113.16), 1103.16 (1113.17), 1103.01 (1113.01), 1113.01 158
(1113.02), and 1103.21 (1117.07) be amended for the purpose of 159
adopting new section numbers as shown in parentheses; and new 160
section 1121.52 and sections 1101.05, 1103.99, 1109.021, 161
1109.04, 1109.151, 1109.441, 1109.62, 1114.01, 1114.02, 1114.03, 162
1114.04, 1114.05, 1114.06, 1114.07, 1114.08, 1114.09, 1114.10, 163
1114.11, 1114.12, 1114.16, 1115.02, 1115.03, 1115.24, 1116.01, 164
1116.02, 1116.05, 1116.06, 1116.07, 1116.08, 1116.09, 1116.10, 165
1116.11, 1116.12, 1116.13, 1116.16, 1116.18, 1116.19, 1116.20, 166
1116.21, and 1121.19 of the Revised Code be enacted to read as 167
follows: 168

Sec. 102.02. (A) (1) Except as otherwise provided in 169
division (H) of this section, all of the following shall file 170
with the appropriate ethics commission the disclosure statement 171
described in this division on a form prescribed by the 172
appropriate commission: every person who is elected to or is a 173
candidate for a state, county, or city office and every person 174
who is appointed to fill a vacancy for an unexpired term in such 175
an elective office; all members of the state board of education; 176

the director, assistant directors, deputy directors, division 177
chiefs, or persons of equivalent rank of any administrative 178
department of the state; the president or other chief 179
administrative officer of every state institution of higher 180
education as defined in section 3345.011 of the Revised Code; 181
the executive director and the members of the capitol square 182
review and advisory board appointed or employed pursuant to 183
section 105.41 of the Revised Code; all members of the Ohio 184
casino control commission, the executive director of the 185
commission, all professional employees of the commission, and 186
all technical employees of the commission who perform an 187
internal audit function; the individuals set forth in division 188
(B) (2) of section 187.03 of the Revised Code; the chief 189
executive officer and the members of the board of each state 190
retirement system; each employee of a state retirement board who 191
is a state retirement system investment officer licensed 192
pursuant to section 1707.163 of the Revised Code; the members of 193
the Ohio retirement study council appointed pursuant to division 194
(C) of section 171.01 of the Revised Code; employees of the Ohio 195
retirement study council, other than employees who perform 196
purely administrative or clerical functions; the administrator 197
of workers' compensation and each member of the bureau of 198
workers' compensation board of directors; the bureau of workers' 199
compensation director of investments; the chief investment 200
officer of the bureau of workers' compensation; all members of 201
the board of commissioners on grievances and discipline of the 202
supreme court and the ethics commission created under section 203
102.05 of the Revised Code; every business manager, treasurer, 204
or superintendent of a city, local, exempted village, joint 205
vocational, or cooperative education school district or an 206
educational service center; every person who is elected to or is 207
a candidate for the office of member of a board of education of 208

a city, local, exempted village, joint vocational, or 209
cooperative education school district or of a governing board of 210
an educational service center that has a total student count of 211
twelve thousand or more as most recently determined by the 212
department of education pursuant to section 3317.03 of the 213
Revised Code; every person who is appointed to the board of 214
education of a municipal school district pursuant to division 215
(B) or (F) of section 3311.71 of the Revised Code; all members 216
of the board of directors of a sanitary district that is 217
established under Chapter 6115. of the Revised Code and 218
organized wholly for the purpose of providing a water supply for 219
domestic, municipal, and public use, and that includes two 220
municipal corporations in two counties; every public official or 221
employee who is paid a salary or wage in accordance with 222
schedule C of section 124.15 or schedule E-2 of section 124.152 223
of the Revised Code; members of the board of trustees and the 224
executive director of the southern Ohio agricultural and 225
community development foundation; all members appointed to the 226
Ohio livestock care standards board under section 904.02 of the 227
Revised Code; all entrepreneurs in residence assigned by the 228
LeanOhio office in the department of administrative services 229
under section 125.65 of the Revised Code and every other public 230
official or employee who is designated by the appropriate ethics 231
commission pursuant to division (B) of this section. 232

(2) The disclosure statement shall include all of the 233
following: 234

(a) The name of the person filing the statement and each 235
member of the person's immediate family and all names under 236
which the person or members of the person's immediate family do 237
business; 238

(b) (i) Subject to divisions (A) (2) (b) (ii) and (iii) of 239
this section and except as otherwise provided in section 102.022 240
of the Revised Code, identification of every source of income, 241
other than income from a legislative agent identified in 242
division (A) (2) (b) (ii) of this section, received during the 243
preceding calendar year, in the person's own name or by any 244
other person for the person's use or benefit, by the person 245
filing the statement, and a brief description of the nature of 246
the services for which the income was received. If the person 247
filing the statement is a member of the general assembly, the 248
statement shall identify the amount of every source of income 249
received in accordance with the following ranges of amounts: 250
zero or more, but less than one thousand dollars; one thousand 251
dollars or more, but less than ten thousand dollars; ten 252
thousand dollars or more, but less than twenty-five thousand 253
dollars; twenty-five thousand dollars or more, but less than 254
fifty thousand dollars; fifty thousand dollars or more, but less 255
than one hundred thousand dollars; and one hundred thousand 256
dollars or more. Division (A) (2) (b) (i) of this section shall not 257
be construed to require a person filing the statement who 258
derives income from a business or profession to disclose the 259
individual items of income that constitute the gross income of 260
that business or profession, except for those individual items 261
of income that are attributable to the person's or, if the 262
income is shared with the person, the partner's, solicitation of 263
services or goods or performance, arrangement, or facilitation 264
of services or provision of goods on behalf of the business or 265
profession of clients, including corporate clients, who are 266
legislative agents. A person who files the statement under this 267
section shall disclose the identity of and the amount of income 268
received from a person who the public official or employee knows 269
or has reason to know is doing or seeking to do business of any 270

kind with the public official's or employee's agency. 271

(ii) If the person filing the statement is a member of the 272
general assembly, the statement shall identify every source of 273
income and the amount of that income that was received from a 274
legislative agent during the preceding calendar year, in the 275
person's own name or by any other person for the person's use or 276
benefit, by the person filing the statement, and a brief 277
description of the nature of the services for which the income 278
was received. Division (A) (2) (b) (ii) of this section requires 279
the disclosure of clients of attorneys or persons licensed under 280
section 4732.12 of the Revised Code, or patients of persons 281
certified under section 4731.14 of the Revised Code, if those 282
clients or patients are legislative agents. Division (A) (2) (b) 283
(ii) of this section requires a person filing the statement who 284
derives income from a business or profession to disclose those 285
individual items of income that constitute the gross income of 286
that business or profession that are received from legislative 287
agents. 288

(iii) Except as otherwise provided in division (A) (2) (b) 289
(iii) of this section, division (A) (2) (b) (i) of this section 290
applies to attorneys, physicians, and other persons who engage 291
in the practice of a profession and who, pursuant to a section 292
of the Revised Code, the common law of this state, a code of 293
ethics applicable to the profession, or otherwise, generally are 294
required not to reveal, disclose, or use confidences of clients, 295
patients, or other recipients of professional services except 296
under specified circumstances or generally are required to 297
maintain those types of confidences as privileged communications 298
except under specified circumstances. Division (A) (2) (b) (i) of 299
this section does not require an attorney, physician, or other 300
professional subject to a confidentiality requirement as 301

described in division (A) (2) (b) (iii) of this section to disclose 302
the name, other identity, or address of a client, patient, or 303
other recipient of professional services if the disclosure would 304
threaten the client, patient, or other recipient of professional 305
services, would reveal details of the subject matter for which 306
legal, medical, or professional advice or other services were 307
sought, or would reveal an otherwise privileged communication 308
involving the client, patient, or other recipient of 309
professional services. Division (A) (2) (b) (i) of this section 310
does not require an attorney, physician, or other professional 311
subject to a confidentiality requirement as described in 312
division (A) (2) (b) (iii) of this section to disclose in the brief 313
description of the nature of services required by division (A) 314
(2) (b) (i) of this section any information pertaining to specific 315
professional services rendered for a client, patient, or other 316
recipient of professional services that would reveal details of 317
the subject matter for which legal, medical, or professional 318
advice was sought or would reveal an otherwise privileged 319
communication involving the client, patient, or other recipient 320
of professional services. 321

(c) The name of every corporation on file with the 322
secretary of state that is incorporated in this state or holds a 323
certificate of compliance authorizing it to do business in this 324
state, trust, business trust, partnership, or association that 325
transacts business in this state in which the person filing the 326
statement or any other person for the person's use and benefit 327
had during the preceding calendar year an investment of over one 328
thousand dollars at fair market value as of the thirty-first day 329
of December of the preceding calendar year, or the date of 330
disposition, whichever is earlier, or in which the person holds 331
any office or has a fiduciary relationship, and a description of 332

the nature of the investment, office, or relationship. Division 333
(A) (2) (c) of this section does not require disclosure of the 334
name of any bank, savings and loan association, credit union, or 335
building and loan association with which the person filing the 336
statement has a deposit or a withdrawable share account. 337

(d) All fee simple and leasehold interests to which the 338
person filing the statement holds legal title to or a beneficial 339
interest in real property located within the state, excluding 340
the person's residence and property used primarily for personal 341
recreation; 342

(e) The names of all persons residing or transacting 343
business in the state to whom the person filing the statement 344
owes, in the person's own name or in the name of any other 345
person, more than one thousand dollars. Division (A) (2) (e) of 346
this section shall not be construed to require the disclosure of 347
debts owed by the person resulting from the ordinary conduct of 348
a business or profession or debts on the person's residence or 349
real property used primarily for personal recreation, except 350
that the superintendent of financial institutions ~~shall disclose~~ 351
~~the names of all state-chartered savings and loan associations~~ 352
~~and of all service corporations subject to regulation under~~ 353
~~division (E) (2) of section 1151.34 of the Revised Code to whom~~ 354
~~the superintendent in the superintendent's own name or in the~~ 355
~~name of any other person owes any money, and that the~~ 356
~~superintendent~~ and any deputy superintendent of banks shall 357
disclose the names of all state-chartered banks and all bank 358
subsidiary corporations subject to regulation under section 359
1109.44 of the Revised Code to whom the superintendent or deputy 360
superintendent owes any money. 361

(f) The names of all persons residing or transacting 362

business in the state, other than a depository excluded under 363
division (A) (2) (c) of this section, who owe more than one 364
thousand dollars to the person filing the statement, either in 365
the person's own name or to any person for the person's use or 366
benefit. Division (A) (2) (f) of this section shall not be 367
construed to require the disclosure of clients of attorneys or 368
persons licensed under section 4732.12 of the Revised Code, or 369
patients of persons certified under section 4731.14 of the 370
Revised Code, nor the disclosure of debts owed to the person 371
resulting from the ordinary conduct of a business or profession. 372

(g) Except as otherwise provided in section 102.022 of the 373
Revised Code, the source of each gift of over seventy-five 374
dollars, or of each gift of over twenty-five dollars received by 375
a member of the general assembly from a legislative agent, 376
received by the person in the person's own name or by any other 377
person for the person's use or benefit during the preceding 378
calendar year, except gifts received by will or by virtue of 379
section 2105.06 of the Revised Code, or received from spouses, 380
parents, grandparents, children, grandchildren, siblings, 381
nephews, nieces, uncles, aunts, brothers-in-law, sisters-in-law, 382
sons-in-law, daughters-in-law, fathers-in-law, mothers-in-law, 383
or any person to whom the person filing the statement stands in 384
loco parentis, or received by way of distribution from any inter 385
vivos or testamentary trust established by a spouse or by an 386
ancestor; 387

(h) Except as otherwise provided in section 102.022 of the 388
Revised Code, identification of the source and amount of every 389
payment of expenses incurred for travel to destinations inside 390
or outside this state that is received by the person in the 391
person's own name or by any other person for the person's use or 392
benefit and that is incurred in connection with the person's 393

official duties, except for expenses for travel to meetings or 394
conventions of a national or state organization to which any 395
state agency, including, but not limited to, any legislative 396
agency or state institution of higher education as defined in 397
section 3345.011 of the Revised Code, pays membership dues, or 398
any political subdivision or any office or agency of a political 399
subdivision pays membership dues; 400

(i) Except as otherwise provided in section 102.022 of the 401
Revised Code, identification of the source of payment of 402
expenses for meals and other food and beverages, other than for 403
meals and other food and beverages provided at a meeting at 404
which the person participated in a panel, seminar, or speaking 405
engagement or at a meeting or convention of a national or state 406
organization to which any state agency, including, but not 407
limited to, any legislative agency or state institution of 408
higher education as defined in section 3345.011 of the Revised 409
Code, pays membership dues, or any political subdivision or any 410
office or agency of a political subdivision pays membership 411
dues, that are incurred in connection with the person's official 412
duties and that exceed one hundred dollars aggregated per 413
calendar year; 414

(j) If the disclosure statement is filed by a public 415
official or employee described in division (B) (2) of section 416
101.73 of the Revised Code or division (B) (2) of section 121.63 417
of the Revised Code who receives a statement from a legislative 418
agent, executive agency lobbyist, or employer that contains the 419
information described in division (F) (2) of section 101.73 of 420
the Revised Code or division (G) (2) of section 121.63 of the 421
Revised Code, all of the nondisputed information contained in 422
the statement delivered to that public official or employee by 423
the legislative agent, executive agency lobbyist, or employer 424

under division (F) (2) of section 101.73 or (G) (2) of section 425
121.63 of the Revised Code. 426

(3) A person may file a statement required by this section 427
in person, by mail, or by electronic means. 428

(4) A person who is required to file a statement under 429
this section shall file that statement according to the 430
following deadlines, as applicable: 431

(a) Except as otherwise provided in divisions (A) (4) (b), 432
(c), and (d) of this section, the person shall file the 433
statement not later than the fifteenth day of May of each year. 434

(b) A person who is a candidate for elective office shall 435
file the statement no later than the thirtieth day before the 436
primary, special, or general election at which the candidacy is 437
to be voted on, whichever election occurs soonest, except that a 438
person who is a write-in candidate shall file the statement no 439
later than the twentieth day before the earliest election at 440
which the person's candidacy is to be voted on. 441

(c) A person who is appointed to fill a vacancy for an 442
unexpired term in an elective office shall file the statement 443
within fifteen days after the person qualifies for office. 444

(d) A person who is appointed or employed after the 445
fifteenth day of May, other than a person described in division 446
(A) (4) (c) of this section, shall file an annual statement within 447
ninety days after appointment or employment. 448

(5) No person shall be required to file with the 449
appropriate ethics commission more than one statement or pay 450
more than one filing fee for any one calendar year. 451

(6) The appropriate ethics commission, for good cause, may 452

extend for a reasonable time the deadline for filing a statement 453
under this section. 454

(7) A statement filed under this section is subject to 455
public inspection at locations designated by the appropriate 456
ethics commission except as otherwise provided in this section. 457

(B) The Ohio ethics commission, the joint legislative 458
ethics committee, and the board of commissioners on grievances 459
and discipline of the supreme court, using the rule-making 460
procedures of Chapter 119. of the Revised Code, may require any 461
class of public officials or employees under its jurisdiction 462
and not specifically excluded by this section whose positions 463
involve a substantial and material exercise of administrative 464
discretion in the formulation of public policy, expenditure of 465
public funds, enforcement of laws and rules of the state or a 466
county or city, or the execution of other public trusts, to file 467
an annual statement under division (A) of this section. The 468
appropriate ethics commission shall send the public officials or 469
employees written notice of the requirement not less than thirty 470
days before the applicable filing deadline unless the public 471
official or employee is appointed after that date, in which case 472
the notice shall be sent within thirty days after appointment, 473
and the filing shall be made not later than ninety days after 474
appointment. 475

Disclosure statements filed under this division with the 476
Ohio ethics commission by members of boards, commissions, or 477
bureaus of the state for which no compensation is received other 478
than reasonable and necessary expenses shall be kept 479
confidential. Disclosure statements filed with the Ohio ethics 480
commission under division (A) of this section by business 481
managers, treasurers, and superintendents of city, local, 482

exempted village, joint vocational, or cooperative education 483
school districts or educational service centers shall be kept 484
confidential, except that any person conducting an audit of any 485
such school district or educational service center pursuant to 486
section 115.56 or Chapter 117. of the Revised Code may examine 487
the disclosure statement of any business manager, treasurer, or 488
superintendent of that school district or educational service 489
center. Disclosure statements filed with the Ohio ethics 490
commission under division (A) of this section by the individuals 491
set forth in division (B) (2) of section 187.03 of the Revised 492
Code shall be kept confidential. The Ohio ethics commission 493
shall examine each disclosure statement required to be kept 494
confidential to determine whether a potential conflict of 495
interest exists for the person who filed the disclosure 496
statement. A potential conflict of interest exists if the 497
private interests of the person, as indicated by the person's 498
disclosure statement, might interfere with the public interests 499
the person is required to serve in the exercise of the person's 500
authority and duties in the person's office or position of 501
employment. If the commission determines that a potential 502
conflict of interest exists, it shall notify the person who 503
filed the disclosure statement and shall make the portions of 504
the disclosure statement that indicate a potential conflict of 505
interest subject to public inspection in the same manner as is 506
provided for other disclosure statements. Any portion of the 507
disclosure statement that the commission determines does not 508
indicate a potential conflict of interest shall be kept 509
confidential by the commission and shall not be made subject to 510
public inspection, except as is necessary for the enforcement of 511
Chapters 102. and 2921. of the Revised Code and except as 512
otherwise provided in this division. 513

(C) No person shall knowingly fail to file, on or before 514
the applicable filing deadline established under this section, a 515
statement that is required by this section. 516

(D) No person shall knowingly file a false statement that 517
is required to be filed under this section. 518

(E) (1) Except as provided in divisions (E) (2) and (3) of 519
this section, the statement required by division (A) or (B) of 520
this section shall be accompanied by a filing fee of sixty 521
dollars. 522

(2) The statement required by division (A) of this section 523
shall be accompanied by the following filing fee to be paid by 524
the person who is elected or appointed to, or is a candidate 525
for, any of the following offices: 526

527
For state office, except member of the 528

state board of education \$95 529

For office of member of general assembly \$40 530

For county office \$60 531

For city office \$35 532

For office of member of the state board 533

of education \$35 534

For office of member of a city, local, 535

exempted village, or cooperative 536

education board of 537

education or educational service 538

center governing board \$30 539

For position of business manager, 540

treasurer, or superintendent of a 541

city, local, exempted village, joint 542

vocational, or cooperative education 543

school district or 544
educational service center \$30 545

(3) No judge of a court of record or candidate for judge 546
of a court of record, and no referee or magistrate serving a 547
court of record, shall be required to pay the fee required under 548
division (E) (1) or (2) or (F) of this section. 549

(4) For any public official who is appointed to a 550
nonelective office of the state and for any employee who holds a 551
nonelective position in a public agency of the state, the state 552
agency that is the primary employer of the state official or 553
employee shall pay the fee required under division (E) (1) or (F) 554
of this section. 555

(F) If a statement required to be filed under this section 556
is not filed by the date on which it is required to be filed, 557
the appropriate ethics commission shall assess the person 558
required to file the statement a late filing fee of ten dollars 559
for each day the statement is not filed, except that the total 560
amount of the late filing fee shall not exceed two hundred fifty 561
dollars. 562

(G) (1) The appropriate ethics commission other than the 563
Ohio ethics commission and the joint legislative ethics 564
committee shall deposit all fees it receives under divisions (E) 565
and (F) of this section into the general revenue fund of the 566
state. 567

(2) The Ohio ethics commission shall deposit all receipts, 568
including, but not limited to, fees it receives under divisions 569
(E) and (F) of this section, investigative or other fees, costs, 570
or other funds it receives as a result of court orders, and all 571
moneys it receives from settlements under division (G) of 572

section 102.06 of the Revised Code, into the Ohio ethics 573
commission fund, which is hereby created in the state treasury. 574
All moneys credited to the fund shall be used solely for 575
expenses related to the operation and statutory functions of the 576
commission. 577

(3) The joint legislative ethics committee shall deposit 578
all receipts it receives from the payment of financial 579
disclosure statement filing fees under divisions (E) and (F) of 580
this section into the joint legislative ethics committee 581
investigative fund. 582

(H) Division (A) of this section does not apply to a 583
person elected or appointed to the office of precinct, ward, or 584
district committee member under Chapter 3517. of the Revised 585
Code; a presidential elector; a delegate to a national 586
convention; village or township officials and employees; any 587
physician or psychiatrist who is paid a salary or wage in 588
accordance with schedule C of section 124.15 or schedule E-2 of 589
section 124.152 of the Revised Code and whose primary duties do 590
not require the exercise of administrative discretion; or any 591
member of a board, commission, or bureau of any county or city 592
who receives less than one thousand dollars per year for serving 593
in that position. 594

Sec. 109.572. (A) (1) Upon receipt of a request pursuant to 595
section 121.08, 3301.32, 3301.541, or 3319.39 of the Revised 596
Code, a completed form prescribed pursuant to division (C) (1) of 597
this section, and a set of fingerprint impressions obtained in 598
the manner described in division (C) (2) of this section, the 599
superintendent of the bureau of criminal identification and 600
investigation shall conduct a criminal records check in the 601
manner described in division (B) of this section to determine 602

whether any information exists that indicates that the person 603
who is the subject of the request previously has been convicted 604
of or pleaded guilty to any of the following: 605

(a) A violation of section 2903.01, 2903.02, 2903.03, 606
2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 607
2905.01, 2905.02, 2905.05, 2907.02, 2907.03, 2907.04, 2907.05, 608
2907.06, 2907.07, 2907.08, 2907.09, 2907.21, 2907.22, 2907.23, 609
2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 610
2911.01, 2911.02, 2911.11, 2911.12, 2919.12, 2919.22, 2919.24, 611
2919.25, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.04, 612
2925.05, 2925.06, or 3716.11 of the Revised Code, felonious 613
sexual penetration in violation of former section 2907.12 of the 614
Revised Code, a violation of section 2905.04 of the Revised Code 615
as it existed prior to July 1, 1996, a violation of section 616
2919.23 of the Revised Code that would have been a violation of 617
section 2905.04 of the Revised Code as it existed prior to July 618
1, 1996, had the violation been committed prior to that date, or 619
a violation of section 2925.11 of the Revised Code that is not a 620
minor drug possession offense; 621

(b) A violation of an existing or former law of this 622
state, any other state, or the United States that is 623
substantially equivalent to any of the offenses listed in 624
division (A)(1)(a) of this section; 625

(c) If the request is made pursuant to section 3319.39 of 626
the Revised Code for an applicant who is a teacher, any offense 627
specified in section 3319.31 of the Revised Code. 628

(2) On receipt of a request pursuant to section 3712.09 or 629
3721.121 of the Revised Code, a completed form prescribed 630
pursuant to division (C)(1) of this section, and a set of 631
fingerprint impressions obtained in the manner described in 632

division (C) (2) of this section, the superintendent of the 633
bureau of criminal identification and investigation shall 634
conduct a criminal records check with respect to any person who 635
has applied for employment in a position for which a criminal 636
records check is required by those sections. The superintendent 637
shall conduct the criminal records check in the manner described 638
in division (B) of this section to determine whether any 639
information exists that indicates that the person who is the 640
subject of the request previously has been convicted of or 641
pleaded guilty to any of the following: 642

(a) A violation of section 2903.01, 2903.02, 2903.03, 643
2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 644
2905.01, 2905.02, 2905.11, 2905.12, 2907.02, 2907.03, 2907.05, 645
2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.25, 2907.31, 646
2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 647
2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.11, 648
2913.21, 2913.31, 2913.40, 2913.43, 2913.47, 2913.51, 2919.25, 649
2921.36, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.11, 650
2925.13, 2925.22, 2925.23, or 3716.11 of the Revised Code; 651

(b) An existing or former law of this state, any other 652
state, or the United States that is substantially equivalent to 653
any of the offenses listed in division (A) (2) (a) of this 654
section. 655

(3) On receipt of a request pursuant to section 173.27, 656
173.38, 173.381, 3701.881, 5164.34, 5164.341, 5164.342, 657
5123.081, or 5123.169 of the Revised Code, a completed form 658
prescribed pursuant to division (C) (1) of this section, and a 659
set of fingerprint impressions obtained in the manner described 660
in division (C) (2) of this section, the superintendent of the 661
bureau of criminal identification and investigation shall 662

conduct a criminal records check of the person for whom the 663
request is made. The superintendent shall conduct the criminal 664
records check in the manner described in division (B) of this 665
section to determine whether any information exists that 666
indicates that the person who is the subject of the request 667
previously has been convicted of, has pleaded guilty to, or 668
(except in the case of a request pursuant to section 5164.34, 669
5164.341, or 5164.342 of the Revised Code) has been found 670
eligible for intervention in lieu of conviction for any of the 671
following, regardless of the date of the conviction, the date of 672
entry of the guilty plea, or (except in the case of a request 673
pursuant to section 5164.34, 5164.341, or 5164.342 of the 674
Revised Code) the date the person was found eligible for 675
intervention in lieu of conviction: 676

(a) A violation of section 959.13, 959.131, 2903.01, 677
2903.02, 2903.03, 2903.04, 2903.041, 2903.11, 2903.12, 2903.13, 678
2903.15, 2903.16, 2903.21, 2903.211, 2903.22, 2903.34, 2903.341, 679
2905.01, 2905.02, 2905.05, 2905.11, 2905.12, 2905.32, 2905.33, 680
2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 681
2907.09, 2907.21, 2907.22, 2907.23, 2907.24, 2907.25, 2907.31, 682
2907.32, 2907.321, 2907.322, 2907.323, 2907.33, 2909.02, 683
2909.03, 2909.04, 2909.22, 2909.23, 2909.24, 2911.01, 2911.02, 684
2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.05, 685
2913.11, 2913.21, 2913.31, 2913.32, 2913.40, 2913.41, 2913.42, 686
2913.43, 2913.44, 2913.441, 2913.45, 2913.46, 2913.47, 2913.48, 687
2913.49, 2913.51, 2917.01, 2917.02, 2917.03, 2917.31, 2919.12, 688
2919.121, 2919.123, 2919.22, 2919.23, 2919.24, 2919.25, 2921.03, 689
2921.11, 2921.12, 2921.13, 2921.21, 2921.24, 2921.32, 2921.321, 690
2921.34, 2921.35, 2921.36, 2921.51, 2923.12, 2923.122, 2923.123, 691
2923.13, 2923.161, 2923.162, 2923.21, 2923.32, 2923.42, 2925.02, 692
2925.03, 2925.04, 2925.041, 2925.05, 2925.06, 2925.09, 2925.11, 693

2925.13, 2925.14, 2925.141, 2925.22, 2925.23, 2925.24, 2925.36, 694
2925.55, 2925.56, 2927.12, or 3716.11 of the Revised Code; 695

(b) Felonious sexual penetration in violation of former 696
section 2907.12 of the Revised Code; 697

(c) A violation of section 2905.04 of the Revised Code as 698
it existed prior to July 1, 1996; 699

(d) A violation of section 2923.01, 2923.02, or 2923.03 of 700
the Revised Code when the underlying offense that is the object 701
of the conspiracy, attempt, or complicity is one of the offenses 702
listed in divisions (A) (3) (a) to (c) of this section; 703

(e) A violation of an existing or former municipal 704
ordinance or law of this state, any other state, or the United 705
States that is substantially equivalent to any of the offenses 706
listed in divisions (A) (3) (a) to (d) of this section. 707

(4) On receipt of a request pursuant to section 2151.86 of 708
the Revised Code, a completed form prescribed pursuant to 709
division (C) (1) of this section, and a set of fingerprint 710
impressions obtained in the manner described in division (C) (2) 711
of this section, the superintendent of the bureau of criminal 712
identification and investigation shall conduct a criminal 713
records check in the manner described in division (B) of this 714
section to determine whether any information exists that 715
indicates that the person who is the subject of the request 716
previously has been convicted of or pleaded guilty to any of the 717
following: 718

(a) A violation of section 959.13, 2903.01, 2903.02, 719
2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.15, 2903.16, 720
2903.21, 2903.211, 2903.22, 2903.34, 2905.01, 2905.02, 2905.05, 721
2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 722

2907.09, 2907.21, 2907.22, 2907.23, 2907.25, 2907.31, 2907.32, 723
2907.321, 2907.322, 2907.323, 2909.02, 2909.03, 2909.22, 724
2909.23, 2909.24, 2911.01, 2911.02, 2911.11, 2911.12, 2913.49, 725
2917.01, 2917.02, 2919.12, 2919.22, 2919.24, 2919.25, 2923.12, 726
2923.13, 2923.161, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, 727
2927.12, or 3716.11 of the Revised Code, a violation of section 728
2905.04 of the Revised Code as it existed prior to July 1, 1996, 729
a violation of section 2919.23 of the Revised Code that would 730
have been a violation of section 2905.04 of the Revised Code as 731
it existed prior to July 1, 1996, had the violation been 732
committed prior to that date, a violation of section 2925.11 of 733
the Revised Code that is not a minor drug possession offense, 734
two or more OVI or OVUAC violations committed within the three 735
years immediately preceding the submission of the application or 736
petition that is the basis of the request, or felonious sexual 737
penetration in violation of former section 2907.12 of the 738
Revised Code; 739

(b) A violation of an existing or former law of this 740
state, any other state, or the United States that is 741
substantially equivalent to any of the offenses listed in 742
division (A)(4)(a) of this section. 743

(5) Upon receipt of a request pursuant to section 5104.013 744
of the Revised Code, a completed form prescribed pursuant to 745
division (C)(1) of this section, and a set of fingerprint 746
impressions obtained in the manner described in division (C)(2) 747
of this section, the superintendent of the bureau of criminal 748
identification and investigation shall conduct a criminal 749
records check in the manner described in division (B) of this 750
section to determine whether any information exists that 751
indicates that the person who is the subject of the request has 752
been convicted of or pleaded guilty to any of the following: 753

(a) A violation of section 2151.421, 2903.01, 2903.02, 754
2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 755
2903.22, 2903.34, 2905.01, 2905.02, 2905.05, 2905.11, 2905.32, 756
2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 757
2907.09, 2907.19, 2907.21, 2907.22, 2907.23, 2907.24, 2907.25, 758
2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2909.02, 759
2909.03, 2909.04, 2909.05, 2911.01, 2911.02, 2911.11, 2911.12, 760
2913.02, 2913.03, 2913.04, 2913.041, 2913.05, 2913.06, 2913.11, 761
2913.21, 2913.31, 2913.32, 2913.33, 2913.34, 2913.40, 2913.41, 762
2913.42, 2913.43, 2913.44, 2913.441, 2913.45, 2913.46, 2913.47, 763
2913.48, 2913.49, 2917.01, 2917.02, 2917.03, 2917.31, 2919.12, 764
2919.22, 2919.224, 2919.225, 2919.24, 2919.25, 2921.03, 2921.11, 765
2921.13, 2921.14, 2921.34, 2921.35, 2923.01, 2923.12, 2923.13, 766
2923.161, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, or 767
3716.11 of the Revised Code, felonious sexual penetration in 768
violation of former section 2907.12 of the Revised Code, a 769
violation of section 2905.04 of the Revised Code as it existed 770
prior to July 1, 1996, a violation of section 2919.23 of the 771
Revised Code that would have been a violation of section 2905.04 772
of the Revised Code as it existed prior to July 1, 1996, had the 773
violation been committed prior to that date, a violation of 774
section 2925.11 of the Revised Code that is not a minor drug 775
possession offense, a violation of section 2923.02 or 2923.03 of 776
the Revised Code that relates to a crime specified in this 777
division, or a second violation of section 4511.19 of the 778
Revised Code within five years of the date of application for 779
licensure or certification. 780

(b) A violation of an existing or former law of this 781
state, any other state, or the United States that is 782
substantially equivalent to any of the offenses or violations 783
described in division (A) (5) (a) of this section. 784

(6) Upon receipt of a request pursuant to section 5153.111 785
of the Revised Code, a completed form prescribed pursuant to 786
division (C)(1) of this section, and a set of fingerprint 787
impressions obtained in the manner described in division (C)(2) 788
of this section, the superintendent of the bureau of criminal 789
identification and investigation shall conduct a criminal 790
records check in the manner described in division (B) of this 791
section to determine whether any information exists that 792
indicates that the person who is the subject of the request 793
previously has been convicted of or pleaded guilty to any of the 794
following: 795

(a) A violation of section 2903.01, 2903.02, 2903.03, 796
2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 797
2905.01, 2905.02, 2905.05, 2907.02, 2907.03, 2907.04, 2907.05, 798
2907.06, 2907.07, 2907.08, 2907.09, 2907.21, 2907.22, 2907.23, 799
2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 800
2909.02, 2909.03, 2911.01, 2911.02, 2911.11, 2911.12, 2919.12, 801
2919.22, 2919.24, 2919.25, 2923.12, 2923.13, 2923.161, 2925.02, 802
2925.03, 2925.04, 2925.05, 2925.06, or 3716.11 of the Revised 803
Code, felonious sexual penetration in violation of former 804
section 2907.12 of the Revised Code, a violation of section 805
2905.04 of the Revised Code as it existed prior to July 1, 1996, 806
a violation of section 2919.23 of the Revised Code that would 807
have been a violation of section 2905.04 of the Revised Code as 808
it existed prior to July 1, 1996, had the violation been 809
committed prior to that date, or a violation of section 2925.11 810
of the Revised Code that is not a minor drug possession offense; 811

(b) A violation of an existing or former law of this 812
state, any other state, or the United States that is 813
substantially equivalent to any of the offenses listed in 814
division (A)(6)(a) of this section. 815

(7) On receipt of a request for a criminal records check 816
from an individual pursuant to section 4749.03 or 4749.06 of the 817
Revised Code, accompanied by a completed copy of the form 818
prescribed in division (C)(1) of this section and a set of 819
fingerprint impressions obtained in a manner described in 820
division (C)(2) of this section, the superintendent of the 821
bureau of criminal identification and investigation shall 822
conduct a criminal records check in the manner described in 823
division (B) of this section to determine whether any 824
information exists indicating that the person who is the subject 825
of the request has been convicted of or pleaded guilty to a 826
felony in this state or in any other state. If the individual 827
indicates that a firearm will be carried in the course of 828
business, the superintendent shall require information from the 829
federal bureau of investigation as described in division (B)(2) 830
of this section. Subject to division (F) of this section, the 831
superintendent shall report the findings of the criminal records 832
check and any information the federal bureau of investigation 833
provides to the director of public safety. 834

(8) On receipt of a request pursuant to section 1321.37, 835
1321.53, 1321.531, 1322.03, 1322.031, or 4763.05 of the Revised 836
Code, a completed form prescribed pursuant to division (C)(1) of 837
this section, and a set of fingerprint impressions obtained in 838
the manner described in division (C)(2) of this section, the 839
superintendent of the bureau of criminal identification and 840
investigation shall conduct a criminal records check with 841
respect to any person who has applied for a license, permit, or 842
certification from the department of commerce or a division in 843
the department. The superintendent shall conduct the criminal 844
records check in the manner described in division (B) of this 845
section to determine whether any information exists that 846

indicates that the person who is the subject of the request 847
previously has been convicted of or pleaded guilty to any of the 848
following: a violation of section 2913.02, 2913.11, 2913.31, 849
2913.51, or 2925.03 of the Revised Code; any other criminal 850
offense involving theft, receiving stolen property, 851
embezzlement, forgery, fraud, passing bad checks, money 852
laundering, or drug trafficking, or any criminal offense 853
involving money or securities, as set forth in Chapters 2909., 854
2911., 2913., 2915., 2921., 2923., and 2925. of the Revised 855
Code; or any existing or former law of this state, any other 856
state, or the United States that is substantially equivalent to 857
those offenses. 858

(9) On receipt of a request for a criminal records check 859
from the treasurer of state under section 113.041 of the Revised 860
Code or from an individual under section 4701.08, 4715.101, 861
4717.061, 4725.121, 4725.501, 4729.071, 4730.101, 4730.14, 862
4730.28, 4731.081, 4731.15, 4731.171, 4731.222, 4731.281, 863
4731.296, 4731.531, 4732.091, 4734.202, 4740.061, 4741.10, 864
4755.70, 4757.101, 4759.061, 4760.032, 4760.06, 4761.051, 865
4762.031, 4762.06, 4776.021, 4779.091, or 4783.04 of the Revised 866
Code, accompanied by a completed form prescribed under division 867
(C) (1) of this section and a set of fingerprint impressions 868
obtained in the manner described in division (C) (2) of this 869
section, the superintendent of the bureau of criminal 870
identification and investigation shall conduct a criminal 871
records check in the manner described in division (B) of this 872
section to determine whether any information exists that 873
indicates that the person who is the subject of the request has 874
been convicted of or pleaded guilty to any criminal offense in 875
this state or any other state. Subject to division (F) of this 876
section, the superintendent shall send the results of a check 877

requested under section 113.041 of the Revised Code to the 878
treasurer of state and shall send the results of a check 879
requested under any of the other listed sections to the 880
licensing board specified by the individual in the request. 881

(10) On receipt of a request pursuant to section 1121.23, 882
~~1155.03, 1163.05,~~ 1315.141, 1733.47, or 1761.26 of the Revised 883
Code, a completed form prescribed pursuant to division (C)(1) of 884
this section, and a set of fingerprint impressions obtained in 885
the manner described in division (C)(2) of this section, the 886
superintendent of the bureau of criminal identification and 887
investigation shall conduct a criminal records check in the 888
manner described in division (B) of this section to determine 889
whether any information exists that indicates that the person 890
who is the subject of the request previously has been convicted 891
of or pleaded guilty to any criminal offense under any existing 892
or former law of this state, any other state, or the United 893
States. 894

(11) On receipt of a request for a criminal records check 895
from an appointing or licensing authority under section 3772.07 896
of the Revised Code, a completed form prescribed under division 897
(C)(1) of this section, and a set of fingerprint impressions 898
obtained in the manner prescribed in division (C)(2) of this 899
section, the superintendent of the bureau of criminal 900
identification and investigation shall conduct a criminal 901
records check in the manner described in division (B) of this 902
section to determine whether any information exists that 903
indicates that the person who is the subject of the request 904
previously has been convicted of or pleaded guilty or no contest 905
to any offense under any existing or former law of this state, 906
any other state, or the United States that is a disqualifying 907
offense as defined in section 3772.07 of the Revised Code or 908

substantially equivalent to such an offense. 909

(12) On receipt of a request pursuant to section 2151.33 910
or 2151.412 of the Revised Code, a completed form prescribed 911
pursuant to division (C)(1) of this section, and a set of 912
fingerprint impressions obtained in the manner described in 913
division (C)(2) of this section, the superintendent of the 914
bureau of criminal identification and investigation shall 915
conduct a criminal records check with respect to any person for 916
whom a criminal records check is required under that section. 917
The superintendent shall conduct the criminal records check in 918
the manner described in division (B) of this section to 919
determine whether any information exists that indicates that the 920
person who is the subject of the request previously has been 921
convicted of or pleaded guilty to any of the following: 922

(a) A violation of section 2903.01, 2903.02, 2903.03, 923
2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 924
2905.01, 2905.02, 2905.11, 2905.12, 2907.02, 2907.03, 2907.05, 925
2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.25, 2907.31, 926
2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 927
2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.11, 928
2913.21, 2913.31, 2913.40, 2913.43, 2913.47, 2913.51, 2919.25, 929
2921.36, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.11, 930
2925.13, 2925.22, 2925.23, or 3716.11 of the Revised Code; 931

(b) An existing or former law of this state, any other 932
state, or the United States that is substantially equivalent to 933
any of the offenses listed in division (A)(12)(a) of this 934
section. 935

(13) On receipt of a request pursuant to section 3796.12 936
of the Revised Code, a completed form prescribed pursuant to 937
division (C)(1) of this section, and a set of fingerprint 938

impressions obtained in a manner described in division (C) (2) of 939
this section, the superintendent of the bureau of criminal 940
identification and investigation shall conduct a criminal 941
records check in the manner described in division (B) of this 942
section to determine whether any information exists that 943
indicates that the person who is the subject of the request 944
previously has been convicted of or pleaded guilty to the 945
following: 946

(a) A disqualifying offense as specified in rules adopted 947
under division (B) (2) (b) of section 3796.03 of the Revised Code 948
if the person who is the subject of the request is an 949
administrator or other person responsible for the daily 950
operation of, or an owner or prospective owner, officer or 951
prospective officer, or board member or prospective board member 952
of, an entity seeking a license from the department of commerce 953
under Chapter 3796. of the Revised Code; 954

(b) A disqualifying offense as specified in rules adopted 955
under division (B) (2) (b) of section 3796.04 of the Revised Code 956
if the person who is the subject of the request is an 957
administrator or other person responsible for the daily 958
operation of, or an owner or prospective owner, officer or 959
prospective officer, or board member or prospective board member 960
of, an entity seeking a license from the state board of pharmacy 961
under Chapter 3796. of the Revised Code. 962

(14) On receipt of a request required by section 3796.13 963
of the Revised Code, a completed form prescribed pursuant to 964
division (C) (1) of this section, and a set of fingerprint 965
impressions obtained in a manner described in division (C) (2) of 966
this section, the superintendent of the bureau of criminal 967
identification and investigation shall conduct a criminal 968

records check in the manner described in division (B) of this 969
section to determine whether any information exists that 970
indicates that the person who is the subject of the request 971
previously has been convicted of or pleaded guilty to the 972
following: 973

(a) A disqualifying offense as specified in rules adopted 974
under division (B) (8) (a) of section 3796.03 of the Revised Code 975
if the person who is the subject of the request is seeking 976
employment with an entity licensed by the department of commerce 977
under Chapter 3796. of the Revised Code; 978

(b) A disqualifying offense as specified in rules adopted 979
under division (B) (14) (a) of section 3796.04 of the Revised Code 980
if the person who is the subject of the request is seeking 981
employment with an entity licensed by the state board of 982
pharmacy under Chapter 3796. of the Revised Code. 983

(B) Subject to division (F) of this section, the 984
superintendent shall conduct any criminal records check to be 985
conducted under this section as follows: 986

(1) The superintendent shall review or cause to be 987
reviewed any relevant information gathered and compiled by the 988
bureau under division (A) of section 109.57 of the Revised Code 989
that relates to the person who is the subject of the criminal 990
records check, including, if the criminal records check was 991
requested under section 113.041, 121.08, 173.27, 173.38, 992
173.381, 1121.23, ~~1155.03, 1163.05~~, 1315.141, 1321.37, 1321.53, 993
1321.531, 1322.03, 1322.031, 1733.47, 1761.26, 2151.86, 3301.32, 994
3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3772.07, 995
3796.12, 4749.03, 4749.06, 4763.05, 5104.013, 5164.34, 5164.341, 996
5164.342, 5123.081, 5123.169, or 5153.111 of the Revised Code, 997
any relevant information contained in records that have been 998

sealed under section 2953.32 of the Revised Code; 999

(2) If the request received by the superintendent asks for 1000
information from the federal bureau of investigation, the 1001
superintendent shall request from the federal bureau of 1002
investigation any information it has with respect to the person 1003
who is the subject of the criminal records check, including 1004
fingerprint-based checks of national crime information databases 1005
as described in 42 U.S.C. 671 if the request is made pursuant to 1006
section 2151.86 or 5104.013 of the Revised Code or if any other 1007
Revised Code section requires fingerprint-based checks of that 1008
nature, and shall review or cause to be reviewed any information 1009
the superintendent receives from that bureau. If a request under 1010
section 3319.39 of the Revised Code asks only for information 1011
from the federal bureau of investigation, the superintendent 1012
shall not conduct the review prescribed by division (B) (1) of 1013
this section. 1014

(3) The superintendent or the superintendent's designee 1015
may request criminal history records from other states or the 1016
federal government pursuant to the national crime prevention and 1017
privacy compact set forth in section 109.571 of the Revised 1018
Code. 1019

(4) The superintendent shall include in the results of the 1020
criminal records check a list or description of the offenses 1021
listed or described in division (A) (1), (2), (3), (4), (5), (6), 1022
(7), (8), (9), (10), (11), (12), (13), or (14) of this section, 1023
whichever division requires the superintendent to conduct the 1024
criminal records check. The superintendent shall exclude from 1025
the results any information the dissemination of which is 1026
prohibited by federal law. 1027

(5) The superintendent shall send the results of the 1028

criminal records check to the person to whom it is to be sent 1029
not later than the following number of days after the date the 1030
superintendent receives the request for the criminal records 1031
check, the completed form prescribed under division (C) (1) of 1032
this section, and the set of fingerprint impressions obtained in 1033
the manner described in division (C) (2) of this section: 1034

(a) If the superintendent is required by division (A) of 1035
this section (other than division (A) (3) of this section) to 1036
conduct the criminal records check, thirty; 1037

(b) If the superintendent is required by division (A) (3) 1038
of this section to conduct the criminal records check, sixty. 1039

(C) (1) The superintendent shall prescribe a form to obtain 1040
the information necessary to conduct a criminal records check 1041
from any person for whom a criminal records check is to be 1042
conducted under this section. The form that the superintendent 1043
prescribes pursuant to this division may be in a tangible 1044
format, in an electronic format, or in both tangible and 1045
electronic formats. 1046

(2) The superintendent shall prescribe standard impression 1047
sheets to obtain the fingerprint impressions of any person for 1048
whom a criminal records check is to be conducted under this 1049
section. Any person for whom a records check is to be conducted 1050
under this section shall obtain the fingerprint impressions at a 1051
county sheriff's office, municipal police department, or any 1052
other entity with the ability to make fingerprint impressions on 1053
the standard impression sheets prescribed by the superintendent. 1054
The office, department, or entity may charge the person a 1055
reasonable fee for making the impressions. The standard 1056
impression sheets the superintendent prescribes pursuant to this 1057
division may be in a tangible format, in an electronic format, 1058

or in both tangible and electronic formats. 1059

(3) Subject to division (D) of this section, the 1060
superintendent shall prescribe and charge a reasonable fee for 1061
providing a criminal records check under this section. The 1062
person requesting the criminal records check shall pay the fee 1063
prescribed pursuant to this division. In the case of a request 1064
under section 1121.23, ~~1155.03, 1163.05,~~ 1315.141, 1733.47, 1065
1761.26, 2151.33, 2151.412, or 5164.34 of the Revised Code, the 1066
fee shall be paid in the manner specified in that section. 1067

(4) The superintendent of the bureau of criminal 1068
identification and investigation may prescribe methods of 1069
forwarding fingerprint impressions and information necessary to 1070
conduct a criminal records check, which methods shall include, 1071
but not be limited to, an electronic method. 1072

(D) The results of a criminal records check conducted 1073
under this section, other than a criminal records check 1074
specified in division (A) (7) of this section, are valid for the 1075
person who is the subject of the criminal records check for a 1076
period of one year from the date upon which the superintendent 1077
completes the criminal records check. If during that period the 1078
superintendent receives another request for a criminal records 1079
check to be conducted under this section for that person, the 1080
superintendent shall provide the results from the previous 1081
criminal records check of the person at a lower fee than the fee 1082
prescribed for the initial criminal records check. 1083

(E) When the superintendent receives a request for 1084
information from a registered private provider, the 1085
superintendent shall proceed as if the request was received from 1086
a school district board of education under section 3319.39 of 1087
the Revised Code. The superintendent shall apply division (A) (1) 1088

(c) of this section to any such request for an applicant who is 1089
a teacher. 1090

(F) (1) All information regarding the results of a criminal 1091
records check conducted under this section that the 1092
superintendent reports or sends under division (A) (7) or (9) of 1093
this section to the director of public safety, the treasurer of 1094
state, or the person, board, or entity that made the request for 1095
the criminal records check shall relate to the conviction of the 1096
subject person, or the subject person's plea of guilty to, a 1097
criminal offense. 1098

(2) Division (F) (1) of this section does not limit, 1099
restrict, or preclude the superintendent's release of 1100
information that relates to the arrest of a person who is 1101
eighteen years of age or older, to an adjudication of a child as 1102
a delinquent child, or to a criminal conviction of a person 1103
under eighteen years of age in circumstances in which a release 1104
of that nature is authorized under division (E) (2), (3), or (4) 1105
of section 109.57 of the Revised Code pursuant to a rule adopted 1106
under division (E) (1) of that section. 1107

(G) As used in this section: 1108

(1) "Criminal records check" means any criminal records 1109
check conducted by the superintendent of the bureau of criminal 1110
identification and investigation in accordance with division (B) 1111
of this section. 1112

(2) "Minor drug possession offense" has the same meaning 1113
as in section 2925.01 of the Revised Code. 1114

(3) "OVI or OVUAC violation" means a violation of section 1115
4511.19 of the Revised Code or a violation of an existing or 1116
former law of this state, any other state, or the United States 1117

that is substantially equivalent to section 4511.19 of the Revised Code.

(4) "Registered private provider" means a nonpublic school or entity registered with the superintendent of public instruction under section 3310.41 of the Revised Code to participate in the autism scholarship program or section 3310.58 of the Revised Code to participate in the Jon Peterson special needs scholarship program.

Sec. 111.15. (A) As used in this section:

(1) "Rule" includes any rule, regulation, bylaw, or standard having a general and uniform operation adopted by an agency under the authority of the laws governing the agency; any appendix to a rule; and any internal management rule. "Rule" does not include any guideline adopted pursuant to section 3301.0714 of the Revised Code, any order respecting the duties of employees, any finding, any determination of a question of law or fact in a matter presented to an agency, or any rule promulgated pursuant to Chapter 119. or division (C)(1) or (2) of section 5117.02 of the Revised Code. "Rule" includes any amendment or rescission of a rule.

(2) "Agency" means any governmental entity of the state and includes, but is not limited to, any board, department, division, commission, bureau, society, council, institution, state college or university, community college district, technical college district, or state community college. "Agency" does not include the general assembly, the controlling board, the adjutant general's department, or any court.

(3) "Internal management rule" means any rule, regulation, bylaw, or standard governing the day-to-day staff procedures and

operations within an agency. 1147

(B) (1) Any rule, other than a rule of an emergency nature, 1148
adopted by any agency pursuant to this section shall be 1149
effective on the tenth day after the day on which the rule in 1150
final form and in compliance with division (B) (3) of this 1151
section is filed as follows: 1152

(a) The rule shall be filed in electronic form with both 1153
the secretary of state and the director of the legislative 1154
service commission; 1155

(b) The rule shall be filed in electronic form with the 1156
joint committee on agency rule review. Division (B) (1) (b) of 1157
this section does not apply to any rule to which division (D) of 1158
this section does not apply. 1159

An agency that adopts or amends a rule that is subject to 1160
division (D) of this section shall assign a review date to the 1161
rule that is not later than five years after its effective date. 1162
If a review date assigned to a rule exceeds the five-year 1163
maximum, the review date for the rule is five years after its 1164
effective date. A rule with a review date is subject to review 1165
under section 106.03 of the Revised Code. This paragraph does 1166
not apply to a rule of a state college or university, community 1167
college district, technical college district, or state community 1168
college. 1169

If an agency in adopting a rule designates an effective 1170
date that is later than the effective date provided for by 1171
division (B) (1) of this section, the rule if filed as required 1172
by such division shall become effective on the later date 1173
designated by the agency. 1174

Any rule that is required to be filed under division (B) 1175

(1) of this section is also subject to division (D) of this 1176
section if not exempted by that division. 1177

If a rule incorporates a text or other material by 1178
reference, the agency shall comply with sections 121.71 to 1179
121.76 of the Revised Code. 1180

(2) A rule of an emergency nature necessary for the 1181
immediate preservation of the public peace, health, or safety 1182
shall state the reasons for the necessity. The emergency rule, 1183
in final form and in compliance with division (B)(3) of this 1184
section, shall be filed in electronic form with the secretary of 1185
state, the director of the legislative service commission, and 1186
the joint committee on agency rule review. The emergency rule is 1187
effective immediately upon completion of the latest filing, 1188
except that if the agency in adopting the emergency rule 1189
designates an effective date, or date and time of day, that is 1190
later than the effective date and time provided for by division 1191
(B)(2) of this section, the emergency rule if filed as required 1192
by such division shall become effective at the later date, or 1193
later date and time of day, designated by the agency. 1194

An emergency rule becomes invalid at the end of the one 1195
hundred twentieth day it is in effect. Prior to that date, the 1196
agency may file the emergency rule as a nonemergency rule in 1197
compliance with division (B)(1) of this section. The agency may 1198
not refile the emergency rule in compliance with division (B)(2) 1199
of this section so that, upon the emergency rule becoming 1200
invalid under such division, the emergency rule will continue in 1201
effect without interruption for another one hundred twenty-day 1202
period. 1203

(3) An agency shall file a rule under division (B)(1) or 1204
(2) of this section in compliance with the following standards 1205

and procedures: 1206

(a) The rule shall be numbered in accordance with the 1207
numbering system devised by the director for the Ohio 1208
administrative code. 1209

(b) The rule shall be prepared and submitted in compliance 1210
with the rules of the legislative service commission. 1211

(c) The rule shall clearly state the date on which it is 1212
to be effective and the date on which it will expire, if known. 1213

(d) Each rule that amends or rescinds another rule shall 1214
clearly refer to the rule that is amended or rescinded. Each 1215
amendment shall fully restate the rule as amended. 1216

If the director of the legislative service commission or 1217
the director's designee gives an agency notice pursuant to 1218
section 103.05 of the Revised Code that a rule filed by the 1219
agency is not in compliance with the rules of the legislative 1220
service commission, the agency shall within thirty days after 1221
receipt of the notice conform the rule to the rules of the 1222
commission as directed in the notice. 1223

(C) All rules filed pursuant to divisions (B) (1) (a) and 1224
(2) of this section shall be recorded by the secretary of state 1225
and the director under the title of the agency adopting the rule 1226
and shall be numbered according to the numbering system devised 1227
by the director. The secretary of state and the director shall 1228
preserve the rules in an accessible manner. Each such rule shall 1229
be a public record open to public inspection and may be 1230
transmitted to any law publishing company that wishes to 1231
reproduce it. 1232

(D) At least sixty-five days before a board, commission, 1233
department, division, or bureau of the government of the state 1234

files a rule under division (B) (1) of this section, it shall 1235
file the full text of the proposed rule in electronic form with 1236
the joint committee on agency rule review, and the proposed rule 1237
is subject to legislative review and invalidation under section 1238
106.021 of the Revised Code. If a state board, commission, 1239
department, division, or bureau makes a revision in a proposed 1240
rule after it is filed with the joint committee, the state 1241
board, commission, department, division, or bureau shall 1242
promptly file the full text of the proposed rule in its revised 1243
form in electronic form with the joint committee. A state board, 1244
commission, department, division, or bureau shall also file the 1245
rule summary and fiscal analysis prepared under section 127.18 1246
of the Revised Code in electronic form along with a proposed 1247
rule, and along with a proposed rule in revised form, that is 1248
filed under this division. If a proposed rule has an adverse 1249
impact on businesses, the state board, commission, department, 1250
division, or bureau also shall file the business impact 1251
analysis, any recommendations received from the common sense 1252
initiative office, and the associated memorandum of response, if 1253
any, in electronic form along with the proposed rule, or the 1254
proposed rule in revised form, that is filed under this 1255
division. 1256

A proposed rule that is subject to legislative review 1257
under this division may not be adopted and filed in final form 1258
under division (B) (1) of this section unless the proposed rule 1259
has been filed with the joint committee on agency rule review 1260
under this division and the time for the joint committee to 1261
review the proposed rule has expired without recommendation of a 1262
concurrent resolution to invalidate the proposed rule. 1263

As used in this division, "commission" includes the public 1264
utilities commission when adopting rules under a federal or 1265

state statute.	1266
This division does not apply to any of the following:	1267
(1) A proposed rule of an emergency nature;	1268
(2) A rule proposed under section 1121.05, 1121.06,	1269
1155.18, 1163.22, 1349.33, 1707.201, 1733.412, 4123.29, 4123.34,	1270
4123.341, 4123.342, 4123.40, 4123.411, 4123.44, or 4123.442 of	1271
the Revised Code;	1272
(3) A rule proposed by an agency other than a board,	1273
commission, department, division, or bureau of the government of	1274
the state;	1275
(4) A proposed internal management rule of a board,	1276
commission, department, division, or bureau of the government of	1277
the state;	1278
(5) Any proposed rule that must be adopted verbatim by an	1279
agency pursuant to federal law or rule, to become effective	1280
within sixty days of adoption, in order to continue the	1281
operation of a federally reimbursed program in this state, so	1282
long as the proposed rule contains both of the following:	1283
(a) A statement that it is proposed for the purpose of	1284
complying with a federal law or rule;	1285
(b) A citation to the federal law or rule that requires	1286
verbatim compliance.	1287
(6) An initial rule proposed by the director of health to	1288
impose safety standards and quality-of-care standards with	1289
respect to a health service specified in section 3702.11 of the	1290
Revised Code, or an initial rule proposed by the director to	1291
impose quality standards on a facility listed in division (A) (4)	1292
of section 3702.30 of the Revised Code, if section 3702.12 of	1293

the Revised Code requires that the rule be adopted under this 1294
section; 1295

(7) A rule of the state lottery commission pertaining to 1296
instant game rules. 1297

If a rule is exempt from legislative review under division 1298
(D) (5) of this section, and if the federal law or rule pursuant 1299
to which the rule was adopted expires, is repealed or rescinded, 1300
or otherwise terminates, the rule is thereafter subject to 1301
legislative review under division (D) of this section. 1302

Whenever a state board, commission, department, division, 1303
or bureau files a proposed rule or a proposed rule in revised 1304
form under division (D) of this section, it shall also file the 1305
full text of the same proposed rule or proposed rule in revised 1306
form in electronic form with the secretary of state and the 1307
director of the legislative service commission. A state board, 1308
commission, department, division, or bureau shall file the rule 1309
summary and fiscal analysis prepared under section 127.18 of the 1310
Revised Code in electronic form along with a proposed rule or 1311
proposed rule in revised form that is filed with the secretary 1312
of state or the director of the legislative service commission. 1313

Sec. 119.01. As used in sections 119.01 to 119.13 of the 1314
Revised Code: 1315

(A) (1) "Agency" means, except as limited by this division, 1316
any official, board, or commission having authority to 1317
promulgate rules or make adjudications in the civil service 1318
commission, the division of liquor control, the department of 1319
taxation, the industrial commission, the bureau of workers' 1320
compensation, the functions of any administrative or executive 1321
officer, department, division, bureau, board, or commission of 1322

the government of the state specifically made subject to 1323
sections 119.01 to 119.13 of the Revised Code, and the licensing 1324
functions of any administrative or executive officer, 1325
department, division, bureau, board, or commission of the 1326
government of the state having the authority or responsibility 1327
of issuing, suspending, revoking, or canceling licenses. 1328

Sections 119.01 to 119.13 of the Revised Code do not apply 1329
to the public utilities commission. Sections 119.01 to 119.13 of 1330
the Revised Code do not apply to the utility radiological safety 1331
board; to the controlling board; to actions of the 1332
superintendent of financial institutions and the superintendent 1333
of insurance in the taking possession of, and rehabilitation or 1334
liquidation of, the business and property of banks, savings and 1335
loan associations, savings banks, credit unions, insurance 1336
companies, associations, reciprocal fraternal benefit societies, 1337
and bond investment companies; to any action taken by the 1338
division of securities under section 1707.201 of the Revised 1339
Code; or to any action that may be taken by the superintendent 1340
of financial institutions under section 1113.03, 1121.06, 1341
1121.10, 1125.09, 1125.12, 1125.18, ~~1157.09, 1157.12, 1157.18,~~ 1342
~~1165.09, 1165.12, 1165.18,~~ 1343
1349.33, 1733.35, 1733.361, 1733.37, 1344
or 1761.03 of the Revised Code.

Sections 119.01 to 119.13 of the Revised Code do not apply 1345
to actions of the industrial commission or the bureau of 1346
workers' compensation under sections 4123.01 to 4123.94 of the 1347
Revised Code with respect to all matters of adjudication, or to 1348
the actions of the industrial commission, bureau of workers' 1349
compensation board of directors, and bureau of workers' 1350
compensation under division (D) of section 4121.32, sections 1351
4123.29, 4123.34, 4123.341, 4123.342, 4123.40, 4123.411, 1352
4123.44, 4123.442, 4127.07, divisions (B), (C), and (E) of 1353

section 4131.04, and divisions (B), (C), and (E) of section 1354
4131.14 of the Revised Code with respect to all matters 1355
concerning the establishment of premium, contribution, and 1356
assessment rates. 1357

(2) "Agency" also means any official or work unit having 1358
authority to promulgate rules or make adjudications in the 1359
department of job and family services, but only with respect to 1360
both of the following: 1361

(a) The adoption, amendment, or rescission of rules that 1362
section 5101.09 of the Revised Code requires be adopted in 1363
accordance with this chapter; 1364

(b) The issuance, suspension, revocation, or cancellation 1365
of licenses. 1366

(B) "License" means any license, permit, certificate, 1367
commission, or charter issued by any agency. "License" does not 1368
include any arrangement whereby a person or government entity 1369
furnishes medicaid services under a provider agreement with the 1370
department of medicaid. 1371

(C) "Rule" means any rule, regulation, or standard, having 1372
a general and uniform operation, adopted, promulgated, and 1373
enforced by any agency under the authority of the laws governing 1374
such agency, and includes any appendix to a rule. "Rule" does 1375
not include any internal management rule of an agency unless the 1376
internal management rule affects private rights and does not 1377
include any guideline adopted pursuant to section 3301.0714 of 1378
the Revised Code. 1379

(D) "Adjudication" means the determination by the highest 1380
or ultimate authority of an agency of the rights, duties, 1381
privileges, benefits, or legal relationships of a specified 1382

person, but does not include the issuance of a license in 1383
response to an application with respect to which no question is 1384
raised, nor other acts of a ministerial nature. 1385

(E) "Hearing" means a public hearing by any agency in 1386
compliance with procedural safeguards afforded by sections 1387
119.01 to 119.13 of the Revised Code. 1388

(F) "Person" means a person, firm, corporation, 1389
association, or partnership. 1390

(G) "Party" means the person whose interests are the 1391
subject of an adjudication by an agency. 1392

(H) "Appeal" means the procedure by which a person, 1393
aggrieved by a finding, decision, order, or adjudication of any 1394
agency, invokes the jurisdiction of a court. 1395

(I) "Internal management rule" means any rule, regulation, 1396
or standard governing the day-to-day staff procedures and 1397
operations within an agency. 1398

Sec. 121.07. (A) Except as otherwise provided in this 1399
division, the officers mentioned in sections 121.04 and 121.05 1400
of the Revised Code and the offices and divisions they 1401
administer shall be under the direction, supervision, and 1402
control of the directors of their respective departments, and 1403
shall perform such duties as the directors prescribe. In 1404
performing or exercising any of the examination or regulatory 1405
functions, powers, or duties vested by Title XI, Chapters 1733. 1406
and 1761., and sections 1315.01 to 1315.18 of the Revised Code 1407
in the superintendent of financial institutions, the 1408
superintendent of financial institutions and the division of 1409
financial institutions are independent of and are not subject to 1410
the control of the department or the director of commerce. In 1411

the absence of the superintendent of financial institutions, the 1412
director of commerce ~~may shall~~, for a limited period of time, 1413
perform or exercise any of those functions, powers, or duties or 1414
authorize the deputy superintendent for banks to perform or 1415
exercise any of the functions, power, or duties vested by Title 1416
XI and sections 1315.01 to 1315.18 of the Revised Code in the 1417
superintendent and the deputy superintendent for credit unions 1418
to perform or exercise any of the functions, powers, or duties 1419
vested by Chapters 1733. and 1761. of the Revised Code in the 1420
superintendent. 1421

(B) With the approval of the governor, the director of 1422
each department shall establish divisions within the department, 1423
and distribute the work of the department among such divisions. 1424
Each officer created by section 121.04 of the Revised Code shall 1425
be the head of such a division. 1426

With the approval of the governor, the director of each 1427
department may consolidate any two or more of the offices 1428
created in the department by section 121.04 of the Revised Code, 1429
or reduce the number of or create new divisions therein. 1430

The director of each department may prescribe rules for 1431
the government of the department, the conduct of its employees, 1432
the performance of its business, and the custody, use, and 1433
preservation of the records, papers, books, documents, and 1434
property pertaining thereto. 1435

Sec. 131.11. No money held or controlled by any probate 1436
court, juvenile court, clerk of the court of common pleas, clerk 1437
of a county court, sheriff, county recorder, director of a 1438
county department of job and family services, clerk or bailiff 1439
of a municipal court, prosecuting attorney, resident or division 1440
deputy director of highways, or treasurer of a university 1441

receiving state aid, in excess of that covered by federal 1442
deposit insurance as hereinafter described ~~or in excess of that~~ 1443
~~covered by federal savings and loan insurance~~, shall be 1444
deposited in any bank, or trust company, ~~or building and loan~~ 1445
~~association as defined in section 1151.01 of the Revised Code~~ 1446
until there is a hypothecation of securities as provided for in 1447
section 135.18 of the Revised Code, or until there is executed 1448
by the bank, or trust company, ~~or building and loan association~~ 1449
selected, a good and sufficient undertaking, payable to the 1450
depositor, in such sum as the depositor directs, but not less 1451
than the excess of the sum that is deposited in the depository, 1452
at any one time over and above the portion or amount of the sum 1453
as is at any time insured by the federal deposit insurance 1454
corporation created pursuant to "The Banking Act of 1933," or by 1455
~~the federal savings and loan insurance corporation created~~ 1456
~~pursuant to the "Home Owners' Loan Act of 1933," 40 Stat. 128,~~ 1457
~~12 U.S.C.A. 1461, or by any other agency or instrumentality of~~ 1458
the federal government, pursuant to such acts or any acts of 1459
congress amendatory thereof. 1460

Any funds or securities in the possession or custody of 1461
any county official in an official capacity or any funds or 1462
securities the possession or custody of which is charged to any 1463
county official, including funds or securities in transit to or 1464
from any bank or trust company, may be insured by the board of 1465
county commissioners in such amount as is found necessary in the 1466
public interest. All costs of such insurance shall be paid by 1467
the county as provided in section 307.55 of the Revised Code. 1468

With respect to any insured or secured deposit mentioned 1469
in this section which is active as defined by section 135.01 of 1470
the Revised Code, any depositor named in this section may pay a 1471
service charge which is the same as that customarily made by the 1472

institution or institutions receiving money on deposit subject 1473
to check in the city or village where the bank or trust company 1474
accepting such active deposit is located. 1475

Sec. 135.03. Any national bank, any bank doing business 1476
under authority granted by the superintendent of financial 1477
institutions, or any bank doing business under authority granted 1478
by the regulatory authority of another state of the United 1479
States, located in this state, is eligible to become a public 1480
depository, subject to sections 135.01 to 135.21 of the Revised 1481
Code. No bank shall receive or have on deposit at any one time 1482
public moneys, including public moneys as defined in section 1483
135.31 of the Revised Code, in an aggregate amount in excess of 1484
thirty per cent of its total assets, as shown in its latest 1485
report to the comptroller of the currency, the superintendent of 1486
financial institutions, the federal deposit insurance 1487
corporation, or the board of governors of the federal reserve 1488
system. 1489

Any federal savings association, ~~any savings and loan~~ 1490
~~association or savings bank doing business under authority~~ 1491
~~granted by the superintendent of financial institutions,~~ or any 1492
savings and loan association or savings bank doing business 1493
under authority granted by the regulatory authority of another 1494
state of the United States, located in this state, and 1495
authorized to accept deposits is eligible to become a public 1496
depository, subject to sections 135.01 to 135.21 of the Revised 1497
Code. No savings association, savings and loan association, or 1498
savings bank shall receive or have on deposit at any one time 1499
public moneys, including public moneys as defined in section 1500
135.31 of the Revised Code, in an aggregate amount in excess of 1501
thirty per cent of its total assets, as shown in its latest 1502
report to the former office of thrift supervision, the 1503

comptroller of the currency, the superintendent of financial 1504
institutions, the federal deposit insurance corporation, or the 1505
board of governors of the federal reserve system. 1506

Sec. 135.032. ~~No bank or savings and loan association~~ 1507
~~institution mentioned in section 135.03 of the Revised Code is~~ 1508
eligible to become a public depository or to receive any new 1509
public deposits pursuant to sections 135.01 to 135.21 of the 1510
Revised Code, if: 1511

~~(A) In the case of a bank, the bank institution or any of~~ 1512
its directors, officers, employees, or controlling shareholders 1513
or persons is currently a party to an active final or temporary 1514
cease-and-desist order issued ~~under section 1121.32 of the~~ 1515
~~Revised Code;~~ 1516

~~(B) In the case of an association, the association or any~~ 1517
~~of its directors, officers, employees, or controlling persons is~~ 1518
~~currently a party to an active final or summary cease and desist~~ 1519
~~order issued under section 1155.02 of the Revised Code~~ to ensure 1520
the safety and soundness of the institution. 1521

Sec. 135.32. (A) Any national bank, any bank doing 1522
business under authority granted by the superintendent of 1523
financial institutions, or any bank doing business under 1524
authority granted by the regulatory authority of another state 1525
of the United States, located in this state, is eligible to 1526
become a public depository, subject to sections 135.31 to 135.40 1527
of the Revised Code. No bank shall receive or have on deposit at 1528
any one time public moneys, including public moneys as defined 1529
in section 135.01 of the Revised Code, in an aggregate amount in 1530
excess of thirty per cent of its total assets, as shown in its 1531
latest report to the comptroller of the currency, the 1532
superintendent of financial institutions, the federal deposit 1533

insurance corporation, or the board of governors of the federal 1534
reserve system. 1535

(B) Any federal savings association, ~~any savings and loan~~ 1536
~~association or savings bank doing business under authority~~ 1537
~~granted by the superintendent of financial institutions,~~ or any 1538
savings and loan association or savings bank doing business 1539
under authority granted by the regulatory authority of another 1540
state of the United States, located in this state, and 1541
authorized to accept deposits is eligible to become a public 1542
depository, subject to sections 135.31 to 135.40 of the Revised 1543
Code. No savings association, savings and loan association, or 1544
savings bank shall receive or have on deposit at any one time 1545
public moneys, including public moneys as defined in section 1546
135.01 of the Revised Code, in an aggregate amount in excess of 1547
thirty per cent of its total assets, as shown in its latest 1548
report to the former office of thrift supervision, the 1549
comptroller of the currency, the superintendent of financial 1550
institutions, the federal deposit insurance corporation, or the 1551
board of governors of the federal reserve system. 1552

Sec. 135.321. No ~~bank or savings and loan association~~ 1553
institution mentioned in section 135.32 of the Revised Code is 1554
eligible to become a public depository or to receive any new 1555
public deposits pursuant to sections 135.31 to 135.40 of the 1556
Revised Code, if: 1557

~~(A) In the case of a bank, the bank institution or any of~~ 1558
its directors, officers, employees, or controlling shareholders 1559
or persons is currently a party to an active final or temporary 1560
cease-and-desist order issued ~~under section 1121.32 of the~~ 1561
~~Revised Code;~~ 1562

~~(B) In the case of an association, the association or any~~ 1563

~~of its directors, officers, employees, or controlling persons is~~ 1564
~~currently a party to an active final or summary cease and desist~~ 1565
~~order issued under section 1155.02 of the Revised Code~~ to ensure 1566
the safety and soundness of the institution. 1567

Sec. 135.51. In case of any default on the part of a bank 1568
~~or domestic building and loan association~~ in its capacity as 1569
depository of the money of any county, municipal corporation, 1570
township, or school district, the board of county commissioners, 1571
the legislative authority of such municipal corporation, the 1572
board of township trustees, and the board of education of such 1573
school district, in lieu of immediately selling the securities 1574
received and held as security for the deposit of such money 1575
under authority of any section of the Revised Code, may retain 1576
the same, collect the interest and any installments of principal 1577
thereafter falling due on such securities, and refund, exchange, 1578
sell, or otherwise dispose of any of them, at such times and in 1579
such manner as such board of county commissioners, legislative 1580
authority, board of township trustees, or board of education 1581
determines to be advisable with a view to conserving the value 1582
of such securities for the benefit of such county, municipal 1583
corporation, township, or school district, and for the benefit 1584
of the depositors, creditors, and stockholders or other owners 1585
of such bank ~~or building and loan association.~~ 1586

Sec. 135.52. In anticipation of the collection of the 1587
principal and interest of securities, or other disposition of 1588
them, as authorized by section 135.51 of the Revised Code, and 1589
of the payment of dividends in the liquidation of the depository 1590
~~bank or domestic savings and loan association,~~ and for the 1591
purpose of providing public money immediately available for the 1592
needs of the county, municipal corporation, township, or school 1593
district, the taxing authority may issue bonds of the county, 1594

municipal corporation, township, or school district, in an 1595
amount not exceeding the moneys on deposit in the depository 1596
~~bank or savings and loan association~~, the payment of which is 1597
secured by such securities, after crediting to such moneys the 1598
amount realized from the sale or other disposition of any other 1599
securities pledged or deposited for such moneys, or in an amount 1600
not exceeding the value or amount ultimately to be realized from 1601
such securities to be determined by valuation made under oath by 1602
two persons who are conversant with the value of the assets 1603
represented by such securities, whichever amount is the lesser, 1604
plus an amount equal to the interest accruing on such securities 1605
during one year from and after the date of default of such bank 1606
~~or savings and loan association~~ in its capacity as a depository. 1607
The maturity of such bonds shall not exceed ten years and they 1608
shall bear interest at a rate not exceeding the rate determined 1609
as provided in section 9.95 of the Revised Code. Such bonds 1610
shall be the general obligations of the county, municipal 1611
corporation, township, or school district issuing them. The 1612
legislation under which such bonds are issued shall comply with 1613
Section 11 of Article XII, Ohio Constitution. The amount of such 1614
bonds issued or outstanding shall not be considered in 1615
ascertaining any of the limitations on the net indebtedness of 1616
such county, municipal corporation, township, or school district 1617
prescribed by law. In all other respects, the issuance, 1618
maturities, and sale of such bonds shall be subject to Chapter 1619
133. of the Revised Code. 1620

A sufficient amount of the moneys received from principal 1621
on the sale of such bonds to cover the interest accruing on such 1622
securities for one year, to the extent determined by the 1623
authority issuing such bonds in the resolution or ordinance of 1624
issuance under this section, shall be paid into the bond 1625

retirement fund from which the bonds are to be redeemed, 1626
together with premiums and accrued interest. The balance of such 1627
principal shall be credited to the funds to which the moneys 1628
represented by such depository balance belong, and in the 1629
respective amounts of such funds. 1630

Sec. 135.53. All principal and interest collected by the 1631
proper officer or agent of the county, municipal corporation, 1632
township, or school district, on account of the securities 1633
mentioned in section 135.51 of the Revised Code, the proceeds of 1634
any sale or other disposition of any of such securities, and any 1635
dividends received from the liquidation of the defaulting bank 1636
~~or domestic building and loan association,~~ shall be paid into 1637
the bond retirement fund from which the bonds provided for in 1638
section 135.52 of the Revised Code are to be redeemed, until the 1639
aggregate of such payments equals the requirements of such fund, 1640
whereupon such securities, and any remaining depository balance, 1641
not anticipated by such bonds, to the extent then retained by 1642
such county, municipal corporation, township, or school 1643
district, shall be assigned and delivered to the defaulting bank 1644
~~or building and loan association,~~ to its liquidating officer, or 1645
to its successor or assignee, together with a release or other 1646
instrument showing full satisfaction of the claim of such 1647
county, municipal corporation, township, or school district 1648
against such bank, ~~building and loan association,~~ or officer. 1649

Sec. 323.134. As used in this section, "financial 1650
institution" means a bank as defined in section 1101.01 of the 1651
Revised Code, ~~a building and loan association as defined in~~ 1652
~~section 1151.01 of the Revised Code,~~ or any other person 1653
regularly engaging in the business of making or brokering 1654
residential mortgage loans on security located in this state. 1655

The county treasurer may request any financial institution 1656
to enter into an agreement with the treasurer for information 1657
exchanges limited exclusively to the purpose of real property 1658
tax billing and payment, including, but not limited to, the 1659
sharing of information that is part of a data processing system. 1660
With the approval of the county automatic data processing board 1661
or if the county has no board, with the approval of the county 1662
auditor, the county treasurer may enter such an agreement with 1663
any consenting financial institution. Where such an agreement 1664
enables the treasurer to collect the proper amounts of such 1665
taxes due without preparing and sending the tax bills required 1666
by section 323.13 of the Revised Code, the treasurer need not 1667
prepare and send such bills for any entries of real property 1668
upon which taxes are properly computed and paid by the use of 1669
such information exchange. 1670

Sec. 339.06. (A) The board of county hospital trustees, 1671
upon completion of construction or leasing and equipping of a 1672
county hospital, shall assume and continue the operation of the 1673
hospital. 1674

(B) The board of county hospital trustees shall have the 1675
entire management and control of the county hospital. The board 1676
may in writing delegate its management and control of the county 1677
hospital to the administrator of the county hospital employed 1678
under section 339.07 of the Revised Code. The board shall 1679
establish such rules for the hospital's government, management, 1680
control, and the admission of persons as are expedient. 1681

(C) The board of county hospital trustees has control of 1682
the property of the county hospital, including management and 1683
disposal of surplus property other than real estate or an 1684
interest in real estate. 1685

(D) With respect to the use of funds by the board of county hospital trustees and its accounting for the use of funds, all of the following apply:

(1) The board of county hospital trustees has control of all funds used in the county hospital's operation, including moneys received from the operation of the hospital, moneys appropriated for its operation by the board of county commissioners, and moneys resulting from special levies submitted by the board of county commissioners as provided for in section 5705.22 of the Revised Code.

(2) Of the funds used in the county hospital's operation, all or part of any amount determined not to be necessary to meet current demands on the hospital may be invested by the board of county hospital trustees or its designee in any classifications of securities and obligations eligible for deposit or investment of county moneys pursuant to section 135.35 of the Revised Code, subject to the approval of the board's written investment policy by the county investment advisory committee established pursuant to section 135.341 of the Revised Code. If a county hospital is based in a county that has adopted a charter under Section 3 of Article X, Ohio Constitution, such funds may be invested by the board of county hospital trustees as provided in this division or in an ordinance adopted by the legislative authority of the county, in either case subject to approval by the county investment advisory committee, or as provided in section 339.061 of the Revised Code.

(3) Annually, not later than sixty days before the end of the fiscal year used by the county hospital, the board of county hospital trustees shall submit its proposed budget for the ensuing fiscal year to the board of county commissioners for

that board's review. The board of county commissioners shall 1716
review and approve the proposed budget by the first day of the 1717
fiscal year to which the budget applies. If the board of county 1718
commissioners has not approved the budget by the first day of 1719
the fiscal year to which the budget applies, the budget is 1720
deemed to have been approved by the board on the first day of 1721
that fiscal year. 1722

(4) The board of county hospital trustees shall not expend 1723
funds received from taxes collected pursuant to any tax levied 1724
under section 5705.22 of the Revised Code or the amount 1725
appropriated to the county hospital by the board of county 1726
commissioners in the annual appropriation measure for the county 1727
until its budget for the applicable fiscal year is approved in 1728
accordance with division (C) (3) of this section. At any time the 1729
amount received from those sources differs from the amount shown 1730
in the approved budget, the board of county commissioners may 1731
require the board of county hospital trustees to revise the 1732
county hospital budget accordingly. 1733

(5) Funds under the control of the board of county 1734
hospital trustees may be disbursed by the board, consistent with 1735
the approved budget, for the uses and purposes of the county 1736
hospital; for the replacement of necessary equipment; for the 1737
acquisition, leasing, or construction of permanent improvements 1738
to county hospital property; or for making a donation authorized 1739
by division (E) of this section. Each disbursement of funds 1740
shall be made on a voucher signed by signatories designated and 1741
approved by the board of county hospital trustees. 1742

(6) The head of a board of county hospital trustees is not 1743
required to file an estimate of contemplated revenue and 1744
expenditures for the ensuing fiscal year under section 5705.28 1745

of the Revised Code unless the board of county commissioners 1746
levies a tax for the county hospital, or such a tax is proposed, 1747
or the board of county hospital trustees desires that the board 1748
of county commissioners make an appropriation to the county 1749
hospital for the ensuing fiscal year. 1750

(7) All moneys appropriated by the board of county 1751
commissioners or from special levies by the board of county 1752
commissioners for the operation of the hospital, when collected 1753
shall be paid to the board of county hospital trustees on a 1754
warrant of the county auditor and approved by the board of 1755
county commissioners. 1756

(8) The board of county hospital trustees shall provide 1757
for the conduct of an annual financial audit of the county 1758
hospital. Not later than thirty days after it receives the final 1759
report of an annual financial audit, the board shall file a copy 1760
of the report with the board of county commissioners. 1761

(E) For the public purpose of improving the health, 1762
safety, and general welfare of the community, the board of 1763
county hospital trustees may donate to a nonprofit entity any of 1764
the following: 1765

(1) Moneys and other financial assets determined not to be 1766
necessary to meet current demands on the hospital; 1767

(2) Surplus hospital property, including supplies, 1768
equipment, office facilities, and other property that is not 1769
real estate or an interest in real estate; 1770

(3) Services rendered by the hospital. 1771

(F) (1) For purposes of division (F) (2) of this section:— 1772

~~(a) "Bank", "bank"~~ has the same meaning as in section 1773

1101.01 of the Revised Code. 1774

~~(b) "Savings and loan association" has the same meaning as in section 1151.01 of the Revised Code.~~ 1775
1776

~~(c) "Savings bank" has the same meaning as in section 1161.01 of the Revised Code.~~ 1777
1778

(2) The board of county hospital trustees may enter into a 1779
contract for a secured line of credit with a bank, ~~savings and~~ 1780
~~loan association, or savings bank~~ if the contract meets all of 1781
the following requirements: 1782

(a) The term of the contract does not exceed one year, 1783
except that the contract may provide for the automatic renewal 1784
of the contract for up to four additional one-year periods if, 1785
on the date of automatic renewal, the aggregate outstanding 1786
draws remaining unpaid under the secured line of credit do not 1787
exceed fifty per cent of the maximum amount that can be drawn 1788
under the secured line of credit. 1789

(b) The contract provides that the bank, ~~savings and loan~~ 1790
~~association, or savings bank~~ shall not commence a civil action 1791
against the board of county commissioners, any member of the 1792
board, or the county to recover the principal, interest, or any 1793
charges or other amounts that remain outstanding on the secured 1794
line of credit at the time of any default by the board of county 1795
hospital trustees. 1796

(c) The contract provides that no assets other than those 1797
of the county hospital can be used to secure the line of credit. 1798

(d) The terms and conditions of the contract comply with 1799
all state and federal statutes and rules governing the extension 1800
of a secured line of credit. 1801

(3) Any obligation incurred by a board of county hospital trustees under division (F) (2) of this section is an obligation of that board only and not a general obligation of the board of county commissioners or the county within the meaning of division (Q) of section 133.01 of the Revised Code.

(4) Notwithstanding anything to the contrary in the Revised Code, the board of county hospital trustees may secure the line of credit authorized under division (F) (2) of this section by the grant of a security interest in any part or all of its tangible personal property and intangible personal property, including its deposit accounts, accounts receivable, or both.

(5) No board of county hospital trustees shall at any time have more than one secured line of credit under division (F) (2) of this section.

(G) The board of county hospital trustees shall establish a schedule of charges for all services and treatment rendered by the county hospital. It may provide for the free treatment in the hospital of soldiers, sailors, and marines of the county, under such conditions and rules as it prescribes.

(H) The board of county hospital trustees may designate the amounts and forms of insurance protection to be provided, and the board of county commissioners shall assist in obtaining such protection. The expense of providing the protection shall be paid from hospital operating funds.

(I) The board of county hospital trustees may authorize a county hospital and each of its units, hospital board members, designated hospital employees, and medical staff members to be a member of and maintain membership in any local, state, or

national group or association organized and operated for the 1831
promotion of the public health and welfare or advancement of the 1832
efficiency of hospital administration and in connection 1833
therewith to use tax funds for the payment of dues and fees and 1834
related expenses but nothing in this section prohibits the board 1835
from using receipts from hospital operation, other than tax 1836
funds, for the payment of such dues and fees. 1837

(J) The following apply to the board of county hospital 1838
trustees in relation to its employees and the employees of the 1839
county hospital: 1840

(1) The board shall adopt the wage and salary schedule for 1841
employees. 1842

(2) The board may employ the hospital's administrator 1843
pursuant to section 339.07 of the Revised Code, and the 1844
administrator may employ individuals for the hospital in 1845
accordance with that section. 1846

(3) The board may employ assistants as necessary to 1847
perform its clerical work, superintend properly the construction 1848
of the county hospital, and pay the hospital's expenses. Such 1849
employees may be paid from funds provided for the county 1850
hospital. 1851

(4) The board may hire, by contract or as salaried 1852
employees, such management consultants, accountants, attorneys, 1853
engineers, architects, construction managers, and other 1854
professional advisors as it determines are necessary and 1855
desirable to assist in the management of the programs and 1856
operation of the county hospital. Such professional advisors may 1857
be paid from county hospital operating funds. 1858

(5) Notwithstanding section 325.19 of the Revised Code, 1859

the board may grant to employees any fringe benefits the board determines to be customary and usual in the nonprofit hospital field in its community, including, but not limited to:

- (a) Additional vacation leave with full pay for full-time employees, including full-time hourly rate employees, after service of one year;
- (b) Vacation leave and holiday pay for part-time employees on a pro rata basis;
- (c) Leave with full pay due to death in the employee's immediate family, which shall not be deducted from the employee's accumulated sick leave;
- (d) Premium pay for working on holidays listed in section 325.19 of the Revised Code;
- (e) Moving expenses for new employees;
- (f) Discounts on hospital supplies and services.

(6) The board may provide holiday leave by observing Martin Luther King day, Washington-Lincoln day, Columbus day, and Veterans' day on days other than those specified in section 1.14 of the Revised Code.

(7) The board may grant to employees the insurance benefits authorized by section 339.16 of the Revised Code.

(8) Notwithstanding section 325.19 of the Revised Code, the board may grant to employees, including hourly rate employees, such personal holidays as the board determines to be customary and usual in the hospital field in its community.

(9) The board may provide employee recognition awards and hold employee recognition dinners.

(10) The board may grant to employees the recruitment and retention benefits specified under division (K) of this section. 1887
1888

(K) Notwithstanding sections 325.191 and 325.20 of the Revised Code, the board of county hospital trustees may provide, without the prior authorization of the board of county commissioners, scholarships for education in the health care professions, tuition reimbursement, and other staff development programs to enhance the skills of health care professionals for the purpose of recruiting or retaining qualified employees. 1889
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The board of county hospital trustees may pay reasonable expenses for recruiting or retaining physicians and other appropriate health care practitioners. 1896
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(L) The board of county hospital trustees may retain counsel and institute legal action in its own name for the collection of delinquent accounts. The board may also employ any other lawful means for the collection of delinquent accounts. 1899
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Sec. 513.17. (A) The board of hospital governors shall, with the consent and approval of the joint township district hospital board and as provided by sections 513.07 to 513.18 of the Revised Code, prepare plans and specifications, and may employ technical assistance if necessary, and proceed to erect, furnish, and equip necessary buildings for a joint township general hospital. Except where the hospital of the district is leased pursuant to section 513.171 of the Revised Code, such board of governors shall appoint and fix the compensation of a suitable person to be superintendent of the hospital for such period of time as it determines, and shall employ and fix the compensation for such nurses and other employees as are necessary for the proper conduct of the hospital. Subject to the direction of the board of governors and to the rules prescribed 1903
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by it, any such superintendent shall have complete charge and control of the operation of such hospital. The superintendent shall prepare and submit to the board of governors, quarterly, a statement showing the average daily per capita cost for the current expense of maintaining and operating such hospital, including the cost of ordinary repairs.

(B) (1) For purposes of ~~this division~~

~~(a) "Bank"~~ (B) (2) of this section, "bank" has the same meaning as in section 1101.01 of the Revised Code.

~~(b) "Savings and loan association" has the same meaning as in section 1151.01 of the Revised Code.~~

~~(c) "Savings bank" has the same meaning as in section 1161.01 of the Revised Code.~~

(2) The board of hospital governors may enter into a contract for a secured line of credit with a bank, ~~savings and loan association, or savings bank~~ if the contract meets all of the following requirements:

(a) The term of the contract does not exceed one hundred eighty days.

(b) The contract provides that any amount extended must be repaid in full before any additional credit can be extended.

(c) The contract provides that the bank, ~~savings and loan association, or savings bank~~ shall not commence a civil action against the joint township district hospital board, any member of the board, board of township trustees, township, or board of county commissioners to recover the principal, interest, or any charges or other amounts that remain outstanding on the secured line of credit at the time of any default by the board of

hospital governors.	1945
(d) The contract provides that no assets other than those	1946
of the hospital can be used to secure the line of credit.	1947
(e) The terms and conditions of the contract comply with	1948
all state and federal statutes and rules governing the extension	1949
of a secured line of credit.	1950
(3) Any obligation incurred by a board of hospital	1951
governors under this division is an obligation of that board	1952
only and not a general obligation of the joint township district	1953
hospital board, board of county commissioners, county, board of	1954
township trustees, or township within the meaning of division	1955
(Q) of section 133.01 of the Revised Code.	1956
(4) No board of hospital governors shall at any time have	1957
more than one secured line of credit under this section.	1958
(C) The board of hospital governors may grant to its	1959
employees such of the following as it determines to be customary	1960
and usual in the nonprofit hospital field in its community:	1961
(1) Paid vacation and holiday leave, for holidays listed	1962
in section 511.10 of the Revised Code, and other benefits for	1963
full-time employees;	1964
(2) Vacation leave and holiday pay for part-time employees	1965
on a pro rata basis;	1966
(3) Leave with full pay due to death in the employee's	1967
immediate family, which shall not be deducted from the	1968
employee's accumulated sick leave;	1969
(4) Premium pay for working on holidays listed in section	1970
511.10 of the Revised Code;	1971

(5) Moving expenses for new employees;	1972
(6) Discounts on purchases from the hospital pharmacy;	1973
(7) Discounts on hospital supplies and services.	1974
The board of hospital governors may provide employee	1975
recognition awards and hold employee recognition dinners.	1976
The board of hospital governors may provide scholarships	1977
for education in the health care professions, tuition	1978
reimbursement, and other staff development programs to enhance	1979
the skills of health care professionals for the purpose of	1980
recruiting or retaining qualified employees.	1981
The board of hospital governors may pay reasonable	1982
expenses for recruiting physicians into the district or for	1983
retaining them if all or part of the district has been	1984
designated as an area with a shortage of personal health	1985
services under the "Health Maintenance Organization Act of	1986
1973," 87 Stat. 914, 42 U.S.C. 300e, as amended.	1987
(D) The members of the board of governors shall serve	1988
without compensation, but their necessary expenses, when engaged	1989
in the business of the hospital board, shall be paid by the	1990
joint township district hospital board.	1991
(E) The board of hospital governors with the approval of	1992
the county commissioners may employ counsel and institute legal	1993
action in its own name for the collection of delinquent	1994
accounts. The board may also employ any other lawful means for	1995
the collection of delinquent accounts. Counsel employed under	1996
this section shall be paid from the hospital's funds.	1997
Sec. 749.081. (A) For purposes of this section:	1998
(1) "Bank", "bank" has the same meaning as in section	1999

1101.01 of the Revised Code.	2000
(2) "Savings and loan association" has the same meaning as in section 1151.01 of the Revised Code.	2001 2002
(3) "Savings bank" has the same meaning as in section 1161.01 of the Revised Code.	2003 2004
(B) The board of hospital commissioners may enter into a contract for a secured line of credit with a bank, savings and loan association, or savings bank if the contract meets all of the following requirements:	2005 2006 2007 2008
(1) The term of the contract does not exceed one hundred eighty days;	2009 2010
(2) The board's secured line of credit does not exceed five hundred thousand dollars;	2011 2012
(3) The contract provides that any amount extended must be repaid in full before any additional credit can be extended;	2013 2014
(4) The contract provides that the bank, savings and loan association, or savings bank shall not commence a civil action against the legislative authority of a municipal corporation or any member thereof, or the municipal corporation to recover the principal, interest, or any charges or other amounts that remain outstanding on the secured line of credit at the time of any default by the board of hospital commissioners;	2015 2016 2017 2018 2019 2020 2021
(5) The contract provides that no assets other than those of the hospital can be used to secure the line of credit;	2022 2023
(6) The terms and conditions of the contract comply with all state and federal statutes and rules governing the extension of a secured line of credit.	2024 2025 2026

(C) Any obligation incurred by a board of hospital commissioners under division (B) of this section is an obligation of that board only and not a general obligation of the legislative authority of a municipal corporation or the municipal corporation within the meaning of division (Q) of section 133.01 of the Revised Code.

(D) No board of hospital commissioners shall at any time have more than one secured line of credit under division (B) of this section.

Sec. 755.141. If a park or recreational facility owned, operated, or maintained by a joint recreation district created under division (C) of section 755.14 of the Revised Code is the site where an exhibition sanctioned by the United States Christopher Columbus quincentenary jubilee commission is being or has been held and the exhibition is or was sponsored by the organization that is also sponsoring or has sponsored an exhibition sanctioned by the international association of horticulture producers, the following provisions shall apply, in addition to the provisions of sections 755.12 to 755.18 of the Revised Code:

(A) The governor, speaker of the house of representatives, and president of the senate shall each appoint one member to the board of trustees of the district. These members may be members of the general assembly, but any members of the general assembly appointed to the board of trustees shall be nonvoting members and shall serve only while they remain members of the general assembly. Members appointed under this division shall serve terms of three years and serve without pay, and all vacancies in their positions on the board, whether for an unexpired term or at the end of a term, shall be filled in the same manner as the

original appointments. 2057

(B) The board of trustees of a joint recreation district 2058
may designate the amounts and forms of property and casualty 2059
insurance protection to be provided. The expense of providing 2060
the protection shall be paid from operating funds of the joint 2061
recreation district. 2062

(C) The board of trustees of a joint recreation district 2063
may acquire, construct, maintain, and operate horticultural 2064
facilities, public banquet facilities, greenhouses, and such 2065
other facilities as are authorized in section 755.16 of the 2066
Revised Code. 2067

(D) (1) By resolution of its board of trustees, the joint 2068
recreation district may issue revenue bonds beyond the limit of 2069
bonded indebtedness provided by law, for the acquisition, 2070
construction, furnishing, or equipping of any real or personal 2071
property, or any combination thereof which it is authorized to 2072
acquire, construct, furnish, or equip, including all costs in 2073
connection with or incidental thereto. 2074

(2) The revenue bonds of the joint recreation district 2075
shall be secured only by a pledge of and a lien on the revenues 2076
of the joint recreation district that are designated in the 2077
resolution, including, but not limited to, any property to be 2078
acquired, constructed, furnished, or equipped with the proceeds 2079
of the bond issue, after provision only for the reasonable cost 2080
of operating, maintaining, and repairing the property of the 2081
joint recreation district so designated. The bonds may further 2082
be secured by the covenant of the joint recreation district to 2083
maintain rates or charges that will produce revenues sufficient 2084
to meet the costs of operating, maintaining, and repairing such 2085
property and to meet the interest and principal requirements of 2086

the bonds and to establish and maintain reserves for the 2087
foregoing purposes. The board of trustees of the joint 2088
recreation district, by resolution, may provide for the issuance 2089
of additional revenue bonds from time to time, to be secured 2090
equally and ratably, without preference, priority, or 2091
distinction, with outstanding revenue bonds, but subject to the 2092
terms and limitations of any trust agreement described in this 2093
section, and of any resolution authorizing bonds then 2094
outstanding. The board of trustees, by resolution, may designate 2095
additional property of the district, the revenues of which shall 2096
be pledged and be subject to a lien for the payment of the debt 2097
charges on revenue bonds theretofore authorized by resolution of 2098
the board of trustees, to the same extent as the revenues above 2099
described. 2100

(3) In the discretion of the board of trustees, the 2101
revenue bonds of the district may be secured by a trust 2102
agreement between the joint recreation district and a corporate 2103
trustee, that may be any trust company or bank having powers of 2104
a trust company, within or without the state. 2105

(4) The trust agreement may provide for the pledge or 2106
assignment of the revenues to be received, but shall not pledge 2107
the general credit and taxing power of the joint recreation 2108
district. The trust agreement or the resolution providing for 2109
the issuance of revenue bonds may set forth the rights and 2110
remedies of the bondholders and trustees, and may contain other 2111
provisions for protecting and enforcing their rights and 2112
remedies that are determined in the discretion of the board of 2113
trustees to be reasonable and proper. The agreement or 2114
resolution may provide for the custody, investment, and 2115
disbursement of all moneys derived from the sale of such bonds, 2116
or from the revenues of the joint recreation district, other 2117

than those moneys received from taxes levied pursuant to section 2118
755.171 of the Revised Code, and may provide for the deposit of 2119
such funds without regard to Chapter 135. of the Revised Code. 2120

(5) All bonds issued under authority of this section, 2121
regardless of form or terms and regardless of any other law to 2122
the contrary, shall have all qualities and incidents of 2123
negotiable instruments, subject to provisions for registration, 2124
and may be issued in coupon, fully registered, or other form, or 2125
any combination thereof, as the board of trustees determines. 2126
Provision may be made for the registration of any coupon bonds 2127
as to principal alone or as to both principal and interest, and 2128
for the conversion into coupon bonds of any fully registered 2129
bonds or bonds registered as to both principal and interest. 2130

(6) The revenue bonds shall bear interest at such rate or 2131
rates, shall bear such date or dates, and shall mature within 2132
thirty years following the date of issuance and in such amount, 2133
at such time or times, and in such number of installments, as 2134
may be provided in or pursuant to the resolution authorizing 2135
their issuance. Any original issue of revenue bonds shall mature 2136
not later than thirty years from their date of issue. Such 2137
resolution also shall provide for the execution of the bonds, 2138
which may be by facsimile signatures unless prohibited by the 2139
resolution, and the manner of sale of the bonds. The resolution 2140
shall provide for, or provide for the determination of, any 2141
other terms and conditions relative to the issuance, sale, and 2142
retirement of the bonds that the board of trustees in its 2143
discretion determines to be reasonable and proper. 2144

(7) Whenever a joint recreation district considers it 2145
expedient, it may issue renewal notes and refund any bonds, 2146
whether the bonds to be refunded have or have not matured. The 2147

final maturity of any notes, including any renewal notes, shall 2148
not be later than five years from the date of issue of the 2149
original issue of notes. The final maturity of any refunding 2150
bonds shall not be later than the later of thirty years from the 2151
date of issue of the original issue of bonds or the date by 2152
which it is expected, at the time of issuance of the refunding 2153
bonds, that the useful life of all of the property, other than 2154
interests in land, refinanced with proceeds of the bonds will 2155
have expired. The refunding bonds shall be sold and the proceeds 2156
applied to the purchase, redemption, or payment of the bonds to 2157
be refunded and the costs of issuance of the refunding bonds. 2158
The bonds and notes issued under this section, their transfer, 2159
and the income therefrom, shall at all times be free from 2160
taxation within the state. 2161

(E) A joint recreation district described in this section 2162
may do all of the following: 2163

(1) Operate or appoint agents to operate, or otherwise 2164
provide for the operation of, its properties and its facilities, 2165
activities, and programs and to enter into agreements and 2166
arrangements related thereto, and to receive and apply the net 2167
proceeds thereof solely to the management, operation, 2168
development, maintenance, and repair of its properties, its 2169
buildings, facilities, improvements, and grounds; 2170

(2) Impose and collect a charge for admission for 2171
selective events, exhibits, and facilities; 2172

(3) Offer memberships of various denominations for 2173
selective activities or facilities; 2174

(4) Form advisory and other support committees to the 2175
board of trustees to provide counsel and assistance to the board 2176

in the management, operation, and development of its properties, 2177
buildings, facilities, improvements, and grounds; 2178

(5) Grant licenses, or enter into leases or contracts, for 2179
the use of any part of its properties, facilities, buildings, 2180
and grounds for such length of time and upon such terms and 2181
conditions as the board of trustees deems appropriate and 2182
necessary, and grant easements in, through, or over its 2183
property; 2184

(6) Receive and accept from any federal, state, county, 2185
municipal, or local government or agency, any grant or 2186
contribution of money, property, labor, or other things of 2187
value, to be held, used, and applied for the purpose for which 2188
such grants and contributions are made; and 2189

(7) Accept and expend gifts, grants, devises, and bequests 2190
of money and property on behalf of the board of trustees and 2191
hold, use, and apply such gifts, grants, devises, and bequests 2192
according to the terms thereof. 2193

(F) (1) For purposes of division (F) (2) of this section: 2194

~~(a) "Bank", "bank" has the same meaning as in section 2195
1101.01 of the Revised Code. 2196~~

~~(b) "Savings and loan association" has the same meaning as 2197
in section 1151.01 of the Revised Code. 2198~~

~~(c) "Savings bank" has the same meaning as in section 2199
1161.01 of the Revised Code. 2200~~

(2) The board of trustees may enter into a contract for a 2201
secured line of credit with a bank, ~~savings and loan~~ 2202
~~association, or savings bank~~ if the contract meets all of the 2203
following requirements: 2204

(a) The term of the contract does not exceed one year, 2205
except that the contract may provide for the automatic renewal 2206
of the contract for up to four additional one-year periods. 2207

(b) The contract provides that the bank, ~~savings and loan~~ 2208
~~association, or savings bank~~ shall not commence a civil action 2209
against the board, any member of the board, or the county or the 2210
municipal corporation to recover the principal, interest, or any 2211
charges or other amounts that remain outstanding on the secured 2212
line of credit at the time of any default by the board. 2213

(c) The contract provides that no assets other than those 2214
of the joint recreation district can be used to secure the line 2215
of credit. 2216

(d) The terms and conditions of the contract comply with 2217
all state and federal statutes and rules governing the extension 2218
of a secured line of credit. 2219

(3) Any obligation incurred by a board of trustees of a 2220
joint recreation district pursuant to division (B) of this 2221
section is an obligation of that board only and not a general 2222
obligation of the board of county commissioners, the county, or 2223
the municipal corporation within the meaning of division (Q) of 2224
section 133.01 of the Revised Code. 2225

(G) (1) For purposes of division (G) (2) of this section, 2226
"lease-purchase agreement" has the same meaning as a lease with 2227
an option to purchase. 2228

(2) For any purpose for which a board of trustees of a 2229
joint recreation district described in this section is 2230
authorized to acquire real or personal property, that board may 2231
enter into a lease-purchase agreement in accordance with this 2232
section to acquire the property. 2233

The lease-purchase agreement shall provide for a series of terms in which no term extends beyond the end of the fiscal year of the joint recreation district in which that term commences. In total, the terms provided for in the agreement shall be for not more than the useful life of the real or personal property that is the subject of the agreement. A property's useful life shall be determined either by the maximum number of installment payments permitted under the statute that authorizes the board to acquire the property or, if there is no such provision, by the maximum number of years to maturity provided for the issuance of bonds in division (B) of section 133.20 of the Revised Code if bonds were to be issued by a subdivision under that section to finance such facilities. If the useful life cannot be determined under either of those statutes, it shall be estimated as provided in division (C) of section 133.20 of the Revised Code.

The lease-purchase agreement shall provide that, at the end of the final term in the agreement, if all obligations of the joint recreation district have been satisfied, the title to the leased property shall vest in the joint recreation district if that title has not vested in the joint recreation district before or during the lease terms; except that the lease-purchase agreement may require the joint recreation district to pay an additional lump sum payment as a condition of obtaining that title.

(3) A board of trustees of a joint recreation district that enters into a lease-purchase agreement under this section may do any of the following with the property that is the subject of the agreement:

(a) If the property is personal property, assign the

board's rights to that property;	2264
(b) Grant the lessor a security interest in the property;	2265
(c) If the property is real property, grant leases,	2266
easements, or licenses for underlying land or facilities under	2267
the board's control for terms not exceeding five years beyond	2268
the final term of the lease-purchase agreement.	2269
(4) The authority granted in division (G) of this section	2270
is in addition to and not in derogation of, any other financing	2271
authority provided by law.	2272
(H) The board of trustees of a joint recreation district	2273
described in this section may exercise such other powers as	2274
shall have been granted to it in the agreement between the	2275
municipal corporation and the board of county commissioners	2276
establishing the joint recreation district entered into pursuant	2277
to division (C) of section 755.14 of the Revised Code.	2278
Sec. 902.01. As used in this chapter:	2279
(A) "Bonds" means bonds, notes, or other forms of	2280
evidences of obligation issued in temporary or definitive form,	2281
including refunding bonds and notes and bonds and notes issued	2282
in anticipation of the issuance of bonds and renewal notes.	2283
(B) "Bond proceedings" means the resolution or ordinance	2284
or the trust agreement or indenture of mortgage, or combination	2285
thereof, authorizing or providing for the terms and conditions	2286
applicable to bonds issued under authority of this chapter.	2287
(C) "Borrower" means the recipient of a loan or the lessee	2288
or purchaser of a project under this chapter and is limited to a	2289
sole proprietor, or to a partnership, joint venture, firm,	2290
association, or corporation, a majority of whose stockholders,	2291

partners, members, or associates are persons or the spouses of 2292
persons related to each other within the fourth degree of 2293
kinship, according to law, provided that the sole proprietor or 2294
at least one of such related persons resides or will reside on 2295
or is or will actively operate the project or the farm or 2296
agricultural enterprise composed, in whole or in part, of the 2297
project, and provided further that the sole proprietor or all of 2298
the stockholders, members, partners, or associates are natural 2299
persons. The agricultural financing commission may establish 2300
procedures for the determination of the eligibility of borrowers 2301
under this chapter which determinations are conclusive in 2302
relation to the validity and enforceability of bonds issued 2303
under bond proceedings authorized in connection therewith, and 2304
in relation to security interests given and leases, subleases, 2305
sale agreements, loan agreements, and other agreements made in 2306
connection therewith, all in accordance with their terms. 2307

(D) "Composite financing arrangement" means the sale of a 2308
single issue of bonds to finance two or more projects, 2309
including, but not limited to, a single issue of bonds for a 2310
group of loans submitted by or through a single lending 2311
institution or with credit enhancement from a single lending 2312
institution, or the sale by or on behalf of one or more issuers 2313
of two or more issues or lots of bonds under or pursuant to a 2314
single sale agreement, single marketing arrangement, or single 2315
official statement, offering circular, or other marketing 2316
document. 2317

(E) "Issuer" means the state, or any county or municipal 2318
corporation of the state. 2319

(F) "Issuing authority" means in the case of a municipal 2320
corporation, the legislative authority thereof; and in the case 2321

of a county, the board of county commissioners or whatever 2322
officers, board, commission, council, or other body might 2323
succeed to or assume the legislative powers of the board of 2324
county commissioners. 2325

(G) "Lending institution" means ~~any domestic building and~~ 2326
~~loan association as defined in section 1151.01 of the Revised~~ 2327
~~Code, any service corporation the entire stock of which is owned~~ 2328
~~by one or more such building and loan associations, a bank which~~ 2329
that has its principal place of business located in this state, 2330
a bank subsidiary corporation that is wholly owned by a bank 2331
having its principal place of business located in this state, 2332
any state or federal governmental agency or instrumentality 2333
including without limitation the federal land bank, production 2334
credit association, or bank for cooperatives, or any of their 2335
local associations, or any other financial institution or entity 2336
authorized to make mortgage loans and qualified to do business 2337
in this state. 2338

(H) "Loan" includes a loan made to or through, or a 2339
deposit with, a lending institution or a loan made directly to 2340
the owner or operator of a project to finance one or more 2341
projects. Notwithstanding any other provision of this chapter, 2342
loans from proceeds of bonds issued under a composite financing 2343
arrangement shall be made only to or through, or by a deposit 2344
with, a lending institution, including the purchase of loans 2345
from lending institutions, or be made in any other manner in 2346
which a lending institution has been or is involved in the 2347
origination or credit enhancement of the loan. 2348

(I) "Mortgage loan" means a loan secured by a mortgage, 2349
deed of trust, or other security interest. 2350

(J) "Pledged facilities" means the project or projects 2351

mortgaged or facilities the rentals, revenues, and other income, 2352
charges, and moneys from which are pledged, or both, for the 2353
payment of the principal of and interest on the bonds issued 2354
under authority of section 902.04 of the Revised Code, and 2355
includes a project for which a loan has been made under 2356
authority of this chapter, in which case, references in this 2357
chapter to revenues of such pledged facilities or from the 2358
disposition thereof include payments made or to be made to or 2359
for the account of the issuer pursuant to such loan. 2360

(K) "Project" means real or personal property, or both, 2361
including undivided and other interests therein, acquired by 2362
gift or purchase, constructed, reconstructed, enlarged, 2363
improved, furnished, or equipped, or any combination thereof, by 2364
an issuer, or by others from the proceeds of bonds, located 2365
within the boundaries of the issuer, and used or to be used by a 2366
borrower for agricultural purposes as provided in division (D) 2367
of this section. A project is hereby determined to qualify as 2368
facilities for industry, commerce, distribution, or research 2369
described in Section 13 of Article VIII, Ohio Constitution. 2370

(L) "Purchase" means, with respect to loans, the purchase 2371
of loans from, or other acquisition by an issuer of loans of, 2372
lending institutions. 2373

(M) "Revenues" means the rentals, revenues, payments, 2374
repayments, income, charges, and moneys derived or to be derived 2375
from the use, lease, sublease, rental, sale, including 2376
installment sale or conditional sale, or other disposition of 2377
pledged facilities, or derived or to be derived pursuant to a 2378
loan made for a project, bond proceeds to the extent provided in 2379
the bond proceedings for the payment of principal of, or 2380
premium, if any, or interest on the bonds, proceeds from any 2381

insurance, condemnation, or guaranty pertaining to pledged 2382
facilities or the financing thereof, any income and profit from 2383
the investment of the proceeds of bonds or of any revenues, any 2384
fees and charges received by or on behalf of an issuer for the 2385
services of or commitments by the issuer, and moneys received in 2386
repayment of and for interest on any loan made or purchased by 2387
an issuer, moneys received by an issuer upon the sale of any 2388
bonds of the issuer under section 902.04 of the Revised Code, 2389
any moneys received from investment of funds of an issuer or 2390
from the sale of collateral securing loans made or purchased by 2391
the issuer, including collateral acquired by foreclosure or 2392
other action to enforce a security interest, and any moneys 2393
received in payment of a claim under insurance, guarantees, 2394
letters of credit, or otherwise with respect to any loans made 2395
or purchased by an issuer or any collateral held by the issuer 2396
of any bonds issued under this chapter. 2397

(N) "Security interest" means a mortgage, lien, or other 2398
encumbrance on, or pledge or assignment of, or other security 2399
interest with respect to all or any part of pledged facilities, 2400
revenues, reserve funds, or other funds established under the 2401
bond proceedings, or on, of, or with respect to, a lease, 2402
sublease, sale, conditional sale, or installment sale agreement, 2403
loan agreement, or any other agreement pertaining to the lease, 2404
sublease, sale, or other disposition of a project or pertaining 2405
to a loan made for a project, or any guaranty or insurance 2406
agreement made with respect thereto, or any interest of the 2407
issuer therein, or any other interest granted, assigned, 2408
purchased, or released to secure payments of the principal of, 2409
premium, if any, or interest on any bonds or to secure any other 2410
payments to be made by an issuer under the bond proceedings. Any 2411
security interest under this chapter may be prior or subordinate 2412

to or on a parity with any other mortgage, lien, encumbrance, 2413
pledge, assignment, or other security interest. 2414

Sec. 924.10. (A) There is hereby established in the state 2415
treasury a fund for each marketing program that is established 2416
by the director of agriculture pursuant to this chapter. Except 2417
as authorized in division (B) of this section, all moneys 2418
collected by the department of agriculture from each marketing 2419
program pursuant to section 924.09 of the Revised Code shall be 2420
paid into the fund for the marketing program and shall be 2421
disbursed only pursuant to a voucher approved by the director 2422
for use in defraying the costs of administration of the 2423
marketing program and for carrying out sections 924.02, 924.03, 2424
and 924.13 of the Revised Code. 2425

(B) In lieu of deposits in the fund established pursuant 2426
to division (A) of this section, the operating committee of any 2427
marketing program established pursuant to this chapter may 2428
deposit all moneys collected pursuant to section 924.09 of the 2429
Revised Code with a bank ~~or a savings and loan association~~ as 2430
defined in ~~sections~~ section 1101.01 ~~and 1151.01~~ of the Revised 2431
Code. All moneys collected pursuant to section 924.09 of the 2432
Revised Code and deposited pursuant to this division also shall 2433
be used only in defraying the costs of administration of the 2434
marketing program and for carrying out sections 924.02, 924.03, 2435
and 924.13 of the Revised Code. 2436

(C) Each operating committee shall establish a fiscal year 2437
for its marketing program and shall publish within sixty days of 2438
the end of each fiscal year an activity and financial report and 2439
make such report available to each producer who pays an 2440
assessment or otherwise contributes to the marketing program 2441
which the committee administers, and to other interested 2442

persons. 2443

(D) In addition to the reports required by division (C) of 2444
this section, any marketing program that deposits moneys in 2445
accordance with division (B) of this section shall submit to the 2446
director both of the following: 2447

(1) Annually, a financial statement prepared by a 2448
certified public accountant holding a live permit from the 2449
accountancy board issued pursuant to Chapter 4701. of the 2450
Revised Code. The marketing program shall file the financial 2451
statement with the director not more than sixty days after the 2452
end of each fiscal year. 2453

(2) Monthly, an unaudited financial statement. 2454

Sec. 924.26. (A) The grain marketing program operating 2455
committee shall levy on producers and, as provided in division 2456
(B) of this section, handlers the following assessments, as 2457
applicable: 2458

(1) One-half of one per cent of the per-bushel price of 2459
wheat at the first point of sale; 2460

(2) One-half of one per cent of the per-bushel price of 2461
barley at the first point of sale; 2462

(3) One-half of one per cent of the per-bushel price of 2463
rye at the first point of sale; 2464

(4) One-half of one per cent of the per-bushel price of 2465
oats at the first point of sale. 2466

(B) The director may require a handler to withhold 2467
assessments from any amounts that the handler owes to producers 2468
and to remit them to the director. A handler who pays for a 2469
producer an assessment that is levied under this section may 2470

deduct the amount of the assessment from any money that the handler owes to the producer.

(C) The operating committee shall deposit all money collected under this section with a bank ~~or savings and loan association~~ as defined in ~~sections~~ section 1101.01 and 1151.01 of the Revised Code. All money so collected and deposited shall be used only for defraying the costs of administration of the marketing program and for carrying out sections 924.20 to 924.30 of the Revised Code. The operating committee shall not use any assessments that it levies for any political or legislative purpose or for preferential treatment of one person to the detriment of any other person affected by the grain marketing program.

(D) The operating committee shall refund to a producer the assessments that it collects from the producer not later than thirty days after receipt of a valid application by the producer for a refund, provided that the producer complies with the procedures for a refund established by the committee under section 924.24 of the Revised Code.

An application for a refund shall be made on a form provided by the director. The operating committee shall ensure that refund forms are available where assessments for the grain marketing program are collected.

Sec. 924.45. (A) (1) After a marketing agreement takes effect, a board of directors that will administer the marketing agreement shall be established in accordance with the terms of the marketing agreement. Except for the director of agriculture or the director's designee who shall serve as an ex officio member of the board of directors, members of the board shall be selected only from individuals who are producers that signed the

marketing agreement. 2501

(2) The provisional board of directors created pursuant to 2502
division (B)(1) of section 924.42 of the Revised Code shall 2503
verify that the board of directors is established in accordance 2504
with the terms of the marketing agreement. If the provisional 2505
board of directors determines that the board of directors was 2506
not established in accordance with the terms of the marketing 2507
agreement, the provisional board shall notify the director who 2508
shall take appropriate actions to ensure that the board of 2509
directors is established in accordance with the terms of the 2510
marketing agreement. If the provisional board of directors 2511
determines that the board of directors was established in 2512
accordance with the terms of the marketing agreement, the 2513
provisional board shall cease to exist. 2514

(B) A board of directors that is established to administer 2515
a marketing agreement shall do all of the following: 2516

(1) Establish priorities of the board that are consistent 2517
with the estimated financial resources that will be generated 2518
under the terms of the marketing agreement and with the scope of 2519
the marketing agreement; 2520

(2) Prepare a budget that is consistent with the estimated 2521
financial resources that will be generated under the terms of 2522
the marketing agreement and with the scope of the marketing 2523
agreement; 2524

(3) Deposit all money collected pursuant to the marketing 2525
agreement with a bank as defined in section 1101.01 of the 2526
Revised Code ~~or with a savings and loan association as defined~~ 2527
~~in section 1151.01 of the Revised Code.~~ The board shall use the 2528
money only to pay the costs of the board in administering the 2529

marketing agreement and of the activities authorized under the 2530
marketing agreement and under sections 924.40 to 924.45 of the 2531
Revised Code. 2532

(4) Establish a fiscal year for purposes of marketing 2533
activities performed under the terms of the marketing agreement; 2534

(5) Publish an activity and financial report not later 2535
than sixty days after the end of a fiscal year. The board shall 2536
make the report available to each producer that signed the 2537
marketing agreement and to other interested parties. 2538

(6) Provide annually to the director of agriculture and to 2539
each producer that signed the marketing agreement a financial 2540
statement that is prepared by a person who holds a current 2541
certificate as a certified public accountant issued under 2542
Chapter 4701. of the Revised Code. The board shall provide the 2543
financial statement to the director not later than sixty days 2544
after the end of a fiscal year. 2545

(7) Reimburse the department of agriculture for actual 2546
administrative costs incurred by the department in the 2547
administration of sections 924.40 to 924.45 of the Revised Code. 2548
However, the amount reimbursed in a fiscal year shall not exceed 2549
ten per cent of the total amount of money collected in that 2550
fiscal year by the board of directors under the authority of the 2551
marketing agreement. 2552

(8) Perform all other acts and exercise all other powers 2553
that are reasonably necessary, proper, or advisable to 2554
effectuate the purposes of sections 924.40 to 924.45 of the 2555
Revised Code. 2556

(C) A board of directors that is established to administer 2557
a marketing agreement may do all of the following: 2558

(1) Propose to the director rules that are necessary for 2559
the board to perform its duties under the requirements of the 2560
marketing agreement and under sections 924.40 to 924.45 of the 2561
Revised Code; 2562

(2) Hire personnel and contract for services that are 2563
necessary for the implementation and administration of the 2564
marketing agreement; 2565

(3) Receive and investigate, or cause to be investigated, 2566
a complaint concerning an alleged violation of a term of the 2567
marketing agreement. If the board determines that such a 2568
violation has occurred, the board shall refer the matter to the 2569
director for enforcement. 2570

(4) Amend the marketing agreement in accordance with the 2571
terms of the marketing agreement and with sections 924.40 to 2572
924.45 of the Revised Code; 2573

(5) Terminate the marketing agreement with the approval of 2574
a majority of the participating producers that are signatories 2575
to the marketing agreement. If the marketing agreement is 2576
terminated, the board shall distribute any remaining unobligated 2577
money collected under the authority of the marketing agreement 2578
to each participating producer in the same proportion that the 2579
producer paid assessments under the marketing agreement. 2580

Sec. 1101.01. As used in Chapters 1101. to 1127. of the 2581
Revised Code, unless the context requires otherwise: 2582

(A) "Affiliate" has the same meaning as in division (A) (1) 2583
of section 1109.53 of the Revised Code and includes a subsidiary 2584
of a bank. 2585

(B) "Bank" or "banking corporation" means ~~a corporation an~~ 2586
entity that solicits, receives, or accepts money or its 2587

equivalent for deposit as a business, whether the deposit is 2588
made by check or is evidenced by a certificate of deposit, 2589
passbook, note, receipt, ledger card, or otherwise. "Bank" ~~also~~ 2590
or "banking corporation" includes a state bank or a corporation 2591
any entity doing business as a bank or, savings bank, or 2592
savings association under authority granted by the office of the 2593
comptroller of the currency or the former office of thrift 2594
supervision, the appropriate bank regulatory authority of 2595
another state of the United States, or the appropriate bank 2596
regulatory authority of another country, but does not include a 2597
~~savings association, savings bank, or credit union.~~ 2598

(C) "Bank holding company" has the same meaning as in the 2599
"Bank Holding Company Act of 1956," 70 Stat. 133, 12 U.S.C. 2600
1841, as amended. 2601

(D) "Banking office" means an office or other place 2602
established by a bank at which a the bank receives money or its 2603
equivalent from the public for deposit and conducts a general 2604
banking business. "Banking office" does not include any of the 2605
following: 2606

(1) Any location at which a bank receives, but does not 2607
accept, cash or other items for subsequent deposit, such as by 2608
mail or armored car service or at a lock box or night 2609
depository; 2610

(2) Any structure located within five hundred yards of ~~a~~ 2611
an approved banking office of a bank and operated as an 2612
extension of the services of the banking office; 2613

(3) Any automated teller machine, remote service unit, or 2614
other money transmission device owned, leased, or operated by a 2615
bank; 2616

(4) Any facility located within the geographical limits of 2617
a military installation at which a bank only accepts deposits 2618
and cashes checks; 2619

(5) Any location at which a bank takes and processes 2620
applications for loans and may disburse loan proceeds, but does 2621
not accept deposits; 2622

(6) Any location at which a bank is engaged solely in 2623
providing administrative support services for its own operations 2624
or for other depository institutions. 2625

~~(D)~~ (E) "Branch" means a banking office that is not also 2626
the bank's principal place of business consistent with its 2627
articles of incorporation or articles of association. 2628

~~(E)~~ "Capital" ~~(F)~~ (1) With respect to a stock state bank, 2629
"capital" means the sum of ~~a~~ the bank's: 2630

~~(1)~~ (a) Paid-in capital and surplus relating to common 2631
stock; 2632

~~(2)~~ (b) To the extent permitted by the superintendent of 2633
financial institutions, paid-in capital and surplus relating to 2634
preferred stock; 2635

~~(3)~~ (c) Undivided profits; and 2636

~~(4)~~ (d) To the extent permitted by the superintendent the 2637
proceeds of the sale of debt securities and other assets and 2638
reserves. 2639

~~(F)~~ (2) With respect to a mutual state bank, "capital" 2640
means either of the following: 2641

(a) Retained earnings; 2642

(b) At the discretion of the superintendent, any other 2643

<u>form of capital, subject to any applicable federal and state</u>	2644
<u>laws.</u>	2645
<u>(G) "Code of regulations" includes a constitution adopted</u>	2646
<u>by a state bank for similar purposes.</u>	2647
<u>(H) "Control" has the same meaning as in division (H) of</u>	2648
<u>section 1109.53 of the Revised Code.</u>	2649
(G) "Controlling shareholder" means a person who, directly	2650
or indirectly, controls a bank.	2651
(H) <u>(I) "Debt securities" means obligations issued by a</u>	2652
<u>bank the holders of which, in the event of the insolvency or</u>	2653
<u>liquidation of the bank, are subordinated in right of payment to</u>	2654
<u>the bank's depositors and general creditors.</u>	2655
(I) <u>(J) "Deposit" has the same meaning as in 12 C.F.R.</u>	2656
<u>204.2, as amended.</u>	2657
<u>(K) "Entity" has the same meaning as in section 1701.01 of</u>	2658
<u>the Revised Code.</u>	2659
<u>(L) "Federal savings association" means a federal savings</u>	2660
<u>and loan association or a federal savings bank doing business</u>	2661
<u>under authority granted by the office of the comptroller of the</u>	2662
<u>currency or the former office of thrift supervision.</u>	2663
(J) <u>(M) "Mutual holding company" means either of the</u>	2664
<u>following:</u>	2665
<u>(1) A mutual state bank or an affiliate of a mutual state</u>	2666
<u>bank reorganized in accordance with Chapter 1116. of the Revised</u>	2667
<u>Code to hold all or part of the shares of the capital stock of a</u>	2668
<u>subsidiary state bank;</u>	2669
<u>(2) A mutual holding company organized in accordance with</u>	2670

12 U.S.C. 1467a(o) that has converted to a mutual holding 2671
company under Chapter 1116. of the Revised Code. 2672

(N) "Mutual state bank" means a state bank without stock 2673
that has governing documents consisting of articles of 2674
incorporation and code of regulations adopted by its members and 2675
bylaws adopted by its board of directors. 2676

(O) "National bank" means a bank doing business under 2677
authority granted by the office of the comptroller of the 2678
currency. 2679

~~(K)~~(P) "Net income" means all income realized or earned 2680
less all expenses realized or accrued. 2681

~~(L)~~(Q) "Paid-in capital" means the aggregate par value of 2682
all of a stock state bank's outstanding shares of all classes. 2683

~~(M)~~(R) "Person" means an individual, sole proprietorship, 2684
partnership, joint venture, association, trust, estate, business 2685
trust, limited liability company, corporation, or any similar 2686
entity or organization. 2687

(S) "Remote service unit" means an automated facility, 2688
operated by a customer of a bank, that conducts banking 2689
functions, such as receiving deposits, paying withdrawals, or 2690
lending money. 2691

(T) "Reorganization" means a consolidation, merger, or 2692
transfer of assets and liabilities pursuant to Chapter 1115. or 2693
1116. of the Revised Code. 2694

~~(N)~~(U) "Savings and loan holding company" has the same 2695
meaning as in 12 U.S.C. 1467a. 2696

(V) "Savings association" means a savings and loan 2697
association doing business under authority granted by the 2698

~~superintendent of financial institutions pursuant to Chapter~~ 2699
~~1151. of the Revised Code, a savings and loan association doing~~ 2700
~~business under authority granted by the regulatory authority of~~ 2701
another state, or a federal savings association. "Savings 2702
association" also includes a state bank that elects to operate 2703
as a savings and loan association under section 1109.021 of the 2704
Revised Code. 2705

~~(O)~~ (W) "Savings bank" means a savings bank doing business 2706
under authority granted by the ~~superintendent of financial~~ 2707
~~institutions pursuant to Chapter 1161. of the Revised Code or a~~ 2708
~~savings bank doing business under authority granted by the~~ 2709
regulatory authority of another state. 2710

~~(P)~~ (X) "Shares" means any equity interest, including a 2711
limited partnership interest and any other equity interest in 2712
which liability is limited to the amount of the investment. 2713
"Shares" does not include a general partnership interest or any 2714
other interest involving general liability. 2715

(Y) "State bank" means a bank doing business under 2716
authority granted by the superintendent of financial 2717
institutions. "State bank" includes a state bank that elects to 2718
operate as a savings and loan association under section 1109.021 2719
of the Revised Code. 2720

~~(Q)~~ (Z) "Stock state bank" means a state bank that has an 2721
ownership structure represented by shares of stock. 2722

(AA) "Subsidiary" has the same meaning as in section 2723
1109.53 of the Revised Code. 2724

~~(R)~~ (BB) "Surplus" means the total of amounts paid for 2725
shares in excess of their respective par values, amounts 2726
contributed other than for shares, and amounts transferred from 2727

undivided profits, less amounts transferred to stated capital. 2728

~~(S)~~ (CC) "Trust company" means ~~a corporation~~ an entity 2729
qualified and licensed under section 1111.06 of the Revised Code 2730
to solicit or engage in trust business in this state, or a 2731
person that is required by Chapter 1111. of the Revised Code to 2732
be ~~a corporation~~ an entity qualified and licensed under section 2733
1111.06 of the Revised Code to solicit or engage in trust 2734
business in this state. 2735

~~(T)~~ (DD) "Undivided profits" means the cumulative 2736
undistributed amount of a bank's net income not otherwise 2737
allocated. 2738

Sec. 1101.02. It is hereby declared to be the purpose of 2739
the general assembly in enacting Chapters 1101. to 1127. of the 2740
Revised Code to do all of the following: 2741

(A) Delegate to the division of financial institutions 2742
rule-making power and administrative discretion, subject to 2743
Chapters 1101. to 1127. of the Revised Code, to assure the 2744
supervision and regulation of banks chartered under the laws of 2745
this state may be flexible and readily responsive to changes in 2746
economic conditions, banking practices, and the financial 2747
services industry; 2748

(B) Provide for the protection of the interests of 2749
depositors, creditors, shareholders, members, and the general 2750
public in banks doing business in this state; 2751

(C) Permit banks to effectively serve the convenience and 2752
needs of their depositors, borrowers, and others, and permit the 2753
continued improvement of the products and services banks 2754
provide; 2755

(D) Provide the opportunity for the boards and management 2756

of banks to exercise their business judgment, subject to the 2757
provisions of Chapters 1101. to 1127. and 1701. of the Revised 2758
Code; 2759

(E) Provide state banks with competitive parity with other 2760
types of financial institutions doing business in this state; 2761

(F) Sustain the viability of the state bank charter option 2762
and the dual banking system in this state and the United States; 2763

~~(F)~~ (G) Clarify and modernize the laws governing banking. 2764

Sec. 1101.03. (A) Except as otherwise provided in this 2765
section, every bank existing on or incorporated after ~~January 1,~~ 2766
~~1997,~~ the effective date of this amendment is subject to 2767
Chapters 1101. to 1127. of the Revised Code. 2768

(B) Except as otherwise provided in this section, Chapters 2769
1101. to 1127. of the Revised Code do not affect the legality of 2770
banks organized, loans or investments made or committed to be 2771
made, or transactions completed or committed before ~~January 1,~~ 2772
~~1997,~~ the effective date of this amendment. 2773

(C) Except as otherwise provided in this section, Chapters 2774
1101. to 1127. of the Revised Code do not affect the status of 2775
any bank organized, or any banking office established or 2776
authorized, before ~~January 1, 1997,~~ the effective date of this 2777
amendment. 2778

(D) Chapters 1101. to 1127. of the Revised Code do not 2779
apply to persons in their fiduciary capacities, as follows: 2780

(1) Any person who, on ~~January 1, 1997,~~ the effective date 2781
of this amendment, is serving as a fiduciary under a trust 2782
instrument, will, or other document executed before ~~January 1,~~ 2783
~~1997,~~ the effective date of this amendment; 2784

(2) Any person who is named or nominated as a potential, 2785
prospective, or successor fiduciary in a trust instrument, will, 2786
or other document executed before ~~January 1, 1997~~ the effective 2787
date of this amendment. 2788

(E) Both of the following apply to every savings bank and 2789
savings and loan association that is organized under the laws of 2790
this state and is in existence as of the effective date of this 2791
amendment: 2792

(1) The powers, privileges, duties, and restrictions 2793
conferred and imposed in the charter or act of incorporation of 2794
such an institution are hereby abridged, enlarged, or otherwise 2795
modified so that each charter or act of incorporation conforms 2796
to the provisions of this title. 2797

(2) Notwithstanding any contrary provision in its charter 2798
or act of incorporation, every such institution possesses the 2799
powers, rights, and privileges and is subject to the duties, 2800
restrictions, and liabilities conferred and imposed by this 2801
title. 2802

(F) Any state bank that wishes to become or remain an 2803
affiliate of a savings and loan holding company may do so by 2804
complying with section 1109.021 of the Revised Code. 2805

Sec. 1101.05. Except as otherwise expressly provided, the 2806
provisions of Chapters 1101. to 1127. of the Revised Code and 2807
any rules adopted under those chapters: 2808

(A) Are enforceable only by the superintendent of 2809
financial institutions, the superintendent's designee, the 2810
federal deposit insurance corporation, the federal reserve, or, 2811
with respect to Chapter 1127. of the Revised Code, a prosecuting 2812
attorney; and 2813

(B) Do not create or provide a private right of action or 2814
defense for or on behalf of any party other than the 2815
superintendent or the superintendent's designee. 2816

Sec. 1101.15. (A) (1) Except as provided in division (A) (2) 2817
of this section, no person other than a bank doing business 2818
under authority granted by the superintendent of financial 2819
institutions, the bank chartering authority of another state, 2820
the office of the comptroller of the currency, or the bank 2821
chartering authority of a foreign country shall do either of the 2822
following: 2823

(a) Use "bank," "banker," ~~or~~ "banking," "savings 2824
association," "savings and loan," "building and loan," or 2825
"savings bank," or a word or combination of words of similar 2826
meaning in any other language, in a designation or name, or as 2827
any part of a designation or name, under which business is or 2828
may be conducted in this state; 2829

(b) Represent itself as a bank. 2830

~~(2) (a) A corporation doing business under Chapter 1151. of~~ 2831
~~the Revised Code may use the word "bank," "banker," or~~ 2832
~~"banking," or a word or words of similar meaning in any other~~ 2833
~~language, in or as part of a designation or name under which~~ 2834
~~business is or may be conducted in this state, as provided in~~ 2835
~~section 1151.07 of the Revised Code.~~ 2836

~~(b) A corporation doing business under Chapter 1161. of~~ 2837
~~the Revised Code may use the word "bank," "banker," or~~ 2838
~~"banking," or a word or words of similar meaning in any other~~ 2839
~~language, in or as part of a designation or name under which~~ 2840
~~business is or may be conducted in this state, as provided in~~ 2841
~~section 1161.09 of the Revised Code.~~ 2842

~~(c) A corporation doing business under authority granted by the office of thrift supervision may use the word "bank," "banker," or "banking," or a word or words of similar meaning in any other language, in or as part of a designation or name under which business is or may be conducted in this state.~~

(d) A person, whether operating for profit or not, may use the ~~word~~ words "bank," "banker," ~~or~~ "banking," "savings association," "savings and loan," "building and loan," or "savings bank," or a word or combination of words of similar meaning in any other language, in or as part of a designation or name under which business is or may be conducted if the superintendent determines the name, on its face, is not likely to mislead the public and authorizes the use of the name.

(B) (1) Except as provided in division (B) (2) of this section, no person, other than a corporation licensed in accordance with authority granted in Chapter 1111. of the Revised Code as a trust company, a national bank with trust powers, or a federal savings association with trust powers, shall do either of the following:

(a) Use the word "trust," or a word or words of similar meaning in any other language, in a designation or name, or as any part of a designation or name, under which business is or may be conducted in this state;

(b) Otherwise represent itself as a fiduciary or trust company.

(2) (a) A person that is not required to be licensed under Chapter 1111. of the Revised Code may serve as a fiduciary and, when acting in that fiduciary capacity, otherwise represent such person as a fiduciary.

(b) A person licensed by another state to serve as a 2872
fiduciary and exempt from licensure under Chapter 1111. of the 2873
Revised Code may serve as a fiduciary to the extent permitted by 2874
the exemption. 2875

~~(c) A savings and loan association may serve as a trustee 2876
to the extent authorized by section 1151.191 of the Revised 2877
Code. 2878~~

~~(d) A savings bank may serve as a trustee to the extent 2879
authorized by section 1161.24 of the Revised Code. 2880~~

~~(e) A charitable trust, business trust, real estate 2881
investment trust, personal trust, or other bona fide trust may 2882
use the word "trust" or a word or words of similar meaning in 2883
any other language, in a designation or name, or as part of a 2884
designation or name, under which business is or may be 2885
conducted. 2886~~

~~(f) (d) A person, whether operating for profit or not, may 2887
use "trust" or a word or words of similar meaning in any other 2888
language, in a designation or name, or as part of a designation 2889
or name, under which business is or may be conducted, if the 2890
superintendent determines the name, on its face, is not likely 2891
to mislead the public and authorizes the use of the name. 2892~~

(C) No bank or trust company shall use "state" as part of 2893
a designation or name under which it transacts business in this 2894
state, unless the bank or trust company is doing business under 2895
authority granted by the superintendent or the bank chartering 2896
authority of another state. 2897

Sec. 1101.16. (A) No person shall solicit, receive, or 2898
accept ~~deposits~~ money or its equivalent for deposit as a 2899
business in this state, except a state bank, ~~a domestic~~ 2900

~~association as defined in section 1151.01 of the Revised Code, a~~ 2901
~~savings bank as defined in section 1161.01 of the Revised Code~~ 2902
~~an entity doing business as a bank, savings bank, or savings~~ 2903
~~association under authority granted by the bank regulatory~~ 2904
~~authority of the United States, another state of the United~~ 2905
~~States, or another country, or a credit union as defined in~~ 2906
section 1733.01 of the Revised Code that is authorized to accept 2907
deposits in this state, ~~and except as provided in sections~~ 2908
~~1115.05, 1117.01, 1151.052, 1151.053, 1151.60, 1161.07,~~ 2909
~~1161.071, and 1161.76 of the Revised Code.~~ 2910

(B) ~~No bank or bank holding company incorporated under the~~ 2911
~~laws of another state or having its principal place of business~~ 2912
~~in another state shall solicit, receive, or accept deposits in~~ 2913
~~this state unless it has established or acquired a banking~~ 2914
~~office pursuant to section 1117.01 of the Revised Code or a~~ 2915
~~transaction under section 1115.05 of the Revised Code, or~~ 2916
~~transact any banking business of any kind in this state other~~ 2917
~~than lending money, trust business in accordance with Chapter~~ 2918
~~1111. of the Revised Code, or through or as an agent pursuant to~~ 2919
~~section 1117.05 of the Revised Code.~~ 2920

~~(C) No bank having its principal place of business in a~~ 2921
~~foreign country shall solicit, receive, or accept deposits or~~ 2922
~~transact any banking business of any kind in this state, except~~ 2923
~~in accordance with Chapter 1115. or 1119. of the Revised Code.~~ 2924

~~(D) Nothing in this section prohibits a person from making~~ 2925
~~a deposit in that person's own account with a depository~~ 2926
~~institution outside this state by means of an automated teller~~ 2927
~~machine or other money transmission device in this state.~~ 2928
~~However, no depository institution outside this state shall~~ 2929
~~establish a deposit account with or for a person in this state~~ 2930

~~by means of an automated teller machine or other money~~ 2931
~~transmission device in this state.~~ 2932

Sec. 1103.02. When the articles of incorporation and the 2933
superintendent of financial institutions' certificate of 2934
approval are filed with the secretary of state, the persons who 2935
have subscribed them or their successors and assigns shall 2936
become a body corporate by the name designated in the articles 2937
of incorporation, with succession. The legal existence of the 2938
state bank begins upon the filing of the articles of 2939
incorporation and, unless the articles of incorporation 2940
otherwise provide, its period of existence is perpetual. 2941

Sec. 1103.03. Except where the law of this state, the 2942
articles of incorporation, or the code of regulations require 2943
action to be authorized or taken by shareholders, all of the 2944
authority of a state bank shall be exercised by or under the 2945
direction of the board of directors in accordance with Chapter 2946
1105. of the Revised Code. 2947

Sec. 1103.07. (A) The name of a state bank: 2948

(1) Shall include ~~"bank,"~~ either of the following: 2949

(a) "Bank," "banking," "company," or "co."; 2950

(b) "Savings," "loan," "savings and loan," "building and 2951
loan," or "thrift." 2952

(2) May include the word "state," "federal," 2953
"association," or, if approved by the superintendent of 2954
financial institutions, another term; 2955

(3) Shall not, as determined by the superintendent ~~of~~ 2956
~~financial institutions,~~ be likely to mislead the public as to 2957
the bank's character or purpose; 2958

(4) Shall, as determined by the superintendent, be 2959
distinguishable from all names already recorded by existing 2960
financial institutions in this state or for which reservations 2961
under this section are in effect, unless the existing financial 2962
institution that earliest recorded a name from which the 2963
proposed name is not distinguishable, or the person that 2964
reserved a name from which the proposed name is not 2965
distinguishable, has filed its written consent with the 2966
superintendent and with the secretary of state pursuant to 2967
division (C) of section 1701.05 of the Revised Code. 2968

(B) To reserve a name for a state bank to be organized 2969
under Chapter 1113. or 1114. of the Revised Code or for an 2970
existing state bank, a person shall submit to the superintendent 2971
a written application for the exclusive right to use a specified 2972
name. If the superintendent finds that the specified name 2973
satisfies the requirements for a state bank name and is 2974
available for use in accordance with this section, the 2975
superintendent shall endorse approval on the application and 2976
forward the reservation to the secretary of state for filing. 2977

(C) (1) Reservation of a name pursuant to division (B) of 2978
this section gives the applicant the exclusive right to use the 2979
name as follows: 2980

(a) If the reservation application is submitted to the 2981
superintendent prior to submitting an application to incorporate 2982
a new state bank or amended articles of incorporation or an 2983
amendment to the articles of incorporation, for one hundred 2984
eighty days after the date on which the secretary of state filed 2985
the reservation endorsed by the superintendent, and for one year 2986
after the date on which the secretary of state filed the 2987
reservation endorsed by the superintendent if the superintendent 2988

extends the reservation; 2989

(b) If an application to incorporate a new state bank or 2990
amended articles of incorporation or an amendment to the 2991
articles of incorporation for an existing state bank is 2992
submitted to the superintendent concurrently with the 2993
reservation application or during the time a previously filed 2994
reservation remains in effect, from the date on which the 2995
secretary of state filed the reservation endorsed by the 2996
superintendent until the superintendent approves or disapproves 2997
the incorporation of the new state bank or the amended articles 2998
of incorporation or amendment to the articles of incorporation 2999
for an existing state bank. 3000

(2) The superintendent shall, on behalf of a state bank or 3001
other person that has reserved a name pursuant to this section, 3002
endorse and forward to the secretary of state any additional 3003
name reservations required to maintain the reservation of the 3004
name under section 1701.05 of the Revised Code for as long as 3005
the name reservation is in effect pursuant to division (C)(1) of 3006
this section. 3007

(D) For purposes of this section, a name is recorded if it 3008
is either of the following: 3009

(1) The name of a ~~financial institution bank, savings~~ 3010
bank, or savings association in its articles of incorporation or 3011
articles of association on the records of the secretary of 3012
state, superintendent of financial institutions, office of the 3013
comptroller of the currency, ~~office of thrift supervision,~~ or 3014
any of their successors; 3015

(2) Registered as, or as part of, a trade name or service 3016
mark with the secretary of state. 3017

(E) (1) Absent the express written permission of the state bank, no person shall use the name of a state bank in an advertisement, solicitation, promotional, or other material in a way that may mislead another person, or cause another person to be misled, into believing that the person issuing the advertisement, solicitation, promotional, or other material is associated or affiliated with the state bank. 3018
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(2) A state bank injured by a violation of division (E) (1) of this section may bring an action in law or equity for recovery of damages, a temporary restraining order, an injunction, or any other available remedy. 3025
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Sec. 1103.18. (A) Instead of a treasurer, as required by section 1701.64 of the Revised Code, a state bank may have a cashier, controller, comptroller, or other officer whose authority and duties the superintendent of financial institutions determines are essentially equivalent to those of a treasurer. 3029
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(B) For any state bank that has a cashier, controller, comptroller, or other officer instead of a treasurer, as authorized by division (A) of this section, the cashier, controller, comptroller, or other officer may execute, acknowledge, or verify any instrument or take any other action that by law a treasurer of the state bank would be authorized to execute, acknowledge, verify, or take. 3035
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Sec. 1103.19. When the signatures of two ~~officers~~ authorized representatives of a state bank are required, as for a certificate for an amendment of the state bank's articles of incorporation or amended articles of incorporation pursuant to section ~~1103.08 or 1103.09~~ 1113.12, 1113.13, or 1114.11 of the Revised Code or for certification of a conversion pursuant to 3042
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section 1115.01 of the Revised Code, a consolidation or merger 3048
pursuant to section 1115.11 of the Revised Code, or a transfer 3049
of assets and liabilities pursuant to section 1115.14 of the 3050
Revised Code, one of the ~~officers~~ authorized representatives 3051
signing shall be the chairperson of the board of directors, the 3052
president, or a vice-president, as determined by the board of 3053
directors. The other ~~officer~~ authorized representative signing 3054
shall be the secretary or an assistant secretary, as determined 3055
by the board of directors. 3056

Sec. 1103.20. (A) When any provision in Chapters 1101. to 3057
1127. or Chapter 1701. of the Revised Code requires a document 3058
regarding an existing, previously existing, or proposed state 3059
bank to be filed with the secretary of state, all of the 3060
following apply: 3061

(1) The person responsible for producing the document 3062
shall deliver the document, properly completed, to the 3063
superintendent of financial institutions, along with payment for 3064
any fee required for filing the document with the secretary of 3065
state. 3066

(2) The superintendent shall file the document, and any 3067
required approval by the superintendent, with the secretary of 3068
state. 3069

(3) The secretary of state shall send a certified copy of 3070
the document to both the superintendent and the state bank or 3071
other person on whose behalf the superintendent filed the 3072
document. 3073

(B) If the person responsible for producing the document 3074
to be filed fails to comply with division (A) (1) of this 3075
section, the action or transaction to which the document relates 3076

is not authorized or effective. 3077

Sec. 1103.99. Whoever violates division (E)(1) of section 3078
1103.07 of the Revised Code shall be subject to a civil penalty 3079
of up to ten thousand dollars for each day the violation is 3080
committed, repeated, or continued. 3081

Sec. 1105.01. (A) Except where the Revised Code, the 3082
articles of incorporation, or the code of regulations require 3083
action to be authorized or taken by shareholders or members, all 3084
of the authority of a state bank shall be exercised by or under 3085
the direction of the bank's board of directors. The board of 3086
directors shall consist of not less than five directors. 3087

(B) Unless the articles of incorporation or the code of 3088
regulations provide for a different term, which may not exceed 3089
three years from the date of the director's election and until 3090
the director's successor is elected and qualified, each director 3091
shall hold office until the next annual meeting of the 3092
shareholders or members and until the director's successor is 3093
elected and qualified, or until the director's earlier 3094
resignation, removal from office, or death. 3095

(C) The articles of incorporation or the code of 3096
regulations may provide for the classification of directors into 3097
either two or three classes consisting of not less than ~~three~~ 3098
two directors each. The terms of office of the several classes 3099
need not be uniform, except that no term shall exceed the 3100
maximum time specified in division (B) of this section. 3101

Sec. 1105.02. (A) (1) Of the directors on the board of 3102
directors of a state bank: 3103

(a) A majority of the directors shall be outside 3104
directors. However, in the case of a stock state bank, if eighty 3105

per cent or more of any class of the bank's voting shares are 3106
owned by a company, a majority of the directors may be officers 3107
or directors of one or more affiliates of the bank. 3108

~~(b) A majority of the directors shall be residents of this~~ 3109
~~state or live within one hundred miles of this state.~~ 3110
For 3111
purposes of this section, anyone who is not an employee of the 3112
state bank or the bank holding company shall be considered an 3113
outside director.

(2) (a) If during a term of office a director causes the 3114
total membership of the board to be ~~in violation of~~ out of 3115
compliance with division (A) (1) (a) ~~or (b)~~ of this section, the 3116
director forfeits the directorship, and the director's office is 3117
then vacant. 3118

~~(b) If the membership of a board of directors of a bank on~~ 3119
~~July 14, 1987, is composed in violation of division (A) (1) (a) or~~ 3120
~~(b) of this section, the directors who are holding office on~~ 3121
~~that date may continue to hold office, and may be reelected or~~ 3122
~~reappointed if there is no interruption in their respective~~ 3123
~~service.~~ 3124

~~(c)~~ No new director, or former director who is elected or 3125
appointed to the board after an interruption in service, shall 3126
be elected or appointed ~~in violation of~~ if it causes the total 3127
membership of the board to be out of compliance with division 3128
(A) (1) (a) ~~or (b)~~ of this section. 3129

(B) (1) No person who has been convicted of, or has pleaded 3130
guilty to, a felony or any crime involving an act of fraud, 3131
~~dishonesty or,~~ breach of trust, theft, or money laundering 3132
~~shall take office~~ serve as a director of a bank or a subsidiary 3133
or affiliate of a bank. The superintendent of financial 3134

institutions may waive this restriction if the crime the person 3135
was convicted of or pleaded guilty to was a misdemeanor or minor 3136
misdemeanor or the equivalent thereof. 3137

(2) If during a term of office any director is convicted 3138
of, or pleads guilty to, a ~~felony~~crime described under division 3139
(B) (1) of this section, the director forfeits the directorship, 3140
and the director's office is then vacant. 3141

Sec. 1105.03. (A) To qualify as a director, each person 3142
elected or appointed to the board of directors shall, within 3143
sixty days after election or appointment, take and subscribe an 3144
oath to diligently and honestly perform the duties of a director 3145
and to not knowingly violate or permit to be violated any 3146
federal banking law or any provision of Chapters 1101. to 1127. 3147
of the Revised Code. 3148

(B) Promptly upon execution, and within sixty days of the 3149
person's election or appointment, the oath shall be filed with 3150
the secretary of the state bank. 3151

Sec. 1105.04. Each officer and employee of a state bank, 3152
prior to the discharge of the officer's or employee's duties, 3153
shall be covered by an individual, schedule, or blanket fidelity 3154
bond in favor of the bank, with terms and issuing insurer 3155
approved by the board of directors. The amount of the bond shall 3156
be set by the board of directors, and shall be reasonable given 3157
the size of the bank and nature of its business. The board of 3158
directors are not required to provide a bond covering their 3159
duties as directors. 3160

Sec. 1105.08. (A) (1) A state bank's board of directors 3161
shall meet monthly unless the bank's code of regulations 3162
provides for a different frequency of meetings, which shall not 3163

be less than quarterly. 3164

(2) Division (A) (1) of this section does not prohibit 3165
either of the following: 3166

(a) A state bank's board of directors meeting more 3167
frequently than required by division (A) (1) of this section or 3168
the bank's code of regulations; 3169

(b) The superintendent of financial institutions requiring 3170
a state bank's board of directors to meet more frequently than 3171
required by division (A) (1) of this section or the bank's code 3172
of regulations if the superintendent determines more frequent 3173
meetings are appropriate because of circumstances regarding the 3174
bank. 3175

(B) Unless prohibited by the articles of incorporation, 3176
the code of regulations, or, in the case of a committee of the 3177
board of directors, an order of the board of directors, meetings 3178
of the board of directors or a committee of the board of 3179
directors may be held ~~through~~ in any manner permitted by the 3180
laws of this state, including by communications equipment, if 3181
all persons participating can communicate with each of the 3182
others. Participation in a meeting in accordance with this 3183
division constitutes presence at the meeting. 3184

(C) Minutes shall be kept of all meetings of a state 3185
bank's board of directors and of any committees of the board of 3186
directors, and shall be recorded in a readable and reproducible 3187
form and kept at the bank. The minutes shall show the action of 3188
the board of directors or any committee of the board of 3189
directors on loans, discounts, and investments made or 3190
authorized. The minutes of all committees of the board of 3191
directors shall be submitted to the board of directors for 3192

review at each meeting of the board of directors. 3193

Sec. 1105.10. (A) Once elected or appointed, a director 3194
may be removed ~~by~~ as follows: 3195

(1) By the board of directors or the superintendent of 3196
financial institutions if ~~either~~ any of the following applies: 3197

~~(1)~~ (a) The director has filed for relief or is a debtor 3198
in a case filed under Title XI of the United States Code; 3199

~~(2)~~ (b) A court has determined the director is 3200
incompetent; 3201

(c) The director has been removed in accordance with 3202
federal law. 3203

(2) By the board of directors for any of the grounds set 3204
forth in the state bank's code of regulations or bylaws; 3205

(3) By a majority of the disinterested directors if they 3206
determine the director has a conflict of interest. 3207

(B) (1) (a) Except as provided in division (B) (1) (b) of this 3208
section, unless the articles of incorporation or the code of 3209
regulations of the state bank expressly provide that removal of 3210
members of the board of directors shall require a greater vote, 3211
the shareholders or members may remove all the directors, all 3212
the directors of a particular class, or any individual director 3213
from office, without assigning any cause, by the vote of the 3214
holders of a majority of the voting power entitling them to 3215
elect directors in place of those to be removed. 3216

(b) If the shareholders or members have the right to vote 3217
cumulatively in the election of directors of the bank, unless 3218

all the directors or all the directors of a particular class are 3219
removed, the vote of shareholders or members does not remove an 3220

individual director if the votes cast against the director's 3221
removal, if cumulatively voted at an election of all the 3222
directors or all the directors of a particular class, as the 3223
case may be, would be sufficient to elect at least one director. 3224

(2) If one or more directors is removed pursuant to 3225
division (B)(1) of this section, the shareholders or members may 3226
elect a new director at the same meeting for the unexpired term 3227
of each director removed. Failure of the shareholders or members 3228
to elect a director to fill the unexpired term of any director 3229
removed is deemed to create a vacancy in the board. 3230

(C) Unless the articles of incorporation or the code of 3231
regulations otherwise provide, the remaining directors, though 3232
less than a majority of the whole authorized number of 3233
directors, may, by the vote of a majority of their number, fill 3234
any vacancy in the board for the unexpired term. 3235

(1) A vacancy exists if the shareholders or members 3236
increase the authorized number of directors but fail at the 3237
meeting at which the increase is authorized, or an adjournment 3238
of the meeting, to elect the additional directors provided for, 3239
or if the shareholders or members fail at any time to elect the 3240
whole authorized number of directors. 3241

(2) The office of a member of the board of directors 3242
becomes vacant if the director dies ~~or~~, resigns, or is removed. 3243
A resignation takes effect immediately unless the director 3244
specifies another time. 3245

(D) If a vacancy created on the board of directors causes 3246
the number of directors to be less than that fixed by the 3247
articles of incorporation or code of regulations, the vacancy 3248
shall not be required to be filled until such time as an 3249

appropriate candidate is identified and duly appointed or 3250
elected. 3251

(E) Notwithstanding divisions (B) and (C) of this section, 3252
the requirement for a quorum set forth in section 1701.62 of the 3253
Revised Code applies to a state bank's board of directors. 3254

Sec. 1105.11. ~~Any~~ (A) A director, officer, employee, or 3255
other institution-affiliated party of a bank ~~who knowingly~~ 3256
~~violates or knowingly permits any of the officers, agents, or~~ 3257
~~employees of the bank to violate any provision of Chapters 1101.~~ 3258
~~to 1127. of the Revised Code shall not be liable personally and~~ 3259
individually liable for all direct or indirect damages the bank, 3260
its shareholders or members, or any other person sustains in 3261
consequence of ~~the~~ a violation of or failure to comply with any 3262
provision of Chapters 1101. to 1127. of the Revised Code or the 3263
rules adopted under those chapters, including any civil money 3264
penalties, unless it can be shown that the director, officer, 3265
employee, or other institution-affiliated party knowingly 3266
violated or failed to comply with that provision of law or, with 3267
respect to a director's liability, that the director knowingly 3268
permitted any of the officers, employees, or other institution- 3269
affiliated parties to violate or fail to comply with any such 3270
provision. 3271

(B) Nothing in this section shall be construed to deprive 3272
a director of the defenses set forth in section 1701.59 of the 3273
Revised Code. 3274

Sec. 1107.03. No state bank shall operate without adequate 3275
capital as determined by the superintendent of financial 3276
institutions. In evaluating the adequacy of a state bank's 3277
capital, the superintendent may consider any of the following: 3278

(A) The nature and volume of the bank's business;	3279
(B) The amount, nature, quality, and liquidity of the bank's assets;	3280 3281
(C) The amount and nature of the bank's liabilities, including those that are not presently due or are contingent;	3282 3283
(D) The amount and nature of the bank's fixed costs;	3284
(E) The history of and prospects for the bank to earn and retain income;	3285 3286
(F) The quality of the bank's operations, <u>including risk management</u> ;	3287 3288
(G) The quality of the bank's management;	3289
(H) The nature and quality of the bank's ownership;	3290
(I) Any other factor the superintendent finds to be relevant under the circumstances.	3291 3292
Sec. 1107.05. (A) A <u>state</u> bank may issue debt securities at the times, in the amounts, and subject to the terms approved in writing by the superintendent of financial institutions.	3293 3294 3295
(B) The <u>In the case of a stock state bank, the</u> terms of debt securities may include either of the following:	3296 3297
(1) Options to subscribe to or purchase the bank's shares at not less than par value;	3298 3299
(2) The right to convert the debt securities to the bank's shares, if the par value of the shares resulting from the conversion does not exceed the value on the bank's books of the debt securities being converted.	3300 3301 3302 3303
(C) The terms of any option granted in connection with the	3304

issuance of debt securities or any right to convert debt 3305
securities to shares shall not permit or require the holders of 3306
the debt securities to be held individually responsible for the 3307
state bank's debts, contracts, or engagements, ~~or for~~ 3308
~~assessments for restoration of the bank's paid in capital,~~ on 3309
the basis of their status as holders of the debt securities. 3310

Sec. 1107.07. ~~(A)~~ All stock state bank shares shall have 3311
par value, whether they are common shares or preferred shares. 3312

~~(B) (1) Except as otherwise provided in division (B) (2) of~~ 3313
~~this section:~~ 3314

~~(a) Bank shares still held as treasury shares one year~~ 3315
~~after being acquired are deemed retired and to be authorized and~~ 3316
~~unissued shares.~~ 3317

~~(b) Authorized and unissued bank shares that are not~~ 3318
~~issued or reissued and fully paid in one year after being~~ 3319
~~authorized or otherwise becoming authorized and unissued shares~~ 3320
~~are deemed canceled.~~ 3321

~~(2) Division (B) (1) of this section does not apply to bank~~ 3322
~~shares authorized or acquired and held as treasury shares for~~ 3323
~~purposes of meeting conversion rights or options, employee stock~~ 3324
~~purchase or ownership plans, mergers, consolidations, other~~ 3325
~~reorganizations, or acquisitions, purchases of real estate the~~ 3326
~~board of directors considers necessary or convenient for~~ 3327
~~transaction of the bank's business, or any other specific~~ 3328
~~purpose, in accordance with division (D) of section 1103.08 or~~ 3329
~~division (A) (1) of section 1103.09 of the Revised Code.~~ 3330

~~(C) Preferred shares retired by a bank shall be canceled~~ 3331
~~and not reissued, whether or not provision for cancellation is~~ 3332
~~made in the bank's articles of incorporation.~~ 3333

~~(D) Both common shares and preferred shares of a bank shall be assessable, on a pro rata basis, for restoration of the bank's paid-in capital.~~ 3334
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Sec. 1107.09. (A) A stock state bank may, with the 3337
approval of the bank's board of directors, the holders of a 3338
majority of the bank's voting shares, and the superintendent of 3339
financial institutions, adopt and carry out plans for the 3340
offering or sale of, the grant of, or the grant of options on, 3341
the bank's shares to any or all employees, officers, or 3342
directors of the bank or any of the bank's subsidiaries or 3343
affiliates, or to other parties, or to a trustee on their 3344
behalf. For purposes of this section, "other parties" means any 3345
person that has provided, or will provide, a service or a 3346
benefit to the bank, as determined by the board of directors. 3347

(B) A plan may be adopted under this section for any 3348
unissued shares, treasury shares, or shares to be purchased or 3349
granted. A plan may provide for the payment or issuance of the 3350
shares at one time or in installments or for the establishment 3351
of special funds in which employees or other parties approved 3352
under division (A) of this section may participate. 3353

(C) Shares otherwise subject to pre-emptive rights may be 3354
offered or sold under a plan only when released from pre-emptive 3355
rights. Shares authorized for the purpose of carrying out a plan 3356
adopted under this section shall, ~~in accordance with division~~ 3357
~~(D) of section 1103.08 of the Revised Code,~~ be deemed released 3358
from pre-emptive rights. 3359

Sec. 1107.11. (A) Unless otherwise provided in the 3360
articles of incorporation, the holders of any class of a stock 3361
state bank's shares, other than shares that are limited as to 3362
dividend rate and liquidation price, shall, upon the offering or 3363

sale for cash of shares of the same class, have the right, 3364
during a reasonable time and on reasonable terms fixed by the 3365
directors, to purchase the shares in proportion to their 3366
respective holdings of shares of that class, at not less than 3367
par value, unless the shares offered or sold are any of the 3368
following: 3369

(1) Treasury shares; 3370

(2) Released from pre-emptive rights by the affirmative 3371
vote or written consent of the holders of either of the 3372
following: 3373

(a) Two-thirds of the shares entitled to the pre-emptive 3374
rights; 3375

(b) A majority of the shares entitled to the pre-emptive 3376
rights, if for offering and sale or granting options to any or 3377
all employees of the bank or any of the bank's subsidiaries or 3378
to a trustee on their behalf, under a plan adopted under section 3379
1107.09 of the Revised Code; 3380

(3) Offered to shareholders in satisfaction of their pre- 3381
emptive rights and not purchased by the shareholders, and 3382
thereupon issued or agreed to be issued for a consideration not 3383
less than that at which the shares were offered to the 3384
shareholders, less reasonable expenses, compensation, or 3385
discount paid or allowed for the sale, underwriting, or purchase 3386
of the shares. 3387

(B) An action arising from the offering or sale of shares 3388
under division (A) of this section shall be brought within two 3389
years after the date on which written notice or other 3390
communication of the transaction is mailed or otherwise given to 3391
the person entitled to bring the action. In no event shall any 3392

such action be brought later than four years after the cause of
action accrued. 3393
3394

(C) Pre-emptive rights with respect to shares issued by a 3395
stock state bank chartered on or after the effective date of 3396
this amendment shall be governed by section 1701.15 of the 3397
Revised Code. 3398

Sec. 1107.13. (A) ~~A~~ With the prior written approval of the 3399
superintendent of financial institutions, a stock state bank may 3400
purchase its own shares ~~only in the following circumstances:~~ 3401

~~(1) To avoid the issuance of, or to eliminate, fractional~~ 3402
~~shares;~~ 3403

~~(2) From a shareholder who, by reason of dissent, is~~ 3404
~~entitled to be paid the fair cash value of the shares;~~ 3405

~~(3) With the approval of the superintendent of financial~~ 3406
~~institutions, pursuant to authority in the bank's articles of~~ 3407
~~incorporation to purchase its shares~~ accordance with section 3408
1701.35 of the Revised Code. 3409

(B) A stock state bank that acquires shares of its stock 3410
shall retire or dispose of the shares at the time and in the 3411
manner required by the superintendent. 3412

Sec. 1107.15. A stock state bank's board of directors may 3413
declare dividends and distributions on the bank's outstanding 3414
shares, subject to all of the following conditions: 3415

(A) Except as otherwise provided in division (B) of this 3416
section, payment of a dividend or distribution may only be 3417
funded from undivided profits or, subject to the approval of the 3418
superintendent of financial institutions, from a special reserve 3419
created from proceeds from the sale of bank stock. 3420

(B) A dividend or distribution may be funded, in whole or 3421
in part, from surplus with the approval of both of the 3422
following: 3423

(1) The holders of at least two-thirds of the outstanding 3424
shares of each class of the bank's stock; 3425

(2) ~~The superintendent of financial institutions.~~ 3426

(C) A dividend or distribution may be paid in treasury 3427
shares or in authorized but unissued shares, if the board makes 3428
the required transfers to surplus and paid-in capital. 3429

(D) The approval of the superintendent is required for the 3430
declaration of dividends and distributions if the total of all 3431
dividends and distributions declared on the bank's shares in any 3432
year, and not paid in shares, exceeds the total of its net 3433
income for that year combined with its retained net income of 3434
the preceding two years. 3435

(E) Prior to the declaration of any dividend or 3436
distribution the bank has made all required allocations to 3437
reserves for losses or contingencies. 3438

Sec. 1109.01. (A) A state bank may use, exercise, and 3439
enjoy all of the powers, rights, and privileges of a corporation 3440
as set forth in section 1701.13 of the Revised Code, unless 3441
otherwise provided in its articles of incorporation and except 3442
as otherwise expressly limited by Chapters 1101. to 1127. of the 3443
Revised Code. The powers authorized under this division include 3444
the power to receive any property of any description, or any 3445
interest in property, by gift, devise, or bequest, and to make 3446
donations for the public welfare or for charitable, scientific, 3447
or educational purposes. 3448

(B) A state bank may perform all acts necessary to carry 3449

into effect the powers authorized by Title XI of the Revised 3450
Code and the purposes for which the bank was created. 3451

Sec. 1109.02. (A) In addition to exercising the powers and 3452
performing the acts authorized under Chapters 1101. to 1127. of 3453
the Revised Code, a state bank has and may exercise all powers 3454
and perform all acts attendant to the business of banking as set 3455
forth in those chapters. 3456

(B) A state bank has and may exercise all powers, perform 3457
all acts, and provide all services that are otherwise a part of 3458
or incidental to the business of banking. 3459

(C) In addition to what is otherwise authorized under 3460
Chapters 1101. to 1127. of the Revised Code, a state bank has 3461
and may exercise all powers, perform all acts, and provide all 3462
services that are permitted for national banks and federal 3463
savings associations, other than those dealing with interest 3464
rates, regardless of the date the corresponding parity rule 3465
adopted by the superintendent of financial institutions under 3466
section 1121.05 of the Revised Code takes effect. If a state 3467
bank intends to take any such action before the adoption of the 3468
corresponding parity rule, the bank shall provide the 3469
superintendent with prior written notice of the action and the 3470
basis for the action. The superintendent, within ninety days 3471
after receipt of that notice, may prohibit the bank from taking 3472
such action if the superintendent determines it would be unsafe 3473
or unsound for the bank. 3474

Sec. 1109.021. (A) As used in this section, "portfolio 3475
assets" and "qualified thrift investments" have the same 3476
meanings as in 12 U.S.C. 1467a, as amended. 3477

(B) A state bank may elect to operate as a savings and 3478

loan association by filing a written notice of that election 3479
with the superintendent of financial institutions. 3480

(C) Upon filing an election notice, a state bank shall be 3481
considered a savings and loan association if both of the 3482
following conditions are met: 3483

(1) Its qualified thrift investments equal or exceed 3484
sixty-five per cent of its portfolio assets. 3485

(2) Its qualified thrift investments continue to equal or 3486
exceed sixty-five per cent of its assets on a monthly average 3487
basis in nine out of every twelve months. 3488

(D) A state bank may revoke its election notice at any 3489
time by submitting a written notice thereof to the 3490
superintendent. 3491

Sec. 1109.03. (A) No bank shall transact business in this 3492
state unless its deposit accounts are insured by the federal 3493
deposit insurance corporation, except a bank that by the terms 3494
of its articles of incorporation or articles of association is 3495
not permitted to solicit or accept deposits other than trust 3496
funds. Each bank whose deposit accounts are insured by the 3497
federal deposit insurance corporation shall maintain that 3498
insurance as a condition of doing business in this state. 3499

(B) Each bank doing business in this state shall comply 3500
with the reserve requirements of the "Federal Reserve Act of 3501
1913," as amended. 3502

(C) Any bank doing business in this state may become a 3503
member of the federal reserve system as permitted under federal 3504
law and do all things necessary to maintain that membership in 3505
accordance with the "Federal Reserve Act of 1913," as amended. 3506

(D) Any bank doing business in this state may become a 3507
member of a federal home loan bank and do all things necessary 3508
to maintain that membership in accordance with the "Federal Home 3509
Loan Bank Act of 1932," 47 Stat. 725, 12 U.S.C.A. 1421, as 3510
amended. A bank may purchase and hold stock in a federal home 3511
loan bank in excess of the amount required for membership, if 3512
that purchase and holding of stock is consistent with the 3513
financial condition of the bank and prudent banking practice. 3514

Sec. 1109.04. (A) A bank may, in good faith, rely: 3515

(1) On any and all information, agreements, documents, and 3516
signatures provided by its customers as being true, accurate, 3517
complete, and authentic and representing what they purport to 3518
represent; and 3519

(2) That the persons signing have full capacity and 3520
complete authority to execute and deliver any and all such 3521
documents and agreements and to act in such capacity as may be 3522
represented to the bank. 3523

As used in this division, "good faith" has the same 3524
meaning as in section 1301.201 of the Revised Code. 3525

(B) A bank may, with the customer's consent, provide 3526
electronically any statement, notice, or report required to be 3527
provided customers under this chapter. A customer's consent may 3528
be obtained electronically or in writing. 3529

(C) A bank customer may, with the bank's consent, provide 3530
electronically any notice required to be provided to the bank 3531
under this chapter. A bank's consent may be obtained 3532
electronically or in writing. 3533

Sec. 1109.05. (A) A bank may receive money on deposit and 3534
may establish the terms and conditions of each deposit contract. 3535

A bank may receive demand deposits subject to withdrawal or to 3536
payment upon the depositor's check, order, or other 3537
authorization. 3538

(B) At the time of opening a deposit account, a bank shall 3539
provide the depositor a statement containing the existing terms 3540
and conditions of the deposit contract. The statement may be set 3541
forth on the depositor's signature card, which card may be 3542
electronic or in writing. Before effecting any change in the 3543
terms and conditions of a deposit contract, a bank shall ~~send~~ 3544
~~written~~ provide notice, in written or electronic form, of the 3545
change to each depositor with whom the bank has a deposit 3546
contract of the kind to be changed. Depositors and any other 3547
owners of interests in deposit accounts shall be bound by all 3548
changes banks make in their deposit contracts. 3549

(C) For each deposit account a bank shall, at minimum, do 3550
either of the following: 3551

(1) Periodically ~~send~~ make available to each deposit 3552
customer a ~~written~~ report, in written or electronic form, of the 3553
customer's deposit account activity since the last report was 3554
provided, unless the account is a certificate of deposit with no 3555
activity except for compounding interest; 3556

(2) Issue a passbook on which deposits, interest, 3557
payments, and withdrawals can be recorded. 3558

(D) A bank may secure deposits in the manner and to the 3559
extent provided or authorized by law or any lawful order of a 3560
court having custody of money and ordering money to be 3561
deposited. 3562

(E) (1) A bank may serve as a depository for public funds 3563
of this state, other states of the United States, political 3564

subdivisions of this state and other states of the United 3565
States, the United States, agencies of the United States, 3566
foreign nations, political subdivisions of foreign nations, 3567
multinational organizations, and subdivisions of multinational 3568
organizations. 3569

(2) (a) A bank may provide security for the public funds 3570
described in division (E) (1) of this section if that is a 3571
condition imposed by law for their deposit. 3572

(b) Depositors of public funds that are collateralized by 3573
securities pledged by a bank in accordance with Chapter 135. of 3574
the Revised Code and any applicable federal law shall have and 3575
maintain a first and best lien and security interest in and to 3576
such securities, any substitute securities, and the proceeds of 3577
those securities, in favor of such depositors. 3578

Sec. 1109.08. (A) A bank may provide safes, vaults, safe 3579
deposit boxes, night depositories, and other secure receptacles 3580
for the uses, purposes, and benefits of its customers, on the 3581
terms and conditions the bank prescribes. 3582

(B) A bank may, on the terms and conditions the bank 3583
prescribes, receive tangible property and evidence of tangible 3584
or intangible property for safekeeping using any of the 3585
following: 3586

(1) The bank's safes, vaults, and other secure 3587
receptacles; 3588

(2) The safes, vaults, and other secure receptacles of 3589
another bank or of a safekeeping agent or custodian that is 3590
qualified under rules adopted by the superintendent of financial 3591
institutions; 3592

(3) The bank's own safekeeping system or the safekeeping 3593

system of another bank or of a safekeeping agent or custodian 3594
that is qualified under rules adopted by the superintendent; 3595

(4) A recognized title or registration system, on the 3596
terms and conditions the bank prescribes. 3597

(C) Unless agreed to in writing by the bank, nothing in 3598
this section creates a bailment between a customer and the bank. 3599

Sec. 1109.10. If any claim not clearly consistent with the 3600
terms of any applicable authority on file with a bank is made to 3601
any deposit, safe deposit box, property held in safekeeping, 3602
security, obligation, or other property in the bank's possession 3603
or control, in whole or in part, by any person, including any 3604
depositor, individual, or group of individuals, whether or not 3605
authorized to draw on or exercise any right or control with 3606
respect to the property, the bank is not required to recognize 3607
the claim without one of the following: 3608

(A) A court order, issued by a court of competent 3609
jurisdiction and served on the bank, enjoining or restraining 3610
the bank from taking any action with respect to the property or 3611
instructing the bank to pay some or all of the balance of the 3612
account, provide access to the safe deposit box, or deliver the 3613
property as provided in the order; 3614

(B) A bond in the form and amount and with sureties 3615
satisfactory to the bank, indemnifying the bank against any 3616
liabilities, loss, and expenses it might incur because of its 3617
recognition of the claim or because of its refusal, due to the 3618
claim, to honor or recognize any right with respect to the 3619
property. 3620

Sec. 1109.15. (A) (1) Subject to the restrictions and 3621
limitations of the Revised Code, a state bank may do any of the 3622

following: 3623

(a) Loan money, with or without security, and payable on 3624
demand, at maturity, in installments, or by any combination of 3625
these; 3626

(b) Issue, advise, and confirm letters of credit 3627
authorizing the beneficiaries of the letters to draw upon the 3628
bank or its correspondents; 3629

(c) Purchase open accounts, whether or not the accounts 3630
represent an evidence of debt. 3631

(2) Subject to the margin requirements the superintendent 3632
of financial institutions may prescribe by rule, a state bank 3633
may make loans secured by stocks, bonds, or other securities. 3634

(B) Subject to sections 1109.22, 1109.32, and 1109.47 of 3635
the Revised Code and any rules the superintendent prescribes, a 3636
state bank may purchase obligations of any kind with or without 3637
recourse. 3638

(C) A state bank may acquire personal property for lease 3639
to others, if the transaction, as a whole, has the character of 3640
an extension of credit. 3641

(D) (1) Subject to division (D) (2) of this section, any 3642
other restrictions and limitations of the Revised Code, and any 3643
conditions, restrictions, or requirements established by the 3644
superintendent, a state bank may enter into a debt suspension 3645
agreement or debt cancellation contract with a borrower or 3646
borrowers in connection with any loan or extension of credit. 3647

(2) A state bank shall not offer or finance, directly or 3648
indirectly, a debt suspension agreement or debt cancellation 3649
contract requiring a lump sum, single payment for the agreement 3650

or contract payable at the outset of the agreement or contract, 3651
if the debt subject to the agreement or contract is secured by 3652
one to four family, residential real property. 3653

(3) For purposes of division (D) of this section, "debt 3654
cancellation contract" and "debt suspension agreement" have the 3655
same meanings as in 12 C.F.R part 37, as amended. 3656

~~(E) Unless otherwise expressly agreed in writing, the 3657
relationship between a bank and its obligor, with respect to any 3658
extension of credit, is that of a creditor and debtor, and 3659
creates no fiduciary or other relationship between the parties. 3660~~

Sec. 1109.151. Unless otherwise expressly agreed to in 3661
writing by the bank, the relationship between a bank and its 3662
obligor, or a bank and its customer, creates no fiduciary or 3663
other relationship between the parties or any special duty on 3664
the part of the bank to the customer or any other party. 3665

Sec. 1109.16. (A) The superintendent of financial 3666
institutions shall adopt rules prescribing standards for 3667
extensions of credit that are either of the following: 3668

(1) Secured by liens on interests in real estate; 3669

(2) Made for the purpose of financing the construction of 3670
either a building or improvements to real estate. 3671

(B) In prescribing the standards required by division (A) 3672
of this section, the superintendent shall consider all of the 3673
following: 3674

(1) The risk the extensions of credit pose to the federal 3675
deposit insurance funds; 3676

(2) The need for state banks to operate in a safe and 3677
sound manner; 3678

(3) The availability of credit;	3679
(4) <u>Any other factors the superintendent considers appropriate.</u>	3680 3681
(C) In prescribing the standards required by division (A) of this section, the superintendent may differentiate among types of loans on the basis of any of the following:	3682 3683 3684
(1) Statutory requirements;	3685
(2) Risk to the <u>federal</u> deposit insurance funds;	3686
(3) The safety and soundness of <u>state</u> banks.	3687
(D) The superintendent shall not adversely evaluate an investment or a loan made by a <u>state</u> bank, or consider a loan to be nonperforming, solely because the loan is secured by or the investment is in commercial, residential, or industrial property, unless the investment or loan may affect the bank's safety and soundness.	3688 3689 3690 3691 3692 3693
Sec. 1109.17. (A) (1) A <u>state</u> bank may accept drafts or bills of exchange drawn on it and may purchase acceptances of drafts or bills of exchange issued by other banks and participations in acceptances of drafts or bills of exchange issued by other banks, subject to the following limitations:	3694 3695 3696 3697 3698
(a) For acceptances of drafts or bills of exchange described in division (B) (1) of this section, the limitations in division (B) (2) of this section apply.	3699 3700 3701
(b) For acceptances of drafts or bills of exchange satisfying the requirements of division (C) (1) of this section, the limitations in division (C) (2) apply.	3702 3703 3704
(c) For all other acceptances of drafts or bills of	3705

exchange, the limitations on loans and extensions of credit to a 3706
person in section 1109.22 of the Revised Code apply to both of 3707
the following: 3708

(i) A state bank's total outstanding obligations for any 3709
one person on acceptances of drafts or bills of exchange that 3710
the bank has issued and on acceptances of drafts or bills of 3711
exchange and participations in acceptances of drafts or bills of 3712
exchange issued by other banks and that the bank has purchased; 3713

(ii) A state bank's total outstanding obligations on 3714
acceptances of drafts or bills of exchange issued by any one 3715
other bank. 3716

(2) For purposes of applying the limitations imposed by 3717
division (A) (1) of this section, a state bank's obligation on an 3718
acceptance of a draft or bill of exchange does not include the 3719
portion of an acceptance of a draft or bill of exchange issued 3720
by the bank that is covered by a participation agreement sold to 3721
another. 3722

(B) (1) Subject to the limitations in division (B) (2) of 3723
this section, a state bank may accept drafts or bills of 3724
exchange drawn upon it having not more than six months' sight to 3725
run, exclusive of days of grace, that are any of the following: 3726

(a) From transactions involving the importation or 3727
exportation of goods; 3728

(b) From transactions involving the domestic shipment of 3729
goods; 3730

(c) Secured at the time of acceptance by a warehouse 3731
receipt or other documentation conveying or securing title 3732
covering readily marketable staples. 3733

(2) (a) Except as provided in division (B) (2) (b) of this section, no state bank shall accept drafts or bills of exchange, or be obligated for a participation share for drafts or bills of exchange under division (B) (1) of this section, in an amount equal at any time in the aggregate to more than one hundred fifty per cent of the bank's capital.

(b) The superintendent of financial institutions, under conditions the superintendent may prescribe, may authorize a state bank to accept or be obligated for a participation share in drafts or bills of exchange under division (B) (1) of this section, in an amount not exceeding at any time in the aggregate two hundred per cent of the bank's capital.

(3) Notwithstanding division (B) (2) of this section, a state bank's aggregate acceptances of drafts or bills of exchange, including obligations for a participation share in drafts or bills of exchange, under division (B) (1) of this section, that arise from domestic transactions shall not exceed fifty per cent of the aggregate of all acceptances of drafts or bills of exchange, including obligations for a participation share in drafts or bills of exchange, the bank is permitted under division (B) of this section.

(4) No state bank shall accept drafts or bills of exchange or be obligated for a participation share in drafts or bills of exchange under division (B) (1) of this section, whether from a foreign or domestic transaction, for any one person, partnership, corporation, association, or other entity in an amount equal at any time in the aggregate to more than ten per cent of the bank's capital, unless the bank is secured either by attached documents or by some other actual security arising from the same transaction as the acceptance.

(C) (1) Subject to the limitations set forth in division 3764
(C) (2) of this section, a state bank may accept drafts or bills 3765
of exchange drawn upon it having not more than three months' 3766
sight to run, exclusive of days of grace, and drawn under 3767
conditions the superintendent may prescribe, by banks or bankers 3768
in foreign countries or dependencies or insular possessions of 3769
the United States, for the purpose of furnishing dollar exchange 3770
as required by the usages of trade in the respective countries, 3771
dependencies, or insular possessions. 3772

(2) (a) No state bank shall accept drafts or bills of 3773
exchange under division (C) (1) of this section for any one bank 3774
in an aggregate amount exceeding ten per cent of the accepting 3775
bank's capital, unless the draft or bill of exchange is 3776
accompanied by documents conveying or securing title or other 3777
adequate security. 3778

(b) No state bank shall accept drafts or bills of exchange 3779
under division (C) (1) of this section in an aggregate amount 3780
exceeding fifty per cent of the accepting bank's capital. 3781

Sec. 1109.22. (A) As used in this section: 3782

(1) "Derivative transaction" includes any transaction that 3783
is a contract, agreement, swap, warrant, note, or option that is 3784
based, in whole or in part, on the value of, any interest in, or 3785
any quantitative measure or the occurrence of any event relating 3786
to, one or more commodities, securities, currencies, interest or 3787
other rates, indices, or other assets. 3788

(2) "Loans and extensions of credit" shall include all of 3789
the following: 3790

(a) All direct or indirect advances of funds made on the 3791
basis of any obligation of a person to repay the funds or 3792

repayable from specific property pledged by or on behalf of the person;	3793 3794
(b) To the extent specified by the superintendent of financial institutions, any liability of a bank to advance funds to or on behalf of a person pursuant to a contractual commitment;	3795 3796 3797 3798
(c) Any credit exposure to a person arising from a derivative transaction between the person and a bank.	3799 3800
(3) "Person" includes an individual; sole proprietorship; partnership; joint venture; association; trust; estate; business trust; corporation; government; agency, instrumentality, or political subdivision of a government; limited liability company; or any similar entity or organization.	3801 3802 3803 3804 3805
(B) Except as provided in divisions (C), (D), (E), and (F) of this section:	3806 3807
(1) The total loans and extensions of credit by a <u>state</u> bank to a person outstanding at any one time and not fully secured, as determined in a manner consistent with division (B) (2) of this section, by collateral having a market value at least equal to the amount of the loans and extensions of credit to that person that are outstanding shall not exceed fifteen per cent of the unimpaired capital of the bank.	3808 3809 3810 3811 3812 3813 3814
(2) The total loans and extensions of credit by a <u>state</u> bank to a person outstanding at one time and fully secured by readily marketable collateral having a market value, as determined by reliable and continuously available price quotations, at least equal to the amount of the loans and extensions of credit to that person <u>that are</u> outstanding shall not exceed ten per cent of the unimpaired capital of the bank.	3815 3816 3817 3818 3819 3820 3821

(3) The limitation set forth in division (B) (2) of this section is separate from and in addition to the limitation set forth in division (B) (1) of this section.

(4) Notwithstanding the limitations set forth in divisions (B) (1) and (2) of this section, any state bank may grant one or more loans in an aggregate amount of up to five hundred thousand dollars to one person, subject to any applicable restrictions under federal law.

(C) No limitation based on capital applies to loans and extensions of credit by a bank to a person that are any of the following types:

(1) Loans or extensions of credit arising from the discount of commercial or business paper evidencing an obligation to the person negotiating it with recourse;

(2) The purchase of bankers' acceptances of the kinds described in division (B) or (C) of section 1109.17 of the Revised Code and issued by other banks;

(3) Loans or extensions of credit secured by bonds, notes, certificates of indebtedness, treasury bills of the United States, or other obligations fully guaranteed as to principal and interest by the United States;

(4) Loans or extensions of credit to or secured by unconditional takeout commitments or guarantees of any department, agency, bureau, board, commission, or establishment of the United States or any corporation wholly owned, directly or indirectly, by the United States;

(5) Loans or extensions of credit secured by a segregated deposit account in the lending bank;

(6) Loans or extensions of credit to any financial 3850
institution or to any receiver, conservator, superintendent of 3851
financial institutions, or other agent in charge of the business 3852
and property of a financial institution, when the loans or 3853
extensions of credit are approved by the superintendent of 3854
financial institutions of this state; 3855

(7) Loans or extensions of credit to the student loan 3856
marketing association. 3857

(D) A state bank may make loans and extensions of credit 3858
secured by bills of lading, warehouse receipts, or similar 3859
documents transferring or securing title to readily marketable 3860
staples subject to the general limitations of division (B) of 3861
this section, and may make additional loans and extensions of 3862
credit secured by bills of lading, warehouse receipts, or 3863
similar documents transferring or securing title to readily 3864
marketable staples, if all of the following apply: 3865

(1) The market value of the staples securing each 3866
additional loan or extension of credit at all times equals or 3867
exceeds one hundred fifteen per cent of the outstanding amount 3868
of the loan or extension of credit. 3869

(2) The staples are fully covered by insurance whenever it 3870
is customary to insure staples of that kind. 3871

(3) The total amount of the bank's additional loans and 3872
extensions of credit outstanding to one person at any time does 3873
not exceed thirty-five per cent of the bank's capital. 3874

(E) Subject to divisions (E) (1) and (2) of this section, a 3875
state bank may make loans and extensions of credit arising from 3876
the discount of negotiable or nonnegotiable installment consumer 3877
paper. 3878

(1) If the paper carries a full recourse endorsement or 3879
unconditional guarantee by the person transferring the paper, 3880
the total amount of the installment consumer paper transferred 3881
by one person a state bank may hold at one time shall not exceed 3882
twenty-five per cent of the bank's capital, and the collateral 3883
requirements of division (B) (2) of this section do not apply. 3884

(2) The limitations set forth in division (B) of this 3885
section apply only to the loans and extensions of credit of each 3886
maker of negotiable or nonnegotiable installment consumer paper, 3887
and not to obligations arising from any full or partial recourse 3888
endorsement or guarantee by the transferor discounting the 3889
consumer paper to the state bank, if both of the following 3890
apply: 3891

(a) The state bank's files are, or the knowledge of its 3892
officers of the financial condition of each maker of the 3893
consumer paper is, reasonably adequate. 3894

(b) An officer of the state bank designated for that 3895
purpose by the bank's board of directors certifies in writing 3896
that the bank is relying primarily upon the responsibility of 3897
each maker for payment of the loans or extensions of credit and 3898
not upon any full or partial recourse endorsement or guarantee 3899
by the transferor. 3900

(F) Without regard to the collateral requirements of 3901
division (B) of this section, a state bank may have loans and 3902
extensions of credit to one person outstanding at one time not 3903
exceeding twenty-five per cent of the bank's capital of the 3904
following types: 3905

(1) Loans and extensions of credit secured by shipping 3906
documents or instruments transferring or securing title covering 3907

livestock or giving a lien on livestock, when the market value 3908
of the livestock securing the obligation is not at any time less 3909
than one hundred fifteen per cent of the face amount of the note 3910
covered; 3911

(2) Loans and extensions of credit that arise from the 3912
discount by dealers in dairy cattle of paper given in payment 3913
for dairy cattle, if the paper carries a full recourse 3914
endorsement or unconditional guarantee of the seller, and the 3915
loans and extensions of credit are secured by the cattle being 3916
sold. 3917

(G) (1) The superintendent may adopt rules to administer 3918
and carry out the purposes of this section, including, but not 3919
limited to, the following: 3920

(a) Rules defining or further defining terms used in this 3921
section, including expanding or limiting the definition of 3922
"person" defined in division (A) of this section; 3923

(b) Rules establishing limits or requirements other than 3924
those specified in this section for particular classes or 3925
categories of loans or extensions of credit; 3926

(c) Rules relating to credit exposure arising from 3927
derivative transactions. 3928

(2) The superintendent may determine when a loan 3929
putatively made to a person is, for purposes of this section, to 3930
be attributed to another person. 3931

Sec. 1109.23. (A) No state bank may extend credit to any 3932
of its executive officers, directors, or principal shareholders, 3933
or to any of their related interests, except as authorized by 3934
this section and, with respect to executive officers, as 3935
authorized by section 1109.24 of the Revised Code. 3936

(B) (1) A state bank may extend credit to any of its executive officers, directors, or principal shareholders, or to any of their related interests, only if all of the following apply to the extension of credit:

(a) The extension of credit is made on substantially the same terms, including interest rates and collateral, as those terms prevailing at the time for comparable transactions by the bank with persons who are not executive officers, directors, principal shareholders, or employees of the bank.

(b) The extension of credit does not involve more than the normal risk of repayment or present other unfavorable features.

(c) The bank follows credit underwriting procedures that are not less stringent than those applicable to comparable transactions by the bank with persons who are not executive officers, directors, principal shareholders, or employees of the bank.

(2) Nothing in division (B) (1) of this section shall be construed to prohibit any extension of credit made pursuant to a benefit or compensation program that meets both of the following conditions:

(a) The program is ~~widely~~ available to all employees of the bank;

(b) The program does not give preference to any officer, director, or principal shareholder of the bank, or to any related interest of an officer, director, or principal shareholder, over other employees of the bank.

(C) A state bank may extend credit to any of its executive officers, directors, or principal shareholders, or to any of their related interests, in an amount that, when aggregated with

the amount of all outstanding extensions of credit by the bank 3966
to the executive officer, director, or principal shareholder and 3967
that person's related interests, would exceed an amount 3968
prescribed by the superintendent of financial institutions, only 3969
if both of the following conditions are met: 3970

(1) The extension of credit has been approved in advance 3971
by a majority vote of the bank's entire board of directors. 3972

(2) The executive officer, director, or principal 3973
shareholder, who or whose related interest would be obligated on 3974
the extension of credit, has abstained from participating, 3975
directly or indirectly, in the deliberations or voting on the 3976
extension of credit. 3977

(D) A state bank may extend credit to any of its executive 3978
officers, directors, or principal shareholders, or to any of 3979
their related interests, only if the extension of credit is in 3980
an amount that, when aggregated with the amount of all 3981
outstanding extensions of credit by the bank to the executive 3982
officer, director, or principal shareholder and that person's 3983
related interests, would not exceed the limit on loans to a 3984
single borrower established by section 1109.22 of the Revised 3985
Code. 3986

(E) (1) A state bank may extend credit to any of its 3987
executive officers, directors, or principal shareholders, or to 3988
any of their related interests, if the extension of credit is in 3989
an amount that, when aggregated with the amount of all 3990
outstanding extensions of credit by the bank to all of its 3991
executive officers, directors, principal shareholders, and their 3992
related interests, would not exceed the bank's unimpaired 3993
capital. 3994

(2) The superintendent may prescribe a limit that is more 3995
stringent than the limit contained in division (E) (1) of this 3996
section. 3997

(3) The superintendent may make exceptions to division (E) 3998
(1) of this section for state banks with less than one hundred 3999
million dollars in deposits, if the superintendent determines 4000
that the exceptions are important to avoid constricting the 4001
availability of credit in small communities or to attract 4002
directors to those banks. In no case may the aggregate amount of 4003
all outstanding extensions of credit by a state bank to all of 4004
its executive officers, directors, principal shareholders, and 4005
their related interests, be more than two times the bank's 4006
unimpaired capital. 4007

(F) (1) If any executive officer or director of a state 4008
bank has an account at the bank, the bank may not pay from that 4009
account an amount exceeding the funds on deposit in the account. 4010

(2) Division (F) (1) does not prohibit the bank from paying 4011
funds in accordance with either of the following: 4012

(a) A written, preauthorized, interest-bearing extension 4013
of credit specifying a method of repayment; 4014

(b) A written preauthorized transfer of funds from another 4015
account of the executive officer or director at that bank. 4016

(G) No executive officer, director, or principal 4017
shareholder shall knowingly receive, or knowingly permit any of 4018
that person's related interests to receive, from a state bank, 4019
directly or indirectly, any extension of credit not authorized 4020
under this section. 4021

(H) (1) Subject to division (H) (2) of this section, for 4022
purposes of this section, any executive officer, director, or 4023

principal shareholder of any company of which the state bank is 4024
a subsidiary, or of any other subsidiary of that company, is 4025
deemed to be an executive officer, director, or principal 4026
shareholder, respectively, of the bank. 4027

(2) The superintendent may make exceptions to the 4028
application of division (H) (1) of this section for any person 4029
who is an executive officer or director of a subsidiary of a 4030
company that controls a state bank, if both of the following 4031
apply: 4032

(a) The person does not have authority to participate, and 4033
does not participate, in major policymaking functions of the 4034
bank. 4035

(b) The assets of the subsidiary do not exceed ten per 4036
cent of the consolidated assets of the company that controls the 4037
bank, and the subsidiary is not controlled by any other company. 4038

(I) For purposes of this section: 4039

(1) ~~Bank~~ "State bank" includes any subsidiary of a state 4040
bank. 4041

(2) (a) "Company" means any corporation, limited liability 4042
company, partnership, business or other trust, association, 4043
joint venture, pool syndicate, sole proprietorship, 4044
unincorporated organization, or other business entity. 4045

(b) "Company" does not include either of the following: 4046

(i) A bank, savings bank, or savings association, the 4047
deposits of which are insured by the federal deposit insurance 4048
corporation; 4049

(ii) A corporation the majority of the shares of which are 4050
owned by the United States or by any state of the United States. 4051

(3) "Control" of a company or state bank by a person means 4052
the person, directly or indirectly, or acting through or in 4053
concert with one or more persons, meets any of the following: 4054

(a) The person owns, controls, or has the power to vote 4055
twenty-five per cent or more of any class of the company's or, 4056
in the case of a stock state bank, the bank's voting securities. 4057

(b) The person controls in any manner the election of a 4058
majority of the company's or state bank's directors. 4059

(c) The person has the power to exercise a controlling 4060
influence over the company's or state bank's management or 4061
policies. 4062

(4) "Executive officer" means a person who participates or 4063
has the authority to participate, other than as a director, in 4064
major policymaking functions of a company or state bank. 4065

(5) To "extend credit" or to make an "extension of credit" 4066
means to make or renew any loan, to grant a line of credit, or 4067
to enter into any similar transaction as a result of which an 4068
executive officer, director, or principal shareholder, or any of 4069
that person's related interests, becomes obligated, directly, 4070
indirectly, or by any means whatsoever, to pay money or its 4071
equivalent to the state bank. 4072

(6) "Principal shareholder" means a person who, directly 4073
or indirectly, or acting through or in concert with one or more 4074
persons, owns, controls, or has the power to vote more than ten 4075
per cent of any class of voting securities of a stock state bank 4076
or company, other than a company of which the bank is a 4077
subsidiary. 4078

(7) "Related interest" of a person means either of the 4079
following: 4080

- (a) Any company controlled by that person; 4081
- (b) Any political committee or campaign committee that is 4082
controlled by that person or the funds or services of which will 4083
benefit that person. 4084
- (8) "Subsidiary" means any company of which a state bank 4085
or company meets any of the following: 4086
- (a) The bank or company owns twenty-five per cent or more 4087
of the voting shares of the company. 4088
- (b) The bank or company controls in any manner the 4089
election of a majority of the directors of the company. 4090
- (c) The bank or company has the power, directly or 4091
indirectly, to exercise a controlling influence with respect to 4092
the management or policies of the company. 4093
- Sec. 1109.24.** (A) Except as authorized by this section or 4094
section 1109.23 of the Revised Code, no state bank may extend 4095
credit in any manner to any of its own executive officers. No 4096
executive officer of a state bank may become indebted to that 4097
bank except by means of an extension of credit the bank is 4098
authorized by this section to make. Any extension of credit made 4099
pursuant to this section shall be promptly reported to the 4100
bank's board of directors and may be made only if all of the 4101
following apply: 4102
- (1) The state bank would be authorized to make the 4103
extension of credit to other borrowers. 4104
- (2) The extension of credit is on terms that are not more 4105
favorable than those afforded to other non-executive borrowers. 4106
- (3) The executive officer has submitted a detailed, 4107
current financial statement. 4108

(4) The extension of credit is made on the condition that 4109
it shall become due and payable on demand of the state bank at 4110
any time when the executive officer is indebted to any other 4111
bank or banks on account of extensions of credit of any one of 4112
the three categories referred to in divisions (B), (C), and (D) 4113
of this section in an aggregate amount greater than the amount 4114
of credit of the same category the state bank being served as an 4115
executive officer could extend to the executive officer. 4116

(B) With the specific prior approval of its board of 4117
directors, a state bank may make a loan to any of its executive 4118
officers if, at the time the loan is made, both of the following 4119
apply: 4120

(1) The loan is secured by a first lien on a dwelling that 4121
is expected, after the loan is made, to be owned by the 4122
executive officer and used as the executive officer's residence. 4123

(2) No other loan by the bank to the executive officer 4124
under the authority of this division is outstanding. 4125

(C) A state bank may make extensions of credit to any 4126
executive officer of the bank to finance the education of the 4127
executive officer's children. 4128

(D) A state bank may make extensions of credit not 4129
otherwise specifically authorized by this section to any of the 4130
bank's executive officers in an amount prescribed by the 4131
superintendent of financial institutions. 4132

(E) Except to the extent permitted by division (D) of this 4133
section, a state bank may not extend credit to a partnership in 4134
which one or more of the bank's executive officers are partners 4135
having, individually or together, a majority interest. For 4136
purposes of division (D) of this section, the full amount of the 4137

credit extended shall be considered to have been extended to 4138
each executive officer of the bank who is a member of the 4139
partnership. 4140

~~(F) Whenever an executive officer of a bank becomes 4141
indebted to any bank or banks, other than the bank served as an 4142
executive officer, on account of extensions of credit of any one 4143
of the categories referred to in divisions (B), (C), and (D) of 4144
this section in an aggregate amount greater than the aggregate 4145
amount of credit of the same category that could lawfully be 4146
extended to the executive officer by the bank served as an 4147
executive officer, the executive officer shall make a written 4148
report to the board of directors of the bank stating all of the 4149
following: 4150~~

~~(1) The date and amount of each extension of credit by any 4151
other bank or banks to the executive officer; 4152~~

~~(2) The security for each extension of credit; 4153~~

~~(3) The purposes for which the proceeds of the extensions 4154
of credit have been or are to be used. 4155~~

~~(G)~~ This section does not prohibit any executive officer 4156
of a state bank from endorsing or guaranteeing any loan or other 4157
asset previously acquired by the bank in good faith, for the 4158
protection of the bank, or incurring any indebtedness to the 4159
bank for the purpose of either protecting the bank against loss 4160
or giving financial assistance to the bank. 4161

~~(H)~~ ~~(G)~~ Each state bank shall include with, but not as 4162
part of, each report of condition made to the superintendent 4163
pursuant to section 1121.21 of the Revised Code, a report of all 4164
loans made under the authority of this section by the bank since 4165
the bank's previous report of condition. 4166

~~(I)~~ (H) Each day any extension of credit in violation of 4167
this section exists is a continuation of the violation for 4168
purposes of section 1121.35 of the Revised Code. 4169

Sec. 1109.25. (A) No stock state bank shall lend money on 4170
the security of shares of its own stock or accept shares of its 4171
own stock in satisfaction of a debt, unless necessary to prevent 4172
loss on a debt previously contracted in good faith. 4173

(B) A stock state bank that accepts shares of its own 4174
stock as allowed by division (A) of this section shall retire or 4175
dispose of the shares at the time and in the manner required by 4176
the superintendent of financial institutions. 4177

(C) For purposes of this section, the superintendent may 4178
determine that stock of a person that controls a stock state 4179
bank, if the stock is not readily marketable, is the functional 4180
equivalent of stock of the bank and, therefore, subject to 4181
divisions (A) and (B) of this section. 4182

Sec. 1109.26. (A) (1) A state bank may own or hold for not 4183
more than five years any real estate it acquires by foreclosure, 4184
conveyance in lieu of foreclosure, or other legal proceedings 4185
relating to loan security interests or otherwise in satisfaction 4186
of a debt previously contracted. The superintendent of financial 4187
institutions may, upon application by a state bank, grant the 4188
bank the power to hold the real estate for a longer time. 4189

(2) The superintendent may, at any time, require a state 4190
bank to obtain an independent qualified appraisal of real estate 4191
the bank owns or holds in accordance with division (A) (1) of 4192
this section. 4193

(3) Real estate sold on contract, but with title remaining 4194
in the name of the state bank, shall not be considered real 4195

estate held by the bank for the purpose of divisions (A) (1) and 4196
(2) of this section. 4197

(B) (1) A state bank may own or hold for not more than five 4198
years ~~stock shares~~ of companies either acquired in securing 4199
satisfaction of a debt previously contracted in good faith or 4200
taken on a refinancing plan involving an investment that was 4201
legal at the time it was made. The superintendent may, upon 4202
application by a state bank, grant the bank the power to hold 4203
the ~~stock shares~~ for a longer time. 4204

(2) The superintendent may, at any time, require a state 4205
bank to obtain an independent qualified appraisal of the ~~stock~~ 4206
shares the bank owns or holds in accordance with ~~this~~ division 4207
(B) of this section. 4208

(C) The limitations set forth in this section shall not 4209
apply to real estate or shares owned or held by a state bank 4210
affiliate, except for a company that is a subsidiary of the 4211
state bank. 4212

Sec. 1109.31. (A) A state bank may purchase, acquire by 4213
lease, or otherwise invest in the real estate and interests in 4214
real estate the board of directors considers necessary or 4215
convenient for transaction of the bank's business, including by 4216
ownership of ~~stock of a wholly owned subsidiary corporation~~ an 4217
entity having as its exclusive authority the ownership and 4218
management of the bank's real estate interests. 4219

(B) A state bank may invest an amount equal to the greater 4220
of the bank's capital or ten per cent of its total assets in any 4221
other real estate. This limitation does not apply, however, to 4222
real estate acquired by foreclosure, conveyance in lieu of 4223
foreclosure, or other legal proceedings relating to loan 4224

security interests or otherwise in satisfaction of a debt 4225
previously contracted. 4226

Sec. 1109.32. (A) A state bank may invest in any of the 4227
following: 4228

(1) Bonds, bills, notes, or other debt securities of the 4229
United States or for which the full faith and credit of 4230
~~the united states~~ United States is pledged for payment of 4231
principal and interest; 4232

(2) Bonds, notes, or other debt securities issued by this 4233
state, or any state of the United States, that are the direct 4234
obligation of the issuer and for which the full faith and credit 4235
of the issuer is pledged to provide payment of the principal and 4236
interest; 4237

(3) Bonds, notes, or other debt securities of any county, 4238
municipal corporation, township, school district, improvement 4239
district, sewer district, or other subdivision of this state or 4240
any other state of the United States, that are the direct 4241
obligation of the county or the subdivision issuing them and for 4242
which the full faith and credit of the issuing county or 4243
subdivision is pledged to provide payment of principal and 4244
interest; 4245

(4) Bonds or other debt obligations issued or guaranteed 4246
by agencies or instrumentalities of the United States, 4247
regardless of the guarantee of payment of principal and interest 4248
by the United States; 4249

(5) Subject to conditions and restrictions the 4250
superintendent of financial institutions may prescribe, bonds, 4251
debentures, and other debt securities issued by any country or 4252
multinational organization that are the direct obligation of the 4253

issuing country or multinational organization and for which the 4254
full faith and credit of the issuing country or multinational 4255
organization is pledged to provide payment of principal and 4256
interest; 4257

(6) Bankers' acceptances of the kinds described in 4258
divisions (B) and (C) of section 1109.17 of the Revised Code; 4259

(7) Subject to conditions and restrictions the 4260
superintendent may prescribe, bonds, debentures, and other debt 4261
securities and obligations of any state or political subdivision 4262
of a state, a public corporation, or governmental agency that 4263
are payable solely out of anticipated revenues, commonly 4264
referred to as revenue bonds; 4265

(8) As defined and restricted by the superintendent, 4266
marketable obligations evidencing the indebtedness of any 4267
corporation in the form of bonds, notes, debentures, or 4268
equipment trust certificates, commonly referred to as investment 4269
securities. 4270

(B) In addition to any other provision of this chapter 4271
authorizing state banks to invest in bonds, debentures, or other 4272
debt securities, ~~the superintendent a state bank may approve~~ 4273
~~banks' investment invest~~ in bonds, debentures, and other debt 4274
securities and obligations in which national banks, savings 4275
banks, and savings associations insured by the federal deposit 4276
insurance corporation are permitted to invest. 4277

Sec. 1109.33. A state bank may apply to the superintendent 4278
of financial institutions for permission to invest, subject to 4279
the conditions and requirements prescribed by the 4280
superintendent, an amount, in the aggregate, not exceeding ten 4281
per cent of ~~the a stock state bank's~~ paid-in capital and surplus 4282

or a mutual state bank's retained earnings in the stock of banks 4283
or corporations chartered or incorporated under the laws of the 4284
United States, including section 25a of the "Federal Reserve Act 4285
of 1913," 12 U.S.C. 611, as amended, and principally engaged in 4286
international or foreign banking, or in banking in a dependency 4287
or insular possession of the United States, either directly or 4288
through the agency, ownership, or control of local institutions 4289
in foreign countries, dependencies, or insular possessions. 4290

Sec. 1109.34. (A) A state bank may invest in the 4291
securities of a domestic insurance company organized under 4292
Chapter 3907. or 3925. of the Revised Code, regulated by the 4293
superintendent of insurance under Title XXXIX of the Revised 4294
Code and engaged exclusively in the business of reinsuring 4295
risks, to the extent permitted by and subject to limitations and 4296
restrictions imposed by the superintendent of financial 4297
institutions by rules adopted in accordance with Chapter 119. of 4298
the Revised Code. 4299

(B) (1) The total amount any state bank may invest in the 4300
common and preferred stock, obligations, and other securities of 4301
domestic insurance companies pursuant to division (A) of this 4302
section shall not exceed ten per cent of the bank's assets. 4303

(2) A state bank may file an application with the 4304
superintendent of financial institutions for permission to 4305
invest, subject to the conditions and requirements prescribed by 4306
the superintendent of financial institutions, an amount in 4307
excess of ten per cent of the bank's capital in the common and 4308
preferred stock, bonds, debentures, and other obligations of one 4309
domestic insurance company pursuant to division (A) of this 4310
section. 4311

(C) A state bank making investments pursuant to division 4312

(A) of this section shall report the investments annually on the 4313
first day of March to the superintendent of financial 4314
institutions and the superintendent of insurance. The report 4315
shall include, for each reinsurer in which the bank has made an 4316
investment, information as to the amount of reinsurance written 4317
in this state by each line of insurance designated by the 4318
superintendent of insurance. 4319

Sec. 1109.35. (A) (1) As used in ~~this division~~ (A) of this 4320
section: 4321

(a) "Venture capital firm" means any corporation, 4322
partnership, proprietorship, limited liability company, or other 4323
entity, the principal business of which is or will be the making 4324
of investments in small businesses. 4325

(b) "Small business" means any corporation, partnership, 4326
proprietorship, limited liability company, or other entity that 4327
either does not have more than four hundred employees, or would 4328
qualify as a small business for the purpose of receiving 4329
financial assistance from small business investment companies 4330
licensed under the "Small Business Investment Act of 1958," 72 4331
Stat. 689, 15 U.S.C. 661, as amended, and rules of the small 4332
business administration. 4333

~~(c) "Shares" means any equity interest, including a~~ 4334
~~limited partnership interest and other equity interest in which~~ 4335
~~liability is limited to the amount of the investment, but does~~ 4336
~~not include a general partnership interest or other interests~~ 4337
~~involving general liability.~~ 4338

(2) A stock state bank may invest, in the aggregate, five 4339
per cent of its paid-in capital and surplus, and a mutual state 4340
bank may invest, in the aggregate, five per cent of its retained 4341

earnings, in shares issued by the following: 4342

(a) Venture capital firms organized under the laws of the 4343
United States or of this state and having an office within this 4344
state, if, as a condition of a bank making an investment in a 4345
venture capital firm, the firm agrees to use its best efforts to 4346
make investments, in an aggregate amount at least equal to the 4347
investment to be made by the bank in that venture capital firm, 4348
in small businesses having their principal office within this 4349
state and having either more than one-half of their assets 4350
within this state or more than one-half of their employees 4351
employed within this state; 4352

(b) Small businesses having more than half of their assets 4353
or employees within this state. 4354

(B) (1) A state bank may invest in the following: 4355

(a) The stocks, bonds, debentures, notes, or other 4356
evidences of indebtedness of any of the following: 4357

(i) A community improvement corporation, organized under 4358
Chapters 1702. and 1724. of the Revised Code for the sole 4359
purpose of advancing, encouraging, and promoting the industrial, 4360
economic, commercial, and civic development of a community or 4361
area; 4362

(ii) A development corporation, organized under Chapter 4363
1726. of the Revised Code to promote agricultural, industrial, 4364
and business developments within the state; 4365

(iii) A community urban redevelopment corporation, 4366
organized under Chapter 1701. or 1702. of the Revised Code and 4367
qualified to operate under Chapter 1728. of the Revised Code to 4368
initiate and conduct projects for the clearance, replanning, 4369
development, and redevelopment of blighted areas within 4370

municipal corporations. 4371

(b) Other investments similar to the investments described 4372
in division (B) (1) (a) of this section and acceptable to the 4373
superintendent of financial institutions. 4374

(2) A state bank's investment in any one corporation or 4375
other entity pursuant to division (B) (1) of this section shall 4376
not exceed five per cent of the bank's capital, unless the 4377
superintendent determines additional investment does not pose 4378
significant risk to the bank. A state bank's investments 4379
pursuant to division (B) (1) of this section shall not in the 4380
aggregate exceed ten per cent of the bank's capital. 4381

Sec. 1109.36. To the extent permitted by and subject to 4382
any limitations and restrictions the superintendent of financial 4383
institutions may impose, a state bank may underwrite and deal in 4384
investments in the form of bonds, notes, debentures, or other 4385
debt securities that are any of the following: 4386

(A) The direct obligation of or guaranteed by the United 4387
States; 4388

(B) The direct obligation of or guaranteed by any state of 4389
the United States or any political subdivision of any state of 4390
the United States; 4391

(C) Acceptable to the superintendent. 4392

Sec. 1109.39. In addition to the specific investments 4393
authorized in this chapter, a state bank may also invest, in the 4394
aggregate, no more than ten per cent of its assets in the common 4395
or preferred stock, obligations, or other securities of any 4396
corporations, as authorized by the bank's board of directors. 4397

Sec. 1109.40. (A) In addition to the other loan and 4398

investment authority provided for banks in Chapter 1109. of the 4399
Revised Code, but subject to all other provisions of the Revised 4400
Code, a state bank may invest up to fifteen per cent of its 4401
total assets in loans or investments authorized by the bank's 4402
board of directors. 4403

(B) If a loan or other investment is authorized under more 4404
than one section of Chapter 1109. of the Revised Code, a state 4405
bank may designate under which section the loan or investment 4406
has been or will be made. The loan or investment may be 4407
apportioned among appropriate categories, and may be moved in 4408
whole or in part from one category to another. 4409

Sec. 1109.43. (A) For purposes of this section: 4410

(1) "Bankers' bank" means a bank organized to engage 4411
exclusively in providing services to other depository 4412
institutions and depository institution holding companies and 4413
their officers, directors, and employees. 4414

(2) "Bankers' bank holding company" means a corporation 4415
that owns or controls, directly or indirectly, a majority of the 4416
shares of the capital stock of a bankers' bank, or controls in 4417
any manner the election of a majority of the directors of a 4418
bankers' bank. 4419

(3) "Depository institution" means a bank, savings ~~and~~ 4420
~~loan~~ association, savings bank, or credit union. 4421

(B) A state bank may invest, in the aggregate, up to ten 4422
per cent of its capital in shares of ~~a bankers' bank~~ banks or a 4423
bankers' bank holding ~~company, or both~~ companies. 4424

(C) (1) The voting shares of a bankers' bank shall be owned 4425
by twenty or more depository institutions or depository 4426
institution holding companies, and no depository institution or 4427

depository institution holding company shall own, directly or 4428
indirectly, more than fifteen per cent of the voting shares of a 4429
bankers' bank. 4430

(2) The voting shares of a bankers' bank shall be owned, 4431
directly or indirectly, exclusively by depository institutions, 4432
depository institution holding companies, and persons who hold 4433
the shares under, or initially acquired them through, a plan for 4434
the benefit of the bankers' bank's officers and employees. 4435

~~(D) No bank or affiliate of a bank shall, directly, 4436
indirectly, or acting through one or more other persons, own or 4437
control or have the power to vote shares of any of the 4438
following: 4439~~

~~(1) More than one bankers' bank; 4440~~

~~(2) More than one bankers' bank holding company; 4441~~

~~(3) Both a bankers' bank and a bankers' bank holding 4442
company, unless the bankers' bank is an affiliate of that 4443
bankers' bank holding company. 4444~~

Sec. 1109.44. (A) A state bank may invest, in the 4445
aggregate, twenty-five per cent of its assets in the stock, 4446
obligations, and other securities of bank subsidiary 4447
corporations and bank service corporations. 4448

(B) A state bank shall obtain the approval of the 4449
superintendent of financial institutions prior to investing in, 4450
acquiring, or establishing a bank subsidiary corporation or bank 4451
service corporation, or performing any new activities in a bank 4452
subsidiary corporation or bank service corporation. 4453

(C) (1) A bank subsidiary corporation that is a wholly 4454
owned subsidiary of the state bank may engage in any activities, 4455

except taking deposits, that are a part or an extension of the 4456
business of banking. 4457

(2) A bank service corporation shall be owned solely by 4458
one or more ~~depository institutions~~ banks, and may, at any 4459
location, do any of the following: 4460

(a) Provide clerical, bookkeeping, accounting, 4461
statistical, or similar services; 4462

(b) Engage in any activities, except taking deposits, that 4463
all of its owner ~~depository institutions~~ banks are authorized to 4464
engage in; 4465

(c) Engage in any activity, except taking deposits, the 4466
board of governors of the federal reserve system has determined 4467
to be permissible for a ~~bank~~ financial holding company under 4468
section 4(e)(8) ~~(k)(1)~~ of the "Bank Holding Company Act of 4469
1956," as amended, 70 Stat. 133, 12 U.S.C.A. 1843(e)(8) ~~(k)(1)~~. 4470

(D) Bank subsidiary corporations and bank service 4471
corporations are subject to examination and regulation by the 4472
superintendent. 4473

~~(E) Only if the company in which the investment is to be~~ 4474
~~made qualifies as either a~~ A bank subsidiary corporation or a 4475
bank service corporation ~~under this section may a bank invest in~~ 4476
~~securities pursuant to section 1109.39 of the Revised Code or~~ 4477
~~make investments pursuant to section 1109.40 of the Revised Code~~ 4478
~~that result in any of the following:~~ 4479

~~(1) The bank, directly or indirectly, or acting through~~ 4480
~~one or more other persons, owns, controls, or has the power to~~ 4481
~~vote twenty five per cent or more of any class of voting~~ 4482
~~securities of the company in which the investment is being made.~~ 4483

~~(2) The bank controls in any manner the election of a majority of the directors or trustees of the company in which the investment is being made.~~ 4484
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~~(3) As determined by the superintendent after notice and opportunity for a hearing, the bank directly or indirectly exercises a controlling influence over the management or policies of the company in which the investment is being made, a lower-tier bank subsidiary corporation or bank service corporation, subject to the requirements of this section.~~ 4487
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Sec. 1109.441. Only for investments made under section 1109.44 of the Revised Code may a state bank invest in securities pursuant to section 1109.39 of the Revised Code or make investments pursuant to section 1109.40 of the Revised Code that result in any of the following: 4493
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(A) The state bank, directly or indirectly, or acting through one or more other persons, owning, controlling, or having the power to vote twenty-five per cent or more of any class of voting securities of the company in which the investment is being made; 4498
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(B) The state bank controlling in any manner the election of a majority of the directors or trustees of the company in which the investment is being made; 4503
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(C) As determined by the superintendent of financial institutions after notice and opportunity for a hearing, the state bank directly or indirectly exercising a controlling influence over the management or policies of the company in which the investment is being made. 4506
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Sec. 1109.45. A state bank may invest in the shares of a clearing corporation as defined by section 1308.01 of the 4511
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Revised Code. 4513

Sec. 1109.47. (A) Except as provided in division (B) of 4514
this section, a state bank shall not invest more than fifteen 4515
per cent of its capital in the ~~stock~~shares, obligations, or 4516
other securities of any one issuer. 4517

(B) Division (A) of this section does not apply to any of 4518
the following: 4519

(1) Bonds or other obligations enumerated in divisions (A) 4520
(1) to (6) of section 1109.32 of the Revised Code; 4521

(2) Investment in a bank subsidiary corporation engaged 4522
solely in the business of holding title to real estate described 4523
in division (A) of section 1109.31 of the Revised Code; 4524

(3) Obligations or securities, other than stock, of the 4525
federal national mortgage association, the student loan 4526
marketing association, the government national mortgage 4527
association, or the federal home loan mortgage corporation, or 4528
their successors; 4529

(4) Common and preferred stock, obligations, and other 4530
securities of one domestic reinsurance company with the written 4531
permission of the superintendent of financial institutions as 4532
required by division (B) of section 1109.34 of the Revised Code; 4533

(5) Shares, obligations, securities, or other interests of 4534
any other issuer with the written approval of the 4535
superintendent. 4536

(C) For purposes of this section, no purchase by a state 4537
bank of stock in a federal reserve bank or federal home loan 4538
bank is an investment. 4539

(D) If a state or political subdivision of a state issues 4540

securities, acting solely as a conduit for the transmission of 4541
the proceeds of the sale of the securities to one or more 4542
private entities for economic development purposes and to be 4543
repaid solely by the private entity or entities that received 4544
the proceeds of the sale of the securities, then both of the 4545
following apply for purposes of determining the amount a state 4546
bank may invest in accordance with division (A) of this section: 4547

(1) The securities are obligations of the private entity 4548
or entities in proportion to their receipt of the proceeds. 4549

(2) The securities are not obligations of the issuing 4550
state or political subdivision. 4551

Sec. 1109.48. In exercising its investment authority, a 4552
state bank shall give equal consideration to investments that 4553
involve firms owned and controlled by minorities and firms owned 4554
and controlled by women, either alone or in joint venture with 4555
other firms, where the investments offer quality, return, and 4556
safety comparable to other investments currently available to 4557
the bank. 4558

Sec. 1109.49. A state bank investing in the securities of 4559
a bank or corporation pursuant to this chapter shall furnish 4560
information concerning the financial condition of the bank or 4561
corporation to the superintendent of financial institutions upon 4562
the superintendent's demand. 4563

Sec. 1109.53. For purposes of this section and sections 4564
1109.54, 1109.55, and 1109.56 of the Revised Code: 4565

(A) (1) "Affiliate" means any of the following: 4566

(a) A company that controls the state bank and any other 4567
company controlled by the company that controls the state bank; 4568

- (b) A bank subsidiary of the state bank; 4569
- (c) A company that is controlled directly or indirectly, 4570
by a trust or otherwise, by or for the benefit of shareholders 4571
who beneficially or otherwise control, directly or indirectly, 4572
by trust or otherwise, the state bank or any company that 4573
controls the state bank; 4574
- (d) A company in which a majority of the directors or 4575
trustees constitute a majority of the directors or trustees of 4576
the state bank or any company that controls the state bank; 4577
- (e) A company, including a real estate investment trust, 4578
that is sponsored and advised on a contractual basis by the 4579
state bank or a subsidiary of the state bank; 4580
- (f) An investment company to which the state bank or one 4581
of its affiliates is an investment advisor as defined in section 4582
2(a)(20) of the "Investment Company Act of 1940," 54 Stat. 789, 4583
15 U.S.C. 80a-2(a)(20), as amended; 4584
- (g) A company the superintendent of financial institutions 4585
determines by rule or order to have a relationship with the 4586
state bank or one of its subsidiaries or affiliates such that 4587
covered transactions by the state bank or its subsidiary with 4588
that company may be affected by the relationship to the 4589
detriment of the state bank or its subsidiary. 4590
- (2) "Affiliate" does not include any of the following: 4591
- (a) A company, other than a bank, that is a subsidiary of 4592
a state bank, unless a determination is made under division (A) 4593
(1)(g) of this section not to exclude the subsidiary company 4594
from the definition of affiliate; 4595
- (b) A company engaged solely in holding the premises of 4596

the state bank; 4597

(c) A company engaged solely in conducting a safe-deposit 4598
business; 4599

(d) A company engaged solely in holding obligations of the 4600
United States or its agencies or instrumentalities or 4601
obligations fully guaranteed as to principal and interest by the 4602
United States or its agencies or instrumentalities; 4603

(e) A company where control results from the exercise of 4604
rights arising out of a bona fide debt previously contracted, 4605
but only for a period of two years from the date the rights are 4606
exercised, subject to extensions granted by the superintendent 4607
of not more than one year at a time nor three years in the 4608
aggregate. 4609

(B) "Aggregate covered transactions" means the amount of 4610
the covered transactions about to be engaged in added to the 4611
current amount of all outstanding covered transactions. 4612

(C) "Company" means a corporation, limited liability 4613
company, partnership, business, trust, association, or similar 4614
organization and, unless specifically excluded by this section 4615
or section 1109.54, 1109.55, or 1109.56 of the Revised Code, a 4616
bank. 4617

(D) (1) "Covered transaction" means, with respect to an 4618
affiliate of a state bank, any of the following: 4619

(a) A loan or extension of credit to the affiliate; 4620

(b) A purchase of or an investment in securities issued by 4621
the affiliate; 4622

(c) A purchase of assets, including assets subject to an 4623
agreement to repurchase, from the affiliate, except the purchase 4624

of real or personal property as specifically exempted by the 4625
superintendent by rule or order; 4626

(d) The acceptance of securities issued by the affiliate 4627
as collateral security for a loan or extension of credit to any 4628
person or company; 4629

(e) The issuance of a guarantee, acceptance, or letter of 4630
credit, including an endorsement or standby letter of credit to 4631
any person or company. 4632

(2) "Covered transaction" does not include any of the 4633
following: 4634

(a) A transaction with another bank if either of the 4635
following apply: 4636

(i) One of the banks controls eighty per cent or more of 4637
the voting shares of the other bank. 4638

(ii) The same company controls eighty per cent or more of 4639
the voting shares of both banks. 4640

(b) Making deposits in an affiliated bank or affiliated 4641
foreign bank in the ordinary course of correspondent business, 4642
subject to any restrictions the superintendent may prescribe by 4643
rule or order; 4644

(c) Giving immediate credit to an affiliate for 4645
uncollected items received in the ordinary course of business; 4646

(d) Making a loan or extension of credit to, or issuing a 4647
guarantee, acceptance, or letter of credit on behalf of, an 4648
affiliate that is fully secured by one of the following: 4649

(i) Obligations of the United States or its agencies or 4650
instrumentalities; 4651

- (ii) Obligations fully guaranteed as to principal and interest by the United States or its agencies or instrumentalities; 4652
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4654
- (iii) A segregated, earmarked deposit account with the state bank. 4655
4656
- (e) Purchasing securities issued by a company engaged solely in one or more of the following activities: 4657
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- (i) Holding or operating properties used or to be used wholly or substantially by any bank subsidiary of a company that controls the state bank in the operations of the bank subsidiary; 4659
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- (ii) Conducting a safe-deposit business; 4663
- (iii) Furnishing services to or performing services for a company that controls the state bank or its subsidiaries; 4664
4665
- (iv) Liquidating assets acquired from a company that controls the state bank or its banking subsidiaries. 4666
4667
- (f) Purchasing assets having a readily identifiable and publicly available market quotation and purchased at that market quotation or purchasing loans on a nonrecourse basis from affiliated banks; 4668
4669
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- (g) Purchasing from an affiliate a loan or extension of credit that was originated by the state bank and sold to the affiliate subject to a repurchase agreement or with recourse. 4672
4673
4674
- (E) "Low quality asset" means an asset that is one or more of the following: 4675
4676
- (1) An asset classified as "substandard," "doubtful," or "loss," or treated as "other loans especially mentioned" in the 4677
4678

most recent report of examination or inspection of an affiliate 4679
prepared by any of the federal deposit insurance corporation, 4680
the federal reserve, the office of the comptroller of the 4681
currency, ~~the office of thrift supervision,~~ the division of 4682
financial institutions, or the financial institution regulators 4683
of other states of the United States; 4684

(2) An asset in a nonaccrual status; 4685

(3) An asset on which principal or interest payments are 4686
more than thirty days past due; 4687

(4) An asset whose terms have been renegotiated or 4688
compromised due to the deteriorating financial condition of the 4689
obligor. 4690

(F) "Securities" means, except as provided in section 4691
1109.55 of the Revised Code, stocks, bonds, debentures, notes, 4692
or other similar obligations. 4693

(G) "Subsidiary" means, with respect to a specified 4694
company, a company that is controlled by the specified company. 4695

(H) (1) Subject to division (H) (2) of this section, a 4696
company or shareholder is deemed to have control over another 4697
company, if any of the following apply: 4698

(a) The company or shareholder, directly or indirectly, or 4699
acting through one or more other persons, owns, controls, or has 4700
the power to vote twenty-five per cent or more of any class of 4701
voting securities of the other company. 4702

(b) The company or shareholder controls in any manner the 4703
election of a majority of the directors or trustees of the other 4704
company. 4705

(c) The superintendent determines, after notice and 4706

opportunity for a hearing, the company or shareholder, directly 4707
or indirectly, exercises a controlling influence over the 4708
management or policies of the other company. 4709

(2) No company shall be found to own or control another 4710
company by virtue of the ownership or control of securities in a 4711
fiduciary capacity, except either as provided in divisions (A) 4712
(1) (c) and (d) of this section or if the company owning or 4713
controlling the securities is a business trust. 4714

(I) Any transaction by a state bank with any person shall 4715
be considered a transaction with an affiliate to the extent the 4716
proceeds of the transaction are used for the benefit of, or 4717
transferred to, an affiliate. 4718

Sec. 1109.54. (A) A state bank and its subsidiaries may 4719
engage in a covered transaction with an affiliate only if both 4720
of the following apply: 4721

(1) The aggregate amount of covered transactions by the 4722
bank and its subsidiaries with the particular affiliate will not 4723
exceed ten per cent of the bank's capital. 4724

(2) The aggregate amount of all covered transactions by 4725
the bank and its subsidiaries with all of the bank's affiliates 4726
will not exceed twenty per cent of the bank's capital. 4727

(B) A state bank and its subsidiaries may not purchase a 4728
low quality asset from an affiliate unless the bank or its 4729
subsidiary, pursuant to an independent credit evaluation, 4730
committed itself to purchase the asset prior to the time the 4731
asset was acquired by the affiliate. 4732

(C) Any covered transactions and any transactions between 4733
a state bank and an affiliate shall be on terms and conditions 4734
that are consistent with safe and sound banking practices. 4735

(D) Except as provided in division (E) (4) of this section, 4736
any loan or extension of credit to, or guarantee, acceptance, or 4737
letter of credit issued on behalf of, an affiliate by a state 4738
bank or its subsidiary shall be secured at the time of the 4739
transaction by collateral having a market value equal to any of 4740
the following: 4741

(1) One hundred per cent of the amount of the loan or 4742
extension of credit, guarantee, acceptance, or letter of credit, 4743
if the collateral is composed of any of the following: 4744

(a) Obligations of the United States or its agencies or 4745
instrumentalities; 4746

(b) Obligations fully guaranteed as to principal and 4747
interest by the United States or its agencies or 4748
instrumentalities; 4749

(c) Notes, drafts, bills of exchange, or bankers' 4750
acceptances described in division (B) or ~~(C)~~(C) of section 4751
1109.17 of the Revised Code; 4752

(d) A segregated, earmarked deposit account with the bank. 4753

(2) One hundred ten per cent of the amount of the loan or 4754
extension of credit, guarantee, acceptance, or letter of credit, 4755
if the collateral is composed of obligations of any state or 4756
political subdivision of any state; 4757

(3) One hundred twenty per cent of the amount of the loan 4758
or extension of credit, guarantee, acceptance, or letter of 4759
credit, if the collateral is composed of other debt instruments, 4760
including receivables; 4761

(4) One hundred thirty per cent of the amount of the loan 4762
or extension of credit, guarantee, acceptance, or letter of 4763

credit, if the collateral is composed of stock, leases, or other 4764
real or personal property. 4765

(E) For purposes of division (D) of this section: 4766

(1) Any collateral that is subsequently retired or 4767
amortized shall be replaced by additional eligible collateral as 4768
needed to keep the percentage of the collateral value relative 4769
to the amount of the outstanding loan or extension of credit, 4770
guarantee, acceptance, or letter of credit equal to the minimum 4771
percentage required at the inception of the transaction. 4772

(2) A low quality asset is not acceptable as collateral 4773
for a loan or extension of credit to, or guarantee, acceptance, 4774
or letter of credit issued on behalf of, an affiliate. 4775

(3) The securities issued by an affiliate of the state 4776
bank are not acceptable as collateral for a loan or extension of 4777
credit to, or guarantee, acceptance, or letter of credit issued 4778
on behalf of, that affiliate or any other affiliate of the bank. 4779

(4) The collateral requirements set forth in divisions (D) 4780
and (E)(1) of this section do not apply to any acceptance that 4781
is fully secured by either attached documents or other property 4782
that is involved in the transaction and that has an 4783
ascertainable market value. 4784

Sec. 1109.55. (A) A state bank and its subsidiaries may 4785
engage in any of the transactions described in division (B) of 4786
this section only if one of the following applies: 4787

(1) The transaction is on terms and under circumstances, 4788
including credit standards, that are substantially the same, or 4789
at least as favorable to the bank or its subsidiary, as those 4790
prevailing at the time for comparable transactions with or 4791
involving other nonaffiliated companies. 4792

(2) In the absence of comparable transactions, the 4793
transaction is on terms and under circumstances, including 4794
credit standards, that in good faith would be offered to, or 4795
would apply to, nonaffiliated companies. 4796

(B) Division (A) of this section applies to all of the 4797
following: 4798

(1) A covered transaction with an affiliate; 4799

(2) The sale of securities or other assets to an 4800
affiliate, including assets subject to an agreement to 4801
repurchase; 4802

(3) The payment of money or the furnishing of services to 4803
an affiliate under contract, lease, or otherwise; 4804

(4) Any transaction in which an affiliate acts as an agent 4805
or broker or receives a fee for its services to the bank or to 4806
any other person. 4807

(C) No state bank or its subsidiary shall do either of the 4808
following: 4809

(1) Purchase as fiduciary any securities or other assets 4810
from an affiliate unless the purchase is permitted by one of the 4811
following: 4812

(a) The instrument creating the fiduciary relationship; 4813

(b) A court order; 4814

(c) The law of the jurisdiction governing the fiduciary 4815
relationship. 4816

(2) Whether acting as principal or fiduciary, knowingly 4817
purchase or otherwise acquire, during the existence of any 4818
underwriting or selling syndicate, any security if a principal 4819

underwriter of the security is an affiliate. 4820

Division (C) (2) of this section does not apply if the 4821
purchase or acquisition of the securities has been approved, 4822
before the securities are initially offered for sale to the 4823
public, by a majority of the directors of the bank who are not 4824
officers or employees of the bank or any of its affiliates. 4825

(D) No state bank or affiliate or subsidiary of a state 4826
bank shall publish any advertisement or enter into any agreement 4827
stating or suggesting the bank shall in any way be responsible 4828
for the obligations of its affiliates. 4829

(E) For purposes of division (C) of this section: 4830

(1) "Principal underwriter" means any underwriter, in 4831
connection with a primary distribution of securities, that is 4832
any of the following: 4833

(a) In privity of contract with the issuer or an 4834
affiliated person of the issuer; 4835

(b) Acting alone or in concert with one or more other 4836
persons, initiates or directs the formation of an underwriting 4837
syndicate; 4838

(c) Allowed a rate of gross commission, spread, or other 4839
profit greater than the rate allowed another underwriter 4840
participating in the distribution. 4841

(2) "Security" has the same meaning as in section 3(a) (10) 4842
of the "Securities Exchange Act of 1934," 48 Stat. 881, 15 4843
U.S.C. 78c(a) (10), as amended. 4844

Sec. 1109.59. A state bank may borrow money in any sum 4845
consistent with safety and soundness. Borrowing by means of the 4846
issuance of debt securities is subject to the approval of the 4847

superintendent of financial institutions in accordance with 4848
section 1107.05 of the Revised Code. 4849

Sec. 1109.61. No state bank shall contract to pay, or pay 4850
to any person, any fees for management or consulting services, 4851
including fees for legal, accounting, brokerage, or other 4852
similar professional services, that do not have a direct 4853
relationship to the value of the services rendered or to be 4854
rendered, based on reasonable costs consistent with current 4855
market values for services of the kind contracted for. 4856

Sec. 1109.62. A state bank may engage in the business of 4857
selling insurance through a subsidiary insurance agency subject 4858
to licensing under the law of this state and the law of every 4859
other state in which services are provided by the bank or its 4860
subsidiary. 4861

Sec. 1109.63. A state bank may buy, sell, and exchange 4862
coin and bullion. 4863

Sec. 1109.64. Subject to the limitations and restrictions 4864
of Chapters 1101. to 1127. of the Revised Code, a state bank 4865
shall have the power to do both of the following: 4866

(A) Operate travel agencies; 4867

(B) Engage in the sale of tickets for passage on common 4868
carriers, such as airlines, railroads, ships, and buses, to 4869
points within and outside the United States. 4870

Sec. 1109.65. In order to protect its interest in a 4871
property, a state bank may purchase a tax certificate under 4872
section 5721.32 or 5721.33 of the Revised Code. 4873

Sec. 1109.69. (A) ~~Every~~ Unless a longer record retention 4874
period is required by applicable federal law or regulation, each 4875

bank shall retain or preserve the following bank records and	4876
supporting documents for only the following periods of time:	4877
(1) For one year:	4878
(a) Broker's confirmations, invoices, and statements	4879
relating to security transactions of the bank or for or with its	4880
customers, after date of transaction;	4881
(b) Corporate resolutions, partnership authorizations, and	4882
similar authorizations relating to closed accounts, loans that	4883
have been paid, or other completed transactions, after date of	4884
closing, payment, or completion;	4885
(c) Ledger records of safe deposit accounts, after date of	4886
last entry on the ledger;	4887
(d) Night depository records, after their date;	4888
(e) Records relating to closed Christmas club or similar	4889
limited duration special purpose accounts, after date of	4890
closing;	4891
(f) Records relating to customer collection accounts,	4892
after date of transaction;	4893
(g) Stop payment orders, after their date;	4894
(h) All records relating to closed consumer credit loans	4895
and discounts, after date of closing;	4896
(i) Deposit tickets relating to demand deposit accounts,	4897
after their date;	4898
(2) For six years:	4899
(a) Deposit and withdrawal tickets relating to open or	4900
closed savings accounts, after their date;	4901

(b) Individual ledger sheets or other records serving the same purpose that show a zero balance and that relate to demand, time, or savings deposit accounts, and safekeeping accounts, after date of last entry, or, where the ledger sheets or other records show an open balance, after date of transfer of the amount of the balance to another ledger sheet or record;	4902 4903 4904 4905 4906 4907
(c) Official checks, drafts, money orders, and other instruments for the payment of money issued by the bank and that have been canceled, after date of issue;	4908 4909 4910
(d) Records relating to closed escrow accounts, after date of closing;	4911 4912
(e) Records, other than corporate resolutions, partnership authorizations, and similar authorizations relating to closed loans and discounts other than consumer credit loans and discounts, after date of closing;	4913 4914 4915 4916
(f) Safe deposit access tickets and correspondence or documents relating to access, after their date;	4917 4918
(g) Lease or contract records relating to closed safe deposit accounts, after date of closing;	4919 4920
(h) Signature cards relating to closed demand, savings, or time accounts, closed safe deposit accounts, and closed safekeeping accounts, after date of closing;	4921 4922 4923
(i) Undelivered statements for demand deposit, negotiable order of withdrawal, savings, agency, brokerage, or other accounts for which customer statements are prepared, and canceled checks or other items, after date of statement, provided the bank has attempted to send the statements and checks or other items to its customer, has held them pursuant to the instructions of or an agreement with its customer, or has	4924 4925 4926 4927 4928 4929 4930

made them available to its customer. 4931

(B) The superintendent of financial institutions may 4932
designate a retention period of either one year or six years for 4933
any record maintained by a bank but not listed in division (A) 4934
of this section. Records that are not listed in division (A) of 4935
this section and for which the superintendent has not designated 4936
a retention period shall be retained or preserved for six years 4937
from the date of completion of the transaction to which the 4938
record relates or, if the last entry has been transferred to a 4939
new record showing the continuation of a transaction not yet 4940
completed, from the date of the last entry. 4941

(C) The requirements of divisions (A) and (B) of this 4942
section may be complied with by the preservation of records in 4943
the manner prescribed in section 1109.68 of the Revised Code. 4944

(D) In construing the terms set forth in division (A) of 4945
this section, reference may be made to general banking usage. 4946

(E) A bank may dispose of any records that have been 4947
retained or preserved for the period set forth in divisions (A) 4948
and (B) of this section. 4949

(F) Any action by or against a bank based on, or the 4950
determination of which would depend on, the contents of records 4951
for which a period of retention or preservation is set forth in 4952
divisions (A) and (B) of this section shall be brought within 4953
the time for which the record must be retained or preserved. 4954

(G) Where a record may be classified under either division 4955
(A) (1) or (2) of this section, the record shall be retained or 4956
preserved for the period set forth in division (A) (2) of this 4957
section. 4958

(H) The provisions of this section do not apply to those 4959

records maintained by a bank in its capacity as a trust company. 4960

Sec. 1111.01. As used in this chapter: 4961

(A) "Charitable trust" means a charitable remainder 4962
annuity trust as defined in section 664(d) of the Internal 4963
Revenue Code, a charitable remainder unitrust as defined in 4964
section 664(d) of the Internal Revenue Code, a charitable lead 4965
or other split interest trust subject to the governing 4966
instrument requirements of section 508(e) of the Internal 4967
Revenue Code, a pooled income fund as defined in section 642(c) 4968
of the Internal Revenue Code, a trust that is a private 4969
foundation as defined in section 509 of the Internal Revenue 4970
Code, or a trust of which each beneficiary is a charity. 4971

For purposes of this division and division (B) of this 4972
section, "Internal Revenue Code" means the "Internal Revenue 4973
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 4974

(B) "Charity" means a state university as defined in 4975
section 3345.011 of the Revised Code, a community college as 4976
defined in section 3354.01 of the Revised Code, a technical 4977
college as defined in section 3357.01 of the Revised Code, a 4978
state community college as defined in section 3358.01 of the 4979
Revised Code, a private college or university that possesses a 4980
certificate of authorization issued by the Ohio board of regents 4981
pursuant to Chapter 1713. of the Revised Code, a trust or 4982
organization exempt from taxation under section 501(c)(3) or 4983
section 501(c)(13) of the Internal Revenue Code, or a 4984
corporation, trust, or organization described in section 170(c) 4985
(2) of the Internal Revenue Code. The term "charities" means 4986
more than one trust or organization that is a charity. 4987

(C) "Collective investment fund" means a fund established 4988

by a trust company or an affiliate of a trust company for the 4989
collective investment of assets held in a fiduciary capacity, 4990
either alone or with one or more cofiduciaries, by the 4991
establishing trust company and its affiliates. 4992

(D) "Fiduciary investment company" means a corporation 4993
that is both of the following: 4994

(1) An investment company; 4995

(2) Incorporated, owned, and operated in accordance with 4996
rules adopted by the superintendent of financial institutions 4997
for the investment of funds held by trust companies in a 4998
fiduciary capacity and for true fiduciary purposes, either alone 4999
or with one or more cofiduciaries. 5000

(E) "Home" has the same meaning as in section 3721.10 of 5001
the Revised Code. 5002

(F) "Instrument" includes any will, declaration of trust, 5003
agreement of trust, agency, or custodianship, or court order 5004
creating a fiduciary relationship. 5005

(G) "Residential facility" has the same meaning as in 5006
section 5123.19 of the Revised Code. 5007

(H) "Investment company" means any investment company as 5008
defined in section 3 and registered under section 8 of the 5009
"Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a- 5010
3 and 80a-8, as amended. 5011

(I) "Trust business" means accepting and executing trusts 5012
of property, serving as a trustee, executor, administrator, 5013
guardian, receiver, or conservator, and providing fiduciary 5014
services as a business. "Trust business" does not include any of 5015
the following: 5016

(1) Any natural person acting as a trustee, executor, administrator, guardian, receiver, or conservator pursuant to appointment by a court of competent jurisdiction;

(2) Any natural person serving as a trustee who does not hold self out to the public as willing to act as a trustee for hire. For purposes of division (I) of this section, the solicitation or advertisement of legal or accounting services by a person licensed in this state as an attorney or a person holding an Ohio permit to practice public accounting issued under division (A) of section 4701.10 of the Revised Code shall not be considered to be the act of holding self out to the public as willing to act as a trustee for hire.

(3) A charity, an officer or employee of a charity, or a person affiliated with a charity, serving as trustee of a charitable trust of which the charity, or another charity with a similar purpose, is a beneficiary;

(4) Any natural person, home, or residential facility serving as trustee or taking other actions relative to a qualified income trust described in section 1917(d)(4)(B) of the "Social Security Act," 42 U.S.C. 1396p(d)(4)(B), as amended;

(5) Other fiduciary activities the superintendent determines are not undertaken as a business.

Sec. 1111.02. (A) Except as provided in ~~divisions~~division (B) ~~and (C)~~ of this section, no person shall solicit or engage in trust business in this state except a corporation that is one of the following:

(1) A corporation licensed under section 1111.06 of the Revised Code that is one of the following:

(a) A state bank ~~doing business under authority granted by~~

~~the superintendent of financial institutions;~~ 5046

~~(b) A savings and loan association doing business under authority granted by the superintendent of financial institutions;~~ 5047
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~~(c) A savings bank doing business under authority granted by the superintendent of financial institutions;~~ 5050
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~~(d) A bank authorized to accept and execute trusts and doing business under authority granted by the bank chartering authority of another state or country;~~ 5052
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~~(e)~~ (c) A corporation organized under the laws of another state or country and authorized to accept and execute trusts in that state or country. 5055
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(2) A national bank or federal savings association authorized to accept and execute trusts and doing business under authority granted by the office of the comptroller of the currency; 5058
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~~(3) A savings association authorized to accept and execute trusts and doing business under authority granted by the office of thrift supervision.~~ 5062
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(B) This chapter shall not apply to ~~any of the following~~: 5065

~~(1) A savings and loan association serving as a trustee to the extent authorized by section 1151.191 of the Revised Code;~~ 5066
5067

~~(2) A savings bank serving as a trustee to the extent authorized by section 1161.24 of the Revised Code;~~ 5068
5069

~~(3) A~~ a corporation that is incorporated under the laws of another state or the United States, has its principal place of business in another state, is currently qualified to do and is 5070
5071
5072

engaging in trust business in the state where the corporation 5073
has its principal place of business, and is doing any of the 5074
following: 5075

~~(a)~~ (1) Serving as ancillary executor or administrator of 5076
property in this state that is in the estate of a decedent, 5077
after appointment as executor or administrator of the estate by 5078
the courts of the decedent's state of residence; 5079

~~(b)~~ (2) As trustee, acquiring, holding, or transferring a 5080
security interest in lands or other property in this state, by 5081
mortgage, deed of trust, or other instrument, to secure any 5082
evidence of indebtedness; 5083

~~(c)~~ (3) Certifying to any evidence of indebtedness. 5084

~~(C) The following persons shall not be subject to this 5085
chapter until July 1, 1997:~~ 5086

~~(1) Any person, other than a person described in division 5087
(A) or (B) of this section, that is serving as a fiduciary under 5088
a trust instrument, will, or other document executed before July 5089
1, 1997;~~ 5090

~~(2) Any person, other than a person described in division 5091
(A) or (B) of this section, that is named as a fiduciary in, or 5092
is nominated as a fiduciary under, a trust instrument, will, or 5093
other document executed before July 1, 1997.~~ 5094

Sec. 1111.03. (A) Notwithstanding any other provision of 5095
the Revised Code, any national bank or federal savings 5096
association that has been granted fiduciary powers by the office 5097
of the comptroller of the currency ~~or any federal savings~~ 5098
~~association that has been granted fiduciary powers by the office~~ 5099
~~of thrift supervision~~ may act in this state as trustee, 5100
executor, administrator, registrar of stocks and bonds, guardian 5101

of estates, assignee, receiver, or in any other fiduciary 5102
capacity in which trust companies qualified and licensed under 5103
section 1111.06 of the Revised Code are authorized to act in 5104
this state. For such purpose, a national bank or federal savings 5105
association shall have the same powers and rights, including but 5106
not limited to, the same right to make and accept transfers of 5107
fiduciary appointments, as are granted by the laws of this state 5108
to trust companies qualified and licensed under section 1111.06 5109
of the Revised Code, and may solicit trust business, accept 5110
trust deposits, and maintain nonbranch trust offices in this 5111
state. A national bank or federal savings association shall not, 5112
by virtue of conducting such trust activity in this state, be 5113
subject to examination or inspection by the superintendent of 5114
financial institutions, nor shall it be required to obtain any 5115
approval, authorization, licenses, or certification from, or pay 5116
any fee or assessment to, the superintendent in order to conduct 5117
trust activities in this state. 5118

(B) Notwithstanding the provisions of division (A) of this 5119
section, section 1111.04, division (B) of section 1111.07, and 5120
section 1111.08 of the Revised Code shall apply to national 5121
banks and federal savings associations. 5122

Sec. 1111.04. (A) Prior to soliciting or engaging in trust 5123
business in this state, a trust company shall pledge to the 5124
treasurer of state interest bearing securities authorized in 5125
division (B) of this section, having a par value, not including 5126
unaccrued interest, of one hundred thousand dollars, and 5127
approved by the superintendent of financial institutions. The 5128
trust company may pledge the securities either by delivery to 5129
the treasurer of state or by placing the securities with a 5130
qualified trustee for safekeeping to the account of the 5131
treasurer of state, the corporate fiduciary, and any other 5132

person having an interest in the securities under Chapter 1109. 5133
of the Revised Code, as their respective interests may appear 5134
and be asserted by written notice to or demand upon the 5135
qualified trustee or by order of judgment of a court. 5136

(B) Securities pledged by a trust company to satisfy the 5137
requirements of division (A) of this section shall be one or 5138
more of the following: 5139

(1) Bonds, notes, or other obligations of or guaranteed by 5140
the United States or for which the full faith and credit of the 5141
United States is pledged for the payment of principal and 5142
interest; 5143

(2) Bonds, notes, debentures, or other obligations or 5144
securities issued by any agency or instrumentality of the United 5145
States; 5146

(3) General obligations of this or any other state of the 5147
United States or any subdivision of this or any other state of 5148
the United States. 5149

(C) The treasurer of state shall accept delivery of 5150
securities pursuant to this section when accompanied by the 5151
superintendent's approval of the securities or the written 5152
receipt of a qualified trustee describing the securities and 5153
showing the superintendent's approval of the securities, and 5154
shall issue a written acknowledgment of the delivery of the 5155
securities or the qualified trustee's receipt and the 5156
superintendent's approval to the trust company. 5157

(D) The superintendent shall approve securities to be 5158
pledged by a trust company pursuant to this section if the 5159
securities are all of the following: 5160

(1) Interest bearing and of the value required by division 5161

(A) of this section; 5162

(2) Of one or more of the kinds authorized by division (B) 5163
of this section and not a derivative of or merely an interest in 5164
any of those securities; 5165

(3) Not in default. 5166

(E) The treasurer of state shall, with the approval of the 5167
superintendent, permit a trust company to pledge securities in 5168
substitution for securities pledged pursuant to this section and 5169
the withdrawal of the securities substituted for so long as the 5170
securities remaining pledged satisfy the requirements of 5171
division (A) of this section. The treasurer of state shall 5172
permit a trust company to collect interest paid on securities 5173
pledged pursuant to this section so long as the trust company is 5174
solvent. The treasurer of state shall, with the approval of the 5175
superintendent, permit a trust company to withdraw securities 5176
pledged pursuant to this section when the trust company has 5177
ceased to solicit or engage in trust business in this state. 5178

(F) For purposes of this section, a qualified trustee is a 5179
federal reserve bank, a federal home loan bank, a trust company 5180
as defined in section 1101.01 of the Revised Code, or a national 5181
bank or federal savings association that has pledged securities 5182
pursuant to this section, is authorized to accept and execute 5183
trusts, and is doing business under authority granted by the 5184
office of the comptroller of the currency, or a savings- 5185
association that has pledged securities pursuant to this- 5186
section, is authorized to accept and execute trusts, and is- 5187
doing business under authority granted by the office of thrift- 5188
supervision except that. However, a national bank or federal 5189
savings association doing business under authority granted by 5190
the office of the comptroller of the currency, a savings- 5191

~~association doing business under authority granted by the office~~ 5192
~~of thrift supervision,~~ or a trust company may not act as a 5193
qualified trustee for securities it or any of its affiliates is 5194
pledging pursuant to this section. 5195

(G) The superintendent, with the approval of the treasurer 5196
of state and the attorney general, shall prescribe the form of 5197
all receipts and acknowledgments provided for by this section, 5198
and upon request shall furnish a copy of each form, with the 5199
superintendent's certification attached, to each qualified 5200
trustee eligible to hold securities for safekeeping under this 5201
section. 5202

Sec. 1111.06. (A) Any person, other than a national bank 5203
with trust powers or a federal savings association with trust 5204
powers, proposing to solicit or engage in trust business in this 5205
state shall apply to the superintendent of financial 5206
institutions to be licensed as a trust company. The 5207
superintendent shall approve or disapprove the application 5208
within sixty days after accepting it. 5209

(B) In determining whether to approve or disapprove an 5210
application for a trust company license, the superintendent 5211
shall consider all of the following: 5212

(1) Whether the applicant is a corporation described in 5213
division (A) (1) of section 1111.02 of the Revised Code; 5214

(2) Whether the applicant's articles of incorporation or 5215
association authorize the applicant to serve as a trustee; 5216

(3) If the applicant is not a state bank, ~~savings and loan~~ 5217
~~association, or savings bank doing business under authority~~ 5218
~~granted by the superintendent,~~ whether the applicant is 5219
currently qualified to do and is engaging in trust business in 5220

the state or country under the laws of which the applicant is organized; 5221
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(4) Whether the applicant satisfies the requirements of section 1111.05 of the Revised Code; 5223
5224

(5) Whether it is reasonable to believe the applicant will comply with applicable laws and observe sound fiduciary standards in conducting trust business in this state; 5225
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(6) If the applicant is not a state bank, ~~savings and loan association, or savings bank doing business under authority granted by the superintendent~~, whether the applicant is subject to comprehensive supervision and regulation of its fiduciary activities by appropriate authorities of the state or country under the laws of which the applicant is organized. 5228
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(C) In approving an application for a trust company license, the superintendent may impose any condition the superintendent determines to be appropriate. 5234
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(D) When an applicant has satisfied all prior conditions imposed by the superintendent in approving the applicant's application for a trust company license and has pledged securities as required by section 1111.04 of the Revised Code, the superintendent shall issue the applicant a trust company license. A license issued pursuant to this section shall remain in force and effect until surrendered by the licensee pursuant to section 1111.31 of the Revised Code or suspended or revoked by the superintendent pursuant to section 1111.32 of the Revised Code. 5237
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Sec. 1111.07. (A) A trust company's license to solicit or engage in trust business in this state is not transferable or assignable. 5247
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(B) Subject to section 2109.28 of the Revised Code, if any 5250
trust company enters into a merger or consolidation in which the 5251
trust company is not the surviving corporation, or transfers all 5252
or substantially all of its assets and liabilities to another 5253
corporation, the resulting, surviving, or transferee corporation 5254
shall succeed the trust company as fiduciary as a matter of law 5255
and without necessity to do anything further, if the resulting, 5256
surviving, or transferee corporation is a trust company, or a 5257
national bank or federal savings association authorized to 5258
accept and execute trusts and doing business under authority 5259
granted by the office of the comptroller of the currency, ~~or a~~ 5260
~~federal savings association authorized to accept and execute~~ 5261
~~trusts and doing business under authority granted by the office~~ 5262
~~of thrift supervision~~. If the trust company is not the surviving 5263
corporation of a merger, enters a consolidation, or after 5264
transferring substantially all of its assets and liabilities 5265
ceases to solicit or engage in trust business in this state, the 5266
trust company shall surrender its trust company license in 5267
accordance with section 1111.31 of the Revised Code. 5268

Sec. 1111.08. (A) A trust company, or a national bank or 5269
federal savings association authorized to accept and execute 5270
trusts and doing business under authority granted by the office 5271
of the comptroller of the currency, ~~or a federal savings~~ 5272
~~association authorized to accept and execute trusts and doing~~ 5273
~~business under authority granted by the office of thrift~~ 5274
~~supervision~~ may transfer all or part of its trust business in 5275
this state to another trust company, or to a national bank or 5276
federal savings association authorized to accept and execute 5277
trusts and doing business under authority granted by the office 5278
of the comptroller of the currency, ~~or to a federal savings~~ 5279
~~association authorized to accept and execute trusts and doing~~ 5280

~~business under authority granted by the office of thrift supervision,~~ if all of the following have occurred: 5281
5282

(1) Not less than sixty days before consummation of the 5283
transfer, either the transferor or transferee, or both, for each 5284
fiduciary account or relationship to be transferred, has given 5285
written notice, by regular mail to the most recent address shown 5286
on the records of the transferor, to all of the following that 5287
apply: 5288

(a) Each court having jurisdiction over the fiduciary 5289
account or relationship; 5290

(b) Each cofiduciary of the fiduciary account or 5291
relationship; 5292

(c) Each surviving settlor of the trust; 5293

(d) Each person that, alone or in conjunction with others, 5294
has the power to remove the trust company as fiduciary or 5295
appoint a successor fiduciary; 5296

(e) Except in the case of a trust described in section 5297
401(a) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 5298
26 U.S.C.A. 401(a), as amended, each adult beneficiary currently 5299
receiving or entitled as a matter of right to receive a 5300
distribution of principal or income from the trust, estate, or 5301
fund; 5302

(f) In the case of a trust described in section 401(a) of 5303
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 5304
401(a), as amended, the employer or employee organization, or 5305
both, responsible for the maintenance of the trust. 5306

(2) The transferor has filed a certified copy of the 5307
agreement for the sale with the superintendent of financial 5308

institutions. 5309

(B) (1) The transfer of a fiduciary account or relationship 5310
pursuant to division (A) of this section results in the 5311
transferee being substituted for the transferor as fiduciary as 5312
a matter of law and without necessity to do anything further. 5313

(2) The transfer of a fiduciary account or relationship 5314
pursuant to division (A) of this section does neither of the 5315
following: 5316

(a) Impair the right of any person that, alone or in 5317
conjunction with others, has the power to remove a fiduciary or 5318
appoint a successor fiduciary; 5319

(b) Absolve or discharge a transferor from any liability 5320
arising out of its breach of any fiduciary duty or obligation to 5321
the account prior to the transfer. 5322

Sec. 1111.09. (A) (1) A trust service office is any 5323
location established by a trust company as a place for either of 5324
the following: 5325

(a) Persons seeking the services of the trust company, or 5326
information about those services, to contact representatives of 5327
the trust company regarding the trust company's business. 5328

(b) The trust company's representatives to contact the 5329
trust company's customers, or potential customers, and their 5330
representatives. 5331

(2) None of the following is a trust service office: 5332

(a) Any location where a trust company conducts its 5333
operations but does not provide facilities for contact with its 5334
customers or contact by the public with the trust company; 5335

(b) Any location that is the home or place of work or business or used for the convenience of the trust company's customer, potential customer, or a representative of a customer or potential customer where the trust company's representative's contact with its customer, potential customer, or a representative of a customer or potential customer is merely incidental to the purposes for which the location is maintained and to the activities conducted there;

(c) Any location where another person, including a financial institution, conducts its business and persons inquiring about trust services are merely referred to a trust company, even if referrals to a particular trust company are by exclusive arrangement and compensated.

(B) A trust company may, consistent with the trust company's safe and sound operation and the law, establish and maintain trust service offices at any location, including the following:

(1) If clearly identified and distinguished, at a location where another person, including a financial institution, also conducts business;

(2) If the trust company is a bank, savings and loan association, or savings bank, at any of its approved banking offices or main office or branches.

(C) (1) A trust company shall give notice in writing to the superintendent of financial institutions prior to establishing, relocating, or closing a trust service office in this state.

(2) A trust company that is a state bank ~~doing business under authority granted by the superintendent~~ also shall give notice in writing to the superintendent prior to establishing,

relocating, or closing a trust service office outside this 5365
state. 5366

Sec. ~~1103.01~~ 1113.01. A stock state banking corporation 5367
shall be created, organized, and governed, and its business 5368
shall be conducted, and its directors shall be chosen, in all 5369
respects in the same manner as is provided by Chapters 1701. and 5370
1704. of the Revised Code, for corporations generally, to the 5371
extent that is not inconsistent with this chapter, ~~Chapter~~ 5372
Chapters 1101. to 1111., and Chapters ~~1105. 1114.~~ to 1127. of 5373
the Revised Code. 5374

Sec. ~~1113.01~~ 1113.02. (A) Five or more natural persons, at 5375
least one of whom is a resident of this state, may, with the 5376
approval of the superintendent of financial institutions, 5377
incorporate a stock state bank. 5378

(B) The persons proposing to incorporate a stock state 5379
bank shall apply for approval of the proposed bank by submitting 5380
the application prescribed by the superintendent, which 5381
application shall include all of the following: 5382

(1) The proposed articles of incorporation and code of 5383
regulations; 5384

(2) An application for reservation of a name in accordance 5385
with section 1103.07 of the Revised Code, if reservation is 5386
desired by the incorporators and has not been previously filed; 5387

(3) The location and a description of the proposed initial 5388
banking office; 5389

(4) Information to demonstrate the proposed bank will 5390
satisfy the requirements of division (C) of section 1113.03 and 5391
any other provision of the Revised Code identified by the 5392
superintendent; 5393

<u>(5) Any other information the superintendent requires.</u>	5394
(C) Notwithstanding division (A) of this section, a corporation may act as the sole incorporator of a <u>stock state</u> bank if either of the following applies:	5395 5396 5397
(1) The corporation is registered with the board of governors of the federal reserve system as a bank holding company;	5398 5399 5400
(2) The superintendent determines the corporation is intending to form either of the following:	5401 5402
(a) A <u>stock state</u> bank that functions solely in a trust or fiduciary capacity and that meets all of the requirements set forth in section 2(c)(2)(D) of the "Bank Holding Company Act of 1956," 70 Stat. 133, 12 U.S.C. 1841(c)(2)(D), as amended;	5403 5404 5405 5406
(b) A <u>stock state</u> bank that engages only in credit card operations, does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others, does not accept any savings or time deposit of less than one hundred thousand dollars, maintains only one office that accepts deposits, and does not engage in the business of making commercial loans.	5407 5408 5409 5410 5411 5412 5413
Sec. 1113.03. (A) Within ten days after receipt from the superintendent of financial institutions of notice of acceptance of an application for approval to incorporate a <u>stock state</u> bank, the incorporators shall publish notice of the proposed incorporation in a newspaper of general circulation in the county where the bank's initial banking office is to be located. The incorporators shall publish the notice once a week for two weeks and furnish a certified copy of it to the superintendent. The notice shall specify the name of the proposed bank, its	5414 5415 5416 5417 5418 5419 5420 5421 5422

location, the amount of the proposed capital, the names of the 5423
incorporators, the address of the superintendent, and the date 5424
by which comments on the application must be filed with the 5425
superintendent, which date shall be thirty days after the date 5426
of the first publication of the notice. 5427

(B) If any comments on the application are filed with the 5428
superintendent within the thirty-day period prescribed in 5429
division (A) of this section, the superintendent shall determine 5430
whether the comments are relevant to the requirements for 5431
incorporation of a stock state bank and, if so, investigate the 5432
comments in the manner the superintendent considers appropriate. 5433

(C) The superintendent shall examine all of the facts 5434
connected with the application to determine if all of the 5435
following requirements are met: 5436

(1) The proposed articles of incorporation and code of 5437
regulations, application for reservation of name, applicable 5438
fees, and other items required meet the requirements of the 5439
Revised Code. 5440

(2) The convenience and needs of the public will be served 5441
by the proposed bank. 5442

(3) The population and economic characteristics of the 5443
area primarily to be served afford reasonable promise of 5444
adequate support for the proposed bank. 5445

(4) The competence, experience, and integrity of the 5446
proposed directors and officers are such as to command the 5447
confidence of the community and warrant the belief that the 5448
business of the proposed bank will be honestly and efficiently 5449
conducted. 5450

(5) The capital of the proposed bank is adequate in 5451

relation to the amount and character of the anticipated business 5452
of the bank and the safety of prospective depositors. 5453

(D) Within one hundred eighty days following the date of 5454
acceptance of the application, the superintendent shall approve 5455
or disapprove the incorporation of the proposed bank upon the 5456
basis of the examination. In giving approval, the superintendent 5457
may impose conditions to be met prior to the issuance of a 5458
certificate of authority to commence business under section 5459
1113.09 of the Revised Code. 5460

(E) If the superintendent approves the application, the 5461
superintendent shall make a certificate to that effect and 5462
forward the certificate and the articles of incorporation of the 5463
proposed bank to the secretary of state for filing. 5464

Sec. ~~1103.06~~ 1113.04. (A) A stock state bank's articles of 5465
incorporation shall contain all of the following: 5466

(1) The name of the bank; 5467

(2) The place in this state where the bank's principal 5468
place of business is to be located; 5469

(3) The purpose or purposes for which the bank is formed; 5470

(4) The maximum number and the par value of shares the 5471
bank is authorized to have outstanding and their express terms, 5472
if any. The articles of incorporation shall not authorize shares 5473
without par value. If the shares are to be classified, the 5474
designation of each class, the number and par value of the 5475
shares of each class, and the express terms, if any, of the 5476
shares of each class shall be included. 5477

(B) The articles of incorporation may also set forth any 5478
lawful provision for the purpose of defining, limiting, or 5479

regulating the exercise of the authority of the stock state 5480
bank, the incorporators, the directors, the officers, the 5481
shareholders, or the holders of any class of shares, and any 5482
provision that may be set forth in the bank's code of 5483
regulations. 5484

Sec. 1113.05. (A) Before any subscription to shares has 5485
been received, the incorporators may, by unanimous written 5486
action and subject to ~~division (E)~~ the requirements of this 5487
section, adopt amendments to the stock state bank's articles of 5488
incorporation or amended articles of incorporation to change any 5489
provision of, or add any provision that may properly be included 5490
in, the articles of incorporation. 5491

(B) Amended articles of incorporation shall set forth all 5492
provisions required in, and only provisions that may properly be 5493
in, original articles of incorporation or amendments to articles 5494
of incorporation at the time the amended articles of 5495
incorporation are adopted, and shall state that they supersede 5496
the existing articles of incorporation. 5497

(C) (1) If the incorporators propose the adoption of any 5498
amendment to a stock state bank's articles of incorporation or 5499
amended articles of incorporation, the bank shall send to the 5500
superintendent of financial institutions a copy of the proposed 5501
amendment or amended articles of incorporation for review and 5502
approval prior to adoption by the incorporators. 5503

(2) Upon receiving a proposed amendment or amended 5504
articles of incorporation, the superintendent shall conduct 5505
whatever examination the superintendent considers necessary to 5506
determine if both of the following conditions are satisfied: 5507

(a) The proposed amendment or amended articles of 5508

incorporation comply with the requirements of the Revised Code. 5509

(b) The proposed amendment or amended articles of 5510
incorporation will not adversely affect the interests of the 5511
bank's depositors and creditors and the convenience and needs of 5512
the public. 5513

(3) Within forty-five days after receiving the proposed 5514
amendment or amended articles of incorporation, the 5515
superintendent shall notify the bank of the superintendent's 5516
approval or disapproval unless the superintendent determines 5517
additional information is required. In that event, the 5518
superintendent shall request the information in writing within 5519
twenty days after the date the proposed amendment or amended 5520
articles of incorporation were received. The bank shall have 5521
thirty days to submit the information to the superintendent. The 5522
superintendent shall notify the bank of the superintendent's 5523
approval or disapproval of the proposed amendment or amended 5524
articles of incorporation within forty-five days after the date 5525
the additional information is received. If the proposed 5526
amendment or amended articles of incorporation are disapproved 5527
by the superintendent, the superintendent shall notify the bank 5528
of the reasons for the disapproval. 5529

(4) If the superintendent fails to approve or disapprove 5530
the proposed amendment or amended articles of incorporation 5531
within the time period required under division (C) (3) of this 5532
section, the proposed amendment or amended articles of 5533
incorporation shall be considered approved. 5534

(5) If the proposed amendment or amended articles of 5535
incorporation are approved, in no event shall that approval be 5536
construed or represented as an affirmative endorsement of the 5537
amendment or amended articles of incorporation by the 5538

superintendent. 5539

(D) (1) Upon their adoption of any approved amendment to a 5540
stock state bank's articles of incorporation, the incorporators 5541
shall send to the superintendent ~~of financial institutions~~ a 5542
certificate, signed by all the incorporators, containing a copy 5543
of the resolution adopting the amendment and a statement of the 5544
manner of and basis for its adoption. 5545

(2) Upon their adoption of approved amended articles of 5546
incorporation, the incorporators shall send to the 5547
superintendent a copy of the amended articles of incorporation, 5548
accompanied by a certificate, signed by all the incorporators, 5549
containing a copy of the resolution adopting the amended 5550
articles of incorporation and a statement of the manner of and 5551
basis for its adoption. 5552

~~(D)~~ (E) Upon receiving a certificate required by division 5553
~~(C)~~ (D) of this section, the superintendent shall conduct 5554
whatever examination the superintendent considers necessary to 5555
determine if ~~both of the following conditions are satisfied:~~ 5556

~~(1) The~~ the manner of and basis for the adoption of the 5557
amendment or amended articles of incorporation ~~and the manner of~~ 5558
~~and basis for adoption~~ comply with the requirements of the 5559
Revised Code. 5560

~~(2) The amendment or amended articles of incorporation~~ 5561
~~will not adversely affect the interests of the bank's depositors~~ 5562
~~and creditors and the convenience and needs of the public.~~ 5563

~~(E)~~ (F) (1) Within ~~sixty~~ thirty days after receiving a 5564
certificate required by division ~~(C)~~ (D) of this section, the 5565
superintendent shall approve or disapprove the amendment or 5566
amended articles of incorporation. If the superintendent 5567

approves the amendment or amended articles of incorporation, the 5568
superintendent shall forward a certificate of that approval, a 5569
copy of the certificate required by division ~~(C)~~ (D) of this 5570
section, and, ~~in the case of amended articles of incorporation,~~ 5571
a copy of the amendment or amended articles of incorporation, 5572
to the secretary of state, who shall file the documents. Upon 5573
filing by the secretary of state, the amendment or amended 5574
articles of incorporation shall be effective. 5575

(2) If the superintendent fails to approve or disapprove 5576
the amendment or amended articles of incorporation within ~~sixty-~~ 5577
thirty days after receiving a certificate required by division 5578
~~(C)~~ (D) of this section, the bank shall forward a copy of the 5579
certificate and, ~~in the case of amended articles of~~ 5580
~~incorporation,~~ a copy of the amendment or amended articles of 5581
incorporation, to the secretary of state, who shall file the 5582
documents. Upon filing by the secretary of state, the amendment 5583
or amended articles of incorporation shall be effective. 5584

Sec. 1113.06. (A) After the secretary of state has filed 5585
the articles of incorporation and certificate of approval of the 5586
superintendent of financial institutions, the incorporators, or 5587
a majority of them, shall order books to be opened for 5588
subscription to the stock state bank's shares. An installment of 5589
not less than ten per cent of the subscription price of each 5590
share shall be payable at the time of making the subscription, 5591
and the balance shall be payable as soon thereafter as the board 5592
of directors requires. 5593

(B) When the stock state bank's shares have been fully 5594
subscribed, the incorporators, or a majority of them, shall 5595
certify this fact in writing to the superintendent. The 5596
superintendent shall file the certification with the secretary 5597

of state. 5598

(C) Upon their compliance with division (B) of this 5599
section, at least a majority of the incorporators shall give not 5600
less than ten days' notice in writing by mail to the 5601
shareholders who have not waived the notice to meet at a 5602
specified time and place for the purpose of adopting a code of 5603
regulations, electing directors, and transacting any other 5604
business authorized by section 1113.08 of the Revised Code. The 5605
shareholders shall meet for those purposes at the time and place 5606
specified. 5607

(D) The incorporators shall not receive any subscriptions 5608
for shares after the election of directors. 5609

Sec. 1113.08. (A) A stock state bank organized under 5610
Chapter 1113. of the Revised Code shall not accept deposits, 5611
incur indebtedness, or transact any business except business 5612
that is incidental to its organization or to the obtaining of 5613
subscriptions to or payment for its shares until the bank 5614
receives a certificate of authority to commence business issued 5615
by the superintendent of financial institutions. 5616

(B) The bank shall file a report with the superintendent 5617
when it has done everything required before it can be authorized 5618
to commence business and when the subscriptions for the bank's 5619
shares have been fully paid in, in the amounts fixed by the 5620
superintendent. 5621

(C) Upon receipt of the report referred to in division (B) 5622
of this section, the superintendent shall examine the affairs of 5623
the bank and determine whether the bank has complied with all 5624
requirements necessary to entitle it to engage in business. 5625

Sec. 1113.09. (A) The superintendent of financial 5626

institutions shall issue a certificate of authority to commence 5627
business if: 5628

(1) The superintendent is satisfied, based upon the 5629
examination conducted pursuant to section 1113.08 of the Revised 5630
Code and any other facts within the knowledge of the 5631
superintendent, that the stock state bank is otherwise entitled 5632
to commence business. 5633

(2) With respect to a stock state bank that, upon 5634
commencing business, would be authorized to accept deposits 5635
other than trust funds, the superintendent has received from the 5636
federal deposit insurance corporation (FDIC) confirmation that 5637
the FDIC has approved the bank's application to become an 5638
insured bank as defined in section 3(h) of the "Federal Deposit 5639
Insurance Act," 92 Stat. 614 (1978), 12 U.S.C.A. 1813(h). A 5640
stock state bank is not required to become an insured bank as 5641
defined in section 3(h) of the "Federal Deposit Insurance Act" 5642
if, by the terms of its articles of incorporation, it is not 5643
permitted to solicit or accept deposits other than trust funds. 5644

(B) The bank shall cause the certificate of authority to 5645
commence business to be published once a week for two successive 5646
weeks in a newspaper of general circulation in the county where 5647
the bank's initial banking office is located. 5648

(C) For purposes of this section, "trust funds" means 5649
funds held in a fiduciary capacity and includes, but is not 5650
limited to, funds held as trustee, executor, administrator, 5651
guardian, or agent. 5652

Sec. ~~1103.11~~ 1113.11. (A) Each stock state bank shall have 5653
a code of regulations for its governance as a corporation, the 5654
conduct of its affairs, and the management of its property. The 5655

code of regulations shall be consistent with the law of this 5656
state and the bank's articles of incorporation. 5657

~~(B) A bank's original code of regulations shall be adopted 5658
at a meeting of shareholders held for that purpose by the 5659
affirmative vote of the holders of shares entitling them to 5660
exercise a majority of the voting power of the bank on the 5661
proposal. 5662~~

~~(C) The shareholders may amend a bank's code of 5663
regulations or adopt a new code of regulations in any of the 5664
following ways: 5665~~

~~(1) At a meeting of shareholders by the affirmative vote 5666
of the holders of shares entitling them to exercise a majority 5667
of the voting power of the bank on the proposal; 5668~~

~~(2) Without a meeting by the written consent of the 5669
holders of shares entitling them to exercise two thirds of the 5670
voting power of the bank on the proposal; 5671~~

~~(3) If the bank's articles of incorporation or code of 5672
regulations so provide or permit, by the affirmative vote or 5673
written consent of the holders of shares entitling them to 5674
exercise a greater or lesser proportion, but not less than a 5675
majority, of the voting power of the bank on the proposal. 5676~~

~~(D) Notice of a shareholders' meeting to adopt any 5677
amendment to the code of regulations, or a new code of 5678
regulations, shall be given in the manner provided in section 5679
1103.13 of the Revised Code. Notice by the incorporators of the 5680
first meeting of shareholders in accordance with section 1113.06 5681
of the Revised Code shall be sufficient for the adoption of the 5682
original code of regulations of a new bank. 5683~~

~~(E) Without limiting the generality of this authority, the 5684~~

~~code of regulations may include provisions with respect to any~~ 5685
~~of the following:~~ 5686

~~(1) The time and place for holding, the manner of and~~ 5687
~~authority for calling, giving notice of, and conducting, and the~~ 5688
~~requirements of a quorum for, meetings of shareholders;~~ 5689

~~(2) The taking of a record of shareholders or the~~ 5690
~~temporary closing of books against transfers of shares;~~ 5691

~~(3) The number, classification, manner of fixing or~~ 5692
~~changing the number, qualifications, term of office, and~~ 5693
~~compensation or manner of fixing compensation of directors;~~ 5694

~~(4) The terms on which new certificates for shares may be~~ 5695
~~issued in the place of lost, stolen, or destroyed certificates;~~ 5696

~~(5) The time and place for holding, the manner of and~~ 5697
~~authority for calling, giving notice of, and conducting, and the~~ 5698
~~requirements of a quorum for, meetings of the directors;~~ 5699

~~(6) The appointment and authority of an executive and~~ 5700
~~other committees of the directors;~~ 5701

~~(7) The titles, qualifications, duties, term of office,~~ 5702
~~compensation or manner of fixing compensation, and removal of~~ 5703
~~officers;~~ 5704

~~(8) Defining, limiting, or regulating the exercise of the~~ 5705
~~authority of the bank, the directors, the officers, or all the~~ 5706
~~shareholders;~~ 5707

~~(9) The manner in and conditions upon which a certificated~~ 5708
~~security, and the conditions upon which an uncertificated~~ 5709
~~security, and the shares represented by a certificated or~~ 5710
~~uncertificated security, may be transferred, restrictions on the~~ 5711
~~right to transfer the shares, and reservations of liens on the~~ 5712

shares. 5713

~~(F) Unless either a bank's articles of incorporation or 5714
code of regulations provides otherwise, if the code of 5715
regulations is to be amended or a new code of regulations is 5716
proposed for adoption without a meeting of the shareholders, at 5717
least ten days prior to the last day a shareholder may consent 5718
to or deny consent to the proposed amendments or new code of 5719
regulations, the secretary of the bank shall mail a copy of the 5720
proposed amendments or new code of regulations to each 5721
shareholder who would be entitled, as of the date of the 5722
mailing, to vote on the amendment or adoption. 5723~~

~~(G) If the code of regulations is amended or a new code of 5724
regulations is adopted without a meeting of the shareholders, 5725
the secretary of the bank shall mail a copy of the amendment or 5726
the new code of regulations, or notice of the adoption of the 5727
amendment or new code of regulations, to each shareholder who 5728
would have been entitled to vote on the amendment or adoption. 5729~~

Sec. ~~1103.08~~ 1113.12. (A) After subscriptions to shares 5730
have been received by the incorporators, the shareholders of a 5731
stock state bank may, subject to ~~division (H)~~ the requirements 5732
of this section, adopt amendments to the bank's articles of 5733
incorporation or adopt amended articles of incorporation to 5734
change any provision of, or add any provision that may properly 5735
be included in, the articles of incorporation. 5736

(1) The shareholders may adopt an amendment to the bank's 5737
articles of incorporation or amended articles of incorporation 5738
at a meeting held for that purpose, as follows: 5739

(a) By the affirmative vote of the holders of shares 5740
entitling them to exercise two-thirds of the voting power of the 5741

bank on the proposal or, if the articles of incorporation 5742
provide or permit, by the affirmative vote of a greater or 5743
lesser proportion, but not less than a majority, of the voting 5744
power; 5745

(b) When the holders of shares of a particular class are 5746
entitled to vote as a class, by the affirmative vote of the 5747
holders of at least two-thirds or, if the articles of 5748
incorporation provide or permit, a greater or lesser portion, 5749
but not less than a majority, of the shares of the class. 5750

(2) The shareholders may adopt amended articles of 5751
incorporation to consolidate the original articles of 5752
incorporation and all previously adopted amendments to the 5753
articles of incorporation at a meeting held for that purpose by 5754
the affirmative vote of holders of shares entitling them to 5755
exercise a majority of the voting power of the bank on the 5756
proposal. 5757

(3) The shareholders may adopt an amendment to the bank's 5758
articles of incorporation or amended articles of incorporation 5759
without a meeting by the written consent of all of the holders 5760
of shares who would be entitled to vote at a meeting held for 5761
that purpose. 5762

(B) Any amendment or amended articles of incorporation of 5763
a stock state bank that would eliminate cumulative voting 5764
rights, as permitted by section 1701.69 of the Revised Code, 5765
shall not be adopted if the votes of a sufficient number of 5766
shares are cast against the amendment or amended articles of 5767
incorporation that, if cumulatively voted at an election of all 5768
directors or all directors of a particular class, would be 5769
sufficient, at the time the shareholders vote on the proposal, 5770
to elect at least one director. 5771

(C) The shareholders of a stock state bank may adopt an 5772
amendment to the bank's articles of incorporation to authorize 5773
the purchase of the bank's shares, if the amendment states that 5774
the superintendent of financial institutions must approve the 5775
purchase in writing prior to each purchase of shares. 5776

(D) The shareholders of a stock state bank may adopt an 5777
amendment to the bank's articles of incorporation to permit the 5778
bank to have authorized and unissued shares or treasury shares 5779
~~for any of the following purposes:~~ 5780

~~(1) Meeting conversion rights or options;~~ 5781

~~(2) Employee stock purchase or ownership plans;~~ 5782

~~(3) Mergers, consolidations, or other reorganizations, or~~ 5783
~~acquisitions;~~ 5784

~~(4) The purchase of real estate the board of directors~~ 5785
~~considers necessary or convenient for transaction of the bank's~~ 5786
~~business;~~ 5787

~~(5) Any other specific purpose.~~ 5788

~~Shares shall be considered authorized for these purposes~~ 5789
~~only if the shareholder resolutions authorizing the shares~~ 5790
~~specifically state the purposes for which the shares are~~ 5791
~~authorized. Shares authorized specifically for any of these~~ 5792
~~purposes shall not be issued for any other purpose. Shares~~ 5793
~~authorized for these purposes shall be deemed released from pre-~~ 5794
~~emptive rights.~~ 5795

(E) Amended articles of incorporation shall set forth all 5796
provisions required in, and only provisions that may properly be 5797
in, original articles of incorporation or amendments to articles 5798
of incorporation at the time the amended articles of 5799

incorporation are adopted, and shall state that they supersede 5800
the existing articles of incorporation. 5801

(F) (1) If the shareholders propose the adoption of any 5802
amendment to a stock state bank's articles of incorporation or 5803
amended articles of incorporation, the bank shall send to the 5804
superintendent a copy of the proposed amendment or amended 5805
articles of incorporation for review and approval prior to 5806
adoption by the shareholders. 5807

(2) Upon receiving a proposed amendment or amended 5808
articles of incorporation, the superintendent shall conduct 5809
whatever examination the superintendent considers necessary to 5810
determine if both of the following conditions are satisfied: 5811

(a) The proposed amendment or amended articles of 5812
incorporation comply with the requirements of the Revised Code. 5813

(b) The proposed amendment or amended articles of 5814
incorporation will not adversely affect the interests of the 5815
bank's depositors and creditors and the convenience and needs of 5816
the public. 5817

(3) Within forty-five days after receiving the proposed 5818
amendment or amended articles of incorporation, the 5819
superintendent shall notify the bank of the superintendent's 5820
approval or disapproval unless the superintendent determines 5821
additional information is required. In that event, the 5822
superintendent shall request the information in writing within 5823
twenty days after the date the proposed amendment or amended 5824
articles of incorporation were received. The bank shall have 5825
thirty days to submit the information to the superintendent. The 5826
superintendent shall notify the bank of the superintendent's 5827
approval or disapproval of the proposed amendment or amended 5828

articles of incorporation within forty-five days after the date 5829
the additional information is received. If the proposed 5830
amendment or amended articles of incorporation are disapproved 5831
by the superintendent, the superintendent shall notify the bank 5832
of the reasons for the disapproval. 5833

(4) If the superintendent fails to approve or disapprove 5834
the proposed amendment or amended articles of incorporation 5835
within the time period required under division (F) (3) of this 5836
section, the proposed amendment or amended articles of 5837
incorporation shall be considered approved. 5838

(5) If the proposed amendment or amended articles of 5839
incorporation are approved, in no event shall that approval be 5840
construed or represented as an affirmative endorsement of the 5841
amendment or amended articles of incorporation by the 5842
superintendent. 5843

(G) (1) Upon adoption by the shareholders of any approved 5844
amendment to a stock state bank's articles of incorporation, the 5845
bank shall send to the superintendent a certificate containing a 5846
copy of the shareholders' resolution adopting the amendment and 5847
a statement of the manner of its adoption. If the directors 5848
proposed the amendment, the certificate shall include a copy of 5849
the resolution adopted by the directors to propose the amendment 5850
to the shareholders. The certificate shall be signed by ~~bank-~~ 5851
~~officers~~ the bank's authorized representatives in accordance 5852
with section 1103.19 of the Revised Code. 5853

(2) Upon adoption by the shareholders of approved amended 5854
articles of incorporation, the bank shall send to the 5855
superintendent a copy of the amended articles of incorporation, 5856
accompanied by a certificate containing a copy of the 5857
shareholders' resolution adopting the amended articles of 5858

incorporation and a statement of the manner of its adoption. If 5859
the directors proposed the amended articles of incorporation, 5860
the certificate shall include a copy of the resolution adopted 5861
by the directors to propose the amended articles of 5862
incorporation to the shareholders. The certificate shall be 5863
signed by ~~bank officers~~ the bank's authorized representatives in 5864
accordance with section 1103.19 of the Revised Code. 5865

~~(G)~~ (H) Upon receiving a certificate required by division 5866
~~(F)~~ (G) of this section, the superintendent shall conduct 5867
whatever examination the superintendent considers necessary to 5868
determine if ~~both of the following conditions are satisfied:~~ 5869

~~(1) The manner of adoption of the amendment or amended~~ 5870
~~articles of incorporation and the manner of adoption comply~~ 5871
complies with the requirements of the Revised Code. 5872

~~(2) The amendment or amended articles of incorporation~~ 5873
~~will not adversely affect the interests of the bank's depositors~~ 5874
~~and creditors and the convenience and needs of the public.~~ 5875

~~(H)~~ (I) (1) Within ~~sixty~~ thirty days after receiving a 5876
certificate required by division ~~(F)~~ (G) of this section, the 5877
superintendent shall approve or disapprove the amendment or 5878
amended articles of incorporation. If the superintendent 5879
approves the amendment or amended articles of incorporation, the 5880
superintendent shall forward a certificate of that approval, a 5881
copy of the certificate required by division ~~(F)~~ (G) of this 5882
section, and, ~~in the case of amended articles of incorporation,~~ 5883
a copy of the amendment or amended articles of incorporation, 5884
to the secretary of state, who shall file the documents. Upon 5885
filing by the secretary of state, the amendment or amended 5886
articles of incorporation shall be effective. 5887

(2) If the superintendent fails to approve or disapprove 5888
the amendment or amended articles of incorporation within ~~sixty-~~ 5889
thirty days after receiving a certificate required by division 5890
~~(F)~~ (G) of this section, the bank shall forward a copy of the 5891
certificate and, ~~in the case of amended articles of~~ 5892
~~incorporation,~~ a copy of the amendment or amended articles of 5893
incorporation, to the secretary of state, who shall file the 5894
documents. Upon filing by the secretary of state, the amendment 5895
or amended articles of incorporation shall be effective. 5896

Sec. ~~1103.09~~ 1113.13. (A) After subscriptions to shares 5897
have been received by the incorporators, the board of directors 5898
of a stock state bank may, subject to ~~division (F)~~ the 5899
requirements of this section, adopt amendments to the bank's 5900
articles of incorporation to do any of the following: 5901

(1) Authorize the shares necessary to meet conversion or 5902
option rights when all of the following apply: 5903

(a) The bank has issued shares of one class convertible 5904
into shares of another class or obligations convertible into 5905
shares of the bank, or has granted options to purchase shares. 5906

(b) The conversion or option rights are set forth in the 5907
articles of incorporation or have been approved by the same vote 5908
of shareholders as, at the time of the approval, would have been 5909
required to amend the articles of incorporation to authorize the 5910
shares required for that purpose. 5911

(c) The bank does not have sufficient authorized and 5912
unissued shares available to satisfy the conversion or option 5913
rights. 5914

(2) Reduce the authorized number of shares of a class by 5915
the number of shares of that class that have been redeemed, or 5916

have been surrendered to or acquired by the bank upon 5917
conversion, exchange, purchase, or otherwise, or to eliminate 5918
from the articles of incorporation all references to the shares 5919
of a class, and to make any other change required, when all of 5920
the authorized shares of that class have been redeemed, or 5921
surrendered to or acquired by the bank; 5922

(3) Reduce the authorized number of shares of a class by 5923
the number of shares of that class that were canceled, ~~pursuant~~ 5924
~~to section 1107.07 of the Revised Code,~~ for not being issued or 5925
reissued and for not being fully paid in within one year after 5926
the date they were authorized or otherwise became authorized and 5927
unissued shares. 5928

(B) The board of directors of a stock state bank may adopt 5929
amended articles of incorporation to consolidate the original 5930
articles of incorporation and all previously adopted amendments 5931
to the articles of incorporation that are in force at the time. 5932

(C) Amended articles of incorporation shall set forth all 5933
provisions required in, and only provisions that may properly be 5934
in, original articles of incorporation or amendments to articles 5935
of incorporation at the time the amended articles of 5936
incorporation are adopted, and shall state that they supersede 5937
the existing articles of incorporation. 5938

(D) (1) If the board of directors propose the adoption of 5939
any amendment to a stock state bank's articles of incorporation 5940
or amended articles of incorporation, the bank shall send to the 5941
superintendent of financial institutions a copy of the proposed 5942
amendment or amended articles of incorporation for review and 5943
approval prior to adoption by the board. 5944

(2) Upon receiving a proposed amendment or amended 5945

articles of incorporation, the superintendent shall conduct 5946
whatever examination the superintendent considers necessary to 5947
determine if both of the following conditions are satisfied: 5948

(a) The proposed amendment or amended articles of 5949
incorporation comply with the requirements of the Revised Code. 5950

(b) The proposed amendment or amended articles of 5951
incorporation will not adversely affect the interests of the 5952
bank's depositors and creditors. 5953

(3) Within forty-five days after receiving the proposed 5954
amendment or amended articles of incorporation, the 5955
superintendent shall notify the bank of the superintendent's 5956
approval or disapproval unless the superintendent determines 5957
additional information is required. In that event, the 5958
superintendent shall request the information in writing within 5959
twenty days after the date the proposed amendment or amended 5960
articles of incorporation were received. The bank shall have 5961
thirty days to submit the information to the superintendent. The 5962
superintendent shall notify the bank of the superintendent's 5963
approval or disapproval of the proposed amendment or amended 5964
articles of incorporation within forty-five days after the date 5965
the additional information is received. If the proposed 5966
amendment or amended articles of incorporation are disapproved 5967
by the superintendent, the superintendent shall notify the bank 5968
of the reasons for the disapproval. 5969

(4) If the superintendent fails to approve or disapprove 5970
the proposed amendment or amended articles of incorporation 5971
within the time period required by division (D)(3) of this 5972
section, the proposed amendment or amended articles of 5973
incorporation shall be considered approved. 5974

(5) If the proposed amendment or amended articles of 5975
incorporation are approved, in no event shall that approval be 5976
construed or represented as an affirmative endorsement of the 5977
amendment or amended articles of incorporation by the 5978
superintendent. 5979

(E) (1) Upon adoption by the board of directors of any 5980
approved amendment to a stock state bank's articles of 5981
incorporation, the bank shall send to the superintendent of 5982
financial institutions a certificate containing a copy of the 5983
directors' resolution adopting the amendment and a statement of 5984
the manner of and basis for its adoption. The certificate shall 5985
be signed by bank officers the bank's authorized representatives 5986
in accordance with section 1103.19 of the Revised Code. 5987

(2) Upon adoption by the board of directors of approved 5988
amended articles of incorporation, the bank shall send to the 5989
superintendent a copy of the amended articles of incorporation, 5990
accompanied by a certificate containing a copy of the directors' 5991
resolution adopting the amended articles of incorporation and a 5992
statement of the manner of and basis for its adoption. The 5993
certificate shall be signed by bank officers the bank's 5994
authorized representatives in accordance with section 1103.19 of 5995
the Revised Code. 5996

~~(E)~~ (F) Upon receiving a certificate required by division 5997
~~(D)~~ (E) of this section, the superintendent shall conduct 5998
whatever examination the superintendent considers necessary to 5999
determine if ~~both of the following conditions are satisfied:~~ 6000

~~(1) The~~ the manner of and basis for adoption of the 6001
amendment or amended articles of incorporation ~~and the manner of~~ 6002
~~and basis for adoption~~ comply with the requirements of the 6003
Revised Code. 6004

~~(2) The amendment or amended articles of incorporation will not adversely affect the interests of the bank's depositors and creditors and the convenience and needs of the public.~~ 6005
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~~(F)~~(G) (1) Within ~~sixty~~thirty days after receiving a certificate required by division ~~(D)~~(E) of this section, the superintendent shall approve or disapprove the amendment or amended articles of incorporation. If the superintendent approves the amendment or amended articles of incorporation, the superintendent shall forward a certificate of that approval, a copy of the certificate required by division ~~(D)~~(E) of this section, and, ~~in the case of amended articles of incorporation,~~ a copy of the amendment or amended articles of incorporation, to the secretary of state, who shall file the documents. Upon filing by the secretary of state, the amendment or amended articles of incorporation shall be effective. 6008
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(2) If the superintendent fails to approve or disapprove the amendment or amended articles of incorporation within ~~sixty~~thirty days after receiving a certificate required by division ~~(D)~~(E) of this section, the bank shall forward a copy of the certificate and, ~~in the case of amended articles of incorporation,~~ a copy of the amendment or amended articles of incorporation, to the secretary of state, who shall file the documents. Upon filing by the secretary of state, the amendment or amended articles of incorporation shall be effective. 6020
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Sec. ~~1103.13~~1113.14. (A) A stock state bank's shareholders shall hold an annual meeting in accordance with this section and the bank's articles of incorporation and code of regulations. The purposes of the annual meeting shall include the election of directors and the presentation of the financial statements. 6029
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(B) The financial statements presented at the annual meeting shall satisfy the requirements of one of the following:

(1) The basic financial information required to be made available to shareholders of a stock state bank prior to the annual meeting pursuant to section ~~1103.14~~ 1113.15 of the Revised Code;

(2) The financial statements required to be presented at the annual meeting of a corporation pursuant to section 1701.38 of the Revised Code;

(3) The financial statements required under federal law for a bank subject to the registration requirements of section 12 of the "Securities Exchange Act of 1934," 48 Stat. 892, 15 U.S.C.A. 781, as amended.

~~(C) Written notice stating the time, place, and purpose or purposes of any meeting~~ Meetings of the shareholders shall be given either by personal delivery or by first class mail not less than seven nor more than sixty days before the date of the meeting, unless the articles of incorporation or the code of regulations specify a longer period, to each shareholder of record entitled to notice of the meeting. The notice shall be given by or at the direction of the president, a vice president, the secretary, any two directors, or any other officer designated by the bank's code of regulations. If notice is given by mail, the notice shall be addressed to the shareholder at the address as it appears on the records of the bank, and shall be deemed to have been given when deposited in the mail. In computing the period of time for the giving of notice required under this division, the date on which the notice is given shall be excluded, and the day of the meeting shall be included may be called for any of the reasons and in the manner set forth in

section 1701.40 of the Revised Code. Notice of ~~adjournment of a~~ 6065
~~meeting need not be given if the time and place to which it is~~ 6066
~~adjourned are fixed and announced at the meeting~~ any meeting 6067
shall be provided in accordance with section 1701.41 of the 6068
Revised Code. 6069

(D) The requirements of this section shall not apply with 6070
respect to annual or special meetings of shareholders of a stock 6071
state bank that is wholly owned, except for directors' 6072
qualifying shares, if any, by a bank holding company or savings 6073
and loan holding company. 6074

Sec. ~~1103.14~~ 1113.15. (A) Prior to each annual meeting of 6075
its shareholders, each stock state bank shall make basic 6076
financial information available to its shareholders in 6077
accordance with this section unless the bank is either of the 6078
following: 6079

(1) Subject to the registration requirements of section 12 6080
of the "Securities Exchange Act of 1934," 48 Stat. 892, 15 6081
U.S.C.A. 781, as amended. 6082

(2) Wholly owned, except for directors' qualifying shares, 6083
by a bank holding company. 6084

(B) The basic financial information required to be made 6085
available under this section shall include, at a minimum, 6086
information substantially similar to both of the following: 6087

(1) Those portions of the consolidated reports of income 6088
made to the superintendent of financial institutions for each of 6089
the two preceding full years covering all of the following: 6090

(a) Sources and disposition of income; 6091

(b) Changes in equity capital; 6092

(c) Allowance for possible loan losses. 6093

(2) The balance sheet portion of the consolidated reports 6094
of condition made to the superintendent at the end of each of 6095
the two preceding years. 6096

(C) The bank may present the basic financial information 6097
in any format it determines suitable, including copies of the 6098
relevant portions of the consolidated reports of condition and 6099
income or an annual report. 6100

(D) The bank shall make the basic financial information 6101
available by doing either of the following: 6102

(1) Sending the information to each shareholder prior to, 6103
or concurrently with, the notice of the annual meeting of 6104
shareholders; 6105

(2) Including in, or sending with, the notice of the 6106
annual meeting of shareholders a statement indicating that basic 6107
financial information concerning the bank for the two years 6108
preceding the meeting may be obtained from the bank without 6109
charge, accompanied by the address, telephone number, and name 6110
or title of the bank employee or officer whom shareholders 6111
should contact for the information, and promptly mailing, 6112
delivering, or otherwise sending the information to any 6113
shareholder who requests it. 6114

Sec. ~~1103.15~~ 1113.16. Each Except as otherwise expressly 6115
provided in the terms for any class of shares issued by a stock 6116
state bank, every holder of a the bank's voting shares, in 6117
elections of directors and in deciding other questions at 6118
meetings of shareholders, is entitled to one vote for each share 6119
held and shall not accumulate the votes unless otherwise 6120
provided in the articles of incorporation. Any shareholder 6121

eligible to vote may vote by proxy authorized in writing. An 6122
appointment of a proxy shall expire in accordance with division 6123
(C) of section 1701.48 of the Revised Code. Unless the articles 6124
of incorporation, the code of regulations, or the contract of 6125
subscription otherwise provides, a subscriber for authorized 6126
shares is a shareholder for the purposes of this section, but no 6127
shares upon which an installment of the purchase price is 6128
overdue and unpaid shall be voted. 6129

Sec. ~~1103.16~~ 1113.17. (A) Each stock state bank shall keep 6130
correct and complete books and records of account, together with 6131
records of the proceedings, including minutes of any meetings, 6132
of its incorporators, shareholders, directors, and committees of 6133
the directors, and records of its shareholders showing their 6134
names and addresses and the number and class of shares issued or 6135
transferred of record to or by them from time to time. 6136

(B) Upon request of any shareholder eligible to attend and 6137
vote at any meeting of the bank's shareholders, the board of 6138
directors shall produce at the meeting an alphabetically 6139
arranged list, or classified lists, of the shareholders of 6140
record as of the applicable record date, showing their 6141
respective addresses and the number and class of shares held by 6142
each, and certified by the officer or agent responsible for 6143
registering issues and transfers of shares. The list or lists, 6144
certified by the officer or agent, shall be prima facie evidence 6145
of the facts shown in the list or lists. 6146

(C) Any shareholder of the bank, upon written demand 6147
stating the specific purpose of the demand, has the right to 6148
examine in person or by agent or attorney at any reasonable time 6149
and for any reasonable and proper purpose, the books and records 6150
of the bank, except books and records of deposit, agency or 6151

fiduciary accounts, loan records, and other records relating to 6152
customer services or transactions. 6153

(D) The authority granted under Title XI of the Revised 6154
Code to inspect the books and records of a stock state bank 6155
shall apply solely to the superintendent of financial 6156
institutions and to the shareholders of record of the bank. 6157

Sec. 1114.01. A mutual state bank and the rights and 6158
liabilities of its members shall be governed by its articles of 6159
incorporation, code of regulations, and bylaws and by this 6160
chapter. 6161

Sec. 1114.02. (A) Five or more natural persons, at least 6162
one of whom is a resident of this state, may, with the approval 6163
of the superintendent of financial institutions, incorporate a 6164
mutual state bank. 6165

(B) The persons proposing to incorporate a mutual state 6166
bank shall apply for approval to incorporate the bank by 6167
submitting the application prescribed by the superintendent, 6168
which application shall include all of the following: 6169

(1) The proposed articles of incorporation and code of 6170
regulations; 6171

(2) An application for reservation of a name in accordance 6172
with section 1103.07 of the Revised Code, if reservation is 6173
desired by the incorporators and has not been previously filed; 6174

(3) The location and a description of the proposed initial 6175
banking office; 6176

(4) Information to demonstrate the proposed bank will 6177
satisfy the requirements of division (C) of section 1114.03 and 6178
any other provision of the Revised Code identified by the 6179

superintendent; 6180

(5) Any other information the superintendent requires. 6181

Sec. 1114.03. (A) Within ten days after receipt from the 6182
superintendent of financial institutions of notice of acceptance 6183
of an application for approval to incorporate a mutual state 6184
bank, the incorporators shall publish notice of the proposed 6185
incorporation in a newspaper of general circulation in the 6186
county where the bank's initial banking office is to be located. 6187
The incorporators shall publish the notice once a week for two 6188
weeks and furnish a certified copy of it to the superintendent. 6189
The notice shall specify the name of the proposed bank, its 6190
location, the amount of the proposed capital, the names of the 6191
incorporators, the address of the superintendent, and the date 6192
by which comments on the application must be filed with the 6193
superintendent, which date shall be thirty days after the date 6194
of the first publication of the notice. 6195

(B) If any comments on the application are filed with the 6196
superintendent within the thirty-day period prescribed in 6197
division (A) of this section, the superintendent shall determine 6198
whether the comments are relevant to the requirements for 6199
incorporation of a mutual state bank and, if so, investigate the 6200
comments in the manner the superintendent considers appropriate. 6201

(C) The superintendent shall examine all of the facts 6202
connected with the application to determine if all of the 6203
following requirements are met: 6204

(1) The proposed articles of incorporation and code of 6205
regulations, application for reservation of name, applicable 6206
fees, and other items required meet the requirements of the 6207
Revised Code. 6208

(2) The population and economic characteristics of the area primarily to be served afford reasonable promise of adequate support for the proposed bank. 6209
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(3) The competence, experience, and integrity of the proposed directors and officers are such as to command the confidence of the community and warrant the belief that the business of the proposed bank will be honestly and efficiently conducted. 6212
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(4) The capital of the proposed bank is adequate in relation to the amount and character of the anticipated business of the bank and the safety of prospective depositors. 6217
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(D) Within one hundred eighty days following the date of acceptance of the application, the superintendent shall approve or disapprove the incorporation of the proposed bank upon the basis of the examination. In giving approval, the superintendent may impose conditions to be met prior to the issuance of a certificate of authority to commence business under section 1114.07 of the Revised Code. 6220
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(E) If the superintendent approves the application, the superintendent shall make a certificate to that effect and forward the certificate and the articles of incorporation of the proposed bank to the secretary of state for filing. 6227
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Sec. 1114.04. (A) A mutual state bank's articles of incorporation shall contain all of the following: 6231
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(1) The name of the bank; 6233

(2) The place in this state where the bank's principal place of business is to be located; 6234
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(3) The purpose or purposes for which the bank is formed. 6236

(B) The articles of incorporation may also set forth any 6237
lawful provision for the purpose of defining, limiting, or 6238
regulating the exercise of the authority of the bank, the 6239
incorporators, the directors, the officers, the members, and any 6240
provision that may be set forth in the bank's code of 6241
regulations. 6242

Sec. 1114.05. (A) As used in the section, "authorized 6243
capital" means the initial funding required to organize a mutual 6244
state bank. 6245

(B) The authorized capital of a mutual state bank shall be 6246
of such amount as the superintendent of financial institutions 6247
may determine based upon the amount and character of the 6248
anticipated business of the bank and the safety of prospective 6249
depositors. In addition, the superintendent may, in the 6250
superintendent's discretion, fix the amount of the expense fund 6251
for operating losses to be created by nonrefundable 6252
contributions. 6253

(C) The organization of the mutual state bank may be 6254
completed when a sum equal to five per cent of the authorized 6255
capital, as determined by the superintendent, is paid in and the 6256
names and addresses of its officers, its code of regulations, 6257
and its bylaws have been filed with and approved by the 6258
superintendent. 6259

(D) Five years after the mutual state bank commences 6260
business, any remaining balance in the expense fund shall be 6261
transferred to retained earnings, if the bank is on a profitable 6262
operating basis as determined by the superintendent. 6263

Sec. 1114.06. (A) A mutual state bank organized under this 6264
chapter shall not accept deposits, incur indebtedness, or 6265

transact any business other than business that is incidental to 6266
its organization until the bank receives a certificate of 6267
authority to commence business issued by the superintendent of 6268
financial institutions under section 1114.07 of the Revised 6269
Code. 6270

(B) The bank shall file a report with the superintendent 6271
when it has done everything required by the superintendent 6272
before it can be authorized to commence business. 6273

(C) Upon receipt of the report referred to in division (B) 6274
of this section, the superintendent shall examine the affairs of 6275
the bank and determine whether the bank has complied with all of 6276
the requirements necessary to entitle it to engage in business. 6277

Sec. 1114.07. (A) The superintendent of financial 6278
institutions shall issue a certificate of authority to commence 6279
business if both of the following conditions are met: 6280

(1) The superintendent is satisfied, based upon the 6281
examination conducted pursuant to section 1114.06 of the Revised 6282
Code and any other facts within the knowledge of the 6283
superintendent, that the mutual state bank is otherwise entitled 6284
to commence business. 6285

(2) The superintendent has received from the federal 6286
deposit insurance corporation written confirmation that it has 6287
approved the bank's application to become an insured bank as 6288
defined in section 3(h) of the "Federal Deposit Insurance Act," 6289
92 Stat. 614 (1978), 12 U.S.C. 1813(h), as amended. 6290

(B) The mutual state bank shall cause the certificate of 6291
authority to commence business to be published once a week for 6292
two consecutive weeks in a newspaper of general circulation in 6293
the county where the bank's initial banking office is located. 6294

Sec. 1114.08. (A) A depositor of a mutual state bank shall 6295
be a voting member and shall have such ownership interest in the 6296
bank as may be provided in the terms and conditions set forth in 6297
the articles of incorporation, code of regulations, and bylaws 6298
of the bank. 6299

(B) The code of regulations of a mutual state bank may 6300
provide that all borrowers from the bank are members and, if so, 6301
shall provide for their rights and privileges. 6302

(C) (1) Unless otherwise provided in the articles of 6303
incorporation or code of regulations, a proxy granted by a 6304
depositor to the officers and directors of a mutual state bank 6305
shall expire on the date specified in the proxy. If no date is 6306
so specified, the authority granted by the proxy shall be 6307
perpetual. 6308

(2) On and after the effective date of this section, the 6309
writing or verifiable communication appointing a proxy shall be 6310
separate and distinct from any deposit agreement, loan 6311
agreement, or any other agreement, statement, document, or 6312
disclosure provided by a mutual state bank to a depositor. 6313

Sec. 1114.09. (A) Before any member deposits have been 6314
received, the incorporators may, by unanimous written action and 6315
subject to the requirements of this section, adopt amendments to 6316
the mutual state bank's articles of incorporation or amended 6317
articles of incorporation to change any provision of, or add any 6318
provision that may properly be included in, the articles of 6319
incorporation. 6320

(B) Amended articles of incorporation shall set forth all 6321
provisions required in, and only provisions that may properly be 6322
in, original articles of incorporation or amendments to articles 6323

of incorporation at the time the amended articles of 6324
incorporation are adopted, and shall state that they supersede 6325
the existing articles of incorporation. 6326

(C) (1) If the incorporators propose the adoption of any 6327
amendment to a mutual state bank's articles of incorporation or 6328
amended articles of incorporation, the bank shall send to the 6329
superintendent of financial institutions a copy of the proposed 6330
amendment or amended articles of incorporation for review and 6331
approval prior to adoption by the incorporators. 6332

(2) Upon receiving a proposed amendment or amended 6333
articles of incorporation, the superintendent shall conduct 6334
whatever examination the superintendent considers necessary to 6335
determine if both of the following conditions are satisfied: 6336

(a) The proposed amendment or amended articles of 6337
incorporation comply with the requirements of the Revised Code. 6338

(b) The proposed amendment or amended articles of 6339
incorporation will not adversely affect the interests of the 6340
bank's depositors and creditors. 6341

(3) Within forty-five days after receiving the proposed 6342
amendment or amended articles of incorporation, the 6343
superintendent shall notify the bank of the superintendent's 6344
approval or disapproval of the proposed amendment or amended 6345
articles of incorporation unless the superintendent determines 6346
additional information is required. In that event, the 6347
superintendent shall request the information in writing within 6348
twenty days after the date the proposed amendment or amended 6349
articles of incorporation were received. The bank shall have 6350
thirty days to submit the information to the superintendent. The 6351
superintendent shall notify the bank of the superintendent's 6352

approval or disapproval of the proposed amendment or amended 6353
articles of incorporation within forty-five days after the date 6354
the additional information is received. If the proposed 6355
amendment or amended articles of incorporation are disapproved 6356
by the superintendent, the superintendent shall notify the bank 6357
of the reasons for the disapproval. 6358

(4) If the superintendent fails to approve or disapprove 6359
the proposed amendment or amended articles of incorporation 6360
within the time period required under division (C) (3) of this 6361
section, the proposed amendment or amended articles of 6362
incorporation shall be considered approved. 6363

(5) If the proposed amendment or amended articles of 6364
incorporation are approved, in no event shall that approval be 6365
construed or represented as an affirmative endorsement of the 6366
amendment or amended articles of incorporation by the 6367
superintendent. 6368

(D) (1) Upon their adoption of any approved amendment to a 6369
mutual state bank's articles of incorporation, the incorporators 6370
shall send to the superintendent a certificate, signed by all 6371
the incorporators, containing a copy of the resolution adopting 6372
the amendment and a statement of the manner of and basis for its 6373
adoption. 6374

(2) Upon their adoption of approved amended articles of 6375
incorporation, the incorporators shall send to the 6376
superintendent a copy of the amended articles of incorporation, 6377
accompanied by a certificate, signed by all the incorporators, 6378
containing a copy of the resolution adopting the amended 6379
articles of incorporation and a statement of the manner of and 6380
basis for its adoption. 6381

(E) Upon receiving a certificate required by division (D) of this section, the superintendent shall conduct whatever examination the superintendent considers necessary to determine if the manner of and basis for the adoption of the amendment or amended articles of incorporation comply with the requirements of the Revised Code. 6382
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(F) (1) Within thirty days after receiving a certificate required by division (D) of this section, the superintendent shall approve or disapprove the amendment or amended articles of incorporation. If the superintendent approves the amendment or amended articles of incorporation, the superintendent shall forward a certificate of that approval, a copy of the certificate required by division (D) of this section, and a copy of the amendment or amended articles of incorporation to the secretary of state, who shall file the documents. Upon filing by the secretary of state, the amendment or amended articles of incorporation shall be effective. 6388
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(2) If the superintendent fails to approve or disapprove the amendment or amended articles of incorporation within thirty days after receiving a certificate required by division (D) of this section, the bank shall forward a copy of the certificate and a copy of the amendment or amended articles of incorporation to the secretary of state, who shall file the documents. Upon filing by the secretary of state, the amendment or amended articles of incorporation shall be effective. 6399
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Sec. 1114.10. Each mutual state bank shall have a code of regulations for its governance as a corporation, the conduct of its affairs, and the management of its property. The code of regulations shall be consistent with the law of this state and the bank's articles of incorporation. 6407
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Sec. 1114.11. (A) (1) The code of regulations of a mutual 6412
state bank may provide for the amendment of its articles of 6413
incorporation or code of regulations, or the adoption of amended 6414
articles of incorporation or code of regulations, at any meeting 6415
of the members for which notice has been properly given in 6416
accordance with section 1114.12 of the Revised Code. The 6417
amendment or amended articles of incorporation or code of 6418
regulations shall be adopted by a two-thirds vote of the votes 6419
cast in person or by proxy at the meeting or, if the articles of 6420
incorporation or code of regulations provide or permit, by the 6421
affirmative vote of a greater or lesser proportion, but not less 6422
than a majority, of the voting members represented at such 6423
meeting. The number of votes that each member may cast shall be 6424
determined by the code of regulations. 6425

(2) Unless precluded by its articles of incorporation or 6426
code of regulations, a mutual state bank may adopt an amendment 6427
to its articles of incorporation or code of regulations, or 6428
amended articles of incorporation or code of regulations, at any 6429
meeting authorized in writing by a majority of its members of 6430
record if all of the following conditions are met: 6431

(a) Notice of the meeting is given in accordance with 6432
section 1114.12 of the Revised Code. 6433

(b) The notice of the proposed action to be taken at the 6434
meeting is in a form approved by the superintendent of financial 6435
institutions. 6436

(c) The proposed action is approved by a two-thirds vote 6437
of the votes cast authorizing the meeting. 6438

(d) A majority of the members of record are present in 6439
person or by proxy at the meeting. 6440

(B) The board of directors of a mutual state bank may 6441
adopt amended articles of incorporation or code of regulations 6442
to consolidate the original articles of incorporation or code of 6443
regulations and all previously adopted amendments to the 6444
articles of incorporation or code of regulations that are in 6445
force at the time. 6446

(C) (1) Amended articles of incorporation shall set forth 6447
all provisions required in, and only provisions that may 6448
properly be in, original articles of incorporation or amendments 6449
to articles of incorporation at the time the amended articles of 6450
incorporation are adopted, and shall state that they supersede 6451
the existing articles of incorporation. 6452

(2) An amended code of regulations shall set forth all 6453
provisions required in, and only provisions that may properly be 6454
in, an original code of regulations or amendments to a code of 6455
regulations at the time the amended code of regulations is 6456
adopted, and shall state that it supersedes the existing code of 6457
regulations. 6458

(D) (1) If the members or board of directors propose the 6459
adoption of any amendment to the mutual state bank's articles of 6460
incorporation or code of regulations, or amended articles of 6461
incorporation or amended code of regulations, the bank shall 6462
send to the superintendent a copy of the proposed amendment, or 6463
the proposed amended articles of incorporation or code of 6464
regulations, for review and approval prior to adoption by the 6465
members or directors. 6466

(2) Upon receiving a proposed amendment or proposed 6467
amended articles of incorporation or code of regulations, the 6468
superintendent shall conduct whatever examination the 6469
superintendent considers necessary to determine if both of the 6470

following conditions are satisfied: 6471

(a) The proposed amendment or amended articles of 6472
incorporation or code of regulations comply with the 6473
requirements of the Revised Code. 6474

(b) The proposed amendment or amended articles of 6475
incorporation or code of regulations will not adversely affect 6476
the interests of the bank's depositors and creditors. 6477

(3) Within forty-five days after receiving the proposed 6478
amendment, or the proposed amended articles of incorporation or 6479
code of regulations, the superintendent shall notify the bank of 6480
the approval or disapproval unless the superintendent determines 6481
that additional information is required. In that event, the 6482
superintendent shall request the information in writing within 6483
twenty days after the date the proposed amendment, or the 6484
proposed amended articles of incorporation or code of 6485
regulations, was received. The bank shall have thirty days to 6486
submit the information to the superintendent. The superintendent 6487
shall notify the bank of the superintendent's approval or 6488
disapproval of the proposed amendment, or the proposed amended 6489
articles of incorporation or code of regulations, within forty- 6490
five days after the date the additional information is received. 6491
If the proposed amendment or proposed amended articles of 6492
incorporation or code of regulations are disapproved by the 6493
superintendent, the superintendent shall notify the bank of the 6494
reasons for the disapproval. 6495

(4) If the superintendent fails to approve or disapprove 6496
the proposed amendment or proposed amended articles of 6497
incorporation or code of regulations within the time period 6498
required under division (D)(3) of this section, the proposed 6499
amendment or proposed amended articles of incorporation or code 6500

of regulations shall be considered approved. 6501

(5) If the proposed amendment or amended articles of 6502
incorporation are approved, in no event shall that approval be 6503
construed or represented as an affirmative endorsement of the 6504
amendment or amended articles of incorporation by the 6505
superintendent. 6506

(E) (1) Upon adoption by the members of any approved 6507
amendment to a mutual state bank's articles of incorporation or 6508
code of regulations, or approved amended articles of 6509
incorporation or code of regulations, the bank shall send to the 6510
superintendent a certificate containing a copy of the members' 6511
resolution adopting the amendment or amended articles of 6512
incorporation or code of regulations and a statement of the 6513
manner of and basis for its adoption. If the board of directors 6514
proposed the amendment or the amended articles of incorporation 6515
or code of regulations, the certificate shall include a copy of 6516
the resolution adopted by the directors to propose the amendment 6517
or amended articles of incorporation or code of regulations to 6518
the members. The certificate shall be signed by the bank's 6519
authorized representatives in accordance with section 1103.19 of 6520
the Revised Code. 6521

(2) Upon adoption by the board of directors of any 6522
approved amendment to a mutual state bank's articles of 6523
incorporation or code of regulations, or approved amended 6524
articles of incorporation or code of regulations, the bank shall 6525
provide to the superintendent a copy of the amendment or amended 6526
articles of incorporation or code of regulations, accompanied by 6527
a certificate containing a copy of the directors' resolution 6528
adopting the amendment or amended articles of incorporation or 6529
code of regulations and a statement of the manner of and basis 6530

for its adoption. The certificate shall be signed by the bank's 6531
authorized representatives in accordance with section 1103.19 of 6532
the Revised Code. 6533

(F) Upon receiving a certificate required by division (E) 6534
of this section, the superintendent shall conduct whatever 6535
examination the superintendent considers necessary to determine 6536
if the manner of and basis for adoption of the amendment or 6537
amended articles of incorporation or code of regulations comply 6538
with the requirements of the Revised Code. 6539

(G) (1) Within thirty days after receiving a certificate 6540
required by division (E) of this section, the superintendent 6541
shall approve or disapprove the amendment or amended articles of 6542
incorporation or code of regulations. If the superintendent 6543
approves the amendment or amended articles of incorporation or 6544
code of regulations, the superintendent shall forward a 6545
certificate of that approval, a copy of the certificate required 6546
by division (E) of this section, and a copy of the amendment or 6547
amended articles of incorporation or code of regulations to the 6548
secretary of state, who shall file the documents. Upon filing by 6549
the secretary of state, the amendment or amended articles of 6550
incorporation or code of regulations shall be effective. 6551

(2) If the superintendent fails to approve or disapprove 6552
the amendment or amended articles of incorporation or code of 6553
regulations within thirty days after receiving a certificate 6554
required by division (E) of this section, the bank shall forward 6555
a copy of the certificate and a copy of the amendment or amended 6556
articles of incorporation or code of regulations to the 6557
secretary of state, who shall file the documents. Upon filing by 6558
the secretary of state, the amendment or amended articles of 6559
incorporation or code of regulations shall be effective. 6560

Sec. 1114.12. (A) Whenever members of a mutual state bank 6561
are required or authorized to elect directors or to take any 6562
other action at a meeting, either annual or special, notice of 6563
the meeting shall be given in either of the following ways: 6564

(1) By publication, once each week on the same day of the 6565
week for three consecutive weeks immediately preceding the date 6566
of the meeting in a newspaper published in and of general 6567
circulation in the county in which the principal office of the 6568
bank is located, of a notice containing the name of the bank and 6569
the purpose, place, date, and hour of the meeting; 6570

(2) By notice served upon or mailed to members as provided 6571
in section 1701.41 of the Revised Code. 6572

(B) The notice required under division (A) of this section 6573
shall include a statement that, if a member granted a proxy to 6574
the officers and directors of the bank, the proxy is revocable 6575
at any time before the meeting or by attending the meeting and 6576
voting in person. 6577

Sec. 1114.16. In the event of a liquidation or dissolution 6578
of a mutual state bank, the priority of claims shall be 6579
established by section 1125.24 of the Revised Code. 6580

Sec. 1115.01. (A) (1) A stock state bank may do any of the 6581
following: 6582

(a) Convert into a national bank or a federal savings 6583
association if the conversion is approved by both the office of 6584
the comptroller of the currency and the affirmative vote or 6585
written consent of the holders of two-thirds, or such other 6586
proportion not less than a majority as the stock state bank's 6587
articles of incorporation require, of the outstanding shares of 6588
each class of the bank's stock; 6589

~~(b) Convert into a federal savings association if the conversion is approved by both the office of thrift supervision and the affirmative vote or written consent of the holders of two thirds, or such other proportion not less than a majority as the bank's articles of incorporation require, of the outstanding shares of each class of the bank's stock;~~

~~(c) Convert into a bank, savings bank, or savings and loan association pursuant to section 1151.64 of the Revised Code or the laws of another state if the conversion is approved by both the regulatory authority of the other state and the affirmative vote or written consent of the holders of two-thirds, or such other proportion not less than a majority as the stock state bank's articles of incorporation require, of the outstanding shares of each class of the bank's stock;~~

~~(d) Convert into a savings bank pursuant to section 1161.631 of the Revised Code or the laws of another state if the conversion is approved by the affirmative vote or written consent of the holders of two thirds, or such other proportion not less than a majority as the bank's articles of incorporation require, of the outstanding shares of each class of the bank's stock;~~

~~(e) Convert into a bank doing business under authority granted by the bank regulatory authority of another state, pursuant to the laws of that state, if the conversion is approved by the affirmative vote or written consent of the holders of two thirds, or such other proportion not less than a majority as the bank's articles of incorporation require, of the outstanding shares of each class of the bank's stock.~~

(2) A mutual state bank may do any of the following:

(a) Convert into a national bank or a federal savings association if the conversion is approved by the office of the comptroller of the currency, the affirmative vote of two-thirds of the mutual state bank's board of directors, and the affirmative vote of two-thirds of the total outstanding votes eligible to be cast at the meeting at which the plan of conversion is presented to the members for adoption; 6619
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(b) Convert into a bank, savings bank, or savings association pursuant to the laws of another state if the conversion is approved by the regulatory authority of the other state, the affirmative vote of two-thirds of the mutual state bank's board of directors, and the affirmative vote of two-thirds of the total outstanding votes eligible to be cast at the meeting at which the plan of conversion is presented to the members for adoption. 6626
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(B) A state bank that converts into a national bank, a federal savings association, or a bank, savings bank, or savings association doing business under authority granted by the bank regulatory authority of another state, ~~or a federal savings association~~ shall, immediately upon the conversion being effective, file with the superintendent of financial institutions all information the superintendent determines is necessary to reflect in the state's records that the bank ~~or federal savings association~~ is no longer a corporation organized and doing business under the laws of this state. 6634
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~~(B) (1) A national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank may, with the approval of the superintendent, convert into a state bank.~~ 6644
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~~(2) A national bank, bank doing business under authority~~ 6648

~~granted by the bank regulatory authority of another state,~~ 6649
~~savings association, or savings bank proposing to convert into a~~ 6650
~~state bank shall submit to the superintendent an application for~~ 6651
~~the superintendent's approval of the conversion that includes~~ 6652
~~all of the following:~~ 6653

~~(a) A plan of conversion;~~ 6654

~~(b) The proposed articles of incorporation and code of~~ 6655
~~regulations of the proposed state bank;~~ 6656

~~(c) An officers' certification that the directors and~~ 6657
~~shareholders of the national bank, bank doing business under~~ 6658
~~authority granted by the bank regulatory authority of another~~ 6659
~~state, savings association, or savings bank have approved the~~ 6660
~~plan of conversion and the proposed articles of incorporation~~ 6661
~~and code of regulations in accordance with the applicable state~~ 6662
~~or federal law and with the bank's, savings association's, or~~ 6663
~~savings bank's articles of association or incorporation and code~~ 6664
~~of regulations or bylaws;~~ 6665

~~(d) Any other information the superintendent requires.~~ 6666

~~(3) Within ten business days after receiving an~~ 6667
~~application required under division (B)(2) of this section, the~~ 6668
~~superintendent shall determine whether to accept the~~ 6669
~~application. Within ninety days after accepting an application~~ 6670
~~required under division (B)(2) of this section, the~~ 6671
~~superintendent shall approve or disapprove the application. In~~ 6672
~~determining whether to approve the bank's, savings~~ 6673
~~association's, or savings bank's conversion into a state bank,~~ 6674
~~the superintendent shall consider all of the following:~~ 6675

~~(a) The adequacy of the capital and paid-in capital of the~~ 6676
~~proposed state bank;~~ 6677

~~(b) Whether the competence, experience, and integrity of each director, executive officer, and controlling shareholder of the proposed state bank meet the criteria for acquiring control of a state bank as provided in section 1115.06 of the Revised Code;~~ 6678
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~~(c) Whether the proposed state bank affords reasonable promise of successful operation;~~ 6683
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~~(d) Whether the proposed state bank meets the requirements of Chapters 1101. to 1127. of the Revised Code.~~ 6685
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~~(4) The superintendent may condition an approval of the conversion of a national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank into a state bank in any manner the superintendent considers appropriate.~~ 6687
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~~(5) (a) If the superintendent approves a conversion of a national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank into a state bank, the superintendent shall forward a certificate of the approval of the conversion and the state bank's articles of incorporation to the secretary of state, and shall issue to the new state bank a certificate of authority to commence business as a state bank.~~ 6692
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~~(b) (i) In the case of a state bank resulting from the conversion of a savings association organized under Chapter 1151. of the Revised Code or a savings bank organized under Chapter 1161. of the Revised Code, the secretary of state shall file the certificate of the superintendent's approval of the conversion and the state bank's articles of incorporation in a manner reflecting the corporation is no longer doing business~~ 6700
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~~under Chapter 1151. or 1161. of the Revised Code.~~

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~~(ii) In the case of a state bank resulting from the conversion of a national bank, a bank, savings association, or savings bank doing business under authority granted by the regulatory authority of another state, or a federal savings association, the secretary of state shall file the certificate of the superintendent's approval of the conversion and the state bank's articles of incorporation in a manner reflecting the state bank is newly authorized to do business under the laws of this state.~~

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~~(6) The conversion shall be effective on the date indicated in the superintendent's approval. Without further act or deed, the state bank resulting from the conversion shall have all property, rights, interests, and powers of its predecessor bank, savings association, or savings bank within the limits of the charter of the resulting state bank, and all duties, trusts, obligations, and liabilities of the predecessor bank, savings association, or savings bank shall continue in the state bank resulting from the conversion.~~

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Sec. 1115.02. A national bank, a bank doing business under authority granted by the bank regulatory authority of another state, a savings association, a savings bank, or a state or federally chartered credit union may, with the approval of the superintendent of financial institutions, convert into a stock state bank or mutual state bank by submitting an application in accordance with rules adopted by the superintendent for this purpose.

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Sec. 1115.03. (A) (1) A mutual state bank may convert into a stock state bank if the conversion is approved by the superintendent of financial institutions, the affirmative vote

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of two-thirds of the mutual state bank's board of directors, and 6737
the affirmative vote of two-thirds of the total outstanding 6738
votes eligible to be cast at the meeting at which the plan of 6739
conversion is presented to the members for adoption. 6740

(2) A stock state bank may convert into a mutual state 6741
bank if the conversion is approved by both the superintendent 6742
and the affirmative vote or written consent of the holders of 6743
two-thirds, or such other proportion not less than a majority as 6744
the stock state bank's article of incorporation require, of the 6745
outstanding shares of each class of the bank's stock. 6746

(B) A conversion under this section shall be effective on 6747
the date indicated in the materials filed with the secretary of 6748
state by the converting bank. Without further act or deed, the 6749
bank resulting from the conversion shall have all the property, 6750
rights, interests, and powers of its predecessor bank within the 6751
limits of the charter of the resulting bank, and all duties, 6752
trusts, obligations, and liabilities of the predecessor bank 6753
shall continue in the bank resulting from the conversion. 6754

Sec. 1115.05. (A) As used in this section: 6755

(1) "Acquire" or "acquisition" means any of the following 6756
transactions or actions: 6757

(a) A merger or consolidation with, or purchase of assets 6758
from, a bank holding company that has acquired an Ohio bank; 6759

(b) The acquisition of the direct or indirect ownership or 6760
control of voting shares of an Ohio bank if, after the 6761
acquisition, the acquiring bank holding company will directly or 6762
indirectly own or control the Ohio bank, unless the 6763
superintendent of financial institutions determines, in the 6764
superintendent's discretion, due to the nature of the 6765

acquisition, it should not be subject to the limitations of this 6766
section; 6767

(c) The merger or consolidation of an Ohio bank with, or 6768
the transfer of assets from an Ohio bank to, another bank, 6769
whether previously existing or chartered for the purpose of the 6770
transaction; 6771

(d) Any other action that results in the direct or 6772
indirect control of an Ohio bank. 6773

(2) "Ohio bank" means a state bank or a national bank 6774
whose principal place of business is in this state. 6775

(B) Subject to ~~divisions~~ division (C) and ~~(D)~~ of this 6776
section, a bank or bank holding company whose principal place of 6777
business is in this state or any other state may charter or 6778
otherwise acquire an Ohio bank, and a bank may acquire banking 6779
offices in this state by merger or consolidation with or 6780
transfer of assets and liabilities from a bank, savings bank, or 6781
savings association that has offices in this state, if, upon 6782
consummation of the acquisition, both of the following will 6783
apply: 6784

(1) The acquiring bank with, or the acquiring bank holding 6785
company through, its affiliate banks, savings banks, and savings 6786
associations, does not control more than ten per cent of the 6787
total deposits of banks, savings banks, and savings associations 6788
in the United States, and either of the following applies: 6789

(a) The acquiring bank with, or the acquiring bank holding 6790
company through, its affiliate banks, savings banks, and savings 6791
associations, does not control more than thirty per cent of the 6792
total deposits of banks, savings banks, and savings associations 6793
in this state. 6794

(b) The acquiring bank with, or the acquiring bank holding company through, its affiliate banks, savings banks, and savings associations, controls more than thirty per cent of the total deposits of banks, savings banks, and savings associations in this state, and the superintendent approved the acquisition after determining the anticompetitive effects of the acquisition were clearly outweighed in the public interest by the probable effect of the transaction.

(2) Except in the case of a foreign bank subject to Chapter 1119. of the Revised Code or a bank that by the terms of its articles of incorporation or association is not permitted to solicit or accept deposits other than trust funds, the Ohio bank or any bank that has banking offices in this state will be an insured bank as defined in section 3(h) of the "Federal Deposit Insurance Act," 92 Stat. 614 (1978), 12 U.S.C.A. 1813(h).

(C) (1) Any bank holding company proposing to charter a state bank under this section shall comply with Chapter 1113. or 1114. of the Revised Code and any rules adopted to implement that chapter.

(2) If, after the proposed acquisition, the acquiring bank or bank holding company will control an existing state bank the acquiring bank or bank holding company did not control before the acquisition, and the acquisition does not include the merger or consolidation of the existing state bank with another bank, the acquiring bank or bank holding company shall comply with section 1115.06 of the Revised Code and any rules adopted to implement that section.

(3) If the proposed acquisition will be accomplished by means of a merger or consolidation with a state bank and the resulting bank of the merger or consolidation will be a state

bank, the state bank shall comply with section 1115.11 of the Revised Code and any rules adopted to implement that section.

(4) If the proposed acquisition will be accomplished by means of a transfer of assets and liabilities to a state bank, the state bank shall comply with section 1115.14 of the Revised Code and any rules adopted to implement that section.

(5) If the proposed acquisition will be accomplished by forming a bank to which the bank to be acquired will transfer assets and liabilities, or with which the bank to be acquired will be merged or consolidated and the resulting bank will be a state bank, the acquiring bank holding company shall comply with section 1115.23 of the Revised Code and any rules adopted to implement that section.

~~(D)(1) If the acquiring bank is a bank doing business under authority granted by the bank regulatory authority of another state and the acquisition will be accomplished by agreeing to assume all or substantially all of the deposit liabilities of an existing branch located in this state of a savings association doing business under authority granted by the superintendent pursuant to Chapter 1151. of the Revised Code, the acquisition shall be subject to the superintendent's approval, which shall include a determination that the laws of the state in which the acquiring bank has its principal place of business permit a bank with its principal place of business in ohio to acquire all or substantially all of the deposit liabilities of an existing branch of a savings association located in that state on terms that are, on the whole, substantially no more restrictive than those established under section 1151.052 of the Revised Code.~~

~~(2) If the acquiring bank is a bank doing business under~~

~~authority granted by the bank regulatory authority of another 6855
state and the acquisition will be accomplished by agreeing to 6856
assume all or substantially all of the deposit liabilities of an 6857
existing branch located in this state of a savings bank doing 6858
business under authority granted by the superintendent pursuant 6859
to Chapter 1161. of the Revised Code, the acquisition shall be 6860
subject to the superintendent's approval, which shall include a 6861
determination that the laws of the state in which the acquiring 6862
bank has its principal place of business permit a bank with its 6863
principal place of business in Ohio to acquire all or 6864
substantially all of the deposit liabilities of an existing 6865
branch of a savings bank located in that state on terms that 6866
are, on the whole, substantially no more restrictive than those 6867
established under section 1161.07 of the Revised Code. 6868~~

Sec. 1115.06. (A) As used in this section: 6869

(1) "Control" of a state bank means either of the 6870
following: 6871

(a) Power, directly or indirectly, to direct the 6872
management or policies of a state bank; 6873

(b) Ownership or control of or power to vote twenty-five 6874
per cent or more of any class of voting securities of a state 6875
bank. 6876

(2) "State bank" includes any bank holding company that 6877
controls a state bank, and any other company that controls a 6878
state bank and is not a bank holding company. 6879

(B) (1) No person, acting directly or indirectly or through 6880
or in concert with one or more other persons, shall acquire 6881
control of a state bank through a purchase, assignment, 6882
transfer, pledge, or other disposition of voting securities of a 6883

state bank unless the superintendent of financial institutions 6884
has been given sixty days' prior written notice of the proposed 6885
acquisition and within that sixty days the superintendent has 6886
not done either of the following: 6887

(a) Disapproved the acquisition; 6888

(b) Extended the time during which the superintendent may 6889
disapprove the acquisition, as provided in division (B) (2) of 6890
this section. 6891

(2) The superintendent may extend the time during which 6892
the superintendent may disapprove a proposed acquisition of 6893
control, as follows: 6894

(a) For an additional thirty days in the discretion of the 6895
superintendent; 6896

(b) For two additional extensions of not more than forty- 6897
five days each, if any of the following applies: 6898

(i) The superintendent determines any acquiring party has 6899
not furnished all of the information required under division (C) 6900
of this section. 6901

(ii) In the superintendent's judgment, any material 6902
information submitted is substantially inaccurate. 6903

(iii) The superintendent has been unable to complete the 6904
investigation of an acquiring person under division (E) (1) of 6905
this section because of any delay caused by, or the inadequate 6906
cooperation of, that acquiring person. 6907

(iv) The superintendent determines additional time is 6908
needed to investigate and determine whether any acquiring person 6909
has a record of failing to comply with the requirements of 6910
subchapter II of chapter 53 of subtitle IV of Title 31 of the 6911

United States Code. 6912

(3) An acquisition may be made prior to the expiration of 6913
the disapproval period if the superintendent issues written 6914
notice of the superintendent's intent not to disapprove the 6915
acquisition of control. 6916

(C) ~~Except as the superintendent otherwise provides by~~ 6917
~~rule, a~~ A notice required under division (B) of this section 6918
shall contain ~~the following~~ such information: 6919

~~(1) The identity, personal history, and business~~ 6920
~~background and experience of each person by whom or on whose~~ 6921
~~behalf the acquisition is to be made, including each person's~~ 6922
~~material business activities and affiliations during the past~~ 6923
~~five years; a description of any material pending legal or~~ 6924
~~administrative proceedings in which each person is a party; and~~ 6925
~~any criminal indictment or conviction of each person by a state~~ 6926
~~or federal court.~~ 6927

~~(2) A statement of the assets and liabilities of each~~ 6928
~~person by whom or on whose behalf the acquisition is to be made,~~ 6929
~~as of the end of the fiscal year for each of the five years~~ 6930
~~immediately preceding the date of the notice, together with~~ 6931
~~related statements of income and source and application of funds~~ 6932
~~for each of the fiscal years then concluded, all prepared in~~ 6933
~~accordance with generally accepted accounting principles~~ 6934
~~consistently applied; and an interim statement of the assets and~~ 6935
~~liabilities for each person, together with related statements of~~ 6936
~~income and source and application of funds, as of a date not~~ 6937
~~more than ninety days prior to the date of the filing of the~~ 6938
~~notice.~~ 6939

~~(3) The terms and conditions of the proposed acquisition~~ 6940

~~and the manner in which the acquisition is to be made.~~ 6941

~~(4) The identity, source, and amount of the funds or other consideration used or to be used in making the acquisition and, if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction, the names of the parties, and any arrangements, agreements, or understandings with the parties.~~ 6942
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~~(5) Any plans or proposals any acquiring person may have to liquidate the state bank, to sell its assets or merge it with any company, or to make any other major change in its business or corporate structure or management.~~ 6949
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~~(6) The identification of any person employed, retained, or to be compensated by an acquiring person, or by any person on an acquiring person's behalf, to make solicitations or recommendations to shareholders for the purpose of assisting in the acquisition, and a brief description of the terms of the employment, retainer, or arrangement for compensation.~~ 6953
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~~(7) Copies of all invitations or tenders or advertisements making a tender offer to stockholders for purchase of their stock to be used in connection with the proposed acquisition.~~ 6959
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~~(8) Any additional relevant information in the form as the superintendent may require by rule or by specific request in connection with any particular notice.~~ 6962
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(D) Unless the superintendent determines an emergency exists or disclosure of a proposed acquisition of control would seriously threaten the safety or soundness of the state bank, each person who gives a notice required under division (B) of this section shall, within a reasonable time after receiving the 6965
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superintendent's acceptance of the notice, do both of the 6970
following: 6971

(1) Publish the name of the state bank proposed to be 6972
acquired and the name of each person identified in the notice as 6973
a person by whom or for whom the acquisition is to be made; 6974

(2) Solicit public comment on the proposed acquisition, 6975
particularly from persons in the geographic area where the state 6976
bank proposed to be acquired is located, before final 6977
consideration of the notice by the superintendent. 6978

(E) Upon accepting a notice required under division (B) of 6979
this section, the superintendent shall do both of the following: 6980

(1) Conduct an investigation of the competence, 6981
experience, integrity, and financial ability of each person 6982
named in the notice as a person by whom or for whom the 6983
acquisition is to be made; 6984

(2) Make an independent determination of the accuracy and 6985
completeness of all information required to be in the notice. 6986

(F) The superintendent may disapprove any proposed 6987
acquisition of control if the superintendent finds any of the 6988
following: 6989

(1) The proposed acquisition of control would result in a 6990
monopoly or further any combination or conspiracy to monopolize 6991
or to attempt to monopolize the business of banking in any part 6992
of this state or any markets served by the state bank. 6993

(2) The effect of the proposed acquisition of control in 6994
any part of this state and any markets served by the state bank 6995
may be to substantially lessen competition, tend to create a 6996
monopoly, or in any other manner restrain trade, and the 6997

anticompetitive effects of the proposed acquisition of control 6998
are not clearly outweighed in the public interest by the 6999
probable effect of the acquisition in meeting the convenience 7000
and needs of the community to be served. 7001

(3) The financial condition of any acquiring person might 7002
jeopardize the financial stability of the state bank or 7003
prejudice the interests of the depositors of the state bank. 7004

(4) The competence, experience, or integrity of any 7005
acquiring person or of any of the proposed management personnel 7006
indicates that it would not be in the interest of the depositors 7007
of the state bank, or in the interest of the public, to permit 7008
the acquiring person to control the state bank. 7009

(5) The acquiring person neglects, fails, or refuses to 7010
furnish to the superintendent all of the information required by 7011
the superintendent. 7012

(6) The superintendent determines the proposed transaction 7013
would have an adverse effect on the ~~bank-deposit~~ insurance fund 7014
~~or the savings association insurance fund~~ administered by the 7015
federal deposit insurance corporation. 7016

(G) Within three days after deciding to disapprove any 7017
proposed acquisition of control of a state bank, the 7018
superintendent shall notify the acquiring person in writing of 7019
the disapproval. The notice of disapproval shall provide a 7020
statement of the basis for the disapproval. 7021

(H) Within ten days after receipt of a notice of the 7022
disapproval, the acquiring person may, in accordance with 7023
Chapter 119. of the Revised Code, request a hearing conducted in 7024
accordance with that chapter on the proposed acquisition. 7025

(I) Whenever a change in control of a state bank occurs, 7026

the state bank shall promptly report to the superintendent any 7027
changes in or replacement of its chief executive officer or of 7028
any director that occurs in the next twelve-month period, and 7029
include in the report a statement of the past and current 7030
business and professional affiliations of the new chief 7031
executive officer or director. 7032

(J) (1) The superintendent may exercise any authority 7033
vested in the superintendent under Chapter 1121. of the Revised 7034
Code in the course of conducting any investigation under 7035
division (E) of this section or any other investigation the 7036
superintendent, in the superintendent's discretion, considers 7037
necessary to determine whether any person has filed inaccurate, 7038
incomplete, or misleading information under this section or 7039
otherwise is violating, has violated, or is about to violate any 7040
provision of this section or any rule implementing this section. 7041

(2) Whenever it appears to the superintendent any person 7042
is violating, has violated, or is about to violate any provision 7043
of this section or any rule implementing this section, the 7044
superintendent may, in the superintendent's discretion, apply to 7045
the court of common pleas of any county in which the state bank 7046
is doing business for either of the following: 7047

(a) A temporary or permanent injunction or restraining 7048
order enjoining the person from violating this section or any 7049
rule implementing this section; 7050

(b) Other equitable relief, including divestiture, that 7051
may be necessary to prevent violation of this section or of any 7052
rule implementing this section. 7053

(3) (a) The courts of this state have the same jurisdiction 7054
and power in connection with the exercise of any authority by 7055

the superintendent under this section as they have under Chapter 7056
1121. of the Revised Code. 7057

(b) The courts of this state have jurisdiction and power 7058
to issue any injunction or restraining order or grant any 7059
equitable relief described in division (J)(2) of this section. 7060
When a court finds it appropriate, the court may grant the 7061
injunction, order, or other equitable relief without requiring 7062
the posting of any bond. 7063

(K) The resignation, termination of employment or 7064
participation, divestiture of control, or separation of or by a 7065
regulated person, including a separation caused by the closing 7066
of a state bank, shall not affect the jurisdiction and authority 7067
of the superintendent to issue any notice and otherwise proceed 7068
under this section against the regulated person, if the notice 7069
is issued no later than six years after the date of the 7070
regulated person's resignation, termination of employment or 7071
participation, or separation from or divestiture of control of a 7072
state bank. 7073

For purposes of this division, "regulated person" has the 7074
same meaning as in section 1121.01 of the Revised Code. 7075

Sec. 1115.07. (A) As used in this section: 7076

(1) "Credit outstanding" means any loan, extension of 7077
credit, issuance of a guarantee, acceptance, or letter of 7078
credit, including an endorsement or standby letter of credit, or 7079
other transaction that extends financing to a person or group of 7080
persons. 7081

(2) "Financial institution" means a state bank, national 7082
bank, savings bank, savings association, or a bank doing 7083
business under authority granted by the bank regulatory 7084

authority of another state of the United States or another 7085
country. 7086

(3) "Group of persons" includes any number of persons the 7087
financial institution reasonably believes are either of the 7088
following: 7089

(a) Persons who are acting together, in concert, or with 7090
one another to acquire or control shares of the same stock state 7091
bank, including an acquisition of shares of the same stock state 7092
bank at approximately the same time under substantially the same 7093
terms. 7094

(b) Persons who have made, or have proposed to make, a 7095
joint filing under section 13 of Title I of the "Securities 7096
Exchange Act of 1934," 48 Stat. 881, 15 U.S.C.A. 78m, as 7097
amended, regarding ownership of the shares of the same stock 7098
state bank. 7099

(B) (1) Except as provided in division (D) of this section, 7100
any financial institution or any affiliate of a financial 7101
institution that has credit outstanding to any person or group 7102
of persons that is secured, directly or indirectly, by shares of 7103
a stock state bank shall file a consolidated report with the 7104
superintendent of financial institutions if the credits 7105
outstanding are, in the aggregate, secured, directly or 7106
indirectly, by twenty-five per cent or more of the outstanding 7107
shares of any class of the same stock state bank. 7108

(2) For purposes of division (B) (1) of this section, any 7109
shares of the stock state bank held by the financial institution 7110
or any of its affiliates as principal shall be included in the 7111
calculation of the number of shares in which the financial 7112
institution or its affiliates has a security interest. 7113

(C) The report required under division (B) (1) of this section shall be a consolidated report on behalf of the financial institution and all its affiliates, and shall be filed in writing within thirty days after the date on which the financial institution or any of its affiliates first believes the security for any outstanding credit consists of twenty-five per cent or more of the outstanding shares of any class of a stock state bank.

The report shall indicate the number and percentage of shares securing each credit outstanding, the identity of the borrower, and the number of shares held as principal by the financial institution or any of its affiliates. It also shall contain all of the information required in a notice under section 1115.06 of the Revised Code, and any other relevant information the superintendent may require by rule or by specific request in connection with a particular report.

(D) A financial institution and its affiliates shall not be required to report a transaction under this section if either of the following applies:

(1) The person or group of persons to whom the credit is outstanding has disclosed to the superintendent the amount borrowed from the financial institution or its affiliate and the security interest of the financial institution or its affiliate in connection with a notice given under section 1115.06 of the Revised Code or with any other application filed with the superintendent, such as an application for an interim bank charter.

(2) The transaction involves either of the following:

(a) A person or group of persons that has been the owner

of record of the shares for at least one year; 7143

(b) Shares issued by a newly chartered stock state bank 7144
before the ~~state~~-bank's opening. 7145

Sec. 1115.11. (A) A state bank may consolidate or merge 7146
with another state bank, a bank, savings bank, or savings 7147
association doing business under authority granted by the bank 7148
regulatory authority of another state, ~~or~~ a national bank, 7149
~~savings bank,~~ or a federal savings association, regardless of 7150
where it maintains its principal place of business, with the 7151
approval of all of the following: 7152

(1) The directors of both constituent corporations; 7153

(2) (a) The shareholders of each constituent state bank 7154
that is a stock state bank, by the affirmative vote or written 7155
consent of the holders of two-thirds, or such other proportion 7156
not less than a majority as the ~~state~~-bank's articles of 7157
incorporation or code of regulations provide, of the outstanding 7158
shares of each class of the ~~state~~-bank's stock; 7159

(b) The members of each constituent state bank that is a 7160
mutual state bank, by the affirmative vote of two-thirds, or 7161
such other proportion not less than a majority as the bank's 7162
articles of incorporation or code of regulations provide, of the 7163
voting members. 7164

(3) The shareholders or members of the other constituent 7165
bank, savings bank, or savings association as required by the 7166
applicable state or federal law, articles of incorporation, or 7167
code of regulations; 7168

(4) One of the following, as applicable: 7169

(a) If the resulting corporation will be a state bank, a- 7170

~~savings bank doing business under authority granted pursuant to~~ 7171
~~Chapter 1161. of the Revised Code, or a savings and loan~~ 7172
~~association doing business under authority granted pursuant to~~ 7173
~~Chapter 1151. of the Revised Code,~~ the superintendent of 7174
financial institutions; 7175

(b) If the resulting corporation will be a national bank 7176
or federal savings association, the office of the comptroller of 7177
the currency; 7178

~~(c) If the resulting corporation will be a federal savings~~ 7179
~~association, the director of the office of thrift supervision;~~ 7180

~~(d)~~ If the resulting corporation will be a bank, savings 7181
bank, or savings association doing business under authority 7182
granted by the regulatory authority of another state, the state 7183
regulatory authority under which the bank, savings bank, or 7184
savings association is doing business. 7185

(B) For a merger or consolidation in which the resulting 7186
or surviving corporation will be a state bank, the constituent 7187
corporations, in the case of a consolidation, and the 7188
constituent corporation that will be the surviving corporation, 7189
in the case of a merger, shall file with the superintendent an 7190
application for the superintendent's approval that includes ~~all~~ 7191
~~of the following:~~ 7192

~~(1) An officers' certification that the transaction has~~ 7193
~~been approved by the directors and shareholders of each~~ 7194
~~constituent corporation in accordance with the applicable state~~ 7195
~~or federal law, articles of incorporation or association, code~~ 7196
~~of regulations, or bylaws;~~ 7197

~~(2) A a copy of the consolidation or merger agreement;~~ 7198

~~(3) Any and any other information the superintendent~~ 7199

requires. 7200

(C) The consolidation or merger agreement required under 7201
division (B) ~~(2)~~ of this section shall include all of the 7202
following: 7203

(1) The names of the constituent corporations; 7204

(2) The agreement that the named constituent corporations 7205
will consolidate into a new state bank or the other named 7206
constituent corporations will merge with or into one specified 7207
constituent corporation; 7208

(3) Subject to the limitations set forth in section 7209
1103.07 of the Revised Code, the name of the state bank 7210
resulting from the consolidation or surviving the merger; 7211

(4) The place in this state where the resulting or 7212
surviving bank's principal place of business is to be located; 7213

(5) In the case of a consolidation, the contents of the 7214
resulting bank's articles of incorporation, consistent with 7215
section ~~1103.06~~ 1113.04 of the Revised Code; 7216

(6) In the case of a merger, any amendment to the 7217
surviving bank's articles of incorporation; 7218

(7) The names and addresses of the directors of the 7219
resulting or surviving bank; 7220

(8) The terms of the consolidation or merger, how the 7221
consolidation or merger will be effected, and how ~~any~~ 7222
consideration provided for, if any, will be distributed to the 7223
shareholders or members of the constituent corporations. 7224

(D) Within ten business days after receiving an 7225
application required under division (B) of this section, the 7226

superintendent shall determine whether to accept the 7227
application. If the transaction is with a bank, savings bank, or 7228
savings association doing business under authority granted by a 7229
regulatory authority other than the superintendent, the 7230
superintendent shall notify the regulatory authority under which 7231
the bank, savings bank, or savings association is doing business 7232
of the application and solicit that regulatory authority's 7233
comments. Within ninety days after accepting an application 7234
required under division (B) of this section, the superintendent 7235
shall approve or disapprove the application. In making that 7236
determination, the superintendent shall consider all of the 7237
following: 7238

(1) Whether the transaction would result in a monopoly or 7239
would further any combination or conspiracy to monopolize or to 7240
attempt to monopolize the business of banking in any part of 7241
this state and any markets served by the resulting or surviving 7242
bank; 7243

(2) Whether the effect of the proposed transaction in any 7244
part of this state and any markets served by the resulting or 7245
surviving bank may be to substantially lessen competition, tend 7246
to create a monopoly, or in any other manner restrain trade, 7247
unless the superintendent finds the anticompetitive effects of 7248
the transaction would clearly be outweighed in the public 7249
interest by the probable effect of the transaction in meeting 7250
the convenience and needs of the community to be served; 7251

(3) The financial and managerial resources and future 7252
prospects of the banks involved; 7253

(4) The convenience and needs of the communities to be 7254
served; 7255

(5) Whether, upon completion of the transaction, the 7256
resulting or surviving state bank will meet the requirements of 7257
Chapters 1101. to 1127. of the Revised Code; 7258

(6) The comments of any regulatory authority notified in 7259
accordance with division (D) of this section. 7260

(E) The superintendent may condition approval of an 7261
application under division (D) of this section in any manner the 7262
superintendent considers appropriate. 7263

(F) Before consummating a consolidation or merger 7264
authorized under division (A) of this section, a state bank 7265
shall deliver to the superintendent a certificate of 7266
consolidation or merger that satisfies the requirements of 7267
section 1701.81 of the Revised Code. The superintendent shall 7268
file the certificate of consolidation or merger with the 7269
secretary of state and, if the resulting or surviving bank of 7270
the consolidation or merger is a state bank, shall file a 7271
certified copy of the superintendent's approval of the 7272
consolidation or merger with the certificate. 7273

(G) In the case of a consolidation or merger in which the 7274
resulting or surviving corporation is a state bank, the 7275
directors and other officers named in the agreement of 7276
consolidation or merger shall serve until the date fixed in the 7277
agreement or provided in the resulting or surviving bank's code 7278
of regulations or by statute for the next annual meeting. 7279

(H) (1) When a consolidation or merger becomes effective, 7280
~~the both of the following apply:~~ 7281

(a) The existence of each of the constituent corporations 7282
ceases as a separate entity, but continues in the resulting or 7283
surviving corporation, within the limits of the charter of the 7284

resulting or surviving corporation and subject to section 7285
1115.20 of the Revised Code, without further act or deed ~~and~~ 7286
~~within.~~ 7287

(b) Within the limits of the charter of the resulting or 7288
surviving corporation, the resulting or surviving corporation 7289
has all assets and property, the rights, privileges, immunities, 7290
powers, franchises, and authority, and all obligations and 7291
~~trusts~~ fiduciary relationships of each party to the merger or 7292
consolidation and the duties and liabilities connected with 7293
them. ~~The~~ 7294

(2) The resulting or surviving corporation shall perform 7295
every ~~trust or relation~~ fiduciary relationship it has in the 7296
same manner as if it had itself originally assumed the ~~trust or~~ 7297
~~relation~~ fiduciary relationship and the obligations and 7298
liabilities connected with it. 7299

(I) Shareholders of the nonsurviving stock state bank 7300
shall have a right to dissent and shall be entitled to relief as 7301
dissenting shareholders under section 1701.85 of the Revised 7302
Code for those transactions requiring prior shareholder approval 7303
under division (A) (2) of this section. 7304

Sec. 1115.111. (A) Except as provided in division (C) of 7305
this section, no bank shall pay to any person, other than 7306
reasonable compensation for services provided in ~~his~~ the 7307
person's capacity as an employee, any management or consulting 7308
fee, including fees for legal, accounting, brokerage, or other 7309
similar professional services, not having a direct relationship 7310
to the value of actual services rendered, based on reasonable 7311
costs consistent with current market values for such services. 7312

(B) The records of the bank shall contain adequate 7313

information to permit a determination as to what services are 7314
being provided and on what basis they are being priced. At a 7315
minimum the records shall disclose a thorough review by the 7316
board of directors demonstrating all of the following: 7317

(1) That such fees are paid for specific services 7318
provided, as detailed in a fee analysis presented to the board; 7319

(2) The basis for the cost for each function or service; 7320

(3) A conclusion by the board of directors that the fees 7321
are reasonable. 7322

(C) This section does not prevent a bank from paying any 7323
of the following: 7324

(1) Dividends to shareholders that have been properly 7325
declared by the bank; 7326

(2) Reasonable compensation to officers and employees of 7327
the bank for services rendered to the bank in their capacities 7328
as officers or employees of the bank; 7329

(3) Fees to directors for their attendance at meetings of 7330
the board of directors, the executive committee, or other 7331
committees established by the board. 7332

Sec. 1115.14. (A) A state bank may transfer assets and 7333
liabilities to, and acquire assets and liabilities from, another 7334
state bank, a bank doing business under authority granted by the 7335
bank regulatory authority of another state, or a national bank, 7336
savings bank, or savings association, regardless of where it 7337
maintains its principal place of business, with the approval of 7338
all of the following: 7339

(1) The directors of both constituent corporations; 7340

(2) (a) If the assets to be transferred equal more than
fifty per cent of the assets of a transferring or acquiring
state bank at the time of the transfer and the institution is a
stock state bank, the shareholders of the state bank by the
affirmative vote or written consent of the holders of two-
thirds, or such other proportion not less than a majority as the
state bank's articles of incorporation or code of regulations
provide, of the outstanding shares of each class of the state
bank's stock;

(b) If the assets to be transferred equal more than fifty
per cent of the assets of a transferring or acquiring state bank
at the time of the transfer and the institution is a mutual
state bank, the members of the state bank by the affirmative
vote of two-thirds, or such other proportion not less than a
majority as the bank's articles of incorporation or code of
regulations provide, of the voting members.

(3) The shareholders or members of the other constituent
bank, savings bank, or savings association as required by the
applicable state or federal law, the articles of incorporation,
or the code of regulations;

(4) If the assets to be transferred equal more than fifty
per cent of the assets of the acquiring state bank, the
superintendent of financial institutions.

(B) In the case of a transfer of assets and liabilities
for which the superintendent's approval is required under
division (A)(4) of this section, the acquiring state bank shall
file with the superintendent an application that includes all of
the following:

(1) An officers' certification that the transaction has

been approved by the directors and shareholders or members of 7370
each constituent corporation in accordance with the applicable 7371
state or federal law, articles of incorporation or association, 7372
code of regulations, or bylaws; 7373

(2) A copy of the transfer agreement; 7374

(3) Any other information the superintendent requires. 7375

(C) The transfer agreement required under division (B) (2) 7376
of this section shall include all of the following: 7377

(1) The names of the constituent corporations; 7378

(2) The agreement of the named constituent corporations 7379
that specified assets and liabilities of one will be transferred 7380
to the other in exchange for specified consideration; 7381

(3) Any changes to be made in the directors ~~of~~ or officers 7382
of the acquiring state bank; 7383

(4) Any amendments to the acquiring state bank's articles 7384
of incorporation; 7385

(5) The terms of the transfer, how the transfer will be 7386
effected, and how any consideration provided for will be 7387
distributed to the transferring corporation or its shareholders 7388
or members. 7389

(D) Within ten business days after receiving an 7390
application required under division (B) of this section, the 7391
superintendent shall determine whether to accept the 7392
application. If the transaction is with a bank, savings bank, or 7393
savings association doing business under authority granted by a 7394
regulatory authority other than the superintendent, the 7395
superintendent shall notify the regulatory authority that 7396
granted the authority under which the bank, savings bank, or 7397

savings association is doing business of the application and 7398
solicit that regulatory authority's comments. Within ninety days 7399
after accepting an application required under division (B) of 7400
this section, the superintendent shall approve or disapprove the 7401
application. In making that determination, the superintendent 7402
shall consider all of the following: 7403

(1) Whether the transaction would result in a monopoly or 7404
would further any combination or conspiracy to monopolize or to 7405
attempt to monopolize the business of banking in any part of 7406
this state and any markets served by the acquiring bank; 7407

(2) Whether the effect of the proposed transaction in any 7408
part of this state and any markets served by the acquiring bank 7409
may be to substantially lessen competition, tend to create a 7410
monopoly, or in any other manner restrain trade, unless the 7411
superintendent finds that the anticompetitive effects of the 7412
transaction would clearly be outweighed in the public interest 7413
by the probable effect of the transaction in meeting the 7414
convenience and needs of the community to be served; 7415

(3) The financial and managerial resources and future 7416
prospects of the banks involved; 7417

(4) The convenience and needs of the communities to be 7418
served; 7419

(5) Whether, upon completion of the transaction, the 7420
acquiring state bank will meet the requirements of Chapters 7421
1101. to 1127. of the Revised Code; 7422

(6) The comments of any regulatory authority notified in 7423
accordance with division (D) of this section. 7424

(E) The superintendent may condition approval of an 7425
application under division (D) of this section in any manner the 7426

superintendent considers appropriate. 7427

(F) In the case of a transfer of assets and liabilities 7428
involving a state bank that is not the acquiring corporation and 7429
that will not continue operations after the transaction, the 7430
state bank shall, immediately upon the transfer of assets and 7431
liabilities being effective, provide the superintendent with the 7432
necessary dissolution certificates and affidavits for the 7433
superintendent to file the dissolution with the secretary of 7434
state. 7435

(G) When a bank, savings bank, or savings association 7436
transfers its assets and liabilities to a state bank, the 7437
acquiring state bank shall be possessed of the rights, 7438
privileges, and powers of the transferor with respect to the 7439
transferred assets within the limits of the charter of the 7440
acquiring state bank. 7441

(H) Shareholders of a stock state bank whose assets have 7442
been transferred shall have a right to dissent and shall be 7443
entitled to relief as dissenting shareholders under section 7444
1701.85 of the Revised Code for those transactions requiring 7445
prior shareholder approval under division (A) (2) of this 7446
section. 7447

Sec. 1115.15. Whenever an emergency, as defined by the 7448
superintendent of financial institutions, exists with regard to 7449
a state bank, national bank, savings bank, or savings 7450
association that warrants, in the opinion of the superintendent 7451
and of a majority of the members of the respective boards of 7452
directors of the constituent corporations concerned, an 7453
immediate transfer of assets and liabilities, the board of 7454
directors of a state bank may, by majority vote, transfer the 7455
assets and liabilities of the state bank or acquire the assets 7456

and liabilities of another state bank or a national bank, 7457
savings bank, or savings association without the vote or 7458
approval of the shareholders of each constituent corporation 7459
involved in the proposed transfer. No transfer pursuant to this 7460
section involving a state bank shall be made without the written 7461
consent of the superintendent. Certified copies of all 7462
proceedings of its board of directors shall be filed with the 7463
superintendent by each constituent corporation involved in the 7464
transfer. A copy of the agreement between the constituent 7465
corporations shall accompany the copies of the proceedings of 7466
the boards of directors. 7467

Sec. 1115.20. (A) In any transfer, ~~consolidation, or~~ 7468
~~merger~~ under this chapter, the rights of creditors shall be 7469
preserved unimpaired, and, unless otherwise provided, the 7470
constituent corporations shall be deemed to continue their 7471
separate existence if the continuation is necessary to preserve 7472
any creditor's rights. 7473

(B) In any consolidation or merger under section 1115.11 7474
of the Revised Code, the rights and obligations of the surviving 7475
or new bank shall be governed by section 1701.82 of the Revised 7476
Code. 7477

Sec. 1115.23. (A) Any person, singly or jointly with 7478
others, may, with the approval of the superintendent of 7479
financial institutions, incorporate an interim bank for the 7480
purpose of facilitating the creation of a bank holding company, 7481
the acquisition of or transaction with an existing bank, savings 7482
association, or savings bank, or any other transaction the 7483
superintendent may approve. Prior to commencing business, an 7484
interim bank shall be a party to a reorganization with an 7485
existing bank, savings association, or savings bank pursuant to 7486

this chapter. 7487

(B) The person or persons proposing to incorporate an 7488
interim bank under this section shall make application for 7489
approval of the proposed interim bank in the manner and form 7490
prescribed by the superintendent, which shall include delivering 7491
to the division of financial institutions the items required in 7492
divisions (B) (1) and (2) of section ~~1113.01~~1113.02 of the 7493
Revised Code. 7494

(C) Approval of the interim bank pursuant to this section 7495
does not authorize the interim bank to commence business. 7496
Approval of the interim bank shall be specifically conditioned 7497
on approval of the subsequent reorganization. The approval of 7498
the interim bank becomes void, and the interim bank shall be 7499
dissolved, if the reorganization is not approved and consummated 7500
within one year after the approval of the interim bank, unless 7501
the superintendent grants one or more extensions in writing. If 7502
no extension is granted or upon the expiration of the last 7503
extension granted, the interim bank shall provide the 7504
superintendent with the necessary dissolution certificates and 7505
affidavits for the superintendent to file the dissolution with 7506
the secretary of state. 7507

(D) The superintendent shall not disapprove an interim 7508
bank charter solely because the interim bank's paid-in capital 7509
and surplus do not aggregate more than five hundred dollars. 7510

Sec. 1115.24. (A) As used in this section: 7511

(1) "Applicant" means the person or persons seeking a 7512
shelf charter under this section. 7513

(2) "Control" has the same meaning as in section 1115.06 7514
of the Revised Code and any rules adopted under that section. 7515

(3) "Shelf charter" means the preliminary conditional approval of a charter. 7516
7517

(B) The superintendent of financial institutions may, at the superintendent's sole discretion, grant a shelf charter to an applicant intending or desiring to enter into a transaction resulting in any of the following: 7518
7519
7520
7521

(1) Formation of an interim bank under this chapter to be used for the transactions contemplated by this section; 7522
7523

(2) Acquisition of control of a designated or undesignated state bank; 7524
7525

(3) Acquisition of control of a designated or undesignated bank chartered by the banking authority of any other state or the United States that the person or persons intend to convert to a state bank; 7526
7527
7528
7529

(4) Acquisition of assets from and assumption of liabilities, pursuant to this chapter, of a bank or from the federal deposit insurance corporation as receiver of a designated or undesignated bank headquartered in this state or any other state that the person or persons intend to convert to a state bank; 7530
7531
7532
7533
7534
7535

(5) Formation of a de novo bank pursuant to Title XI of the Revised Code. 7536
7537

(C) The superintendent shall prescribe the form for an application for a shelf charter. After reviewing an application, the superintendent may require the applicant to submit any additional information or documentation the superintendent considers necessary and appropriate. Factors to be considered by the superintendent shall include all of the following: 7538
7539
7540
7541
7542
7543

<u>(1) The availability of adequate capital for the</u>	7544
<u>transaction;</u>	7545
<u>(2) The existence of acceptable business plans;</u>	7546
<u>(3) Whether acceptable management, directors, and control</u>	7547
<u>persons are identified;</u>	7548
<u>(4) Whether all necessary approvals from state and federal</u>	7549
<u>agencies have been secured.</u>	7550
<u>(D) (1) A shelf charter granted under this section, and any</u>	7551
<u>final approval for a transaction described in division (B) of</u>	7552
<u>this section, shall be subject to such conditions and ongoing</u>	7553
<u>requirements as the superintendent considers appropriate.</u>	7554
<u>(2) An applicant granted a shelf charter under this</u>	7555
<u>section shall not exercise control over the bank or consummate</u>	7556
<u>the transaction authorized by the charter until the</u>	7557
<u>superintendent gives final approval of the transaction.</u>	7558
<u>(E) A shelf charter shall expire twenty-four months after</u>	7559
<u>the date it is granted, subject to the following:</u>	7560
<u>(1) The superintendent may extend the expiration date at</u>	7561
<u>any time sua sponte or upon approval by the superintendent of a</u>	7562
<u>written request for an extension submitted by the person or</u>	7563
<u>persons to whom the shelf charter was granted.</u>	7564
<u>(2) The person or persons to whom the shelf charter was</u>	7565
<u>granted may withdraw it at any time.</u>	7566
<u>(3) The superintendent may modify, suspend, or revoke any</u>	7567
<u>shelf charter granted under this section.</u>	7568
<u>(F) Pursuant to the authority granted under section</u>	7569
<u>1121.03 of the Revised Code, the superintendent may adopt rules</u>	7570

and issue interpretive guidelines the superintendent considers 7571
necessary and appropriate for the implementation of this 7572
section. 7573

Sec. 1115.27. (A) A state bank may merge with any of its 7574
affiliates with the approval of all of the following: 7575

(1) The directors of all constituent corporations to the 7576
merger; 7577

(2) (a) The shareholders of each constituent stock state 7578
bank by the affirmative vote or written consent of the holders 7579
of two-thirds, or any other proportion not less than a majority 7580
as the bank's articles of incorporation or code of regulations 7581
provide, of the outstanding shares of each class of the bank's 7582
stock; 7583

(b) The members of each constituent mutual state bank, by 7584
the affirmative vote of two-thirds, or such other proportion not 7585
less than a majority as the bank's articles of incorporation or 7586
code of regulations provide, of the voting members. 7587

(3) The shareholders or members of each other constituent 7588
to the merger as required by the applicable state or federal 7589
law, the articles of incorporation, or the code of regulations; 7590

(4) The superintendent of financial institutions. 7591

(B) The bank that will be the surviving bank in the merger 7592
shall file with the superintendent an application for the 7593
superintendent's approval that includes ~~all of the following:~~ 7594

~~(1) An officers' certification that the transaction has~~ 7595
~~been approved by the directors and shareholders of each~~ 7596
~~constituent corporation in accordance with the applicable state~~ 7597
~~or federal law, articles of incorporation or association, code~~ 7598

~~of regulations, or bylaws;~~ 7599

~~(2) A a copy of the merger agreement;~~ 7600

~~(3) Any and any other information the superintendent~~ 7601
requires. 7602

(C) The merger agreement required under division (B) ~~(2)~~ of 7603
this section shall include all of the following: 7604

(1) The names of the constituent corporations; 7605

(2) The agreement of the other named constituent 7606
corporations to merge with or into one specified bank; 7607

(3) Subject to the limitations set forth in section 7608
1103.07 of the Revised Code, the name of the bank surviving from 7609
the merger. 7610

(4) The place in this state where the surviving bank's 7611
principal place of business is to be located; 7612

(5) Any amendment to the surviving bank's articles of 7613
incorporation; 7614

(6) The names and addresses of the directors of the 7615
surviving bank; 7616

(7) The terms of the merger, how it will be effected, and 7617
how ~~any~~ consideration, if any, provided for will be distributed 7618
to the shareholders or members of the constituent corporations. 7619

(D) Within ten business days after receiving an 7620
application required under division (B) of this section, the 7621
superintendent shall determine whether to accept the 7622
application. Within ninety days after accepting an application 7623
required under division (B) of this section, the superintendent 7624
shall approve or disapprove the application. In making that 7625

determination, the superintendent shall consider all of the 7626
following: 7627

(1) The financial and managerial resources and future 7628
prospects of the surviving bank; 7629

(2) The convenience and needs of the communities to be 7630
served; 7631

(3) Whether, upon completion of the merger, the surviving 7632
bank will meet the requirements of Chapters 1101. to 1127. of 7633
the Revised Code; 7634

(4) Whether any of the constituents to the merger are 7635
subject to limitations that are inconsistent with the merger. 7636

(E) The superintendent may condition approval of an 7637
application under division (D) of this section in any manner the 7638
superintendent considers appropriate. 7639

(F) Before consummating a merger authorized under division 7640
(A) of this section, the bank that is to be the surviving bank 7641
of the merger shall deliver to the superintendent a certificate 7642
of merger that satisfies the requirements of section 1701.81 of 7643
the Revised Code. The superintendent shall file the certificate 7644
of merger and a certified copy of the superintendent's approval 7645
of the merger with the secretary of state. 7646

(G) The directors and other officers named in the 7647
agreement of merger shall serve until the date fixed in the 7648
agreement or provided in the surviving bank's code of 7649
regulations or by statute for the next annual meeting. 7650

(H) When a merger authorized by division (A) of this 7651
section becomes effective, the existence of each of the 7652
constituent corporations ceases as a separate entity, but 7653

continues in the surviving bank, within the limits of the 7654
charter of the surviving bank and subject to section 1115.20 of 7655
the Revised Code. Without further act or deed and within the 7656
limits of the charter of the surviving bank, the surviving bank 7657
has all assets and property, the rights, privileges, immunities, 7658
powers, franchises, and authority, and all obligations and 7659
~~trusts~~fiduciary relationships of each party to the merger and 7660
the duties and liabilities connected with them. The surviving 7661
bank shall perform every ~~trust or relation~~fiduciary 7662
relationship it has in the same manner as if it had itself 7663
originally assumed the ~~trust or relation~~fiduciary relationship 7664
and the obligations and liabilities connected with it. 7665

Sec. 1116.01. As used in this chapter, unless the context 7666
requires otherwise: 7667

(A) "Acquiree mutual bank" means any state bank, savings 7668
association, or savings bank that meets both of the following 7669
conditions: 7670

(1) It is acquired by a mutual holding company as part of, 7671
and concurrently with, a mutual holding company reorganization. 7672

(2) It is in the mutual form immediately prior to the 7673
acquisition. 7674

(B) "Reorganization plan" means the plan to reorganize 7675
into a mutual holding company structure described in section 7676
1116.07 of the Revised Code. 7677

(C) "Reorganizing mutual state bank" means a mutual state 7678
bank that proposes to reorganize into a mutual holding company 7679
structure in accordance with this chapter. 7680

(D) "Resulting mutual holding company" means a bank 7681
holding company organized in mutual form under this chapter and, 7682

unless otherwise indicated, a subsidiary holding company 7683
controlled by a mutual holding company organized under this 7684
chapter. 7685

(E) "Resulting stock state bank" means a stock state bank 7686
that is organized as a subsidiary of a reorganizing mutual state 7687
bank to receive a substantial part of the assets and 7688
liabilities, including all deposit accounts, of the reorganizing 7689
mutual state bank upon consummation of the reorganization. 7690

(F) "Stock bank" means a bank that has an ownership 7691
structure in the form of shares of stock and is doing business 7692
under authority granted by the superintendent of financial 7693
institutions or the bank regulatory authority of another state 7694
or the United States. 7695

(G) "Subsidiary holding company" means a stock company 7696
that is controlled by a mutual holding company and that owns the 7697
stock of a stock state bank whose depositors have membership 7698
rights in the parent mutual holding company. 7699

Sec. 1116.02. (A) A mutual holding company and any 7700
subsidiary of a mutual holding company shall be created, 7701
organized, and governed, and its business shall be conducted, in 7702
all respects in the same manner as is provided under Chapter 7703
1701. of the Revised Code, for corporations generally, to the 7704
extent that it is not inconsistent with this chapter, Chapters 7705
1101. to 1115., and Chapters 1117. to 1127. of the Revised Code 7706
or the rules adopted under those chapters. 7707

(B) A mutual holding company and any subsidiary of a 7708
mutual holding company organized under this chapter is subject 7709
to all powers, remedies, and sanctions provided to the 7710
superintendent of financial institutions and the division of 7711

financial institutions by Chapters 1101. to 1127. of the Revised 7712
Code. 7713

(C) Notwithstanding division (A) of this section, a 7714
nonbank subsidiary of a mutual holding company may be organized 7715
under the general corporate laws of another state of the United 7716
States. 7717

Sec. 1116.05. (A) A mutual state bank may, with the 7718
approval of the superintendent of financial institutions, 7719
reorganize to become a mutual holding company, in one of the 7720
following manners: 7721

(1) By organizing one or more subsidiary stock state 7722
banks, one or more of which may be an interim stock state bank, 7723
the ownership of which shall be evidenced by shares of stock to 7724
be owned by the reorganizing mutual state bank and by 7725
transferring a substantial portion of its assets, all of its 7726
insured deposits, and part or all of its other liabilities to 7727
one or more subsidiary stock state banks; 7728

(2) By organizing a first tier subsidiary stock state 7729
bank, causing that subsidiary to organize a second tier 7730
subsidiary stock state bank, and transferring, by merger of the 7731
reorganizing mutual state bank with the second tier subsidiary, 7732
a substantial portion of its assets, all of its insured 7733
deposits, and part or all of its other liabilities to the 7734
resulting stock state bank at which time the first tier 7735
subsidiary stock state bank becomes a mutual holding company; 7736

(3) In any other manner approved by the superintendent. 7737

(B) As a part of its mutual holding company 7738
reorganization, a mutual state bank may organize as a subsidiary 7739
holding company of the mutual holding company, which subsidiary 7740

holding company shall own all of the outstanding voting stock of 7741
the resulting stock state bank. 7742

(C) Before reorganizing into a mutual holding company, a 7743
reorganizing mutual state bank shall do all of the following: 7744

(1) Obtain approval of a reorganization plan by a two- 7745
thirds vote of the board of directors of the reorganizing mutual 7746
state bank and any acquiree mutual bank; 7747

(2) Obtain approval of the reorganization plan by a two- 7748
thirds vote, or such other proportion not less than a majority 7749
as the reorganizing mutual state bank's or any acquiree mutual 7750
bank's articles of incorporation or code of regulations provide, 7751
of the members' votes cast in person or by proxy at the annual 7752
meeting or at a special meeting of members called by the board 7753
of directors for the purpose of approving the reorganization 7754
plan; 7755

(3) File a reorganization application in the form 7756
prescribed by the superintendent that includes all of the 7757
following: 7758

(a) An officers' certification that the reorganization 7759
plan has been approved by the directors and members in 7760
accordance with applicable state law, articles of incorporation, 7761
code of regulations, or bylaws; 7762

(b) A copy of the reorganization plan; 7763

(c) Any other information the superintendent requires. 7764

Sec. 1116.06. (A) Within ten business days after receipt 7765
of an application for a mutual holding company reorganization 7766
under division (C) (3) of section 1116.05 of the Revised Code, 7767
the superintendent of financial institutions shall do one of the 7768

- following: 7769
- (1) Accept the application for processing; 7770
- (2) Request additional information to complete the
application; 7771
7772
- (3) Return the application if it is substantially
incomplete. 7773
7774
- (B) Within one hundred eighty days after an application is
accepted for processing, the superintendent shall approve or
disapprove the application and, if approved, impose any
conditions the superintendent determines appropriate. 7775
7776
7777
7778
- (C) In approving or disapproving an application, the
superintendent, after conducting an appropriate examination or
investigation, shall consider whether: 7779
7780
7781
- (1) The reorganizing mutual state bank and any acquiree
mutual bank will operate in a safe, sound, and prudent manner. 7782
7783
- (2) The applicant has demonstrated that the reorganization
plan is fair to the members of the reorganizing mutual state
bank and any acquiree mutual bank. 7784
7785
7786
- (3) The interests of the reorganizing mutual state bank's
depositors and creditors and the general public will not be
jeopardized by the proposed reorganization into a mutual holding
company; 7787
7788
7789
7790
- (4) The proposed reorganization will result in a
reorganizing mutual state bank or any acquiree state bank that
has adequate capital, satisfactory management, and good earnings
prospects; 7791
7792
7793
7794
- (5) A stock issuance proposed in connection with the 7795

mutual holding company reorganization plan meets the standards 7796
established by the superintendent and any applicable state and 7797
federal securities laws; and 7798

(6) The reorganizing mutual state bank or any acquiree 7799
mutual bank has furnished all information required in the 7800
reorganization plan and any other information requested by the 7801
superintendent regarding the proposed reorganization. 7802

Sec. 1116.07. Each reorganization plan submitted with a 7803
mutual holding company reorganization application shall contain 7804
a description of all significant terms of the proposed 7805
reorganization and include all of the following: 7806

(A) Any proposed stock issuance plan; 7807

(B) An opinion of counsel, or a ruling from the United 7808
States internal revenue service and the Ohio department of 7809
taxation, as to the federal and state tax treatment of the 7810
proposed reorganization; 7811

(C) A copy of the articles of incorporation and code of 7812
regulations of the proposed mutual holding company, the 7813
resulting stock state bank, and any affiliate organizations in 7814
the holding company structure; 7815

(D) A description of the method of reorganization under 7816
this chapter; 7817

(E) A statement that, upon consummation of the 7818
reorganization, certain assets and liabilities, including all 7819
deposit accounts of the reorganizing mutual state bank, shall be 7820
transferred to the resulting stock state bank, which bank shall 7821
immediately become a stock state bank subsidiary of the mutual 7822
holding company or subsidiary holding company; 7823

(F) A summary of the expenses to be incurred in connection 7824
with the reorganization; 7825

(G) Any other information required by the superintendent 7826
of financial institutions. 7827

Sec. 1116.08. After approving a mutual holding company 7828
reorganization application, the superintendent of financial 7829
institutions shall, to effect the reorganization, forward the 7830
articles of incorporation to the secretary of state for filing. 7831

Sec. 1116.09. (A) A mutual holding company shall do all of 7832
the following: 7833

(1) Confer upon existing and future depositors of the 7834
resulting stock state bank the same membership rights in the 7835
mutual holding company as were conferred upon depositors by the 7836
articles of incorporation or code of regulations of the 7837
reorganizing mutual state bank in effect immediately prior to 7838
the reorganization; 7839

(2) Confer upon existing and future depositors of any 7840
acquiree mutual bank or any bank that is in the mutual form when 7841
acquired by the mutual holding company, the same membership 7842
rights in the mutual holding company as were conferred upon 7843
depositors by the articles of incorporation or code of 7844
regulations of the acquired mutual bank in effect immediately 7845
prior to the acquisition, provided that if the acquired mutual 7846
bank is merged into another subsidiary state bank from which the 7847
mutual holding company draws members, the depositors of the 7848
acquired mutual bank shall receive the same membership rights as 7849
the depositors of the subsidiary state bank into which the 7850
acquired mutual bank is merged; 7851

(3) Confer upon the borrowers of the resulting stock state 7852

bank who are borrowers at the time of reorganization the same 7853
membership rights in the mutual holding company as were 7854
conferred upon them by the articles of incorporation or code of 7855
regulations of the reorganizing mutual state bank in effect 7856
immediately prior to the reorganization, but not any membership 7857
rights in connection with any borrowings made after the 7858
reorganization; 7859

(4) Confer upon the borrowers of any acquiree mutual bank 7860
or any bank that is in the mutual form when acquired by the 7861
mutual holding company who are borrowers at the time of the 7862
acquisition, the same membership rights in the mutual holding 7863
company as were conferred on them by the articles of 7864
incorporation or code of regulations of the acquired mutual bank 7865
in effect immediately prior to the acquisition, but not any 7866
membership rights in connection with any borrowings made after 7867
the acquisition; provided, however, that if the acquired mutual 7868
bank is merged into another bank from which the mutual holding 7869
company draws members, the borrowers of the acquired mutual bank 7870
shall instead receive the same grandfathered membership rights 7871
as the borrowers of the subsidiary state bank into which the 7872
acquired mutual bank is merged. 7873

(B) A mutual holding company that acquires a bank in the 7874
stock form, other than a resulting stock state bank or an 7875
acquiree mutual bank, shall not confer any membership rights 7876
upon the depositors and borrowers of the stock bank, unless such 7877
stock bank is merged into a subsidiary stock state bank from 7878
which the mutual holding company draws its members, in which 7879
case the depositors of the stock bank shall receive the same 7880
membership rights as other depositors of the subsidiary stock 7881
state bank into which the stock bank is merged. 7882

Sec. 1116.10. (A) A mutual holding company and any 7883
subsidiary holding company shall be governed by a board of 7884
directors and in accordance with the articles of incorporation 7885
and code of regulations adopted in connection with the 7886
reorganization, or as amended in accordance with law or rule 7887
after the reorganization. 7888

(B) The board of the mutual holding company and any 7889
subsidiary holding company shall have at least five members who, 7890
initially, shall consist of the board of directors of the 7891
reorganizing mutual state bank. Such members, after the 7892
formation of the mutual holding company and any subsidiary 7893
holding company, shall continue to serve as directors for the 7894
balance of the terms to which they were elected. 7895

Sec. 1116.11. All assets, rights, obligations, and 7896
liabilities of a reorganizing mutual state bank that are not 7897
expressly retained by the mutual holding company shall be 7898
transferred to the resulting stock state bank. 7899

Sec. 1116.12. Each person who holds a deposit account in a 7900
reorganizing mutual state bank or any acquiree mutual state bank 7901
immediately before the reorganization shall receive, upon 7902
consummation of the reorganization, without payment, an 7903
identical deposit account in the resulting stock state bank or 7904
acquiree mutual state bank. 7905

Sec. 1116.13. The following apply to a reorganization plan 7906
adopted by the board of directors of the reorganizing mutual 7907
state bank or any acquiree mutual bank: 7908

(A) It may be amended by those boards as a result of any 7909
regulator's comments before any solicitation of proxies from the 7910
members to vote on the reorganization plan or, with the written 7911

consent of the superintendent of financial institutions, at any 7912
later time. 7913

(B) It may be terminated by either board at any time 7914
before the meeting at which the members vote on the 7915
reorganization plan or, with the written consent of the 7916
superintendent, at any later time. 7917

Sec. 1116.16. (A) A mutual holding company organized under 7918
the laws of another state or the United States may, with the 7919
approval of the superintendent of financial institutions, 7920
convert to a mutual holding company organized under this chapter 7921
by submitting an application in accordance with rules adopted by 7922
the superintendent under section 111.15 of the Revised Code. 7923

(B) State banks existing as of the effective date of this 7924
section that are affiliates of a mutual holding company 7925
organized under the laws of another state or the United States 7926
and that submit an application pursuant to division (A) of this 7927
section within one year after the effective date of this section 7928
shall be eligible for an expedited review process. 7929

Sec. 1116.18. Subject to all necessary regulatory notices 7930
or approvals, a mutual holding company organized under this 7931
chapter may do all of the following: 7932

(A) Acquire a bank organized in mutual or stock form by 7933
merger of such bank with the subsidiary stock state bank, 7934
interim subsidiary stock bank, or subsidiary stock holding 7935
company of the mutual holding company; 7936

(B) Merge with or acquire another holding company provided 7937
that such holding company has, as one of its subsidiaries, a 7938
subsidiary banking corporation; 7939

(C) Exercise any power of, or engage in any activity 7940

permitted for, a mutual state bank; 7941

(D) Engage directly or indirectly only in such activities 7942
as are permissible activities for bank holding companies under 7943
applicable state and federal law or regulations; 7944

(E) Invest in the stock of a bank; 7945

(F) Exercise any rights, waive any rights, or take or 7946
waive any other action with respect to any securities of any 7947
subsidiary stock state bank or subsidiary stock holding company 7948
that are held by the mutual holding company. 7949

Sec. 1116.19. (A) The board of directors of a mutual 7950
holding company may from time to time, by a majority vote of the 7951
directors, do both of the following: 7952

(1) Divide equitably any surplus that is in excess of the 7953
amount required for the operations of the mutual holding company 7954
or to maintain the safety and soundness of the mutual holding 7955
company; 7956

(2) Distribute that surplus to the respective depositors 7957
of its subsidiary stock state banks in accordance with their 7958
membership rights. 7959

(B) If the superintendent of financial institutions 7960
determines that the surplus held by a mutual holding company is 7961
excessive, the superintendent may order the board of directors 7962
of the mutual holding company to make the distribution described 7963
in division (A) of this section. 7964

Sec. 1116.20. (A) A mutual holding company may establish a 7965
subsidiary holding company as a direct subsidiary to hold one 7966
hundred per cent of the stock of its subsidiary stock state 7967
bank, provided the subsidiary holding company is not formed and 7968

operated as a means of evading or frustrating the purposes of 7969
this chapter. Subject to the approval of the superintendent of 7970
financial institutions, the subsidiary holding company may be 7971
established either at the time of the initial mutual holding 7972
company reorganization or at a subsequent date. 7973

(B) In addition to its powers under Chapters 1107. and 7974
1109. of the Revised Code, any subsidiary stock state bank or 7975
subsidiary holding company may, with the prior approval of the 7976
superintendent and subject to such rules as the superintendent 7977
may prescribe, issue one or more classes of securities, 7978
including one or more classes of common stock or preferred 7979
stock, and take any action in connection with such issuance or 7980
otherwise with respect to any such securities; provided, 7981
however, that in no event shall the mutual holding company hold 7982
less than twenty-five per cent of the combined voting power of 7983
all classes of securities of the subsidiary stock holding 7984
company or stock state bank that have voting power in the 7985
election of directors of such stock state bank. 7986

(C) Nothing in this section shall prohibit a subsidiary 7987
stock state bank or subsidiary stock holding company from 7988
issuing, in connection with an employee stock option or other 7989
employee benefit plan or with the mutual holding company 7990
reorganization or subsequent thereto, different classes of 7991
common stock to the mutual holding company and subsidiary stock 7992
state bank or subsidiary stock holding company. An issuance of 7993
securities may be made at the time of the mutual holding company 7994
reorganization or thereafter, and may be made in connection with 7995
the merger or acquisition of another bank whether organized in 7996
mutual or stock form. 7997

Sec. 1116.21. A mutual holding company organized under 7998

this chapter may, with the approval of the superintendent of 7999
financial institutions, convert to a stock holding company by 8000
submitting an application in accordance with rules adopted by 8001
the superintendent under section 1121.03 of the Revised Code. 8002

Sec. 1117.01. (A) Subject to section 1115.05 and Chapter 8003
1119. of the Revised Code, a bank, regardless of the location of 8004
its principal place of business, may establish or acquire and 8005
maintain a banking office in this state. 8006

(B) (1) With the prior written approval of the 8007
superintendent of financial institutions obtained in accordance 8008
with section 1117.02 of the Revised Code, a state bank ~~doing~~ 8009
~~business under authority granted by the superintendent~~ may 8010
establish or acquire a banking office at any of the following 8011
locations: 8012

(a) Any location in this state; 8013

(b) Any location in another state of the United States; 8014

(c) Any location outside the United States. 8015

(2) The superintendent may condition approval of a banking 8016
office at any location authorized by division (B) (1) (b) or (c) 8017
of this section on an agreement satisfactory to the 8018
superintendent providing for the times, method, and 8019
reimbursement of expenses for examining the banking office. 8020

Sec. 1117.02. (A) A bank with its principal place of 8021
business in this state proposing to establish a banking office 8022
shall submit an application to the superintendent of financial 8023
institutions. The superintendent shall determine whether to 8024
accept an application for processing within ten business days 8025
after receiving the application. The superintendent shall 8026
approve or disapprove the application within sixty days after 8027

accepting it unless approval is withheld under division (E) of 8028
this section. 8029

(B) If the superintendent accepts the application, the 8030
bank shall, within ten days after receipt of the 8031
superintendent's notice of acceptance, publish notice of its 8032
proposed banking office in a newspaper of general circulation in 8033
the county where the proposed banking office is to be located 8034
and in the county where the bank currently maintains its 8035
principal place of business. The notice shall state that 8036
comments on the proposed banking office must be delivered to the 8037
division of financial institutions within fourteen days after 8038
the date the notice is published, and shall provide the 8039
division's address. 8040

(C) If the superintendent determines any comment delivered 8041
to the division regarding a proposed banking office is relevant 8042
to the criteria set forth in this section for approval of a 8043
banking office, the superintendent shall investigate the comment 8044
in any manner the superintendent considers appropriate. 8045

(D) In determining whether to approve a proposed banking 8046
office, the superintendent shall consider all of the following: 8047

(1) The adequacy of the bank's management; 8048

(2) The adequacy of the bank's capital ~~and paid-in-~~ 8049
~~capital;~~ 8050

(3) The effect establishment of the banking office will 8051
have on the interests of the bank's depositors and shareholders 8052
or members; 8053

(4) The bank's lending record in helping to meet the 8054
credit needs of its entire community, including low- and 8055
moderate-income neighborhoods, consistent with both the safe and 8056

sound operation of the bank and the "Community Reinvestment Act of 1977," 91 Stat. 1147, 12 U.S.C. 2901, as amended;

(5) Any other reasonable criteria the superintendent may establish.

(E)(1) If the superintendent determines, upon consideration of the criteria set forth in division (D) of this section, that the banking office should otherwise be approved, but the bank's lending record is not satisfactory in helping to meet the credit needs of its entire community as prescribed in division (D)(4) of this section, the superintendent shall withhold action on the application for the banking office and shall notify the bank of that decision. The bank shall, within sixty days after receipt of the notice from the superintendent, submit to the superintendent a written affirmative action lending program, which shall be a public record. The superintendent shall, within thirty days after receipt of the affirmative action lending program, determine whether the program is acceptable. If the program is not acceptable, or the bank fails to submit an affirmative action lending program within the sixty days, the superintendent shall disapprove the banking office. If the affirmative action lending program is acceptable, the superintendent shall approve the banking office.

(2)(a) In order to determine whether a bank is complying with its affirmative action lending program, the superintendent may do either of the following:

(i) The superintendent may require the bank to submit periodic reports that summarize actions it has taken to implement or maintain its affirmative action lending program. The reports shall be in a form prescribed by the superintendent, but shall not contain any information that identifies an

applicant for a loan. The reports are public records and shall 8087
be made available to any person upon request. 8088

(ii) Upon written complaint by any person, or upon the 8089
superintendent's own initiative, the superintendent may hold a 8090
public hearing. The superintendent may hold no more than one 8091
hearing every two years on each affirmative action lending 8092
program. 8093

(b) If the superintendent determines, as a result of 8094
findings made under division (E) (2) (a) of this section, that a 8095
bank is not in compliance with its affirmative action lending 8096
program, the superintendent shall order the bank to comply 8097
within a period of time determined by the superintendent. 8098
Failure to comply with that order shall be a violation of a 8099
condition imposed by the superintendent for purposes of sections 8100
1121.32, 1121.33, 1121.35, and 1121.41 of the Revised Code. 8101

(3) As used in division (E) of this section, "affirmative 8102
action lending program" means a program to remedy any deficiency 8103
of a bank in helping to meet the credit needs of its entire 8104
community. 8105

Sec. 1117.04. A bank proposing to relocate a banking 8106
office shall do the following: 8107

(A) If the banking office is to be relocated within a one- 8108
mile radius of the banking office's current ~~service area~~ 8109
location, the bank shall notify the superintendent of financial 8110
institutions and comply with the ~~service area~~ relocation 8111
procedures established by the superintendent. 8112

(B) If the banking office is to be relocated outside a 8113
one-mile radius of the banking office's current ~~service area~~ 8114
location, the bank shall obtain the superintendent's approval 8115

for the relocation in accordance with the procedures set forth 8116
in section 1117.02 of the Revised Code for establishing a 8117
banking office and comply with the banking office closing 8118
procedures established by the superintendent. 8119

Sec. 1117.05. (A) With the written approval of the 8120
superintendent of financial institutions, a bank may contract 8121
with one or more other banks, savings banks, and savings 8122
associations to provide services to the contracting bank's 8123
customers at any or all of the offices of the other banks, 8124
savings banks, and savings associations as if the offices of the 8125
other banks, savings banks, and savings associations were 8126
offices of the contracting bank. 8127

(B) The superintendent shall determine whether to accept a 8128
bank's application for approval of a contract authorized by 8129
division (A) of this section within ten business days after 8130
receiving a bank's application for the superintendent's approval 8131
of the contract. The superintendent shall approve or disapprove 8132
the contract within thirty days after accepting the bank's 8133
application. 8134

(C) In determining whether to approve or disapprove a 8135
contract authorized by division (A) of this section, the 8136
superintendent shall consider all of the following: 8137

(1) The adequacy of the management of both the contracting 8138
bank and the other banks, savings banks, and savings 8139
associations; 8140

(2) The adequacy of the capital ~~and paid-in capital~~ of 8141
both the contracting bank and the other banks, savings banks, 8142
and savings associations; 8143

(3) The adequacy of the operations and controls of both 8144

the contracting bank and the other banks, savings banks, and 8145
savings associations; 8146

(4) Whether the contract is being used to avoid 8147
application of the criteria for establishing a banking office 8148
under section 1117.02 of the Revised Code or any kind of 8149
business combination under Chapter 1115. of the Revised Code. 8150

(D) This section does not authorize a contracting bank to 8151
establish new deposit accounts, extend credit, or create new 8152
banking relationships through offices of the other banks, 8153
savings banks, and savings associations. 8154

Sec. ~~1103.21~~ 1117.07. (A) In the event of a power failure, 8155
fire, act of God, riot, strike, robbery or attempted robbery, 8156
epidemic, interruption of communication facilities, or any other 8157
reason the superintendent of financial institutions approves, or 8158
in the event of the declaration of the existence of an emergency 8159
by the governor or another person lawfully exercising the power 8160
and duties of the office of governor, an officer of a bank, 8161
designated by the board of directors of the officer's bank, in 8162
the reasonable and proper exercise of the designated officer's 8163
discretion may determine not to open one or more of the bank's 8164
banking offices on any business or banking day, or, if having 8165
opened, to close one or more of the bank's banking offices 8166
during the continuation of the occurrence or emergency. In no 8167
case shall any banking office remain closed for more than ~~forty-~~ 8168
~~eight~~ two consecutive ~~hours~~ days, excluding weekends and legal 8169
holidays, without obtaining the approval of the superintendent 8170
~~or, in the case of a national bank, the comptroller of the~~ 8171
~~currency~~. A designated officer closing a banking office pursuant 8172
to the authority granted under this section shall give as prompt 8173
notice of the action as conditions permit, and by any means 8174

available, to the superintendent ~~or the comptroller~~. 8175

(B) The designated officers of a bank may close any one or 8176
more or all of the bank's banking offices on any day designated, 8177
by proclamation of the president of the United States or the 8178
governor of this state, as a day of mourning, rejoicing, or 8179
other special observance. In such a case, the bank shall not be 8180
required to comply with any other provision of the Revised Code 8181
regarding the closing or reopening of banks or financial 8182
institutions. 8183

(C) Any act required or authorized to be performed at a 8184
banking office that has not been opened or that has been closed 8185
for any time pursuant to this section, may be performed on the 8186
next succeeding business day the banking office is reopened for 8187
business. Any other provision or rule of law notwithstanding, no 8188
liability or loss of rights of any kind on the part of any 8189
person, firm, or corporation, or of the bank, shall accrue or 8190
result because of any nonopening or closing authorized by this 8191
section. 8192

(D) The right of a bank not to open or to close under this 8193
section and the protections afforded with respect to that right 8194
shall be in addition to and not in lieu of any rights or 8195
protections granted under section 1304.07 of the Revised Code. 8196

Sec. 1119.11. (A) When a foreign bank engages in an 8197
activity or undertakes an action through an agency or branch 8198
licensed under this chapter, the foreign bank is subject to the 8199
same limitations on and requirements of engaging in the activity 8200
or taking the action that apply to a state bank ~~doing business~~ 8201
~~under authority granted by the superintendent of financial~~ 8202
~~institutions.~~ 8203

(B) (1) A foreign bank licensed to operate an agency shall 8204
not accept deposits from citizens or residents of the United 8205
States or exercise fiduciary powers. An account that carries a 8206
credit balance in connection with the distribution of loan 8207
proceeds is not a deposit for purposes of this section. 8208

(2) A foreign bank licensed to operate an agency may, in 8209
addition to conducting all of the permissible activities of a 8210
representative office set forth in division (B) of section 8211
1119.06 of the Revised Code, conduct limited banking activities 8212
at or through a licensed agency, including all of the following: 8213

(a) Lending money; 8214

(b) Maintaining credit balances that are incidental to or 8215
arise out of the distribution of loan proceeds; 8216

(c) Receiving funds as agent to be forwarded for deposit 8217
to an existing account at another office authorized to accept 8218
deposits. 8219

(C) A foreign bank licensed to operate a branch may, in 8220
addition to conducting all of the permissible activities of a 8221
representative office set forth in division (B) of section 8222
1119.06 of the Revised Code and all of the permissible 8223
activities of an agency set forth in division (B) (2) of this 8224
section, conduct the following activities at or through a 8225
licensed branch: 8226

(1) Accepting deposits, the acceptance of which does not 8227
constitute engaging in domestic retail deposit activities; 8228

(2) If qualified under Chapter 1111. of the Revised Code, 8229
exercising fiduciary powers; 8230

(3) Other activities authorized for state banks~~doing~~ 8231

~~business under authority granted by the superintendent.~~ 8232

(D) Each foreign bank licensed to operate an agency or 8233
branch shall, in the manner the superintendent of financial 8234
institutions prescribes, give notice to the agency's or branch's 8235
customers that deposits with that agency or branch are not 8236
insured by the federal deposit insurance corporation or 8237
otherwise. 8238

Sec. 1119.17. (A) Each foreign bank licensed under this 8239
chapter shall file with the superintendent of financial 8240
institutions any reports the superintendent may prescribe in the 8241
form and manner and containing the information the 8242
superintendent prescribes. 8243

(B) When the superintendent requires banks and trust 8244
companies to report their income and condition in accordance 8245
with ~~division (A) of~~ section 1121.21 of the Revised Code, the 8246
superintendent shall require each foreign bank licensed under 8247
this chapter to report the income and condition of its 8248
representative offices, agencies, and branches in this state. 8249

Sec. 1119.23. (A) If the superintendent of financial 8250
institutions determines, in accordance with division (A) of 8251
section 1119.22 of the Revised Code, any of the conditions set 8252
forth in that division exists, the superintendent, in addition 8253
to having the authority to revoke the foreign bank's license to 8254
operate a representative office, agency, or branch in accordance 8255
with section 1119.22 of the Revised Code, also may take 8256
possession of the foreign bank's business and property in this 8257
state and appoint a receiver for the liquidation of the foreign 8258
bank's business and property in this state. 8259

(B) The superintendent's taking possession of and 8260

appointing a receiver for a foreign bank's business and property 8261
in this state pursuant to division (A) of this section, and the 8262
liquidation of the foreign bank's business and property in this 8263
state, shall, except as provided in divisions (B)(1) and (2) of 8264
this section, be conducted in accordance with the procedures and 8265
is subject to the rights, powers, duties, requirements, and 8266
limitations provided in Chapter 1125. of the Revised Code for 8267
taking possession of the business and property and liquidation 8268
of a state bank. 8269

(1) After payment of the expenses of the liquidation and 8270
claims against the foreign bank arising from its doing business 8271
in this state in accordance with section 1125.24 of the Revised 8272
Code, any remaining funds from the liquidation of the foreign 8273
bank's business and property in this state shall be distributed 8274
in the following manner: 8275

(a) If the foreign bank's business and property is being 8276
liquidated in another state of the United States, the receiver 8277
shall distribute any remaining funds from the liquidation of the 8278
foreign bank's business and property in this state to the 8279
receiver in the other state for the payment of expenses of 8280
liquidation and claims against the foreign bank's business and 8281
property in the other state. 8282

(b) If the foreign bank's business and property is being 8283
liquidated in more than one other state of the United States, 8284
the receiver shall equitably distribute any remaining funds from 8285
the liquidation of the foreign bank's business and property in 8286
this state among the receivers in the other states for the 8287
payment of the expenses of liquidation and claims against the 8288
foreign bank's business and property in the other states. 8289

(c) If there is no liquidation of the business and 8290

property of the foreign bank occurring in any other state of the 8291
United States, the receiver shall pay any remaining funds from 8292
the liquidation of the business and property of the foreign bank 8293
in this state to the domiciliary receiver of the foreign bank 8294
or, if there is no domiciliary receiver, to the foreign bank. 8295

(2) (a) When the receiver has completed the liquidation of 8296
the foreign bank's business and property in this state, the 8297
receiver shall, with notice to the superintendent, file a 8298
petition with the court for an order declaring that the foreign 8299
bank's business in this state is properly wound up in the manner 8300
provided in section 1125.29 of the Revised Code. Upon the filing 8301
of a petition as provided in this division, the court shall 8302
proceed as provided in section 1125.29 of the Revised Code. 8303

(b) An order issued by the court pursuant to a petition 8304
filed in accordance with division (B) (2) (a) of this section 8305
shall do all things required by section 1125.29 of the Revised 8306
Code, but shall only declare that the foreign bank's business in 8307
this state has been properly wound up and shall not declare that 8308
the foreign bank is dissolved. The court may make whatever 8309
additional orders and grant whatever additional relief the court 8310
determines proper upon the evidence submitted. 8311

(c) Once the court issues the order declaring that the 8312
foreign bank's business in this state is properly wound up, the 8313
foreign bank shall cease doing business in this state except for 8314
any further winding up. 8315

(d) Once the court issues the order declaring the foreign 8316
bank's business in this state is properly wound up, the receiver 8317
shall promptly file a copy of the order, certified by the clerk 8318
of the court, with both the secretary of state and the 8319
superintendent. 8320

Sec. 1119.26. (A) A foreign bank may voluntarily liquidate 8321
and surrender its license to operate a representative office, 8322
agency, or branch licensed under this chapter only with the 8323
consent of the superintendent of financial institutions. 8324

(B) Prior to beginning any liquidation process, the 8325
foreign bank must file an application to voluntarily liquidate 8326
and surrender its license with the superintendent. The 8327
application shall include a plan of liquidation that includes 8328
all of the provisions required of a plan for voluntary 8329
liquidation of a state bank under division (C) of section 8330
1125.03 of the Revised Code, except that the plan of liquidation 8331
shall be limited in scope to the particular representative 8332
office, agency, or branch to be liquidated. 8333

(C) After conducting an examination, the superintendent 8334
may approve or deny a foreign bank's application to voluntarily 8335
liquidate and surrender its license based on the 8336
superintendent's evaluation of whether or not the interests of 8337
the representative office's, agency's, or branch's creditors or, 8338
where applicable, depositors, will suffer by the surrender. The 8339
superintendent's approval is subject to any condition the 8340
superintendent may determine appropriate under the 8341
circumstances. 8342

(D) If the superintendent approves the application to 8343
voluntarily liquidate and surrender a license, the foreign bank 8344
shall comply with the requirements of divisions (A) (1) and (2) 8345
of section 1125.04 of the Revised Code. 8346

(E) During the implementation of the plan of liquidation 8347
pursuant to this section, the superintendent retains the 8348
authority to supervise the representative office, agency, or 8349
branch and may conduct any examination relating to either the 8350

representative office, agency, or branch or the plan of 8351
liquidation the superintendent considers necessary or 8352
appropriate. 8353

(F) If the superintendent has reason to conclude the 8354
implementation of the plan of liquidation is not being safely or 8355
expeditiously conducted, the superintendent may do either of the 8356
following: 8357

(1) Begin revocation proceedings under section 1119.22 of 8358
the Revised Code; 8359

(2) Take possession of the business and property of the 8360
representative office, agency, or branch in the same manner, 8361
with the same effect, and subject to the same rights accorded 8362
the foreign bank under section 1119.23 of the Revised Code. 8363

(G) The superintendent shall cancel the foreign bank's 8364
license to operate a representative office, agency, or branch 8365
under this chapter if the superintendent has approved the 8366
voluntary liquidation and surrender of the license and both of 8367
the following conditions have been met: 8368

(1) The plan of liquidation has been completed. 8369

(2) The notifications required by division (D) of this 8370
section were properly given. 8371

Sec. 1121.01. As used in this chapter: 8372

(A) "Financial institution regulatory authority" includes 8373
a regulator of a business activity in which a bank or trust 8374
company is engaged, or has applied to engage in, to the extent 8375
that the regulator has jurisdiction over a bank or trust company 8376
engaged in that business activity. A bank or trust company is 8377
engaged in a business activity, and a regulator of that business 8378

activity has jurisdiction over the bank or trust company, 8379
whether the bank or trust company conducts the activity directly 8380
or a subsidiary or affiliate of the bank or trust company 8381
conducts the activity. 8382

(B) "Regulated person" means any of the following: 8383

(1) A director, officer, or employee of or agent for a 8384
bank or trust company or a ~~controlling shareholder of person who~~ 8385
controls a state bank, foreign bank, or trust company. For 8386
purposes of division (B)(1) of this section, "control" has the 8387
same meaning as in section 1115.06 of the Revised Code. 8388

(2) A person who is required to obtain, but has not yet 8389
obtained, the consent of the superintendent of financial 8390
institutions to acquire control of a state bank pursuant to 8391
section 1115.06 of the Revised Code; 8392

(3) A person participating in the conduct of the affairs 8393
of a state bank or trust company. 8394

(C) "Participating in the conduct of the affairs of a bank 8395
or trust company" means either making decisions or, directly or 8396
indirectly, taking actions that are management or policymaking 8397
in nature and generally within the scope of authority of the 8398
bank's or trust company's board of directors or executive 8399
officers. Whether a person is or was participating in the 8400
conduct of the affairs of a bank or trust company is an issue of 8401
fact, and not to be determined solely on the basis of the 8402
person's title, contract, or indicia of employment or 8403
independent contractor status. 8404

Sec. 1121.02. (A) The superintendent of financial 8405
institutions shall see that the laws and rules relating to ~~banks~~ 8406
institutions and businesses governed by Chapters 1101. to 1127. 8407

of the Revised Code are executed and enforced. 8408

(B) The deputy superintendent for banks shall be the 8409
principal supervisor of state banks and trust companies. In that 8410
position the deputy superintendent for banks shall, 8411
notwithstanding sections 1121.10 and 1121.11 of the Revised 8412
Code, be responsible for conducting examinations and preparing 8413
examination reports under those sections. In addition, the 8414
deputy superintendent for banks shall, notwithstanding division 8415
(A) of section 1121.03 and sections 1121.05 and 1121.06 of the 8416
Revised Code, have the authority to adopt rules and standards in 8417
accordance with those sections. In performing or exercising any 8418
of the examination, rule-making, or other regulatory functions, 8419
powers, or duties vested by this division in the deputy 8420
superintendent for banks, the deputy superintendent for banks 8421
shall be subject to the control of the superintendent of 8422
financial institutions. 8423

Sec. 1121.05. (A) Notwithstanding any provisions of the 8424
Revised Code, except as provided in division (E) of this 8425
section, the superintendent of financial institutions shall, by 8426
rule, grant state banks and trust companies doing business under 8427
authority granted by the superintendent any right, power, 8428
privilege, or benefit possessed, by virtue of statute, rule, 8429
regulation, interpretation, or judicial decision, by any of the 8430
following: 8431

(1) Banks and trust companies doing business under 8432
authority granted by the office of the comptroller of the 8433
currency or the bank regulatory authority of any other state of 8434
the United States; 8435

(2) Savings associations doing business under authority 8436
granted by the ~~superintendent of financial institutions, office~~ 8437

of ~~thrift supervision, the comptroller of the currency~~ or the 8438
savings and loan association regulatory authority of any other 8439
state of the United States; 8440

(3) Savings banks doing business under authority granted 8441
by the ~~superintendent of financial institutions or the savings~~ 8442
bank regulatory authority of any other state of the United 8443
States; 8444

(4) Credit unions doing business under authority granted 8445
by the superintendent of financial institutions, the national 8446
credit union administration, or the credit union regulatory 8447
authority of any other state of the United States; 8448

(5) Any other banks, savings associations, or credit 8449
unions with a principal place of business in the United States 8450
doing business under authority granted under laws of the United 8451
States; 8452

(6) Any other persons ~~having an office or other place of~~ 8453
~~business in this state and engaging in the business of banking,~~ 8454
offering financial products and services, soliciting or 8455
accepting deposits, lending money, or buying or selling bullion, 8456
bills of exchange, notes, bonds, stocks, or other evidences of 8457
indebtedness ~~with a view to profit~~ whether through an office or 8458
other place of business in this state or via the internet, 8459
advertising, or other form of solicitation; 8460

(7) Small business investment companies licensed under the 8461
"Small Business Investment Company Act of 1958," 72 Stat. 689, 8462
15 U.S.C. 661, as amended; 8463

(8) Persons chartered under the "Farm Credit Act of 1933," 8464
48 Stat. 257, 12 U.S.C. 1131(d), as amended. 8465

(B) The superintendent shall adopt rules authorized by 8466

division (A) of this section in accordance with section 111.15 8467
of the Revised Code. 8468

(C) A rule adopted by the superintendent pursuant to the 8469
authority of this section becomes effective on the later of the 8470
following dates: 8471

(1) The date the superintendent issues the rule; 8472

(2) The date the statute, rule, regulation, 8473
interpretation, or judicial decision the superintendent's rule 8474
is based on becomes effective. 8475

(D) (1) The superintendent may, upon thirty days' written 8476
notice, revoke any rule adopted under the authority of this 8477
section. A rule adopted under the authority of this section, and 8478
not revoked by the superintendent, enacted into law, or adopted 8479
in accordance with Chapter 119. of the Revised Code, lapses and 8480
has no further force and effect thirty months after its 8481
effective date; however, the superintendent may adopt the rule 8482
under section 111.15 of the Revised Code pursuant to this 8483
section for an additional thirty-month period. 8484

(2) The superintendent may require a state bank or trust 8485
company that has acted in reliance on a rule adopted and later 8486
revoked or lapsed under the authority of this section to bring 8487
its affected activities in compliance with the law. Unless the 8488
activities will or may result in harm to the bank or trust 8489
company as determined by the superintendent, the bank or trust 8490
company shall be granted a reasonable period of time of not less 8491
than one year nor more than two years from the date the rule is 8492
revoked or lapsed, to bring its affected activities in 8493
compliance with the law. The superintendent may, upon the 8494
written request of a state bank or trust company, grant the bank 8495

or trust company a longer period of time in which to bring its 8496
affected activities in compliance with the law. 8497

(E) The superintendent shall not adopt any rule dealing 8498
with interest rates charged under the authority of this section. 8499

Sec. 1121.06. (A) Notwithstanding any provision of the 8500
Revised Code, if any regulation, rule, interpretation, 8501
procedure, or guideline of the office of the comptroller of the 8502
currency, federal deposit insurance corporation, federal reserve 8503
board, consumer financial protection bureau, national credit 8504
union administration, or any other bank regulatory authority of 8505
the United States, or the bank regulatory authority of any other 8506
state of the United States, puts a bank or trust company doing 8507
business under authority granted by the superintendent of 8508
financial institutions at a disadvantage to ~~a national bank~~ any 8509
other type of financial institution, the superintendent may 8510
adopt a rule that reduces or eliminates the disadvantage to a 8511
bank or trust company doing business under authority granted by 8512
the superintendent. 8513

(B) The superintendent shall adopt rules authorized by 8514
division (A) of this section in accordance with section 111.15 8515
of the Revised Code. ~~Chapter 119. of the Revised Code does not~~ 8516
~~apply to rules adopted under the authority of this section.~~ 8517

(C) A rule adopted by the superintendent pursuant to the 8518
authority of this section is effective on the later of the 8519
following dates: 8520

(1) The date the superintendent issues the rule; 8521

(2) The date the regulation, rule, interpretation, 8522
procedure, or guideline the superintendent's rule is based on 8523
becomes effective. 8524

(D) (1) The superintendent may, upon thirty days' written notice, revoke any rule adopted under the authority of this section. A rule adopted under the authority of this section, and not revoked by the superintendent, enacted into law, or adopted in accordance with Chapter 119. of the Revised Code, lapses and has no further force and effect thirty months after its effective date; however, the superintendent may adopt the rule under section 111.15 of the Revised Code pursuant to this section for an additional thirty-month period.

(2) The superintendent may require a bank or trust company that has acted in reliance on a rule adopted and later revoked or lapsed under the authority of this section to bring its affected activities in compliance with the law. Unless the activities will or may result in harm to the bank or trust company as determined by the superintendent, the bank or trust company shall be granted a reasonable period of time, but not less than one year from the date the rule is revoked or lapsed, to bring its affected activities in compliance with the law.

Sec. 1121.10. (A) As often as the superintendent of financial institutions considers necessary, but at least once each twenty-four-month cycle, the superintendent, or any deputy or examiner appointed by the superintendent for that purpose, shall thoroughly examine the records and affairs of each state bank. The examination shall include a review of ~~both~~ all of the following:

(1) Compliance with law;

(2) Safety and soundness;

(3) Other matters the superintendent determines.

(B) The superintendent may examine the records and affairs

of any of the following as the superintendent considers 8554
necessary: 8555

(1) Any party to a proposed reorganization for which the 8556
superintendent's approval is required by section 1115.11 or 8557
1115.14 of the Revised Code; 8558

(2) Any bank, savings and loan association, or savings 8559
bank proposing to convert to a bank doing business under 8560
authority granted by the superintendent for which the 8561
superintendent's approval is required by section ~~1115.01~~1115.02 8562
of the Revised Code; 8563

(3) Any person proposing to acquire control of a state 8564
bank for which the superintendent's approval is required by 8565
section 1115.06 of the Revised Code, or who acquired control of 8566
a state bank without the approval of the superintendent when 8567
that approval was required by section 1115.06 of the Revised 8568
Code, ~~was with respect to the~~ state bank of which control is to 8569
be, or was, acquired; 8570

(4) Any bank proposing to establish or acquire a branch 8571
for which the superintendent's approval is required by section 8572
1117.02 of the Revised Code; 8573

(5) Any foreign bank that maintains, or proposes to 8574
establish, one or more offices in this state; 8575

(6) Any trust company. 8576

(C) The board of directors or holders of a majority of the 8577
shares of a state bank or trust company may request the 8578
superintendent conduct a special examination of the records and 8579
affairs of the bank or trust company. The superintendent has 8580
sole discretion over the scope and timing of a special 8581
examination, and may impose restrictions and limitations on the 8582

use of the results of a special examination in addition to the 8583
restrictions and limitations otherwise imposed by law. 8584

(D) The superintendent may conduct all aspects of an 8585
examination concurrently or may divide the examination into 8586
constituent parts and conduct them at various times. 8587

(E) The superintendent shall preserve the report of each 8588
examination, including related correspondence received and 8589
copies of related correspondence sent, for twenty years after 8590
the examination date. 8591

Sec. 1121.12. An examination of the records and affairs of 8592
a state bank under section 1121.10 of the Revised Code may 8593
include the examination of a ~~controlling shareholder of person~~ 8594
who, directly or indirectly, controls the bank that is a bank 8595
holding company registered with the federal reserve or a savings 8596
and loan holding company, but only to the extent explicitly 8597
permitted under this section. To examine the records and affairs 8598
of a ~~controlling shareholder person who, directly or indirectly,~~ 8599
controls a bank that is a bank holding company registered with 8600
the federal reserve or a savings and loan holding company, the 8601
superintendent of financial institutions may do one of the 8602
following: 8603

(A) Rely on an examination of the bank holding company or 8604
savings and loan holding company conducted by a financial 8605
institution regulatory authority of another state, the United 8606
States, or another country, as provided in division (A) (3) of 8607
section 1121.11 of the Revised Code; 8608

(B) Participate with the financial institution regulatory 8609
authorities of other states, the United States, and other 8610
countries in a joint or coordinated examination of the bank 8611

holding company or savings and loan holding company, provided 8612
that both of the following apply: 8613

(1) The examination of the bank holding company or savings 8614
and loan holding company is validly authorized by and conducted 8615
pursuant to the laws of this state and such other state, the 8616
United States, or other country. 8617

(2) Participation of the examiners of the division of 8618
financial institutions will increase the efficiency in 8619
regulating financial institutions, and not increase the cost of 8620
examination to the bank holding company or savings and loan 8621
holding company. 8622

(C) Examine the bank holding company or savings and loan 8623
holding company pursuant to an agreement with financial 8624
institution regulatory authorities of other states, the United 8625
States, or other countries, provided that both of the following 8626
apply: 8627

(1) The examination of the bank holding company or savings 8628
and loan holding company is validly authorized by and conducted 8629
pursuant to the laws of this state and such other state, the 8630
United States, or other country. 8631

(2) The other financial institution regulatory authority 8632
agrees to rely on the superintendent's examination in lieu of 8633
conducting its own examination. 8634

(D) Examine the bank holding company or savings and loan 8635
holding company if both of the following apply: 8636

(1) The superintendent has reasonable cause to believe 8637
that there is a significant risk of imminent material harm to 8638
the bank, or to any subsidiary or nonbank affiliate as its 8639
affairs relate to the bank, and the examination of the bank 8640

holding company or savings and loan holding company is necessary 8641
to fully determine the risk to the bank, or to determine how 8642
best to address the risk to the bank. 8643

(2) Either of the following occurs: 8644

(a) The superintendent, in writing, requests the federal 8645
reserve to examine the bank holding company, and within fifteen 8646
days the federal reserve does not commence an examination of the 8647
bank holding company and notifies the superintendent that the 8648
federal reserve does not object to the examination. 8649

(b) The banking commission concurs with the 8650
superintendent's determination of both of the following: 8651

(i) There is reasonable cause to believe that there ~~a~~ is a 8652
significant risk of imminent material harm to the bank. 8653

(ii) The examination of the bank holding company or 8654
savings and loan holding company is necessary to fully determine 8655
the risk to the bank, or to determine how best to address the 8656
risk to the bank. 8657

(E) For purposes of this section, a bank holding company 8658
includes not only the bank holding company, but also includes 8659
any nonbank affiliates of the bank holding company that are 8660
subject to examination by the federal reserve. 8661

Sec. 1121.13. An examination of the records and affairs of 8662
a state bank under section 1121.10 of the Revised Code may 8663
include the examination of a ~~controlling shareholder of person~~ 8664
who, directly or indirectly, controls the state bank that and is 8665
a corporation that is not a bank holding company registered with 8666
the federal reserve or a savings and loan holding company, as 8667
its affairs relate to the bank. 8668

Sec. 1121.15. (A) The superintendent of financial 8669
institutions may prescribe the manner and form of keeping the 8670
books and accounts of state banks, so the books and accounts may 8671
be as nearly uniform as circumstances permit. 8672

(B) Any person that, by contract or otherwise, performs 8673
services for a state bank or trust company or a representative 8674
office, agency, or branch licensed under Chapter 1119. of the 8675
Revised Code, whether on or off the premises of the bank, trust 8676
company, representative office, agency, or branch, is subject to 8677
examination by the superintendent as to the books and records of 8678
the bank, trust company, representative office, agency, or 8679
branch in the person's possession, to the same extent as if the 8680
services were being performed by the bank, trust company, 8681
representative office, agency, or branch itself. For the 8682
purposes of this division, "services" includes clerical, 8683
bookkeeping, accounting, statistical, and other services. A 8684
state bank, trust company, representative office, agency, or 8685
branch shall notify the superintendent in writing whenever 8686
another person is performing services of this kind for the bank, 8687
trust company, representative office, agency, or branch, or the 8688
bank, trust company, representative office, agency, or branch 8689
changes the person performing the services. 8690

Sec. 1121.16. (A) No state bank, trust company, or 8691
regulated person shall do any of the following: 8692

(1) Refuse to allow any examination authorized by section 8693
1121.10 of the Revised Code; 8694

(2) Refuse to give information required by the division of 8695
financial institutions in the course of or in relation to an 8696
examination authorized by section 1121.10 of the Revised Code; 8697

(3) Provide false or misleading information in the course 8698
of or in relation to an examination authorized by section 8699
1121.10 of the Revised Code, knowing it to be false or 8700
misleading. 8701

(B) If a state bank, trust company, or regulated person 8702
violates division (A) of this section, the superintendent may do 8703
any of the following: 8704

(1) Issue a cease and desist order pursuant to section 8705
1121.32 of the Revised Code, issue a removal or prohibition 8706
order pursuant to section 1121.33 of the Revised Code, ~~or issue~~ 8707
a suspension or temporary prohibition order pursuant to section 8708
1121.34 of the Revised Code, or assess a civil penalty pursuant 8709
to section 1121.35 of the Revised Code; 8710

(2) Appoint a conservator for the state bank pursuant to 8711
section 1125.09 of the Revised Code; 8712

(3) Initiate civil or criminal proceedings the 8713
superintendent considers appropriate. 8714

Sec. 1121.17. (A) Accounts and other documents required by 8715
the superintendent of financial institutions may be signed and 8716
sworn to or affirmed on behalf of a state bank or trust company 8717
by any officer or director authorized to do so by the ~~bank to do~~ 8718
~~so~~ bank's or trust company's board of directors. 8719

(B) When the superintendent requires, any officer, 8720
official, employee, or director of a state bank or trust company 8721
receiving any communication from the division of financial 8722
institutions relative to examination or investigation by the 8723
superintendent shall submit the communication to the bank's or 8724
trust company's executive committee or board of directors. 8725

Sec. 1121.18. (A) ~~Information leading to, arising from, or~~ 8726

The superintendent of financial institutions and the 8727
superintendent's agents and employees shall keep privileged and 8728
confidential all information obtained in the course by the 8729
superintendent or the superintendent's agents or employees as a 8730
result of or arising out of the examination or supervision of a 8731
bank or any examination conducted pursuant to the authority of 8732
section 1121.10 or 1121.11 of the Revised Code ~~is privileged and~~ 8733
~~confidential, from required reports, or because of their~~ 8734
official position. No person, including any person to whom the 8735
information is disclosed under the authority of this section, 8736
shall disclose the information leading to, arising from, or 8737
~~obtained in the course of an examination,~~ except as specifically 8738
provided in this section. 8739

(B) The superintendent of financial institutions and the 8740
superintendent's agents and employees may disclose the 8741
information ~~leading to, arising from, or obtained in the course~~ 8742
~~of an examination conducted pursuant to section 1121.10 or~~ 8743
~~1121.11 of the Revised Code described in division (A) of this~~ 8744
section only as follows: 8745

(1) To the governor, director of commerce, or deputy 8746
director of commerce to enable them to act in the interests of 8747
the public; 8748

(2) To the banking commission to enable the commission to 8749
effectively advise the superintendent and take action on any 8750
matter the superintendent presents to the commission; 8751

(3) To financial institution regulatory authorities of 8752
this and other states, the United States, and other countries to 8753
assist them in their regulatory duties; 8754

(4) To the directors, executive officers, agents, and 8755

parent company of the bank or other person examined to assist 8756
them in conducting the business of the bank or other person 8757
examined in a safe and sound manner and in compliance with law; 8758

(5) To auditors, attorneys, or similar professionals 8759
retained by the bank or trust company to assist in conducting 8760
the business of the bank or trust company, or other person 8761
examined, in a safe and sound manner and in compliance with the 8762
law; 8763

(6) To law enforcement authorities ~~conducting in~~ 8764
connection with criminal investigations or referrals made by the 8765
superintendent; 8766

(7) To other state and federal agencies or, in the case of 8767
a state bank, to the federal home loan bank to which the bank 8768
belongs, as the superintendent determines necessary and 8769
appropriate, but only under such conditions and limitations as 8770
the superintendent, in the superintendent's sole discretion, may 8771
require. 8772

(C) (1) ~~Information leading to, arising from, or obtained~~ 8773
~~in the course of an examination of a bank or other person~~ 8774
~~pursuant to section 1121.10 or 1121.11 of the Revised Code~~ The 8775
information described in division (A) of this section shall not 8776
be discoverable from any source, and shall not be introduced 8777
into evidence, except in the following circumstances: 8778

(a) In connection with criminal proceedings; 8779

(b) When, in the opinion of the superintendent, it is 8780
appropriate with regard to enforcement actions taken and 8781
decisions made by the superintendent under the authority of 8782
Chapters 1101. to 1127. of the Revised Code regarding a bank, 8783
trust company, or other person; 8784

(c) When litigation, penalties, or an enforcement action 8785
has been initiated by the superintendent in furtherance of the 8786
powers, duties, and obligations imposed upon the superintendent 8787
by Chapters 1101. to 1127. of the Revised Code; 8788

(d) When authorized by agreements between the 8789
superintendent and financial institution regulatory authorities 8790
of this and other states, the United States, and other countries 8791
authorized by section 1121.11 of the Revised Code; 8792

(e) When and in the manner authorized in section 1181.25 8793
of the Revised Code. 8794

(2) The discovery of information ~~leading to, arising from,~~ 8795
~~or obtained in the course of an examination~~ pursuant to division 8796
(C) (1) (b), (c), or (d) of this section shall be limited to 8797
information that directly relates to the bank, trust company, 8798
regulated person, or other person who is the subject of the 8799
enforcement action, decision, penalties, or litigation. 8800

(D) A report of an examination conducted pursuant to 8801
section 1121.10 or 1121.11 of the Revised Code is the property 8802
of the division of financial institutions. Under no 8803
circumstances may the bank or other person examined, its 8804
directors, officers, employees, agents, regulated persons, or 8805
contractors, or any person having knowledge or possession of a 8806
report of examination, or any of its contents, disclose or make 8807
public in any manner the report of examination or its contents. 8808
The authority provided in division (B) (4) of this section for 8809
use of examination information to assist in conducting the 8810
business of the bank or other person examined in a safe and 8811
sound manner and in compliance with law shall not be construed 8812
to authorize disclosure of a report of examination or any of its 8813
contents in conducting business with the examined bank's or 8814

person's customers, creditors, ~~or~~ shareholders, or members, or 8815
with other persons. 8816

(E) The superintendent may, in accordance with Chapter 8817
119. of the Revised Code, adopt rules to permit a bank, trust 8818
company, or other person to disclose the information described 8819
in division (A) of this section in limited circumstances other 8820
than those specified in this section. 8821

(F) Whoever violates this section shall be removed from 8822
office, shall be liable, with the violator's bond in damages 8823
to the person injured by the disclosure of information, and is 8824
guilty of a felony of the fourth degree. 8825

Sec. 1121.19. (A) As used in this section, a "self- 8826
assessment report" of a bank includes, but is not limited to, 8827
all of the following: 8828

(1) An evaluation of the bank's loan underwriting 8829
standards, asset quality, financial reporting to federal or 8830
state regulatory agencies, and compliance with its policies and 8831
with federal or state statutory or regulatory requirements; 8832

(2) Any communication related to the report, including 8833
electronic mails or telephone logs. 8834

(B) A self-assessment report, any portion or contents of 8835
the report, and any documents, data, compilations, analyses, or 8836
other information and material generated, created, produced, 8837
developed, or prepared as part of the self-assessment process, 8838
are privileged and not admissible or subject to discovery in any 8839
civil or administrative litigation, action, proceeding, or 8840
investigation. 8841

(C) The self-assessment privilege granted by this section 8842
to a bank and its affiliates applies regardless of whether a 8843

bank regulator or any other governmental authority in possession 8844
of a self-assessment report or any portion or contents of it 8845
subsequently discloses it or any portion or contents of it to a 8846
third party as required or permitted by any state or federal 8847
law. 8848

(D) Notwithstanding any applicable state or federal public 8849
records law, a bank regulator or any other governmental 8850
authority in possession of a self-assessment report or any 8851
portion or contents of it shall not disclose the report or any 8852
portion or contents of it to any person in response to a public 8853
records request. 8854

Sec. 1121.21. ~~(A) (1)~~—Each bank and trust company shall 8855
report its condition and income to the division of financial 8856
institutions at the times, in the form, and including the 8857
information the superintendent of financial institutions 8858
prescribes. 8859

~~(2) A bank or trust company shall maintain a summary of~~ 8860
~~its most recent report of condition and income, in the form~~ 8861
~~prescribed by the superintendent, in each of its banking or~~ 8862
~~trust service offices, post notice of the availability of the~~ 8863
~~summary in each office, and make the summary available to the~~ 8864
~~public without charge.~~ 8865

~~(B) Any bank or trust company that fails to comply with~~ 8866
~~division (A) (1) or (2) of this section is subject to a~~ 8867
~~forfeiture of one hundred dollars for each day the failure~~ 8868
~~continues unless the bank or trust company corrects the failure~~ 8869
~~within seven days after receiving the superintendent's notice of~~ 8870
~~the failure.~~ 8871

Sec. 1121.23. Whenever the approval of the superintendent 8872

of financial institutions is required under Chapters 1101. to 8873
1127. of the Revised Code, or under an order or supervisory 8874
action issued or taken under those chapters, for a person to 8875
serve as an organizer, incorporator, director, executive 8876
officer, or ~~controlling shareholder of~~ person who, directly or 8877
indirectly, controls a bank, or to otherwise have a substantial 8878
interest in or participate in the management of a bank, the 8879
superintendent shall request the superintendent of the bureau of 8880
criminal identification and investigation, or a vendor approved 8881
by the bureau, to conduct a criminal records check based on the 8882
person's fingerprints in accordance with section 109.572 of the 8883
Revised Code. The superintendent of financial institutions shall 8884
request that criminal record information from the federal bureau 8885
of investigation be obtained as part of the criminal records 8886
check. Any fee required under division (C) (3) of section 109.572 8887
of the Revised Code shall be paid by the person who is the 8888
subject of the request. 8889

Nothing in this section prohibits the superintendent of 8890
financial institutions from conditionally approving a person to 8891
serve as an organizer, incorporator, director, executive 8892
officer, or person who, directly or indirectly, controls a bank, 8893
or to otherwise have a substantial interest in or participate in 8894
the management of a bank, subject to receiving satisfactory 8895
results of the criminal records check. If the superintendent 8896
does not receive the results within ninety days after the 8897
criminal records check was requested, the superintendent may 8898
extend the conditional approval for not more than ninety days. 8899

Sec. 1121.26. When considering the impact of a proposed 8900
action or transaction on the convenience and needs of the 8901
community to be served, both of the following shall apply: 8902

(A) The superintendent of ~~banks~~financial institutions 8903
shall assess whether the facts and circumstances relating to the 8904
proposed action or transaction reasonably indicate that the 8905
purpose for the proposed action or transaction is to engage in 8906
the banking business and provide banking services in the 8907
community to be served, rather than to raise funds for other 8908
purposes or otherwise serve a nonbanking purpose. 8909

(B) The superintendent shall not require the person 8910
proposing the action or transaction to prove any of the 8911
following: 8912

(1) There is substantial unmet need for banking services 8913
in the community. 8914

(2) The person will bring banking services or other 8915
particular advantages to the community that are not presently 8916
available there. 8917

(3) The action or transaction will not adversely affect an 8918
existing financial institution in the community. 8919

Sec. 1121.30. (A) All assessments, fees, charges, and 8920
forfeitures provided for in Chapters 1101. to 1127. and sections 8921
1315.01 to 1315.18 of the Revised Code, except civil penalties 8922
assessed pursuant to section 1121.35 or 1315.152 of the Revised 8923
Code, shall be paid to the superintendent of financial 8924
institutions, and the superintendent shall deposit them into the 8925
state treasury to the credit of the banks fund, which is hereby 8926
created. 8927

(B) The superintendent may expend or obligate the banks 8928
fund to defray the costs of the division of financial 8929
institutions in administering Chapters 1101. to 1127. and 8930
sections 1315.01 to 1315.18 of the Revised Code. The 8931

superintendent shall pay from the fund all actual and necessary 8932
expenses incurred by the superintendent, including for any 8933
services rendered by the department of commerce for the 8934
division's administration of Chapters 1101. to 1127. and 8935
sections 1315.01 to 1315.18 of the Revised Code. The fund shall 8936
be assessed a proportionate share of the administrative costs of 8937
the department and the division of financial institutions. The 8938
proportionate share of the administration costs of the division 8939
of financial institutions shall be determined in accordance with 8940
procedures prescribed by the superintendent and approved by the 8941
director of budget and management. The amount assessed for the 8942
fund's proportional share of the department's administrative 8943
costs and the division's administrative costs shall be paid from 8944
the banks fund to the division of administration fund and the 8945
division of financial institutions fund respectively. 8946

(C) Any money deposited into the state treasury to the 8947
credit of the banks fund, but not expended or encumbered by the 8948
superintendent to defray the costs of administering Chapters 8949
1101. to 1127. and sections 1315.01 to 1315.18 of the Revised 8950
Code, shall remain in the banks fund for expenditures by the 8951
superintendent in subsequent years and shall not be used for any 8952
purpose other than as set forth in this section. 8953

Sec. 1121.33. (A) The superintendent of financial 8954
institutions may issue and serve a notice of charges and intent 8955
to remove a regulated person from office or prohibit a regulated 8956
person from further participation in the conduct of the affairs 8957
of a bank or trust company, or both, if, in the opinion of the 8958
superintendent, all of the following apply: 8959

(1) The regulated person has, directly or indirectly, done 8960
any of the following: 8961

(a) Violated any of the following:	8962
(i) A law or rule;	8963
(ii) A final cease and desist order;	8964
(iii) A condition imposed in writing by the superintendent in connection with granting an application or notice that is subject to the superintendent's approval or an opportunity for the superintendent to disapprove or other request by a bank, trust company, or regulated person;	8965 8966 8967 8968 8969
(iv) A written agreement between a bank or trust company and the superintendent, or between the regulated person and the superintendent.	8970 8971 8972
(b) Engaged or participated in an unsafe or unsound practice in connection with a bank, trust company, or other business institution;	8973 8974 8975
(c) Committed or engaged in an act, omission, or practice constituting a breach of the regulated person's fiduciary duty as a regulated person.	8976 8977 8978
(2) The violation, practice, or breach results in any of the following:	8979 8980
(a) A bank, trust company, or other business institution has suffered or will probably suffer substantial financial loss or other damage;	8981 8982 8983
(b) The interests of a bank's depositors or shareholders or trust company's beneficiaries or shareholders have been or could be prejudiced;	8984 8985 8986
(c) The regulated person has received or will receive financial gain or other benefit.	8987 8988

(3) The violation, practice, or breach does either of the following:	8989
	8990
(a) Involves personal dishonesty on the part of the regulated person;	8991
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(b) Demonstrates willful or continuing disregard by the regulated person for the safety and soundness of a bank, trust company, or business institution.	8993
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(B) The notice of charges and intent to remove a regulated person from office or prohibit a regulated person from further participation in the conduct of the affairs of a bank or trust company shall include all of the following:	8996
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(1) A statement of the violation or violations, unsafe or unsound practice or practices, or breach or breaches alleged;	9000
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(2) A statement of the facts constituting the grounds for the proposed removal or prohibition order;	9002
	9003
(3) Notice that the regulated person is entitled to a hearing, in accordance with section 1121.38 of the Revised Code, to determine whether an order removing the regulated person from office, prohibiting the regulated person from further participation in the conduct of the affairs of a bank or trust company, or both, should be issued against the regulated person if the regulated person requests the hearing within thirty days after service of the notice;	9004
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(4) Notice that, if the regulated person makes a timely request for a hearing, the regulated person may appear at the hearing in person, by attorney, or by presenting positions, arguments, and contentions in writing, and at the hearing may present evidence and examine witnesses for and against the regulated person.	9012
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(5) Notice that failure of the regulated person to timely request a hearing to determine whether an order removing the regulated person from office, prohibiting the regulated person from further participation in the conduct of the affairs of a bank or trust company, or both, should be issued or to appear at the hearing, in person, by attorney, or by writing, is consent by the regulated person to the issuance of the order.

(C) The superintendent may issue an order removing the regulated person from office or prohibiting the regulated person from further participation in the conduct of the affairs of a bank or trust company, or both, if either of the following applies:

(1) The regulated person consents to the issuance of the order;

(2) Upon the record of the hearing the superintendent finds the grounds for the order have been established.

(D) A regulated person who has been removed from office or prohibited from further participation in the conduct of the affairs of a bank or trust company pursuant to this section or by order of the bank regulatory authority of another state or the United States shall not, while the removal or prohibition order is in effect, continue or commence to hold any office of or participate in any manner in the conduct of the affairs of any bank or trust company in this state, except as specifically permitted by the superintendent or by the bank regulatory authority of another state or the United States pursuant to modification of the order. Participation in the conduct of the affairs of a bank or trust company includes doing any of the following:

(1) Soliciting, procuring, transferring, attempting to transfer, voting, or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any bank or trust company;

(2) Violating any voting agreement previously approved by the superintendent;

(3) Voting for a director of any bank or trust company.

(E) An order issued by the superintendent pursuant to this section is effective at the time specified in the order, which, in the case of an order issued pursuant to division (C) (2) of this section, shall be not less than thirty days after service of the order on the regulated person.

(F) An order issued by the superintendent pursuant to this section shall remain enforceable and effective as provided in the order except to the extent it is stayed, modified, terminated, or set aside by action of the superintendent or a reviewing court.

(G) The superintendent shall serve a certified copy of a removal or prohibition order issued pursuant to this section on any bank or trust company in relation to which the object of the removal or prohibition order is a regulated person.

Sec. 1121.34. (A) (1) The superintendent of financial institutions may issue an order suspending a regulated person from office or temporarily prohibiting a regulated person from further participation in the conduct of the affairs of a bank or trust company, or both, if both of the following apply:

(a) The superintendent serves, or has served, the regulated person with a notice of charges and intent to remove the regulated person or prohibit the regulated person from

further participation in the conduct of the affairs of a bank or trust company pursuant to section 1121.33 of the Revised Code. 9076
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(b) The superintendent determines the suspension or temporary prohibition is necessary for the protection of a bank or trust company or the interests of a bank's depositors or a trust company's beneficiaries. 9078
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(2) An order issued pursuant to division (A)(1) of this section is effective immediately upon service on the regulated person, and remains effective and enforceable as provided in the order except to the extent it is stayed, modified, terminated, or set aside by action of the superintendent or a reviewing court. If, upon the record of a hearing, the superintendent determines not to issue an order removing a regulated person from office or prohibiting a regulated person's further participation in the conduct of the affairs of a bank or trust company pursuant to section 1121.33 of the Revised Code, the order issued pursuant to division (A)(1) of this section is terminated. 9082
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(3) Within ten days after being served a suspension or temporary prohibition order pursuant to division (A)(1) of this section, a regulated person may apply to the court of common pleas of the county in which the residence of the regulated person is located, or the court of common pleas of Franklin county, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the suspension or temporary prohibition order pending completion of the hearing on the notice of charges served on the regulated person pursuant to section 1121.33 of the Revised Code, and the court has jurisdiction to issue the injunction. 9094
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(B)(1) Whenever a regulated person is charged in any 9105

information, indictment, or complaint, authorized by a 9106
prosecuting attorney or a United States attorney, with the 9107
commission of or participation in a felony or a crime involving 9108
an act of fraud, dishonesty~~or~~, breach of trust, theft, or money 9109
laundering involving a depository institution, the 9110
superintendent may suspend the regulated person from office or 9111
temporarily prohibit the regulated person's further 9112
participation in the conduct of the affairs of a bank or trust 9113
company, or both. A suspension or temporary prohibition order 9114
issued pursuant to division (B) (1) of this section is effective 9115
immediately upon service on the regulated person, and remains 9116
effective and enforceable until the information, indictment, or 9117
complaint is finally disposed of or the superintendent 9118
terminates the order. 9119

(2) If a judgment of conviction or an agreement to enter a 9120
pretrial diversion or other similar program is entered against a 9121
regulated person with respect to the information, indictment, or 9122
complaint and, in the case of a judgment of conviction, is not 9123
subject to further appellate review, the superintendent may 9124
remove the regulated person from office, prohibit the regulated 9125
person from further participation in the conduct of the affairs 9126
of a bank or trust company, or both. A removal or prohibition 9127
order issued pursuant to division (B) (2) of this section is 9128
effective immediately upon service on the regulated person, and 9129
remains effective and enforceable as provided in the removal or 9130
prohibition order except to the extent it is stayed, modified, 9131
terminated, or set aside by action of the superintendent. 9132

(3) A finding of not guilty or other disposition of the 9133
information, indictment, or complaint does not preclude the 9134
superintendent from subsequently instituting proceedings 9135
pursuant to section 1121.33 of the Revised Code to remove the 9136

regulated person from office or to prohibit the regulated person 9137
from further participation in the conduct of the affairs of a 9138
bank or trust company, or both. 9139

(C) The superintendent shall serve a certified copy of a 9140
suspension or temporary prohibition order issued pursuant to 9141
division (A) or (B) (1) of this section or a removal or 9142
prohibition order issued pursuant to division (B) (2) of this 9143
section on any bank or trust company in relation to which the 9144
object of the suspension, removal, or prohibition order is a 9145
regulated person. 9146

(D) A regulated person who has been suspended, removed 9147
from office, or temporarily or otherwise prohibited from further 9148
participation in the conduct of the affairs of a bank or trust 9149
company pursuant to this section or by order of the bank 9150
regulatory authority of another state or the United States shall 9151
not, while the suspension, removal, or prohibition order is in 9152
effect, continue or commence to hold any office of or 9153
participate in any manner in the conduct of the affairs of a 9154
bank or trust company in this state, except as specifically 9155
permitted by the superintendent or by the bank regulatory 9156
authority of another state or the United States pursuant to 9157
modification of the suspension, removal, or prohibition order. 9158
Participation in the conduct of the affairs of a bank or trust 9159
company includes doing any of the following: 9160

(1) Soliciting, procuring, transferring, attempting to 9161
transfer, voting, or attempting to vote any proxy, consent, or 9162
authorization with respect to any voting rights in any bank or 9163
trust company; 9164

(2) Violating any voting agreement previously approved by 9165
the superintendent; 9166

(3) Voting for a director of any bank or trust company. 9167

(E) If at any time, because of the suspension of one or 9168
more directors pursuant to this section, there are on the board 9169
of directors of a bank less than a quorum of directors not 9170
suspended, all powers and functions vested in or exercisable by 9171
the board shall be vested in and be exercisable by the director 9172
or directors on the board not suspended, until the time there is 9173
a quorum of the board of directors. If all the directors of a 9174
bank are suspended pursuant to this section, the superintendent 9175
shall appoint persons to serve temporarily as directors in their 9176
place, pending termination of the suspensions or until those who 9177
have been suspended cease to be directors of the bank and their 9178
successors take office. 9179

Sec. 1121.38. (A) (1) An administrative hearing provided 9180
for in section 1121.32, 1121.33, 1121.35, or 1121.41 of the 9181
Revised Code shall be held in the county in which the principal 9182
place of business of the bank or trust company or residence of 9183
the regulated person is located, unless the bank, trust company, 9184
or regulated person requesting the hearing consents to another 9185
place. Within ninety days after the hearing, the superintendent 9186
of financial institutions shall render a decision, which shall 9187
include findings of fact upon which the decision is predicated, 9188
and shall issue and serve on the bank, trust company, or 9189
regulated person the decision and an order consistent with the 9190
decision. Judicial review of the order is exclusively as 9191
provided in division (B) of this section. Unless a notice of 9192
appeal is filed in a court of common pleas within thirty days 9193
after service of the superintendent's order as provided in 9194
division (B) of this section, and until the record of the 9195
administrative hearing has been filed, the superintendent may, 9196
at anytime, upon the notice and in the manner the superintendent 9197

considers proper, modify, terminate, or set aside the 9198
superintendent's order. After filing the record, the 9199
superintendent may modify, terminate, or set aside the 9200
superintendent's order with permission of the court. 9201

(a) A hearing provided for in section 1121.32, 1121.35, or 9202
1121.41 of the Revised Code shall be confidential, unless the 9203
superintendent determines that holding an open hearing would be 9204
in the public interest. Within twenty days after service of the 9205
notice of a hearing, a respondent may file a written request for 9206
a public hearing with the superintendent. A respondent's failure 9207
to file such a request constitutes a waiver of any objections to 9208
a confidential hearing. 9209

(b) A hearing provided for in section 1121.33 of the 9210
Revised Code shall be an open hearing. Within twenty days after 9211
service of the notice of a hearing, a respondent may file a 9212
written request for a confidential hearing with the 9213
superintendent. If such a request is received by the 9214
superintendent, the hearing shall be confidential unless the 9215
superintendent determines that holding an open hearing would be 9216
in the public interest. 9217

(2) In the course of, or in connection with, an 9218
administrative hearing governed by this section, the 9219
superintendent, or a person designated by the superintendent to 9220
conduct the hearing, may administer oaths and affirmations, take 9221
or cause depositions to be taken, and issue, revoke, quash, or 9222
modify subpoenas and subpoenas duces tecum. At any 9223
administrative hearing required by section 1121.32, 1121.33, 9224
1121.35, or 1121.41 of the Revised Code, the record of which may 9225
be the basis of an appeal to court, a stenographic record of the 9226
testimony and other evidence submitted shall be taken at the 9227

expense of the division of financial institutions. The record 9228
shall include all of the testimony and other evidence, and any 9229
rulings on the admissibility thereof, presented at the hearing. 9230
The superintendent may adopt rules regarding these hearings. The 9231
attendance of witnesses and the production of documents provided 9232
for in this section may be required from any place within or 9233
outside the state. A party to a hearing governed by this section 9234
may apply to the court of common pleas of Franklin county, or 9235
the court of common pleas of the county in which the hearing is 9236
being conducted or the witness resides or carries on business, 9237
for enforcement of a subpoena or subpoena duces tecum issued 9238
pursuant to this section, and the courts have jurisdiction and 9239
power to order and require compliance with the subpoena. 9240
Witnesses subpoenaed under this section shall be paid the fees 9241
and mileage provided for under section 119.094 of the Revised 9242
Code. 9243

(B) (1) A bank, trust company, or regulated person against 9244
whom the superintendent issues an order upon the record of a 9245
hearing under the authority of section 1121.32, 1121.33, 9246
1121.35, or 1121.41 of the Revised Code may obtain a review of 9247
the order by filing a notice of appeal in the court of common 9248
pleas in the county in which the principal place of business of 9249
the bank, trust company, or regulated person, or residence of 9250
the regulated person, is located, or in the court of common 9251
pleas of Franklin county, within thirty days after the date of 9252
service of the superintendent's order. The clerk of the court 9253
shall promptly transmit a copy of the notice of appeal to the 9254
superintendent,~~and~~. Within thirty days after receiving the 9255
notice of appeal, the superintendent shall file a certified copy 9256
of the record of the administrative hearing with the clerk of 9257
the court. In the event of a private hearing, the record of the 9258

administrative hearing shall be filed under seal with the clerk 9259
of the court. Upon the filing of the notice of appeal, the court 9260
has jurisdiction, which upon the filing of the record of the 9261
administrative hearing is exclusive, to affirm, modify, 9262
terminate, or set aside, in whole or in part, the 9263
superintendent's order. 9264

(2) The commencement of proceedings for judicial review 9265
pursuant to division (B) of this section does not, unless 9266
specifically ordered by the court, operate as a stay of any 9267
order issued by the superintendent. If it appears to the court 9268
an unusual hardship to the appellant bank, trust company, or 9269
regulated person will result from the execution of the 9270
superintendent's order pending determination of the appeal, and 9271
the interests of depositors and the public will not be 9272
threatened by a stay of the order, the court may grant a stay 9273
and fix its terms. 9274

(C) The superintendent may, in the sole discretion of the 9275
superintendent, apply to the court of common pleas of the county 9276
in which the principal place of business of the bank, trust 9277
company, or regulated person, or residence of the regulated 9278
person, is located, or the court of common pleas of Franklin 9279
county, for the enforcement of an effective and outstanding 9280
superintendent's order issued under section 1121.32, 1121.33, 9281
1121.34, 1121.35, or 1121.41 of the Revised Code, and the court 9282
has jurisdiction and power to order and require compliance with 9283
the superintendent's order. In an action by the superintendent 9284
pursuant to this division to enforce an order assessing a civil 9285
penalty issued under section 1121.35 of the Revised Code, the 9286
validity and appropriateness of the civil penalty is not subject 9287
to review. 9288

(D) No court has jurisdiction to affect, by injunction or otherwise, the issuance or enforcement of an order issued under section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code or to review, modify, suspend, terminate, or set aside an order issued under section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code, except as provided in this section, in division (G) of section 1121.32 of the Revised Code for an order issued pursuant to division (C) (3) or (4) of section 1121.32 of the Revised Code, or in division (A) (3) of section 1121.34 of the Revised Code for an order issued pursuant to division (A) (1) of section 1121.34 of the Revised Code.

(E) Nothing in this section or in any other section of the Revised Code or rules implementing this or any other section of the Revised Code shall prohibit or limit the superintendent from doing any of the following:

(1) Issuing orders pursuant to section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code;

(2) Individually or contemporaneously taking any other action provided by law or rule with respect to a bank, trust company, or regulated person;

(3) Taking any action provided by law or rule with respect to a bank, trust company, or regulated person, whether alone or in conjunction with another regulatory agency or authority.

Sec. 1121.41. (A) The superintendent of financial institutions may issue and serve a notice of charges and intent to issue an order placing a bank or trust company under supervision and appointing a supervisor for the bank or trust company, if, in the opinion of the superintendent, any of the following applies:

(1) In the case of a bank, any of the conditions listed in 9318
section 1125.09 of the Revised Code for appointing a conservator 9319
or in section 1125.18 of the Revised Code for taking possession 9320
of a bank and appointing a receiver, exists. 9321

(2) In the case of a trust company, any of the conditions 9322
listed in section 1111.32 of the Revised Code for revoking a 9323
license to do trust business, exists. 9324

(3) The bank or trust company is in such condition that 9325
the further transaction of business would be hazardous, 9326
financially or otherwise, to its shareholders, depositors, its 9327
creditors, or the public. 9328

(B) The notice of charges and intent to issue an order 9329
placing a bank or trust company under supervision and appointing 9330
a supervisor shall include all of the following: 9331

(1) A statement of the alleged basis for the 9332
superintendent's placing the bank or trust company under 9333
supervision and appointing a supervisor and the period for 9334
supervision; 9335

(2) A statement of the facts supporting the 9336
superintendent's placing the bank or trust company under 9337
supervision and appointing a supervisor; 9338

(3) A statement of the requirements to abate the 9339
superintendent's placing the bank or trust company under 9340
supervision and appointing a supervisor; 9341

(4) A statement, in accordance with division (D) of this 9342
section, of actions the bank or trust company would be 9343
prohibited from undertaking during the period of supervision 9344
without the prior approval of the superintendent or the 9345
supervisor appointed by the superintendent; 9346

- (5) Notice of both of the following: 9347
- (a) The bank or trust company is entitled to a hearing, 9348
conducted in accordance with section 1121.38 of the Revised 9349
Code, to determine whether the superintendent should issue an 9350
order placing the bank or trust company under supervision and 9351
appointing a supervisor, if the bank or trust company requests 9352
the hearing within thirty days after service of the 9353
superintendent's notice of charges and intent to issue an order 9354
placing the bank or trust company under supervision and 9355
appointing a supervisor; 9356
- (b) Failure to request the hearing in the time allowed, or 9357
failure to appear at a hearing timely requested, is consent to 9358
the issuance of the order placing the bank or trust company 9359
under supervision and appointing a supervisor. 9360
- (6) Notice that if the bank or trust company makes a 9361
timely request for a hearing, all of the following apply: 9362
- (a) The bank or trust company may appear at the hearing in 9363
person, by attorney, or by presenting positions, arguments, and 9364
contentions in writing. 9365
- (b) At the hearing the bank or trust company may present 9366
evidence and examine witnesses for and against the bank or trust 9367
company. 9368
- (c) The hearing will be set for a date within ten days 9369
after the superintendent's receipt of the request for the 9370
hearing or a later date mutually agreed to by the bank or trust 9371
company and the superintendent. 9372
- (C) The superintendent may issue an order placing the bank 9373
or trust company under supervision and appointing a supervisor, 9374
if either of the following applies: 9375

- (1) The bank or trust company consents to the issuance of the order; 9376
9377
- (2) Upon the record of the hearing the superintendent finds any of the following: 9378
9379
- (a) In the case of a bank, any of the conditions listed in section 1125.09 of the Revised Code for appointing a conservator or in section 1125.18 of the Revised Code for taking possession of a bank and appointing a receiver, exists. 9380
9381
9382
9383
- (b) In the case of a trust company, any of the conditions listed in section 1111.32 of the Revised Code for revoking a license to do trust business, exists. 9384
9385
9386
- (c) The bank or trust company is in such condition that further transaction of business would be hazardous to its shareholders, its depositors, its creditors, or the public. 9387
9388
9389
- (D) An order placing a bank or trust company under supervision and appointing a supervisor may prohibit the bank or trust company from doing any of the following during the period of supervision without the prior approval of either the superintendent or the supervisor appointed by the superintendent: 9390
9391
9392
9393
9394
9395
- (1) Disposing of, conveying, or encumbering any of its assets; 9396
9397
- (2) Withdrawing any of its bank accounts; 9398
- (3) Lending any of its funds; 9399
- (4) Investing any of its funds; 9400
- (5) Transferring any of its property; 9401
- (6) Incurring any debt, obligation, or liability; 9402

<u>(7) Taking any other action specified in the order.</u>	9403
(E) An order placing a bank or trust company under supervision and appointing a supervisor is effective at the time specified in the order which, in the case of an order issued pursuant to division (C) (2) of this section, shall not be less than thirty days after service of the order on the bank or trust company.	9404 9405 9406 9407 9408 9409
(F) An order placing a bank or trust company under supervision and appointing a supervisor remains effective and enforceable as provided in the order, except to the extent the order is stayed, modified, terminated, or set aside by action of the superintendent or a reviewing court.	9410 9411 9412 9413 9414
(G) The cost incident to the supervisor's service shall be fixed and determined by the superintendent, and shall be a charge against the assets and funds of the bank or trust company to be allowed and paid as the superintendent determines.	9415 9416 9417 9418
Sec. 1121.43. (A) Except as provided in division (B) of this section, the superintendent of financial institutions shall publish and make available to the public on a monthly basis all of the following:	9419 9420 9421 9422
(1) Any written agreement or other writing for which a violation may be enforced by the superintendent;	9423 9424
(2) Any final order issued pursuant to section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code;	9425 9426
(3) Any modification or termination of an agreement, other writing, or order made <u>available to the public</u> pursuant to this section.	9427 9428 9429
(B) (1) If, in the superintendent's discretion, the	9430

superintendent determines that ~~publishing-making~~ a written 9431
agreement or other writing ~~and making it~~ available to the public 9432
pursuant to division (A) (1) of this section would be contrary to 9433
the public interest, the superintendent shall not ~~publish the~~ 9434
~~written agreement or other writing or~~ make it available to the 9435
public. 9436

(2) If the superintendent determines that ~~publishing-~~ 9437
~~making a~~ final order ~~and making it~~ available to the public 9438
pursuant to division (A) (2) of this section would seriously 9439
threaten the safety and soundness of a state bank or trust 9440
company, the superintendent may delay ~~the publication~~ making it 9441
available for a reasonable time. 9442

Sec. 1121.45. (A) The superintendent of financial 9443
institutions may call and convene a meeting with the regulated 9444
persons the superintendent determines to be appropriate at a 9445
location within this state and at a date and time established by 9446
the superintendent upon notice served in accordance with section 9447
1121.37 of the Revised Code. The regulated persons notified of 9448
the meeting shall attend the meeting unless excused by the 9449
superintendent for reasonable cause at the superintendent's sole 9450
discretion. Failure of a regulated person to attend a meeting 9451
called and convened in accordance with this division, unless 9452
excused by the superintendent, is grounds for suspending or 9453
removing the regulated person from office or imposing civil 9454
penalties against the regulated person. 9455

(B) If a quorum of the board of directors of a bank or an 9456
affiliate of a bank attends a meeting called and convened by the 9457
superintendent pursuant to division (A) of this section, they 9458
may convene a meeting of the board of directors to address 9459
matters related to the superintendent's meeting, notwithstanding 9460

any contrary provision of the bank's articles of incorporation, 9461
code of regulations, or bylaws related to notice of a board of 9462
directors meeting. 9463

(C) The records of any meeting called and convened in 9464
accordance with division (A) of this section and the 9465
discussions, information, and documentation presented at the 9466
meeting are, in the possession of any person, confidential and 9467
privileged information and shall not be disclosed except as 9468
provided in section 1121.18 of the Revised Code. 9469

Sec. 1121.47. (A) The superintendent of financial 9470
institutions may do both of the following: 9471

(1) Summon and compel, by order or subpoena, witnesses to 9472
appear before the superintendent, deputy superintendent, 9473
examiner, ~~or attorney-examiner~~, or such other person designated 9474
by the superintendent and testify under oath regarding the 9475
affairs of a bank or trust company or, in relation to matters 9476
concerning a state bank, foreign bank, or trust company, a 9477
regulated person; 9478

(2) Compel, by order or subpoena, the production of any 9479
record, book, paper, document, item, or other thing pertaining 9480
to a bank or trust company or, in relation to matters concerning 9481
a state bank, foreign bank, or trust company, a regulated 9482
person. 9483

(B) The superintendent shall serve an order or subpoena 9484
issued pursuant to division (A) of this section in any manner 9485
provided by section 1121.37 of the Revised Code. 9486

(C) If a person fails to comply with an order or subpoena 9487
of the superintendent or refuses to testify to any matter 9488
regarding which the person is lawfully interrogated before the 9489

division of financial institutions, on application of the 9490
superintendent, the court of common pleas of the county in which 9491
the person resides or in which the principal place of business 9492
of the person is located, or a judge of the court, shall compel 9493
compliance by attachment proceedings as for contempt in the case 9494
of noncompliance with a subpoena issued from the court or 9495
refusal to testify in the court. Failure of a regulated person 9496
to comply fully with an order or subpoena issued under the 9497
authority of this section shall be grounds for removing the 9498
regulated person from office, prohibiting the regulated person 9499
from participating directly or indirectly in the affairs of a 9500
bank or trust company, or imposing civil penalties against the 9501
regulated person. 9502

Sec. 1121.48. (A) All suits and court proceedings brought 9503
by the superintendent of financial institutions shall be brought 9504
in the name of the state upon the superintendent's relation, and 9505
shall be conducted by the attorney general or a designee of the 9506
attorney general. 9507

(B) A suit or court proceeding brought by the 9508
superintendent may be prosecuted in the court of common pleas of 9509
Franklin county, or of any other county in which the defendant 9510
or any of the defendants resides or may be found. 9511

(C) In all suits or court proceedings brought by the 9512
superintendent, the writ may be sent by regular mail to the 9513
sheriff of any county, and the sheriff may return the writ by 9514
regular mail. The sheriff shall be allowed the same mileage and 9515
fees for the service as would be allowed if the writ had been 9516
issued from and made returnable to the court of common pleas of 9517
the sheriff's county. 9518

Sec. 1121.50. (A) As used in this section, "independent 9519

auditor" means an external, unaffiliated auditor who has a 9520
certified public accounting designation that qualifies the 9521
person to provide an auditor's report. 9522

(B) The superintendent of financial institutions may, when 9523
circumstances warrant, require a bank or trust company to have 9524
an independent auditor conduct agreed upon procedures prescribed 9525
by the superintendent. The independent auditor shall be 9526
retained, and the expense of the agreed upon procedures shall be 9527
paid, by the bank or trust company. The agreed upon procedures 9528
shall be conducted in accordance with standards established by 9529
the American institute of certified public accountants. 9530

~~(B)~~ (C) The board of directors of the bank or trust 9531
company shall, within sixty days after receipt of the report 9532
prepared by the independent auditor for the agreed upon 9533
procedures conducted pursuant to this section, prepare a 9534
response to the report and file the report and the board's 9535
response with the superintendent. A report and response filed 9536
with the superintendent pursuant to this section may be 9537
disclosed only as provided in section 1121.18 of the Revised 9538
Code. 9539

Sec. 1121.52. (A) If a state bank is undercapitalized, the 9540
superintendent of financial institutions shall notify the bank 9541
of the fact of the undercapitalization. The superintendent may 9542
require the bank to submit a written capital restoration plan to 9543
the superintendent within forty-five days after the bank 9544
receives that notice, unless the superintendent authorizes in 9545
writing a longer period of time. 9546

(B) A capital restoration plan required under this section 9547
shall specify all of the following: 9548

(1) The steps the state bank will take to become 9549
adequately capitalized; 9550

(2) The levels of capital to be attained during the time 9551
frame in which the plan will be in effect; 9552

(3) The types and levels of activities in which the bank 9553
will engage; 9554

(4) Any other information the superintendent may require. 9555

(C) The superintendent shall approve a capital restoration 9556
plan submitted under this section if the superintendent 9557
determines that the plan meets both of the following conditions: 9558

(1) It is based on realistic assumptions and is likely to 9559
succeed in restoring the bank's capital. 9560

(2) It would not appreciably increase the risk, including 9561
credit risk and interest rate risk, to which the bank is 9562
exposed. 9563

(D) If the superintendent fails to approve a state bank's 9564
capital restoration plan, the superintendent shall notify the 9565
bank and require it to submit a revised plan within a time 9566
period specified by the superintendent. Upon serving that 9567
notice, the superintendent may immediately appoint a conservator 9568
for the bank or take any other action authorized under section 9569
1121.32, 1121.33, 1121.34, 1121.35, 1121.41, or 1121.46 of the 9570
Revised Code or any other law or rule. 9571

(E) Both of the following apply to any state bank that has 9572
submitted and is operating under a capital restoration plan 9573
approved under this section: 9574

(1) The bank shall not be required to submit an 9575
additional capital restoration plan based on a revised 9576

calculation of its capital measures unless specifically required 9577
to do so by the superintendent. A state bank that is notified 9578
that it must submit a new or revised plan shall file a written 9579
plan with the superintendent within thirty days after the bank 9580
receives the notice, unless the superintendent authorizes in 9581
writing a different period of time. 9582

(2) The bank may, after prior written notice to and 9583
approval by the superintendent, amend its capital restoration 9584
plan to reflect a change in circumstance. Until such time as a 9585
proposed amendment is approved by the superintendent, the bank 9586
shall implement the plan in its current form. 9587

(F) (1) If an undercapitalized bank fails to submit a 9588
capital restoration plan required under this section within the 9589
designated period of time, upon expiration of that period, the 9590
superintendent may immediately appoint a conservator for the 9591
bank or take any other action authorized under section 1121.32, 9592
1121.33, 1121.34, 1121.35, 1121.41, or 1121.46 of the Revised 9593
Code or any other law or rule. 9594

(2) If an undercapitalized bank fails, in any material 9595
respect, to implement a capital restoration plan required under 9596
this section, the superintendent may immediately appoint a 9597
conservator for the bank or take any other action authorized 9598
under section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of 9599
the Revised Code or any other law or rule. 9600

(G) Nothing in this section prohibits the superintendent 9601
from requiring a state bank to submit a capital restoration plan 9602
at any other time the superintendent considers necessary. 9603

Sec. 1121.56. Neither the superintendent of financial 9604
institutions ~~nor~~, any employee, agent, or contractor of the 9605

division of financial institutions, or any supervisor appointed 9606
by the superintendent under this chapter is liable in any civil, 9607
criminal, or administrative proceeding for any mistake of 9608
judgment or discretion in any action taken, or any omission 9609
made, in good faith within the scope of the person's official 9610
capacity as assigned by the superintendent. 9611

Sec. 1123.01. (A) There is hereby created in the division 9612
of financial institutions a banking commission which shall 9613
consist of ~~seven~~ nine members. The deputy superintendent for 9614
banks shall be a member of the commission and its chairperson. 9615
The governor, with the advice and consent of the senate, shall 9616
appoint the remaining ~~six~~ eight members. 9617

(B) After the second Monday in January of each year, the 9618
governor shall appoint two members. Terms of office shall be for 9619
~~three~~ four years commencing on the first day of February and 9620
ending on the thirty-first day of January. Each member shall 9621
hold office from the date appointed until the end of the term 9622
for which appointed. In the case of a vacancy in the office of 9623
any member, the governor shall appoint a successor who shall 9624
hold office for the remainder of the term for which the 9625
successor's predecessor was appointed. Any member shall continue 9626
in office subsequent to the expiration date of the member's term 9627
until the member's successor is appointed, or until sixty days 9628
have elapsed, whichever occurs first. 9629

(C) No person appointed as a member of the commission may 9630
serve more than two consecutive full terms. However, a member 9631
may serve two consecutive full terms following the remainder of 9632
a term for which the member was appointed to fill a vacancy. 9633

(D) (1) At least ~~three~~ six of the ~~six~~ eight members 9634
appointed to the commission shall be, at the time of 9635

appointment, executive officers of state banks~~transacting~~ 9636
~~business under authority granted by the superintendent of~~ 9637
~~financial institutions,~~ and ~~four~~ all of the ~~six~~ members 9638
appointed to the commission shall have banking experience as a 9639
director or officer of a bank, savings bank, or savings 9640
association insured by the federal deposit insurance 9641
corporation, a bank holding company, or a savings and loan 9642
holding company. The membership of the commission shall be 9643
representative of the banking industry as a whole, including 9644
representatives of banks of various asset sizes and ownership 9645
structures, as determined by the governor after consultation 9646
with the superintendent of financial institutions ~~from time to~~ 9647
~~time.~~ 9648

(2) No person who has been convicted of, or has pleaded 9649
guilty to, a felony involving an act of fraud, dishonesty~~or,~~ 9650
breach of trust, theft, or money laundering shall take or hold 9651
office as a member of the banking commission. 9652

(E) The members of the commission shall receive no salary, 9653
but their expenses incurred in the performance of their duties 9654
shall be paid from funds appropriated for that purpose. 9655

(F) The governor may remove any of the ~~six~~ eight members 9656
appointed to the commission whenever in the governor's judgment 9657
the public interest requires removal. Upon removing a member of 9658
the commission, the governor shall file with the superintendent 9659
a statement of the cause for the removal. 9660

Sec. 1125.01. (A) As used in this chapter, "court" means 9661
the court of common pleas of the county in which the principal 9662
place of business of a state bank, as set forth in its articles 9663
of incorporation, is located or of any other county determined 9664
by the superintendent of financial institutions to be 9665

appropriate under the circumstances. 9666

(B) The court shall have exclusive original jurisdiction 9667
of any action or proceeding relating to or arising out of the 9668
taking of possession of the property and business of a state 9669
bank under this chapter, whether before or after the bank is 9670
wound up and dissolved, as well as any action or other 9671
proceeding brought under this chapter. 9672

(C) Whenever the approval of the court is required for any 9673
act under this chapter, that approval may be given with or 9674
without a hearing held upon whatever notice, if any, the court 9675
may direct, unless otherwise provided in this chapter. At a 9676
hearing, the court, by order, may approve the actions 9677
petitioned. 9678

Sec. 1125.03. (A) A state bank may proceed with a 9679
voluntary liquidation and be closed only with both the consent 9680
of the superintendent of financial institutions and the prior 9681
approval of the shareholders or members of the bank by a vote as 9682
provided for in its articles of incorporation, if not less than 9683
a majority. 9684

(B) Prior to instituting a voluntary liquidation, a state 9685
bank shall submit to the superintendent an application for 9686
approval of its plan of voluntary liquidation and evidence 9687
satisfactory to the superintendent that the plan has been 9688
properly adopted by the bank and approved by its shareholders or 9689
members. 9690

(C) A state bank's plan of voluntary liquidation shall 9691
include provisions for all of the following: 9692

(1) The settlement of all debts and liabilities, including 9693
the claims of account holders, owed by the bank; 9694

(2) The distribution of the bank's assets that remain 9695
after the settlement of debts and liabilities to all persons 9696
entitled to them; 9697

(3) The disposition or maintenance of any remaining or 9698
unclaimed funds, real or personal property, either tangible or 9699
intangible, or other assets, whether in trust or otherwise, 9700
including the contents of safe deposit boxes or vaults; 9701

(4) The retention of the bank's records in accordance with 9702
section 1109.69 of the Revised Code; 9703

(5) The date upon which the bank shall cease doing any 9704
banking business and surrender its banking license to the 9705
superintendent. 9706

(D) Upon receipt of a plan of voluntary liquidation, the 9707
superintendent shall make an examination of the bank and shall 9708
consent to or deny an application for approval of a plan based 9709
upon the superintendent's evaluation of whether or not the 9710
interests of the bank's depositors and creditors will suffer by 9711
the liquidation. 9712

(E) The superintendent's consent to an application for 9713
approval of a plan of voluntary liquidation may be subject to 9714
any condition the superintendent determines appropriate under 9715
the circumstances. 9716

Sec. 1125.04. (A) If the superintendent of financial 9717
institutions consents to a voluntary liquidation, the 9718
superintendent shall cause a certified copy of the consent to be 9719
filed in the office of the secretary of state, and the state 9720
bank to be liquidated shall do both of the following: 9721

(1) Publish a notice of the voluntary liquidation once a 9722
week for four consecutive weeks in a newspaper of general 9723

circulation in the county in which the bank's principal place of 9724
business is located; 9725

(2) Give written notice of the voluntary liquidation, 9726
either personally or by mail, to all known creditors of and all 9727
known claimants against the bank. 9728

(B) Compliance with the notice and publication 9729
requirements of division (A) of this section satisfies any 9730
duplicate or similar notice and publication requirements of 9731
Chapter 1701. of the Revised Code. 9732

Sec. 1125.05. (A) A voluntary liquidation of a state bank 9733
shall be conducted only with the continued supervision of the 9734
superintendent of financial institutions. The superintendent may 9735
conduct any additional examinations of the bank the 9736
superintendent considers necessary or appropriate. 9737

(B) If the superintendent has reason to conclude the 9738
liquidation of a state bank is not being safely or expeditiously 9739
conducted, the superintendent may take possession of the 9740
business and property of the bank in the same manner, with the 9741
same effect, and subject to the same rights accorded the bank as 9742
if the superintendent had taken possession under the 9743
receivership provisions of this chapter. The superintendent may 9744
proceed to liquidate the affairs of the bank in the same manner 9745
as otherwise provided in this chapter. 9746

Sec. 1125.06. Upon completion of a voluntary liquidation, 9747
the liquidated state bank shall submit to the superintendent of 9748
financial institutions all documents required under Chapter 9749
1701. of the Revised Code for a dissolution. The superintendent 9750
shall consent to the dissolution, and shall cause a certified 9751
copy of the consent to be filed, along with the bank's 9752

dissolution documents, in the office of the secretary of state. 9753

Sec. 1125.09. The superintendent of financial institutions 9754
may appoint a conservator to take possession of the property and 9755
business of a state bank and to retain possession until the bank 9756
resumes business or a receiver is appointed, as provided for in 9757
this chapter, if the superintendent finds any one or more of the 9758
following conditions: 9759

(A) The bank is in an unsafe or unsound condition to 9760
continue the business of banking. 9761

(B) The bank is insolvent, in that it has ceased to pay 9762
its debts in the ordinary course of business, it is incapable of 9763
paying its debts as they mature, or it has liabilities in excess 9764
of its assets. 9765

(C) The bank has committed a violation of law that has 9766
caused or that threatens substantial injury to any of the 9767
public, the banking industry, or the bank's depositors or other 9768
creditors. 9769

(D) The bank has refused to submit its records of account, 9770
papers, or affairs to the inspection or examination of any 9771
federal agency or the superintendent. 9772

(E) The bank has failed to pay its deposits or obligations 9773
in accordance with the terms under which the deposits were taken 9774
or the obligations were incurred. 9775

(F) A majority of the board of directors of the bank or a 9776
majority of its shareholders or members has requested the 9777
superintendent to appoint a conservator to take possession of 9778
the bank. 9779

(G) Either all positions on the board of directors of the 9780

bank are vacant or all of the directors then in office are 9781
incapacitated or otherwise unable to perform their 9782
responsibilities. 9783

(H) The bank has violated any court order, statute, rule, 9784
or regulation, or its articles of incorporation, and the 9785
superintendent determines the continued control of its own 9786
affairs threatens injury to any of the public, the banking 9787
industry, or the bank's depositors or other creditors. 9788

(I) The bank's status as an insured institution has been 9789
terminated by the federal deposit insurance corporation. 9790

Sec. 1125.10. (A) If it appears to the superintendent of 9791
financial institutions that any one or more of the conditions 9792
set forth in section 1125.09 of the Revised Code exists as to 9793
any state bank, the superintendent may appoint a conservator, 9794
which appointment may include the superintendent, and thereafter 9795
may dismiss or replace the conservator as the superintendent 9796
determines necessary or advisable. The superintendent may fix 9797
the compensation to be paid the conservator and the amount of 9798
the bond or other security, if any, to be required. 9799

(B) The superintendent may, from time to time, appoint one 9800
or more special deputy superintendents as agent or agents to 9801
assist in the duties of conservatorship. 9802

(C) The superintendent, any special deputy 9803
superintendents, or a conservator may employ and procure 9804
whatever assistance or advice is necessary in the 9805
conservatorship of the bank, and, for that purpose, may retain 9806
officers or employees of the bank as needed. 9807

(D) The superintendent may terminate the conservatorship 9808
at any time, and may appoint a receiver for liquidation of the 9809

bank on any of the grounds provided in this chapter for 9810
appointment of a receiver. 9811

(E) All expenses of a conservatorship shall be paid out of 9812
the assets of the bank, and shall be a lien on the bank's 9813
assets, which lien shall be prior to any other lien. 9814

Sec. 1125.11. (A) Upon the appointment of a conservator, 9815
the superintendent of financial institutions shall file a 9816
certified copy of the certificate of appointment in the office 9817
of the secretary of state, and thereafter no person shall obtain 9818
a lien or charge upon any assets of the state bank for any 9819
payment, advance, clearance, or liability thereafter made or 9820
incurred, nor shall the directors, officers, or agents of the 9821
bank thereafter have authority to act on behalf of the bank or 9822
to convey, transfer, assign, pledge, mortgage, or encumber any 9823
of the bank's assets. 9824

(B) The filing of the certificate of appointment in 9825
accordance with this section shall not be a condition to either 9826
the superintendent's taking possession of the property and 9827
business of a state bank or appointing a conservator for a state 9828
bank. 9829

Sec. 1125.12. (A) A conservator, under the supervision of 9830
the superintendent of financial institutions and subject to any 9831
limitations imposed by the superintendent, shall have all of the 9832
following powers: 9833

(1) To take possession of all books, records of account, 9834
and assets of the state bank; 9835

(2) To have and exercise, in the name and on behalf of the 9836
bank, all the rights, powers, and authority of the officers and 9837
directors of the bank and all voting rights of its shareholders 9838

<u>or members;</u>	9839
(3) To collect all debts, claims, and judgments belonging to the bank and to take any other action, including the lending of money, necessary to the operation of the bank during the conservatorship;	9840 9841 9842 9843
(4) To execute in the name of the bank any instrument necessary or proper to effectuate the conservator's powers or perform its duties as conservator;	9844 9845 9846
(5) To initiate, pursue, compromise, and defend litigation involving any right, claim, interest, or liability of the bank;	9847 9848
(6) To exercise all fiduciary functions of the bank as of the date of appointment as conservator;	9849 9850
(7) To borrow money as necessary in the operation of the bank, and to secure those borrowings by the pledge or mortgage of the assets of the bank;	9851 9852 9853
(8) To abandon or convey title to any holder of a deed of trust, mortgage, or similar lien against property in which the bank has an interest, whenever the conservator determines that continuing to claim that interest is burdensome and of no advantage to the bank or its account holders, creditors, or shareholders, <u>or members;</u>	9854 9855 9856 9857 9858 9859
(9) If done <u>in good faith</u> within the ordinary course of business or financial affairs of the bank and according to ordinary business terms, to sell any and all assets, to compromise any debt, claim, obligation, or judgment due to the bank, to discontinue any pending action or other proceeding, and to implement a restructuring of the bank in accordance with this chapter.	9860 9861 9862 9863 9864 9865 9866

(B) Title to any assets of the bank does not vest in the conservator. 9867
9868

Sec. 1125.13. During the period of the conservatorship, 9869
all of the following apply: 9870

(A) The conservator may permit the state bank to continue 9871
to conduct its usual business, including the acceptance of 9872
deposits. 9873

(B) The obligations of the state bank shall continue to 9874
bear interest at the rate contracted. 9875

(C) The conservator shall make whatever reports to the 9876
superintendent of financial institutions the superintendent may 9877
from time to time require. 9878

Sec. 1125.14. (A) The conservator shall evaluate the 9879
business and assets of the state bank and, after conducting 9880
whatever investigations the circumstances may require, shall 9881
recommend to the superintendent of financial institutions that 9882
either the conservatorship of the bank be terminated or the 9883
superintendent appoint a receiver and the bank be liquidated as 9884
otherwise provided in this chapter. The conservator shall 9885
consult with the board of directors of the bank before making 9886
the recommendation. 9887

(B) The conservator of the bank may submit a plan to the 9888
superintendent for approval to restructure the bank in a manner 9889
designed to return the bank to the control of its shareholders 9890
or members. As part of the plan, the conservator may take any 9891
steps the superintendent approves regarding the management, 9892
operations, or assets of the bank, including the sale of some or 9893
all of the bank's assets. The conservator shall consult with the 9894
board of directors of the bank regarding any proposed sale of 9895

all or substantially all of the bank's assets. 9896

(C) The superintendent may require the conservator to 9897
submit the plan to the shareholders or members of the bank as 9898
provided in division (D) of this section or to submit a new or 9899
revised plan for consideration by the superintendent. 9900

(D) If the conservator's plan is submitted to the 9901
shareholders or members pursuant to division (C) of this 9902
section, the superintendent shall designate the contents of 9903
notice of the vote that is to be forwarded from the conservator 9904
to the shareholders or members and shall designate the date upon 9905
which notice is to be forwarded. The date of the shareholder or 9906
member vote shall be determined by the superintendent, but shall 9907
not occur earlier than seven days or later than forty-five days 9908
after the date of the notice. 9909

If the majority of the shareholders or members do not 9910
approve the plan, the superintendent may request submission of a 9911
new plan or proceed to appoint a receiver without regard to the 9912
grounds for appointment of a receiver as otherwise provided in 9913
this chapter. If the majority of the shareholders or members 9914
approve the plan, the superintendent may terminate the 9915
conservatorship, and the shareholders or members shall elect 9916
directors to manage the bank. 9917

(E) The superintendent, at any time, including after the 9918
date notice of a vote is provided to shareholders or members of 9919
the bank under division (D) of this section, may revoke a 9920
previously approved plan of the conservator and either provide 9921
for, or request submission of, a new plan or proceed with 9922
receivership under this chapter. 9923

Sec. 1125.17. This chapter provides the full and exclusive 9924

powers and procedures for the liquidation of state banks under 9925
the laws of this state, and no receiver or other liquidating 9926
agent shall be appointed for that purpose except as expressly 9927
provided in this chapter. 9928

Sec. 1125.18. The superintendent of financial institutions 9929
may take possession of the property and business of a state bank 9930
if the superintendent finds any one or more of the following 9931
conditions: 9932

(A) The bank is in an unsafe or unsound condition to 9933
continue the business of banking. 9934

(B) The bank is insolvent, in that it has ceased to pay 9935
its debts in the ordinary course of business, it is incapable of 9936
paying its debts as they mature, or it has liabilities in excess 9937
of its assets. 9938

(C) The bank has refused to submit its records or affairs 9939
to the inspection or examination of any federal bank regulatory 9940
agency or the superintendent. 9941

(D) The bank has failed to pay its deposits or obligations 9942
in accordance with the terms under which the deposits were taken 9943
or the obligations were incurred. 9944

(E) A majority of the board of directors of the bank has 9945
requested the superintendent to appoint a receiver to take 9946
possession of the bank for the benefit of account holders, 9947
creditors, ~~or~~ shareholders, or members. 9948

(F) The bank has violated any order of a court or of the 9949
superintendent, any statute, rule, or regulation, or its 9950
articles of incorporation, and the superintendent determines the 9951
continued control of its own affairs threatens injury to any of 9952
the public, the banking industry, or the bank's depositors or 9953

other creditors. 9954

(G) The bank's status as an insured institution has been 9955
terminated by the federal deposit insurance corporation. 9956

(H) ~~The~~ (1) In the case of a stock state bank, the bank 9957
has an impairment of paid-in capital. 9958

(2) In the case of a mutual state bank, the bank has an 9959
impairment of retained earnings. 9960

Sec. 1125.19. (A) Upon issuing a written finding that any 9961
one or more of the conditions set forth in section 1125.18 of 9962
the Revised Code for taking possession of a state bank exists 9963
and taking possession of the state bank, the superintendent of 9964
financial institutions shall file a certified copy of the 9965
finding and the notice of possession with the court. 9966

(B) Upon the appointment of a receiver, the superintendent 9967
shall file a certified copy of the certificate of appointment in 9968
the office of the secretary of state and with the court. 9969

(C) After the superintendent files the finding of the 9970
superintendent or the certificate of appointment of the 9971
receiver, whichever occurs first, no person shall obtain a lien 9972
or charge upon any assets of the bank for any payment, advance, 9973
clearance, or liability thereafter incurred, nor shall the 9974
directors, officers, or agents of the bank have authority to act 9975
on behalf of the bank or to convey, transfer, assign, pledge, 9976
mortgage, or encumber any assets of the bank. 9977

(D) Upon taking possession of the bank, the superintendent 9978
shall post or cause to be posted an appropriate notice of 9979
closing at the main entrance of each of the bank's banking 9980
offices. 9981

(E) Neither filing nor posting of notice in accordance 9982
with this section shall be a condition to either the 9983
superintendent's taking possession of the property and business 9984
of a state bank or appointing a receiver for a state bank. 9985

Sec. 1125.20. (A) If it appears to the superintendent of 9986
financial institutions that any one or more of the conditions 9987
set forth in section 1125.18 of the Revised Code exists as to 9988
any state bank, the superintendent shall tender appointment as 9989
receiver to the federal deposit insurance corporation if any 9990
deposits in the state bank are insured by the federal deposit 9991
insurance corporation, and may tender appointment as receiver to 9992
the federal deposit insurance corporation in any other case. 9993
Upon acceptance of the appointment as receiver, the federal 9994
deposit insurance corporation shall not be required to post a 9995
bond. In addition to the powers of a receiver set forth in this 9996
chapter, the federal deposit insurance corporation, as receiver, 9997
may exercise any other liquidation or receivership powers 9998
authorized by state or federal law for a receiver of a bank. 9999

(B) If the federal deposit insurance corporation declines 10000
to accept the tendered appointment or if the superintendent is 10001
not required to tender appointment as receiver to the federal 10002
deposit insurance corporation, the superintendent may appoint, 10003
and thereafter dismiss or replace, any other receiver, including 10004
the superintendent, the superintendent determines to be 10005
necessary or advisable. The superintendent may fix the 10006
compensation to be paid the receiver and the amount of the bond 10007
or other security, if any, to be required. 10008

(C) The superintendent may, from time to time, appoint one 10009
or more special deputy superintendents as agent or agents to 10010
assist in the duties of receivership or of liquidation and 10011

distribution. No agent so appointed shall be subject to section 10012
1181.05 of the Revised Code. 10013

(D) The superintendent, any special deputy 10014
superintendents, or a receiver may employ and procure whatever 10015
assistance or advice is necessary in the receivership or 10016
liquidation and distribution of the assets of the bank, and, for 10017
that purpose, may retain officers or employees of the bank as 10018
needed. 10019

(E) All expenses of a receivership and liquidation shall 10020
be paid out of the assets of the bank, and shall be a lien on 10021
the bank's assets, which lien shall be prior to any other lien. 10022

Sec. 1125.21. Upon the superintendent of financial 10023
institutions' appointment of a receiver, title to all of the 10024
state bank's assets shall vest in the receiver without the 10025
execution of any instrument of conveyance, assignment, transfer, 10026
or endorsement. 10027

Sec. 1125.22. (A) A receiver shall have all of the 10028
following powers: 10029

(1) To take possession of all books, records of account, 10030
and assets of the state bank; 10031

(2) To collect all debts, claims, and judgments belonging 10032
to the bank and to take any other action, including the lending 10033
of money, necessary to preserve and liquidate the assets of the 10034
bank; 10035

(3) To execute in the name of the bank any instrument 10036
necessary or proper to effectuate the receiver's powers or 10037
perform its duties as receiver; 10038

(4) To initiate, pursue, compromise, and defend litigation 10039

involving any right, claim, interest, or liability of the bank;	10040
(5) To exercise all fiduciary functions of the bank as of	10041
the date of appointment as receiver;	10042
(6) To borrow money as necessary in the liquidation of the	10043
bank, and to secure those borrowings by the pledge or mortgage	10044
of assets of the bank;	10045
(7) To abandon or convey title to any holder of a deed of	10046
trust, mortgage, or similar lien against property in which the	10047
bank has an interest, whenever the receiver determines that	10048
continuing to claim that interest is burdensome and of no	10049
advantage to the bank or its account holders, creditors, or	10050
shareholders, <u>or members</u> ;	10051
(8) To sell any and all assets, to compromise any debt,	10052
claim, obligation, or judgment due to the bank, to discontinue	10053
any pending action or other proceeding, and to sell or otherwise	10054
transfer all or a substantial portion of the assets or	10055
liabilities of the bank;	10056
(9) To establish ancillary receiverships in any	10057
jurisdiction the receiver determines necessary;	10058
(10) To distribute assets in accordance with this chapter;	10059
(11) To take any other action incident to the powers set	10060
forth in division (A) of this section.	10061
(B) Unless specifically indicated to the contrary, the	10062
powers conferred upon a receiver under this section may be	10063
exercised without court approval. However, nothing in this	10064
section shall be construed to prevent a receiver from obtaining	10065
court approval when the receiver determines approval is	10066
appropriate under the circumstances.	10067

Sec. 1125.23. (A) The receiver shall promptly cause notice 10068
of the claims procedure to be published once a month for two 10069
consecutive months in a local newspaper of general circulation 10070
and to be mailed to each person whose name appears as a creditor 10071
upon the books of the state bank, at the last address of record. 10072

(B) (1) All parties having claims of any kind against the 10073
bank, including prior judgments and claims of security, 10074
preference, priority, and offset, shall present their claims 10075
substantiated by legal proof to the receiver within one hundred 10076
eighty days after the date of the first publication of notice of 10077
the claims procedure or after actual receipt of notice of the 10078
claims procedure, whichever occurs first. 10079

(2) Within one hundred eighty days after receipt of a 10080
claim, the receiver shall notify the claimant in writing whether 10081
the claim has been allowed or disallowed. The receiver may 10082
reject any claim in whole or in part, or may reject any claim of 10083
security, preference, priority, or offset against the bank. Any 10084
claimant whose claim has been rejected by the receiver shall 10085
petition the court for a hearing on the claim within sixty days 10086
after the date the notice was mailed or be forever barred from 10087
asserting the rejected claim. 10088

(C) Any claims filed after the claim period and 10089
subsequently accepted by the receiver or allowed by the court, 10090
shall be entitled to share in the distribution of assets only to 10091
the extent of the undistributed assets in the hands of the 10092
receiver on the date the claims are accepted or allowed. 10093

Sec. 1125.24. (A) All claims against the state bank's 10094
estate and expenses, proved to the receiver's satisfaction or 10095
approved by the court, shall be paid in the following order: 10096

(1) Expenses of liquidation and receivership, including	10097
money borrowed under authority of division (A) (6) of section	10098
1125.22 or division (A) (7) of section 1125.12 of the Revised	10099
Code and interest on it, and claims for fees and assessments due	10100
the superintendent of financial institutions;	10101
(2) Claims given priorities under other provisions of	10102
state or federal law;	10103
(3) <u>Wages and salaries, or commissions, including</u>	10104
<u>vacation, severance, and sick leave pay,</u> of officers and	10105
employees earned during the one-month period preceding the date	10106
of the bank's closing in an amount, before applicable taxes and	10107
other withholdings, that does not exceed one thousand dollars	10108
for any one person;	10109
(4) Deposit obligations;	10110
(5) Other general liabilities;	10111
(6) Obligations subordinated to deposits and other general	10112
liabilities.	10113
(B) Interest shall be given the same priority as the claim	10114
on which it is based, but no interest shall be paid on any claim	10115
until the principal of all claims within the same class has been	10116
paid or provided for in full.	10117
(C) Any funds remaining after satisfying the requirements	10118
of divisions (A) and (B) of this section shall be paid to the	10119
shareholders <u>or members</u> .	10120
(D) Payment on claims shall be made pro rata among claims	10121
of the kind specified in each class set forth in division (A) of	10122
this section.	10123
(E) Subject to the approval of the court, the receiver may	10124

designate a separate class of claims consisting only of every 10125
unsecured claim that is less than, or reduced to, an amount the 10126
court approves for payment as reasonable and necessary for 10127
administrative convenience. 10128

(F) Subject to the approval of the court, the receiver may 10129
make periodic and interim liquidating dividends or payments. 10130

Sec. 1125.25. (A) Within one hundred days after the date 10131
of the closing of a state bank, a receiver may reject any 10132
executory contract to which the bank is a party without any 10133
further liability on the part of the bank or the receiver. The 10134
receiver's election to reject an executory contract creates no 10135
claim for compensation other than compensation accrued to the 10136
date of termination or for actual damages. 10137

(B) A receiver may ratify and assign any executory 10138
contract to which the bank is a party notwithstanding the 10139
existence of a provision in the contract permitting the 10140
termination of the executory contract, or prohibiting, 10141
conditioning, or requiring consent to any assignment of the 10142
executory contract, upon the insolvency of the bank or the 10143
appointment of a receiver. 10144

Sec. 1125.26. Whenever the federal deposit insurance 10145
corporation pays or makes available for payment the insured 10146
deposit liabilities of a state bank, the federal deposit 10147
insurance corporation, whether or not it acts as receiver, shall 10148
be subrogated to the extent of the payments to all rights of 10149
depositors against the bank. 10150

Sec. 1125.27. (A) The receiver may appoint a successor to 10151
all rights, obligations, assets, deposits, agreements, and 10152
trusts held by the closed state bank as trustee, administrator, 10153

executor, guardian, agent, or in any other fiduciary or 10154
representative capacity. The successor's duties and obligations 10155
commence upon appointment to the same extent they are binding 10156
upon the former bank and as though the successor had originally 10157
assumed the duties and obligations. Specifically, the successor 10158
shall succeed to and be entitled to administer all trusteeships, 10159
administrations, executorships, guardianships, agencies, and all 10160
other fiduciary or representative proceedings to which the 10161
closed bank is named or appointed in wills, whenever probated, 10162
or to which it is appointed by any other instrument, court 10163
order, or operation of law. 10164

(B) Within sixty days after appointment, the successor 10165
shall give written notice, insofar as practicable, to all 10166
interested parties named in the books and records of the bank or 10167
in trust documents held by it, that the successor has been 10168
appointed in accordance with state law. 10169

(C) Nothing in this section shall be construed to impair 10170
any right of the grantor or beneficiaries of trust assets to 10171
secure the appointment of a substituted trustee or manager. 10172

Sec. 1125.28. (A) The filing with the court of the finding 10173
of the superintendent of financial institutions or the 10174
certificate of appointment of the receiver, whichever occurs 10175
first, operates as an automatic stay from the date of the 10176
filing, subject to the court granting a motion for relief from 10177
the stay, applicable to all ~~entities~~ persons, of both of the 10178
following: 10179

(1) The commencement or continuation, including the 10180
issuance or employment of process, of a judicial, 10181
administrative, or other action or proceeding against the state 10182
bank that was or could have been commenced before the filing; 10183

(2) The enforcement against the bank of a judgment or other claim obtained before the filing, including claims of security, preference, priority, and offset. 10184
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(B) Upon the filing with the court of the finding of the superintendent or the certificate of appointment of the receiver, whichever occurs first, any other pending judicial, administrative, or other action or proceeding against the bank shall, upon motion of the receiver, be consolidated into one action or transferred as a separate matter before the presiding judge of the court having jurisdiction of the receivership, subject, however, to the automatic stay provided in division (A) of this section. Subject to the receiver's option to have an action later consolidated or transferred, any action commenced after the superintendent's filing shall be filed as a separate matter before the presiding judge in the court having jurisdiction over the receivership. 10187
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(C) The superintendent, prior to the appointment of a receiver, or the receiver, after its appointment, shall be the only party named in an action involving a state bank subject to this chapter. 10200
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(D) Any action seeking to enjoin the superintendent's order appointing a receiver of a state bank shall be brought prior to the date the receiver sells all or substantially all of the assets of the bank, prior to the date the receiver transfers all or substantially all of the insured deposits to an assuming institution, or within ten days after the issuance of the order, whichever is earliest. 10204
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Sec. 1125.29. (A) When a receiver has completed the liquidation of a state bank, the receiver shall, with notice to the superintendent of financial institutions, petition the court 10211
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for an order declaring the bank properly wound up and dissolved. 10214

(B) After whatever notice and hearing, if any, the court 10215
may direct, the court may make an order declaring the bank 10216
properly wound up and dissolved. The order shall do both of the 10217
following, to the extent applicable: 10218

(1) Declare all of the following: 10219

(a) The bank has been properly wound up. 10220

(b) All known assets of the bank have been distributed 10221
according to the distribution priorities set forth in this 10222
chapter. 10223

(c) The bank is dissolved. 10224

(2) If there are known debts or liabilities, describe the 10225
provision made for their payment, setting forth whatever 10226
information may be necessary to enable the creditor or other 10227
person to whom payment is to be made to appear and claim payment 10228
of the debt or liability. 10229

(C) The order shall confirm a plan by the receiver for the 10230
disposition or maintenance of any remaining real or personal 10231
property or other assets, whether held in trust or otherwise and 10232
including the contents of safe deposit boxes or vaults, held by 10233
the bank for its account holders, creditors, lessees, ~~or~~ 10234
shareholders, or members. The plan shall include written notice 10235
to all known owners or beneficiaries of the assets, to be sent 10236
by first class mail to each individual's address as shown on the 10237
records of the bank. 10238

(D) The court may make whatever additional orders and 10239
grant whatever further relief it determines proper upon the 10240
evidence submitted. 10241

(E) Once the order is made declaring the bank dissolved, 10242
the corporate existence of the bank shall cease, except for 10243
purposes of any necessary additional winding up. 10244

(F) Once the order is made declaring the bank dissolved, 10245
the receiver shall promptly file a copy of the order, certified 10246
by the clerk of the court, with both the secretary of state and 10247
the superintendent. 10248

Sec. 1125.30. Subject to the approval of the court, the 10249
receiver may destroy the records of the state bank in accordance 10250
with section 1109.69 of the Revised Code after the receiver 10251
determines there is no further need for them. However, the 10252
receiver shall not destroy the records earlier than six months 10253
after the date the bank is declared dissolved by the court. 10254

Sec. 1125.33. (A) No damages may be awarded in a 10255
proceeding brought pursuant to this chapter challenging any 10256
action by the superintendent of financial institutions, special 10257
deputy superintendent, receiver, or conservator, or any employee 10258
of any of them, or any person retained for services under this 10259
chapter. Any action for damages shall be brought in the court as 10260
a separate action. 10261

(B) The superintendent, special deputy superintendent, 10262
receiver, conservator, or any employee of any of them, or any 10263
person retained for services under this chapter, is not subject 10264
to any civil liability or penalty, or to any criminal 10265
prosecution, for any error in judgment or discretion made in 10266
good faith in any action taken or omitted in an official 10267
capacity under this chapter. 10268

(C) The superintendent, special deputy superintendent, 10269
receiver, conservator, or any employee of any of them, or any 10270

person retained for services under this chapter, is not liable 10271
in damages for any action or failure to act unless it is proved 10272
by clear and convincing evidence in court that the action or 10273
failure to act involved an act or omission undertaken with 10274
deliberate intent to cause injury to any of the state bank, its 10275
shareholders, its members, its depositors, or its creditors, or 10276
undertaken with reckless disregard for the best interests of any 10277
of the bank, its shareholders, its members, its depositors, its 10278
creditors, or the public. 10279

Sec. 1181.01. The superintendent of financial institutions 10280
shall be the chief executive officer of the division of 10281
financial institutions. 10282

The superintendent shall have at least five years of 10283
experience in the financial services industry or in the 10284
examination or regulation of financial institutions. 10285

The superintendent shall appoint a deputy superintendent 10286
for banks, ~~a deputy superintendent for savings and loan~~ 10287
~~associations and savings banks,~~ and a deputy superintendent for 10288
credit unions. Each deputy superintendent shall have at least 10289
five years of experience in that particular industry or at least 10290
five years of experience in the examination or regulation of 10291
banks, ~~savings and loan associations, savings banks,~~ or credit 10292
unions. 10293

The superintendent shall also appoint a deputy 10294
superintendent for consumer finance, who shall have at least 10295
five years of experience in one or more of the consumer finance 10296
companies regulated by the division or in the examination or 10297
regulation of banks, ~~savings and loan associations, savings~~ 10298
~~banks,~~ credit unions, or consumer finance companies. 10299

The deputy superintendents appointed by the superintendent 10300
of financial institutions pursuant to this section shall serve 10301
in the unclassified civil service. 10302

Sec. 1181.02. The superintendent of financial institutions 10303
may appoint and employ such assistants, clerks, examiners, and 10304
other employees, and such professionals and agents, as the 10305
prompt execution of the duties of the superintendent's office 10306
requires, and may employ attorney examiners if the 10307
superintendent considers such assistants necessary. 10308

Sec. 1181.03. (A) Before entering upon the discharge of 10309
the duties of the office of the superintendent of financial 10310
institutions, the superintendent shall give bond to the state in 10311
the sum of one million dollars with sureties approved by the 10312
governor and conditioned on the faithful discharge of the 10313
official duties of the office. The bond, with the approval of 10314
the governor and with the superintendent's oath of office 10315
endorsed on it, shall be filed with the office of the secretary 10316
of state. 10317

(B) Before entering upon the discharge of the duties of 10318
their respective offices, the deputy superintendent for banks, 10319
~~the deputy superintendent for savings and loan associations and~~ 10320
~~savings banks,~~ the deputy superintendent for credit unions, and 10321
the deputy superintendent for consumer finance shall each give 10322
bond to the state in the sum of five hundred thousand dollars 10323
with sureties approved by the superintendent and conditioned on 10324
the faithful performance of their respective duties. The bonds 10325
shall be filed with the office of the secretary of state. 10326

(C) The superintendent shall require of each other 10327
employee and each agent of the division of financial 10328
institutions a bond, conditioned on the faithful performance of 10329

each employee's and agent's respective duties, in an amount not 10330
less than five thousand dollars that the superintendent 10331
determines to be acceptable. The bonds may, in the discretion of 10332
the superintendent, be individual, schedule, or blanket bonds. 10333
The bonds shall be filed with the office of the secretary of 10334
state. 10335

(D) The division shall pay the cost or premium of the 10336
bonds required by this section from funds appropriated to the 10337
division for that purpose. 10338

Sec. 1181.04. Neither the superintendent of financial 10339
institutions nor any employee, agent, or contractor of the 10340
division of financial institutions shall be liable in any civil, 10341
criminal, or administrative proceeding for any mistake of 10342
judgment or discretion in any action taken, or any omission made 10343
by the superintendent ~~or~~, employee, agent, or contractor if 10344
done in good faith within the scope of the person's official 10345
capacity as assigned by the superintendent. 10346

Sec. 1181.05. (A) As used in this section, "consumer 10347
finance company" means any person ~~required to be~~ licensed or 10348
registered under Chapter 1321., 1322., 4712., 4727., or 4728. or 10349
sections 1315.21 to 1315.30 of the Revised Code. 10350

(B) Neither the superintendent of financial institutions 10351
nor any other employee of the division of financial institutions 10352
shall do any of the following: ~~be interested have a business or~~ 10353
investment interest, directly or indirectly, in any state bank, 10354
~~savings and loan association, savings bank trust company,~~ credit 10355
union, or consumer finance company, that is under the 10356
supervision of the superintendent of financial institutions or 10357
in any affiliate of any such financial institution or company; 10358
directly or indirectly borrow money from any such financial 10359

institution or company; serve as a director or officer of or be 10360
employed by any such financial institution or company; or own an 10361
equity interest in any such financial institution or company or 10362
in any of its affiliates. For purposes of this section, an 10363
equity interest does not include the ownership of an account in 10364
a mutual savings and loan association or in a savings bank that 10365
does not have permanent stock or the ownership of a share 10366
account in a credit union. 10367

(C) Subject to division (G) of this section, an employee 10368
of the division of financial institutions may retain any 10369
extension of credit that otherwise would be prohibited by 10370
division (B) of this section if both of the following apply: 10371

(1) The employee obtained the extension of credit prior to 10372
October 29, 1995, or the commencement of the employee's 10373
employment with the division, or as a result of a change in the 10374
employee's marital status, the consummation of a merger, 10375
acquisition, transfer of assets, or other change in corporate 10376
ownership beyond the employee's control, or the sale of the 10377
extension of credit in the secondary market or other business 10378
transaction beyond the employee's control. 10379

(2) The employee liquidates the extension of credit under 10380
its original terms and without renegotiation. 10381

If the employee chooses to retain the extension of credit, 10382
the employee shall immediately provide written notice of the 10383
retention to the employee's supervisor. Thereafter, the employee 10384
shall be disqualified from participating in any decision, 10385
examination, audit, or other action that may affect that 10386
particular creditor. 10387

(D) Subject to division (G) of this section, an employee 10388

of the division of financial institutions may retain any 10389
ownership of or beneficial interest in the securities of a 10390
financial institution or consumer finance company that is under 10391
the supervision of the division of financial institutions, or of 10392
a holding company or subsidiary of such a financial institution 10393
or company, which ownership or beneficial interest otherwise 10394
would be prohibited by division (B) of this section, if the 10395
ownership or beneficial interest is acquired by the employee 10396
through inheritance or gift, prior to October 29, 1995, or the 10397
commencement of the employee's employment with the division, or 10398
as a result of a change in the employee's marital status or the 10399
consummation of a merger, acquisition, transfer of assets, or 10400
other change in ~~corporate~~ ownership beyond the employee's 10401
control. 10402

If the employee chooses to retain the ownership or 10403
beneficial interest, the employee shall immediately provide 10404
written notice of the retention to the employee's supervisor. 10405
Thereafter, the employee shall be disqualified from 10406
participating in any decision, examination, audit, or other 10407
action that may affect the issuer of the securities. However, if 10408
the ownership of or beneficial interest in the securities and 10409
the subsequent disqualification required by this division impair 10410
the employee's ability to perform the employee's duties, the 10411
employee may be ordered to divest self of the ownership of or 10412
beneficial interest in the securities or to resign. 10413

(E) Notwithstanding division (B) of this section, an 10414
employee of the division of financial institutions may have an 10415
indirect interest in the securities of a financial institution 10416
or consumer finance company that is under the supervision of the 10417
division of financial institutions, which interest arises 10418
through ownership of or beneficial interest in the securities of 10419

a publicly held mutual fund or investment trust, if the employee 10420
owns or has a beneficial interest in less than five per cent of 10421
the securities of the mutual fund or investment trust, and the 10422
mutual fund or investment trust is not advised or sponsored by a 10423
financial institution or consumer finance company that is under 10424
the supervision of the division of financial institutions. If 10425
the mutual fund or investment trust is subsequently advised or 10426
sponsored by a financial institution or consumer finance company 10427
that is under the supervision of the division of financial 10428
institutions, the employee shall immediately provide written 10429
notice of the ownership of or beneficial interest in the 10430
securities to the employee's supervisor. Thereafter, the 10431
employee shall be disqualified from participating in any 10432
decision, examination, audit, or other action that may affect 10433
the financial institution or consumer finance company. However, 10434
if the ownership of or beneficial interest in the securities and 10435
the subsequent disqualification required by this division impair 10436
the employee's ability to perform the employee's duties, the 10437
employee may be ordered to divest self of the ownership of or 10438
beneficial interest in the securities or to resign. 10439

(F) (1) For purposes of this section, the interests of an 10440
employee's spouse or dependent child arising through the 10441
ownership or control of securities shall be considered the 10442
interests of the employee, unless the employee can demonstrate 10443
to the satisfaction of the superintendent that the interests are 10444
solely the financial interest and responsibility of the spouse 10445
or dependent child, the interests are not in any way derived 10446
from the income, assets, or activity of the employee, and any 10447
financial or economic benefit from the interests is for the 10448
personal use of the spouse or dependent child. 10449

(2) If an employee's spouse or dependent child obtains 10450

interests arising through the ownership or control of securities 10451
and, pursuant to division (F)(1) of this section, the interests 10452
are not considered the interests of the employee, the employee 10453
shall immediately provide written notice of the interests to the 10454
employee's supervisor. Thereafter, the employee shall be 10455
disqualified from participating in any decision, examination, 10456
audit, or other action that may affect the issuer of the 10457
securities. 10458

(G) For purposes of divisions (C) and (D) of this section, 10459
both of the following apply: 10460

(1) With respect to any employee of the former division of 10461
consumer finance who, on the first day of the first pay period 10462
commencing after the effective date of this section, becomes an 10463
employee of the division of financial institutions, the 10464
employee's employment with the division of financial 10465
institutions is deemed to commence on the first day of the first 10466
pay period commencing after the effective date of this section. 10467

(2) With respect to any employee who, on October 29, 1995, 10468
became an employee of the division of financial institutions, 10469
the employee may, notwithstanding divisions (C) and (D) of this 10470
section, retain any extension of credit by a consumer finance 10471
company that was obtained at any time prior to the first day of 10472
the first pay period commencing after the effective date of this 10473
section, or retain any ownership of or beneficial interest in 10474
the securities of a consumer finance company, or of a holding 10475
company or subsidiary of such a company, that was acquired at 10476
any time prior to the first day of the first pay period 10477
commencing after the effective date of this section. If the 10478
employee chooses to retain the extension of credit or the 10479
ownership or beneficial interest, the employee shall comply with 10480

divisions (C) and (D) of this section. 10481

Sec. 1181.06. There is hereby created in the state 10482
treasury the financial institutions fund. The fund shall receive 10483
assessments on the banks fund established under section 1121.30 10484
of the Revised Code, ~~the savings institutions fund established~~ 10485
~~under section 1181.18 of the Revised Code,~~ the credit unions 10486
fund established under section 1733.321 of the Revised Code, and 10487
the consumer finance fund established under section 1321.21 of 10488
the Revised Code in accordance with procedures prescribed by the 10489
superintendent of financial institutions and approved by the 10490
director of budget and management. Such assessments shall be in 10491
addition to any assessments on these funds required under 10492
division (G) of section 121.08 of the Revised Code. All 10493
operating expenses of the division of financial institutions 10494
shall be paid from the financial institutions fund. Money in the 10495
fund shall be used only for that purpose. 10496

Sec. 1181.07. The state shall furnish the superintendent 10497
of financial institutions suitable facilities for conducting the 10498
business of the superintendent's office at the seat of 10499
government and in any other ~~city of~~ location within the state 10500
where it is necessary to keep a resident examiner. 10501

Sec. 1181.10. The seal of the superintendent of financial 10502
institutions shall be ~~one and three fourths inches in diameter~~ 10503
~~and shall be~~ surrounded by the words: "The superintendent of 10504
financial institutions of the state of Ohio." 10505

The seal shall have engraved on it the coat of arms of the 10506
state, as described in section 5.04 of the Revised Code, and 10507
shall contain the words and devices mentioned in this section 10508
and no other. 10509

Sec. 1181.11. Copies of all certificates, records, and 10510
papers in the office of the superintendent of financial 10511
institutions, including the records of the banking commission, 10512
the former savings and loan associations and savings banks 10513
board, and the credit union council, duly certified by the 10514
superintendent or, in the absence of the superintendent, a 10515
deputy superintendent having jurisdiction over the records, and 10516
authenticated by the superintendent's seal of office, shall be 10517
evidence, in all courts of this state, of every matter which 10518
could be proved by the production of the original. 10519

Sec. 1181.21. (A) As used in this section, "consumer 10520
finance company" has the same meaning as in section 1181.05 of 10521
the Revised Code. 10522

(B) The superintendent of financial institutions shall see 10523
that the laws relating to consumer finance companies are 10524
executed and enforced. 10525

(C) The deputy superintendent for consumer finance shall 10526
be the principal supervisor of consumer finance companies. In 10527
that position the deputy superintendent for consumer finance 10528
shall, notwithstanding section 1321.421, division (A) of section 10529
1321.76, and sections 1321.07, 1321.55, 1322.06, 4727.05, and 10530
4728.05 of the Revised Code, be responsible for conducting 10531
examinations and preparing examination reports under those 10532
sections and under Chapter 4712. of the Revised Code. In 10533
addition, the deputy superintendent for consumer finance shall, 10534
notwithstanding sections 1315.27, 1321.10, 1321.43, 1321.54, 10535
1321.77, 1322.12, 4712.14, 4727.13, and 4728.10 of the Revised 10536
Code, have the authority to adopt rules and standards in 10537
accordance with those sections. In performing or exercising any 10538
of the examination, rule-making, or other regulatory functions, 10539

powers, or duties vested by this division in the deputy 10540
superintendent for consumer finance, the deputy superintendent 10541
for consumer finance shall be subject to the control of the 10542
superintendent of financial institutions and the director of 10543
commerce. 10544

Sec. 1181.25. ~~The (A) Notwithstanding sections 1121.18,~~ 10545
~~1315.122, 1321.09, 1321.48, 1321.55, 1321.76, 1322.06, 1322.061,~~ 10546
~~1733.32, 1733.327, and 4727.18 of the Revised Code, the~~ 10547
superintendent of financial institutions may, in the 10548
superintendent's discretion, introduce into evidence or 10549
disclose, or authorize to be introduced into evidence or 10550
disclosed, information that, ~~under sections 1121.18, 1155.16,~~ 10551
~~1163.20, 1315.122, 1321.09, 1321.48, 1321.55, 1321.76, 1322.06,~~ 10552
~~1322.061, 1733.32, 1733.327, and 4727.18 of the Revised Code,~~ is 10553
privileged, confidential, or otherwise not ~~public information or~~ 10554
a public record, ~~provided that the superintendent acts only as~~ 10555
~~provided in those sections or~~ in the following circumstances: 10556

~~(A) When in the opinion of~~ (1) In connection with any 10557
civil, criminal, or administrative investigation or examination 10558
conducted by the superintendent, it is appropriate with regard 10559
to any enforcement actions taken and decisions made by the 10560
~~superintendent~~ under Chapters 1315., 1321., 1322., 1733., 4712., 10561
4727., and 4728. of the Revised Code or Title XI of the Revised 10562
Code or by any other financial institution regulatory authority, 10563
any state or federal attorney general or prosecuting attorney, 10564
or any local, state, or federal law enforcement agency; 10565

~~(B) When~~ (2) In connection with any civil or criminal 10566
litigation has been or administrative enforcement action 10567
initiated or to be initiated by the superintendent in 10568
furtherance of the powers, duties, and obligations imposed upon 10569

the superintendent by Chapters 1315., 1321., 1322., 1733., 10570
4712., 4727., and 4728. of the Revised Code or Title XI of the 10571
Revised Code; 10572

~~(C) When in the opinion of the superintendent, it is 10573
appropriate with regard to enforcement actions taken or 10574
decisions made by other financial institution regulatory 10575
authorities to whom the superintendent has provided the 10576
information pursuant to authority in (3) To administer licensing 10577
and registration under Chapters 1315., 1321., 1322., 1733., 10578
4712., 4727., and 4728. of the Revised Code or Title XI of the 10579
Revised Code through the nationwide mortgage licensing system 10580
and registry as defined in section 1322.01 of the Revised Code. 10581~~

(B) If the superintendent has reason to believe that any 10582
privileged, confidential, or other nonpublic information 10583
provided pursuant to this section may be disclosed by the 10584
intended recipient, the superintendent shall seek a protective 10585
order or enter into an agreement to protect that information. 10586

(C) All reports and other information made available under 10587
this chapter remain the property of the superintendent. Except 10588
as otherwise provided in this section, no person, agency, or 10589
other authority to whom the information is made available, or 10590
any officer, director, or employee thereof, shall disclose such 10591
information except in published statistical material that does 10592
not disclose, either directly or when used in conjunction with 10593
publicly available information, the affairs of any individual or 10594
entity. 10595

(D) The superintendent shall not be considered to have 10596
waived any privilege applicable to any information by 10597
transferring that information to, or permitting that information 10598
to be used by, any federal or state agency or any other person 10599

as permitted under this chapter or Chapter 1121. of the Revised 10600
Code. 10601

Sec. 1349.16. (A) As used in this section, "financial 10602
institution" includes every bank as defined in section 1101.01 10603
of the Revised Code, ~~savings and loan association as defined in~~ 10604
~~section 1151.01 of the Revised Code, savings bank as defined in~~ 10605
~~section 1161.01 of the Revised Code,~~ and credit union organized 10606
or qualified as such under sections 1733.01 to 1733.45 of the 10607
Revised Code or the "Federal Credit Union Act," 84 Stat. 994 10608
(1970), 12 U.S.C.A. 1752, as amended. 10609

(B) Before opening or authorizing signatory power over a 10610
checking account intended for personal, family, or household 10611
purposes, a financial institution: 10612

(1) Shall require the applicant to provide ~~his~~ the 10613
applicant's current address and a valid driver's or commercial 10614
driver's license or identification card issued by the registrar 10615
of motor vehicles or a deputy registrar under section 4507.50 of 10616
the Revised Code. If the applicant does not have a valid 10617
driver's or commercial driver's license or identification card, 10618
the applicant may provide an identification document that 10619
includes ~~his~~ the applicant's full name, birthdate, and 10620
signature. 10621

(2) May require the applicant to provide relevant 10622
information in addition to the information specified in division 10623
(B) (1) of this section. 10624

(C) Every person that issues or prints checks, bills of 10625
exchange, or other drafts for use with a checking account 10626
intended for personal, family, or household purposes opened on 10627
or after October 16, 1990 shall print the date on which the 10628

checking account was opened on the face of each check, bill of exchange, or other draft. 10629
10630

(D) This section does not apply to temporary checks furnished at the time a checking account is opened. 10631
10632

(E) This section does not create any civil cause of action against a financial institution, its directors, trustees, officers, employees, agents, representatives, or other persons acting on its behalf, or against any person that issues or prints checks, bills of exchange, or other drafts, for failure to comply with this section. 10633
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Sec. 1509.07. (A) (1) Except as provided in division (A) (2) of this section, an owner of any well, except an exempt Mississippian well or an exempt domestic well, shall obtain liability insurance coverage from a company authorized to do business in this state in an amount of not less than one million dollars bodily injury coverage and property damage coverage to pay damages for injury to persons or damage to property caused by the drilling, operation, or plugging of all the owner's wells in this state. However, if any well is located within an urbanized area, the owner shall obtain liability insurance coverage in an amount of not less than three million dollars for bodily injury coverage and property damage coverage to pay damages for injury to persons or damage to property caused by the drilling, operation, or plugging of all of the owner's wells in this state. 10639
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(2) An owner of a horizontal well shall obtain liability insurance coverage from an insurer authorized to write such insurance in this state or from an insurer approved to write such insurance in this state under section 3905.33 of the Revised Code in an amount of not less than five million dollars 10654
10655
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10658

bodily injury coverage and property damage coverage to pay 10659
damages for injury to persons or damage to property caused by 10660
the production operations of all the owner's wells in this 10661
state. The insurance policy shall include a reasonable level of 10662
coverage available for an environmental endorsement. 10663

(3) An owner shall maintain the coverage required under 10664
division (A)(1) or (2) of this section until all the owner's 10665
wells are plugged and abandoned or are transferred to an owner 10666
who has obtained insurance as required under this section and 10667
who is not under a notice of material and substantial violation 10668
or under a suspension order. The owner shall provide proof of 10669
liability insurance coverage to the chief of the division of oil 10670
and gas resources management upon request. Upon failure of the 10671
owner to provide that proof when requested, the chief may order 10672
the suspension of any outstanding permits and operations of the 10673
owner until the owner provides proof of the required insurance 10674
coverage. 10675

(B)(1) Except as otherwise provided in this section, an 10676
owner of any well, before being issued a permit under section 10677
1509.06 of the Revised Code or before operating or producing 10678
from a well, shall execute and file with the division of oil and 10679
gas resources management a surety bond conditioned on compliance 10680
with the restoration requirements of section 1509.072, the 10681
plugging requirements of section 1509.12, the permit provisions 10682
of section 1509.13 of the Revised Code, and all rules and orders 10683
of the chief relating thereto, in an amount set by rule of the 10684
chief. 10685

(2) The owner may deposit with the chief, instead of a 10686
surety bond, cash in an amount equal to the surety bond as 10687
prescribed pursuant to this section or negotiable certificates 10688

of deposit or irrevocable letters of credit, issued by any bank 10689
organized or transacting business in this state ~~or by any~~ 10690
~~savings and loan association as defined in section 1151.01 of~~ 10691
~~the Revised Code,~~ having a cash value equal to or greater than 10692
the amount of the surety bond as prescribed pursuant to this 10693
section. Cash or certificates of deposit shall be deposited upon 10694
the same terms as those upon which surety bonds may be 10695
deposited. If certificates of deposit are deposited with the 10696
chief instead of a surety bond, the chief shall require the bank 10697
~~or savings and loan association~~ that issued any such certificate 10698
to pledge securities of a cash value equal to the amount of the 10699
certificate that is in excess of the amount insured by any of 10700
the agencies and instrumentalities created under the "Federal 10701
Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as 10702
amended, and regulations adopted under it, including at least 10703
the federal deposit insurance corporation, ~~bank insurance fund,~~ 10704
~~and savings association insurance fund.~~ The securities shall be 10705
security for the repayment of the certificate of deposit. 10706

Immediately upon a deposit of cash, certificates of 10707
deposit, or letters of credit with the chief, the chief shall 10708
deliver them to the treasurer of state who shall hold them in 10709
trust for the purposes for which they have been deposited. 10710

(3) Instead of a surety bond, the chief may accept proof 10711
of financial responsibility consisting of a sworn financial 10712
statement showing a net financial worth within this state equal 10713
to twice the amount of the bond for which it substitutes and, as 10714
may be required by the chief, a list of producing properties of 10715
the owner within this state or other evidence showing ability 10716
and intent to comply with the law and rules concerning 10717
restoration and plugging that may be required by rule of the 10718
chief. The owner of an exempt Mississippian well is not required 10719

to file scheduled updates of the financial documents, but shall 10720
file updates of those documents if requested to do so by the 10721
chief. The owner of a nonexempt Mississippian well shall file 10722
updates of the financial documents in accordance with a schedule 10723
established by rule of the chief. The chief, upon determining 10724
that an owner for whom the chief has accepted proof of financial 10725
responsibility instead of bond cannot demonstrate financial 10726
responsibility, shall order that the owner execute and file a 10727
bond or deposit cash, certificates of deposit, or irrevocable 10728
letters of credit as required by this section for the wells 10729
specified in the order within ten days of receipt of the order. 10730
If the order is not complied with, all wells of the owner that 10731
are specified in the order and for which no bond is filed or 10732
cash, certificates of deposit, or letters of credit are 10733
deposited shall be plugged. No owner shall fail or refuse to 10734
plug such a well. Each day on which such a well remains 10735
unplugged thereafter constitutes a separate offense. 10736

(4) The surety bond provided for in this section shall be 10737
executed by a surety company authorized to do business in this 10738
state. 10739

The chief shall not approve any bond until it is 10740
personally signed and acknowledged by both principal and surety, 10741
or as to either by the principal's or surety's attorney in fact, 10742
with a certified copy of the power of attorney attached thereto. 10743
The chief shall not approve a bond unless there is attached a 10744
certificate of the superintendent of insurance that the company 10745
is authorized to transact a fidelity and surety business in this 10746
state. 10747

All bonds shall be given in a form to be prescribed by the 10748
chief and shall run to the state as obligee. 10749

(5) An owner of an exempt Mississippian well or an exempt domestic well, in lieu of filing a surety bond, cash in an amount equal to the surety bond, certificates of deposit, irrevocable letters of credit, or a sworn financial statement, may file a one-time fee of fifty dollars, which shall be deposited in the oil and gas well plugging fund created in section 1509.071 of the Revised Code.

(C) An owner, operator, producer, or other person shall not operate a well or produce from a well at any time if the owner, operator, producer, or other person has not satisfied the requirements established in this section.

Sec. 1509.225. (A) Before being issued a registration certificate under section 1509.222 of the Revised Code, an applicant shall execute and file with the division of oil and gas resources management a surety bond for fifteen thousand dollars to provide compensation for damage and injury resulting from transporters' violations of sections 1509.22, 1509.222, and 1509.223 of the Revised Code, all rules and orders of the chief of the division of oil and gas resources management relating thereto, and all terms and conditions of the registration certificate imposed thereunder. The applicant may deposit with the chief, in lieu of a surety bond, cash in an amount equal to the surety bond as prescribed in this section, or negotiable certificates of deposit issued by any bank organized or transacting business in this state, ~~or certificates of deposit issued by any building and loan association as defined in section 1151.01 of the Revised Code,~~ having a cash value equal to or greater than the amount of the surety bond as prescribed in this section. Cash or certificates of deposit shall be deposited upon the same terms as those upon which surety bonds may be deposited. If certificates of deposit are deposited with

the chief in lieu of a surety bond, the chief shall require the 10781
bank ~~or building and loan association~~ that issued any such 10782
certificate to pledge securities of a cash value equal to the 10783
amount of the certificate that is in excess of the amount 10784
insured by any of the agencies and instrumentalities created 10785
under the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 10786
12 U.S.C. 1811, as amended, and regulations adopted under it, 10787
including at least the federal deposit insurance corporation, ~~bank~~ 10788
~~insurance fund, and savings association insurance fund.~~ 10789

Such securities shall be security for the repayment of the 10790
certificate of deposit. Immediately upon a deposit of cash or 10791
certificates with the chief, the chief shall deliver it to the 10792
treasurer of state who shall hold it in trust for the purposes 10793
for which it has been deposited. 10794

(B) The surety bond provided for in this section shall be 10795
executed by a surety company authorized to do business in this 10796
state. The chief shall not approve any bond until it is 10797
personally signed and acknowledged by both principal and surety, 10798
or as to either by an attorney in fact, with a certified copy of 10799
the power of attorney attached thereto. The chief shall not 10800
approve the bond unless there is attached a certificate of the 10801
superintendent of insurance that the company is authorized to 10802
transact a fidelity and surety business in this state. All bonds 10803
shall be given in a form to be prescribed by the chief. 10804

(C) If a registered transporter is found liable for a 10805
violation of section 1509.22, 1509.222, or 1509.223 of the 10806
Revised Code or a rule, order, or term or condition of a 10807
certificate involving, in any case, damage or injury to persons 10808
or property, or both, the court may order the forfeiture of any 10809
portion of the bond, cash, or other securities required by this 10810

section in full or partial payment of damages to the person to 10811
whom the damages are due. The treasurer of state and the chief 10812
shall deliver the bond or any cash or other securities deposited 10813
in lieu of bond, as specified in the court's order, to the 10814
person to whom the damages are due; however, execution against 10815
the bond, cash, or other securities, if necessary, is the 10816
responsibility of the person to whom the damages are due. The 10817
chief shall not release the bond, cash, or securities required 10818
by this section except by court order or until the registration 10819
is terminated. 10820

Sec. 1510.09. (A) There is hereby established a fund for 10821
any marketing program that is established by the technical 10822
advisory council under this chapter. The fund shall be in the 10823
custody of the treasurer of state, but shall not be part of the 10824
state treasury. Except as authorized in division (B) of this 10825
section, all moneys collected pursuant to section 1510.08 of the 10826
Revised Code for the marketing program shall be paid into the 10827
fund for the marketing program and shall be disbursed only 10828
pursuant to a voucher signed by the chairperson of the council 10829
for use in defraying the costs of administration of the 10830
marketing program and for carrying out sections 1510.02, 10831
1510.03, and 1510.11 of the Revised Code. 10832

(B) In lieu of deposits in the fund established under 10833
division (A) of this section, the operating committee of a 10834
marketing program established under this chapter may deposit all 10835
moneys collected pursuant to section 1510.08 of the Revised Code 10836
with a bank ~~or a savings and loan association~~ as defined in 10837
~~sections~~ section 1101.01 and 1151.01 of the Revised Code. All 10838
moneys collected pursuant to section 1510.08 of the Revised Code 10839
for the marketing program and deposited pursuant to this 10840
division also shall be used only in defraying the costs of 10841

administration of the marketing program and for carrying out 10842
sections 1510.02, 1510.03, and 1510.11 of the Revised Code. 10843

(C) An operating committee shall establish a fiscal year 10844
for its marketing program, shall publish an activity and 10845
financial report within sixty days of the end of each fiscal 10846
year, and shall make the report available to each independent 10847
producer who pays an assessment or otherwise contributes to the 10848
marketing program that the committee administers and to other 10849
interested persons. 10850

(D) In addition to the report required by division (C) of 10851
this section, an operating committee that deposits moneys in 10852
accordance with division (B) of this section shall submit to the 10853
council both of the following: 10854

(1) Annually, a financial statement prepared by a 10855
certified public accountant holding valid certification from the 10856
Ohio board of accountancy issued pursuant to Chapter 4701. of 10857
the Revised Code. The operating committee shall file the 10858
financial statement with the council not more than sixty days 10859
after the end of each fiscal year. 10860

(2) Monthly, an unaudited financial statement. 10861

Sec. 1514.04. (A) Upon receipt of notification from the 10862
chief of the division of mineral resources management of the 10863
chief's intent to issue an order granting a surface or in-stream 10864
mining permit to the applicant, the applicant shall file a 10865
surety bond, cash, an irrevocable letter of credit, or 10866
certificates of deposit in the amount, unless otherwise provided 10867
by rule, of ten thousand dollars. If the amount of land to be 10868
affected is more than twenty acres, the applicant also shall 10869
file a surety bond, cash, an irrevocable letter of credit, or 10870

certificates of deposit in the amount of five hundred dollars 10871
per acre of land to be affected that exceeds twenty acres. Upon 10872
receipt of notification from the chief of the chief's intent to 10873
issue an order granting an amendment to a surface or in-stream 10874
mining permit, the applicant shall file a surety bond, cash, an 10875
irrevocable letter of credit, or certificates of deposit in the 10876
amount required in this division. 10877

In the case of a surface mining permit, the bond shall be 10878
filed based on the number of acres estimated to be affected 10879
during the first year of operation under the permit. In the case 10880
of an amendment to a surface mining permit, the bond shall be 10881
filed based on the number of acres estimated to be affected 10882
during the balance of the period until the next anniversary date 10883
of the permit. 10884

In the case of an in-stream mining permit, the bond shall 10885
be filed based on the number of acres of land within the limits 10886
of the in-stream mining permit for the entire permit period. In 10887
the case of an amendment to an in-stream mining permit, the bond 10888
shall be filed based on the number of any additional acres of 10889
land to be affected within the limits of the in-stream mining 10890
permit. 10891

(B) A surety bond filed pursuant to this section and 10892
sections 1514.02 and 1514.03 of the Revised Code shall be upon 10893
the form that the chief prescribes and provides and shall be 10894
signed by the operator as principal and by a surety company 10895
authorized to transact business in the state as surety. The bond 10896
shall be payable to the state and shall be conditioned upon the 10897
faithful performance by the operator of all things to be done 10898
and performed by the operator as provided in this chapter and 10899
the rules and orders of the chief adopted or issued pursuant 10900

thereto. 10901

The operator may deposit with the chief, in lieu of a 10902
surety bond, cash in an amount equal to the surety bond as 10903
prescribed in this section, or an irrevocable letter of credit 10904
or negotiable certificates of deposit issued by any bank 10905
organized or transacting business in this state, ~~or an~~ 10906
~~irrevocable letter of credit or certificates of deposit issued~~ 10907
~~by any savings and loan association as defined in section~~ 10908
~~1151.01 of the Revised Code,~~ having a cash value equal to or 10909
greater than the amount of the surety bond as prescribed in this 10910
section. Cash or certificates of deposit shall be deposited upon 10911
the same terms as the terms upon which surety bonds may be 10912
deposited. If one or more certificates of deposit are deposited 10913
with the chief in lieu of a surety bond, the chief shall require 10914
the bank ~~or savings and loan association~~ that issued any such 10915
certificate to pledge securities of a cash value equal to the 10916
amount of the certificate, or certificates, that is in excess of 10917
the amount insured by the federal deposit insurance corporation. 10918
The securities shall be security for the repayment of the 10919
certificate of deposit. 10920

(C) Immediately upon a deposit of cash, a letter of 10921
credit, or certificates with the chief, the chief shall deliver 10922
it to the treasurer of state who shall hold it in trust for the 10923
purposes for which it has been deposited. The treasurer of state 10924
shall be responsible for the safekeeping of such deposits. An 10925
operator making a deposit of cash, a letter of credit, or 10926
certificates of deposit may withdraw and receive from the 10927
treasurer of state, on the written order of the chief, all or 10928
any part of the cash, letter of credit, or certificates in the 10929
possession of the treasurer of state, upon depositing with the 10930
treasurer of state cash, or an irrevocable letter of credit, or 10931

negotiable certificates of deposit issued by any bank organized 10932
or transacting business in this state, ~~or an irrevocable letter~~ 10933
~~of credit or certificates of deposit issued by any savings and~~ 10934
~~loan association,~~ equal in value to the value of the cash, 10935
letter of credit, or certificates withdrawn. An operator may 10936
demand and receive from the treasurer of state all interest or 10937
other income from any certificates as it becomes due. If 10938
certificates deposited with and in the possession of the 10939
treasurer of state mature or are called for payment by the 10940
issuer thereof, the treasurer of state, at the request of the 10941
operator who deposited them, shall convert the proceeds of the 10942
redemption or payment of the certificates into such other 10943
negotiable certificates of deposit issued by any bank organized 10944
or transacting business in this state, ~~such other certificates~~ 10945
~~of deposit issued by any savings and loan association,~~ or cash, 10946
as may be designated by the operator. 10947

(D) A governmental agency, as defined in division (A) of 10948
section 1514.022 of the Revised Code, or a board or commission 10949
that derives its authority from a governmental agency shall not 10950
require a surface or in-stream mining operator to file a surety 10951
bond or any other form of financial assurance for the 10952
reclamation of land to be affected by a surface or in-stream 10953
mining operation authorized under this chapter. 10954

Sec. 1707.03. (A) As used in this section, "exempt" means 10955
that, except in the case of securities the right to buy, sell, 10956
or deal in which has been suspended or revoked under an existing 10957
order of the division of securities under section 1707.13 of the 10958
Revised Code or under a cease and desist order under division 10959
(G) of section 1707.23 of the Revised Code, transactions in 10960
securities may be carried on and completed without compliance 10961
with sections 1707.08 to 1707.11 of the Revised Code. 10962

(B) A sale of securities made by or on behalf of a bona fide owner, neither the issuer nor a dealer, is exempt if the sale is made in good faith and not for the purpose of avoiding this chapter and is not made in the course of repeated and successive transactions of a similar character. Any sale of securities over a stock exchange that is lawfully conducted in this state and regularly open for public patronage and that has been established and operated for a period of at least five years prior to the sale at a commission not exceeding the commission regularly charged in such transactions also is exempt.

(C) The sale of securities by executors, administrators, receivers, trustees, or anyone acting in a fiduciary capacity is exempt, where such relationship was created by law, by a will, or by judicial authority, and where such sales are subject to approval by, or are made in pursuance to authority granted by, any court of competent jurisdiction or are otherwise authorized and lawfully made by such fiduciary.

(D) A sale to the issuer, to a dealer, or to an institutional investor is exempt.

(E) A sale in good faith, and not for the purpose of avoiding this chapter, by a pledgee of a security pledged for a bona fide debt is exempt.

(F) The sale at public auction by a corporation of shares of its stock because of delinquency in payment for the shares is exempt.

(G) (1) The giving of any conversion right with, or on account of the purchase of, any security that is exempt, is the subject matter of an exempt transaction, has been registered by

description, by coordination, or by qualification, or is the 10992
subject matter of a transaction that has been registered by 10993
description is exempt. 10994

(2) The giving of any subscription right, warrant, or 10995
option to purchase a security or right to receive a security 10996
upon exchange, which security is exempt at the time the right, 10997
warrant, or option to purchase or right to receive is given, is 10998
the subject matter of an exempt transaction, is registered by 10999
description, by coordination, or by qualification, or is the 11000
subject matter of a transaction that has been registered by 11001
description is exempt. 11002

(3) The giving of any subscription right or any warrant or 11003
option to purchase a security, which right, warrant, or option 11004
expressly provides that it shall not be exercisable except for a 11005
security that at the time of the exercise is exempt, is the 11006
subject matter of an exempt transaction, is registered by 11007
description, by coordination, or by qualification, or at such 11008
time is the subject matter of a transaction that has been 11009
registered by description is exempt. 11010

(H) The sale of notes, bonds, or other evidences of 11011
indebtedness that are secured by a mortgage lien upon real 11012
estate, leasehold estate other than oil, gas, or mining 11013
leasehold, or tangible personal property, or which evidence of 11014
indebtedness is due under or based upon a conditional-sale 11015
contract, if all such notes, bonds, or other evidences of 11016
indebtedness are sold to a single purchaser at a single sale, is 11017
exempt. 11018

(I) The delivery of securities by the issuer on the 11019
exercise of conversion rights, the sale of securities by the 11020
issuer on exercise of subscription rights or of warrants or 11021

options to purchase securities, the delivery of voting-trust 11022
certificates for securities deposited under a voting-trust 11023
agreement, the delivery of deposited securities on surrender of 11024
voting-trust certificates, and the delivery of final 11025
certificates on surrender of interim certificates are exempt; 11026
but the sale of securities on exercise of subscription rights, 11027
warrants, or options is not an exempt transaction unless those 11028
rights, warrants, or options when granted were the subject 11029
matter of an exempt transaction under division (G) of this 11030
section or were registered by description, by coordination, or 11031
by qualification. 11032

(J) The sale of securities by a bank, savings and loan 11033
association, savings bank, or credit union organized under the 11034
laws of the United States or of this state is exempt if at a 11035
profit to that seller of not more than two per cent of the total 11036
sale price of the securities. 11037

(K) (1) The distribution by a corporation of its securities 11038
to its security holders as a share dividend or other 11039
distribution out of earnings or surplus is exempt. 11040

(2) The exchange or distribution by the issuer of any of 11041
its securities or of the securities of any of the issuer's 11042
wholly owned subsidiaries exclusively with or to its existing 11043
security holders, if no commission or other remuneration is 11044
given directly or indirectly for soliciting the exchange, is 11045
exempt. 11046

(3) The sale of preorganization subscriptions for shares 11047
of stock of a corporation prior to the incorporation of the 11048
corporation is exempt, when the sale is evidenced by a written 11049
agreement, no remuneration is given, or promised, directly or 11050
indirectly, for or in connection with the sale of those 11051

securities, and no consideration is received, directly or 11052
indirectly, by any person from the purchasers of those 11053
securities until registration by qualification, by coordination, 11054
or by description of those securities is made under this 11055
chapter. 11056

(L) The issuance of securities in exchange for one or more 11057
bona fide outstanding securities, claims, or property interests, 11058
not including securities sold for a consideration payable in 11059
whole or in part in cash, under a plan of reorganization, 11060
recapitalization, or refinancing approved by a court pursuant to 11061
the Bankruptcy Act of the United States or to any other federal 11062
act giving any federal court jurisdiction over such plan of 11063
reorganization, or under a plan of reorganization approved by a 11064
court of competent jurisdiction of any state of the United 11065
States is exempt. As used in this division, "reorganization," 11066
"recapitalization," and "refinancing" have the same meanings as 11067
in section 1707.04 of the Revised Code. 11068

(M) A sale by a licensed dealer, acting either as 11069
principal or as agent, of securities issued and outstanding 11070
before the sale is exempt, unless the sale is of one or more of 11071
the following: 11072

(1) Securities constituting the whole or a part of an 11073
unsold allotment to or subscription by a dealer as an 11074
underwriter or other participant in the distribution of those 11075
securities by the issuer, whether that distribution is direct or 11076
through an underwriter, provided that, if the issuer is such by 11077
reason of owning one-fourth or more of those securities, the 11078
dealer has knowledge of this fact or reasonable cause to believe 11079
this fact; 11080

(2) Any class of shares issued by a corporation when the 11081

number of beneficial owners of that class is less than twenty- 11082
five, with the record owner of securities being deemed the 11083
beneficial owner for this purpose, in the absence of actual 11084
knowledge to the contrary; 11085

(3) Securities that within one year were purchased outside 11086
this state or within one year were transported into this state, 11087
if the dealer has knowledge or reasonable cause to believe, 11088
before the sale of those securities, that within one year they 11089
were purchased outside this state or within one year were 11090
transported into this state; but such a sale of those securities 11091
is exempt if any of the following occurs: 11092

(a) A recognized securities manual contains the names of 11093
the issuer's officers and directors, a balance sheet of the 11094
issuer as of a date within eighteen months, and a profit and 11095
loss statement for either the fiscal year preceding that date or 11096
the most recent year of operations; 11097

(b) Those securities, or securities of the same class, 11098
within one year were registered or qualified under section 11099
1707.09 or 1707.091 of the Revised Code, and that registration 11100
or qualification is in full force and effect; 11101

(c) The sale is made by a licensed dealer on behalf of the 11102
bona fide owner of those securities in accordance with division 11103
(B) of this section; 11104

(d) Those securities were transported into Ohio in a 11105
transaction of the type described in division (L), (K), or (I) 11106
of this section, or in a transaction registered under division 11107
(A) of section 1707.06 of the Revised Code. 11108

(N) For the purpose of this division and division (M) of 11109
this section, "underwriter" means any person who has purchased 11110

from an issuer with a view to, or sells for an issuer in 11111
connection with, the distribution of any security, or who 11112
participates directly or indirectly in any such undertaking or 11113
in the underwriting thereof, but "underwriter" does not include 11114
a person whose interest is limited to a discount, commission, or 11115
profit from the underwriter or from a dealer that is not in 11116
excess of the customary distributors' or sellers' discount, 11117
commission, or profit; and "issuer" includes any person or any 11118
group of persons acting in concert in the sale of such 11119
securities, owning beneficially one-fourth or more of the 11120
outstanding securities of the class involved in the transactions 11121
in question, with the record owner of securities being deemed 11122
the beneficial owner for this purpose, in the absence of actual 11123
knowledge to the contrary. 11124

(O) (1) The sale of any equity security is exempt if all 11125
the following conditions are satisfied: 11126

(a) The sale is by the issuer of the security. 11127

(b) The total number of purchasers in this state of all 11128
securities issued or sold by the issuer in reliance upon this 11129
exemption during the period of one year ending with the date of 11130
the sale does not exceed ten. A sale of securities registered 11131
under this chapter or sold pursuant to an exemption under this 11132
chapter other than this exemption shall not be integrated with a 11133
sale pursuant to this exemption in computing the number of 11134
purchasers under this exemption. 11135

(c) No advertisement, article, notice, or other 11136
communication published in any newspaper, magazine, or similar 11137
medium or broadcast over television or radio is used in 11138
connection with the sale, but the use of an offering circular or 11139
other communication delivered by the issuer to selected 11140

individuals does not destroy this exemption. 11141

(d) The issuer reasonably believes after reasonable 11142
investigation that the purchaser is purchasing for investment. 11143

(e) The aggregate commission, discount, and other 11144
remuneration, excluding legal, accounting, and printing fees, 11145
paid or given directly or indirectly does not exceed ten per 11146
cent of the initial offering price. 11147

(f) Any such commission, discount, or other remuneration 11148
for sales in this state is paid or given only to dealers or 11149
salespersons registered pursuant to this chapter. 11150

(2) For the purposes of division (O)(1) of this section, 11151
each of the following is deemed to be a single purchaser of a 11152
security: husband and wife, a child and its parent or guardian 11153
when the parent or guardian holds the security for the benefit 11154
of the child, a corporation, a limited liability company, a 11155
partnership, an association or other unincorporated entity, a 11156
joint-stock company, or a trust, but only if the corporation, 11157
limited liability company, partnership, association, entity, 11158
joint-stock company, or trust was not formed for the purpose of 11159
purchasing the security. 11160

(3) As used in division (O)(1) of this section, "equity 11161
security" means any stock or similar security of a corporation 11162
or any membership interest in a limited liability company; or 11163
any security convertible, with or without consideration, into 11164
such a security, or carrying any warrant or right to subscribe 11165
to or purchase such a security; or any such warrant or right; or 11166
any other security that the division considers necessary or 11167
appropriate, by such rules as it may prescribe in the public 11168
interest or for the protection of investors, to treat as an 11169

equity security. 11170

(P) The sale of securities representing interests in or 11171
under profit-sharing or participation agreements relating to oil 11172
or gas wells located in this state, or representing interests in 11173
or under oil or gas leases of real estate situated in this 11174
state, is exempt if the securities are issued by an individual, 11175
partnership, limited partnership, partnership association, 11176
syndicate, pool, trust or trust fund, or other unincorporated 11177
association and if each of the following conditions is complied 11178
with: 11179

(1) The beneficial owners of the securities do not, and 11180
will not after the sale, exceed five natural persons; 11181

(2) The securities constitute or represent interests in 11182
not more than one oil or gas well; 11183

(3) A certificate or other instrument in writing is 11184
furnished to each purchaser of the securities at or before the 11185
consummation of the sale, disclosing the maximum commission, 11186
compensation for services, cost of lease, and expenses with 11187
respect to the sale of such interests and with respect to the 11188
promotion, development, and management of the oil or gas well, 11189
and the total of that commission, compensation, costs, and 11190
expenses does not exceed twenty-five per cent of the aggregate 11191
interests in the oil or gas well, exclusive of any landowner's 11192
rental or royalty; 11193

(4) The sale is made in good faith and not for the purpose 11194
of avoiding this chapter. 11195

(Q) The sale of any security is exempt if all of the 11196
following conditions are satisfied: 11197

(1) The provisions of section 5 of the Securities Act of 11198

1933 do not apply to the sale by reason of an exemption under 11199
section 4 (2) of that act. 11200

(2) The aggregate commission, discount, and other 11201
remuneration, excluding legal, accounting, and printing fees, 11202
paid or given directly or indirectly does not exceed ten per 11203
cent of the initial offering price. 11204

(3) Any such commission, discount, or other remuneration 11205
for sales in this state is paid or given only to dealers or 11206
salespersons registered under this chapter. 11207

(4) The issuer or dealer files with the division of 11208
securities, not later than sixty days after the sale, a report 11209
setting forth the name and address of the issuer, the total 11210
amount of the securities sold under this division, the number of 11211
persons to whom the securities were sold, the price at which the 11212
securities were sold, and the commissions or discounts paid or 11213
given. 11214

(5) The issuer pays a filing fee of one hundred dollars 11215
for the first filing and fifty dollars for every subsequent 11216
filing during each calendar year. 11217

(R) A sale of a money order, travelers' check, or other 11218
instrument for the transmission of money by a person qualified 11219
to engage in such business under ~~section 1109.60~~ or Chapter 11220
1315. of the Revised Code is exempt. 11221

(S) A sale by a licensed dealer of securities that are in 11222
the process of registration under the Securities Act of 1933, 11223
unless exempt under that act, and that are in the process of 11224
registration, if registration is required under this chapter, is 11225
exempt, provided that no sale of that nature shall be 11226
consummated prior to the registration by description or 11227

qualification of the securities. 11228

(T) The execution by a licensed dealer of orders for the 11229
purchase of any security is exempt, provided that the dealer 11230
acts only as agent for the purchaser, has made no solicitation 11231
of the order to purchase the security, has no interest in the 11232
distribution of the security, and delivers to the purchaser 11233
written confirmation of the transaction that clearly itemizes 11234
the dealer's commission. "Solicitation," as used in this 11235
division, means solicitation of the order for the specific 11236
security purchased and does not include general solicitations or 11237
advertisements of any kind. 11238

(U) The sale insofar as the security holders of a person 11239
are concerned, where, pursuant to statutory provisions of the 11240
jurisdiction under which that person is organized or pursuant to 11241
provisions contained in its articles of incorporation, 11242
certificate of incorporation, partnership agreement, declaration 11243
of trust, trust indenture, or similar controlling instrument, 11244
there is submitted to the security holders, for their vote or 11245
consent, (1) a plan or agreement for a reclassification of 11246
securities of that person that involves the substitution of a 11247
security of that person for another security of that person, (2) 11248
a plan or agreement of merger or consolidation or a similar plan 11249
or agreement of acquisition in which the securities of that 11250
person held by the security holders will become or be exchanged 11251
for securities of any other person, or (3) a plan or agreement 11252
for a combination as defined in division (Q) of section 1701.01 11253
of the Revised Code or a similar plan or agreement for the 11254
transfer of assets of that person to another person in 11255
consideration of the issuance of securities of any person, is 11256
exempt if, with respect to any of the foregoing transactions, 11257
either of the following conditions is satisfied: 11258

(a) The securities to be issued to the security holders 11259
are effectively registered under sections 6 to 8 of the 11260
Securities Act of 1933 and offered and sold in compliance with 11261
section 5 of that act; 11262

(b) At least twenty days prior to the date on which a 11263
meeting of the security holders is held or the earliest date on 11264
which corporate action may be taken when no meeting is held, 11265
there is submitted to the security holders, by that person, or 11266
by the person whose securities are to be issued in the 11267
transaction, information substantially equivalent to the 11268
information that would be required to be included in a proxy 11269
statement or information statement prepared by or on behalf of 11270
the management of an issuer subject to section 14(a) or 14(c) of 11271
the Securities Exchange Act of 1934. 11272

(V) The sale of any security is exempt if the division by 11273
rule finds that registration is not necessary or appropriate in 11274
the public interest or for the protection of investors. 11275

(W) Any offer or sale of securities made in reliance on 11276
the exemptions provided by Rule 505 of Regulation D made 11277
pursuant to the Securities Act of 1933 and the conditions and 11278
definitions provided by Rules 501 to 503 thereunder is exempt if 11279
the offer or sale satisfies all of the following conditions: 11280

(1) No commission or other remuneration is given, directly 11281
or indirectly, to any person for soliciting or selling to any 11282
person in this state in reliance on the exemption under this 11283
division, except to dealers licensed in this state. 11284

(2) (a) Unless the cause for disqualification is waived 11285
under division (W) (2) (b) of this section, no exemption under 11286
this section is available for the securities of an issuer unless 11287

the issuer did not know and in the exercise of reasonable care 11288
could not have known that any of the following applies to any of 11289
the persons described in Rule 262(a) to (c) of Regulation A 11290
under the Securities Act of 1933: 11291

(i) The person has filed an application for registration 11292
or qualification that is the subject of an effective order 11293
entered against the issuer, its officers, directors, general 11294
partners, controlling persons or affiliates thereof, pursuant to 11295
the law of any state within five years before the filing of a 11296
notice required under division (W) (3) of this section denying 11297
effectiveness to, or suspending or revoking the effectiveness 11298
of, the registration statement. 11299

(ii) The person has been convicted of any offense in 11300
connection with the offer, sale, or purchase of any security or 11301
franchise, or any felony involving fraud or deceit, including, 11302
but not limited to, forgery, embezzlement, fraud, theft, or 11303
conspiracy to defraud. 11304

(iii) The person is subject to an effective administrative 11305
order or judgment that was entered by a state securities 11306
administrator within five years before the filing of a notice 11307
required under division (W) (3) of this section and that 11308
prohibits, denies, or revokes the use of any exemption from 11309
securities registration, prohibits the transaction of business 11310
by the person as a dealer, or is based on fraud, deceit, an 11311
untrue statement of a material fact, or an omission to state a 11312
material fact. 11313

(iv) The person is subject to any order, judgment, or 11314
decree of any court entered within five years before the filing 11315
of a notice required under division (W) (3) of this section, 11316
temporarily, preliminarily, or permanently restraining or 11317

enjoining the person from engaging in or continuing any conduct 11318
or practice in connection with the offer, sale, or purchase of 11319
any security, or the making of any false filing with any state. 11320

(b) (i) Any disqualification under this division involving 11321
a dealer may be waived if the dealer is or continues to be 11322
licensed in this state as a dealer after notifying the 11323
commissioner of the act or event causing disqualification. 11324

(ii) The commissioner may waive any disqualification under 11325
this paragraph upon a showing of good cause that it is not 11326
necessary under the circumstances that use of the exemption be 11327
denied. 11328

(3) Not later than five business days before the earlier 11329
of the date on which the first use of an offering document or 11330
the first sale is made in this state in reliance on the 11331
exemption under this division, there is filed with the 11332
commissioner a notice comprised of offering material in 11333
compliance with the requirements of Rule 502 of Regulation D 11334
under the Securities Act of 1933 and a fee of one hundred 11335
dollars. Material amendments to the offering document shall be 11336
filed with the commissioner not later than the date of their 11337
first use in this state. 11338

(4) The aggregate commission, discount, and other 11339
remuneration paid or given, directly or indirectly, does not 11340
exceed twelve per cent of the initial offering price, excluding 11341
legal, accounting, and printing fees. 11342

(X) Any offer or sale of securities made in reliance on 11343
the exemption provided in Rule 506 of Regulation D under the 11344
Securities Act of 1933, and in accordance with Rules 501 to 503 11345
of Regulation D under the Securities Act of 1933, is exempt 11346

provided that all of the following apply: 11347

(1) The issuer makes a notice filing with the division on 11348
form D of the securities and exchange commission within fifteen 11349
days of the first sale in this state; 11350

(2) Any commission, discount, or other remuneration for 11351
sales of securities in this state is paid or given only to 11352
dealers or salespersons licensed under this chapter; 11353

(3) The issuer pays a filing fee of one hundred dollars to 11354
the division; however, no filing fee shall be required to file 11355
amendments to the form D of the securities and exchange 11356
commission. 11357

(Y) The offer or sale of securities by an issuer is exempt 11358
provided that all of the following apply: 11359

(1) The sale of securities is made only to persons who 11360
are, or who the issuer reasonably believes are, accredited 11361
investors as defined in Rule 501 of Regulation D under the 11362
Securities Act of 1933. 11363

(2) The issuer reasonably believes that all purchasers are 11364
purchasing for investment and not with a view to or for sale in 11365
connection with a distribution of the security. Any resale of a 11366
security sold in reliance on this exemption within twelve months 11367
of sale shall be presumed to be with a view to distribution and 11368
not for investment, except a resale to which any of the 11369
following applies: 11370

(a) The resale is pursuant to a registration statement 11371
effective under section 1707.09 or 1707.091 of the Revised Code. 11372

(b) The resale is to an accredited investor, as defined in 11373
Rule 501 of Regulation D under the Securities Act of 1933. 11374

(c) The resale is to an institutional investor pursuant to 11375
the exemptions under division (B) or (D) of this section. 11376

(3) The exemption under this division is not available to 11377
an issuer that is in the development stage and that either has 11378
no specific business plan or purpose or has indicated that its 11379
business plan is to engage in a merger or acquisition with an 11380
unidentified company or companies, or other entities or persons. 11381

(4) The exemption under this division is not available to 11382
an issuer, if the issuer, any of the issuer's predecessors, any 11383
affiliated issuer, any of the issuer's directors, officers, 11384
general partners, or beneficial owners of ten per cent or more 11385
of any class of its equity securities, any of the issuer's 11386
promoters presently connected with the issuer in any capacity, 11387
any underwriter of the securities to be offered, or any partner, 11388
director, or officer of such underwriter: 11389

(a) Within the past five years, has filed a registration 11390
statement that is the subject of a currently effective 11391
registration stop order entered by any state securities 11392
administrator or the securities and exchange commission; 11393

(b) Within the past five years, has been convicted of any 11394
criminal offense in connection with the offer, purchase, or sale 11395
of any security, or involving fraud or deceit; 11396

(c) Is currently subject to any state or federal 11397
administrative enforcement order or judgment, entered within the 11398
past five years, finding fraud or deceit in connection with the 11399
purchase or sale of any security; 11400

(d) Is currently subject to any order, judgment, or decree 11401
of any court of competent jurisdiction, entered within the past 11402
five years, that temporarily, preliminarily, or permanently 11403

restrains or enjoins the party from engaging in or continuing to 11404
engage in any conduct or practice involving fraud or deceit in 11405
connection with the purchase or sale of any security. 11406

(5) Division (Y)(4) of this section is inapplicable if any 11407
of the following applies: 11408

(a) The party subject to the disqualification is licensed 11409
or registered to conduct securities business in the state in 11410
which the order, judgment, or decree creating the 11411
disqualification was entered against the party described in 11412
division (Y)(4) of this section. 11413

(b) Before the first offer is made under this exemption, 11414
the state securities administrator, or the court or regulatory 11415
authority that entered the order, judgment, or decree, waives 11416
the disqualification. 11417

(c) The issuer did not know and, in the exercise of 11418
reasonable care based on reasonable investigation, could not 11419
have known that a disqualification from the exemption existed 11420
under division (Y)(4) of this section. 11421

(6) A general announcement of the proposed offering may be 11422
made by any means; however, the general announcement shall 11423
include only the following information, unless additional 11424
information is specifically permitted by the division by rule: 11425

(a) The name, address, and telephone number of the issuer 11426
of the securities; 11427

(b) The name, a brief description, and price of any 11428
security to be issued; 11429

(c) A brief description of the business of the issuer; 11430

(d) The type, number, and aggregate amount of securities 11431

being offered; 11432

(e) The name, address, and telephone number of the person 11433
to contact for additional information; and 11434

(f) A statement indicating all of the following: 11435

(i) Sales will only be made to accredited investors as 11436
defined in Rule 501 of Regulation D under the Securities Act of 11437
1933; 11438

(ii) No money or other consideration is being solicited or 11439
will be accepted by way of this general announcement; 11440

(iii) The securities have not been registered with or 11441
approved by any state securities administrator or the securities 11442
and exchange commission and are being offered and sold pursuant 11443
to an exemption from registration. 11444

(7) The issuer, in connection with an offer, may provide 11445
information in addition to the general announcement described in 11446
division (Y)(6) of this section, provided that either of the 11447
following applies: 11448

(a) The information is delivered through an electronic 11449
database that is restricted to persons that are accredited 11450
investors as defined in Rule 501 of Regulation D under the 11451
Securities Act of 1933. 11452

(b) The information is delivered after the issuer 11453
reasonably believes that the prospective purchaser is an 11454
accredited investor as defined in Rule 501 of Regulation D under 11455
the Securities Act of 1933. 11456

(8) No telephone solicitation shall be done, unless prior 11457
to placing the telephone call, the issuer reasonably believes 11458
that the prospective purchaser to be solicited is an accredited 11459

investor as defined in Rule 501 of Regulation D under the 11460
Securities Act of 1933. 11461

(9) Dissemination of the general announcement described in 11462
division (Y)(6) of this section to persons that are not 11463
accredited investors, as defined in Rule 501 of Regulation D 11464
under the Securities Act of 1933, does not disqualify the issuer 11465
from claiming an exemption under this division. 11466

(10) The issuer shall file with the division notice of the 11467
offering of securities within fifteen days after notice of the 11468
offering is made or a general announcement is made in this 11469
state. The filing shall be on forms adopted by the division and 11470
shall include a copy of the general announcement, if one is made 11471
regarding the proposed offering, and copies of any offering 11472
materials, circulars, or prospectuses. A filing fee of one 11473
hundred dollars also shall be included. 11474

Sec. 1901.31. The clerk and deputy clerks of a municipal 11475
court shall be selected, be compensated, give bond, and have 11476
powers and duties as follows: 11477

(A) There shall be a clerk of the court who is appointed 11478
or elected as follows: 11479

(1)(a) Except in the Akron, Barberton, Toledo, Hamilton 11480
county, Miami county, Montgomery county, Portage county, and 11481
Wayne county municipal courts and through December 31, 2008, the 11482
Cuyahoga Falls municipal court, if the population of the 11483
territory equals or exceeds one hundred thousand at the regular 11484
municipal election immediately preceding the expiration of the 11485
term of the present clerk, the clerk shall be nominated and 11486
elected by the qualified electors of the territory in the manner 11487
that is provided for the nomination and election of judges in 11488

section 1901.07 of the Revised Code. 11489

The clerk so elected shall hold office for a term of six 11490
years, which term shall commence on the first day of January 11491
following the clerk's election and continue until the clerk's 11492
successor is elected and qualified. 11493

(b) In the Hamilton county municipal court, the clerk of 11494
courts of Hamilton county shall be the clerk of the municipal 11495
court and may appoint an assistant clerk who shall receive the 11496
compensation, payable out of the treasury of Hamilton county in 11497
semimonthly installments, that the board of county commissioners 11498
prescribes. The clerk of courts of Hamilton county, acting as 11499
the clerk of the Hamilton county municipal court and assuming 11500
the duties of that office, shall receive compensation at one- 11501
fourth the rate that is prescribed for the clerks of courts of 11502
common pleas as determined in accordance with the population of 11503
the county and the rates set forth in sections 325.08 and 325.18 11504
of the Revised Code. This compensation shall be paid from the 11505
county treasury in semimonthly installments and is in addition 11506
to the annual compensation that is received for the performance 11507
of the duties of the clerk of courts of Hamilton county, as 11508
provided in sections 325.08 and 325.18 of the Revised Code. 11509

(c) In the Portage county and Wayne county municipal 11510
courts, the clerks of courts of Portage county and Wayne county 11511
shall be the clerks, respectively, of the Portage county and 11512
Wayne county municipal courts and may appoint a chief deputy 11513
clerk for each branch that is established pursuant to section 11514
1901.311 of the Revised Code and assistant clerks as the judges 11515
of the municipal court determine are necessary, all of whom 11516
shall receive the compensation that the legislative authority 11517
prescribes. The clerks of courts of Portage county and Wayne 11518

county, acting as the clerks of the Portage county and Wayne 11519
county municipal courts and assuming the duties of these 11520
offices, shall receive compensation payable from the county 11521
treasury in semimonthly installments at one-fourth the rate that 11522
is prescribed for the clerks of courts of common pleas as 11523
determined in accordance with the population of the county and 11524
the rates set forth in sections 325.08 and 325.18 of the Revised 11525
Code. 11526

(d) In the Montgomery county and Miami county municipal 11527
courts, the clerks of courts of Montgomery county and Miami 11528
county shall be the clerks, respectively, of the Montgomery 11529
county and Miami county municipal courts. The clerks of courts 11530
of Montgomery county and Miami county, acting as the clerks of 11531
the Montgomery county and Miami county municipal courts and 11532
assuming the duties of these offices, shall receive compensation 11533
at one-fourth the rate that is prescribed for the clerks of 11534
courts of common pleas as determined in accordance with the 11535
population of the county and the rates set forth in sections 11536
325.08 and 325.18 of the Revised Code. This compensation shall 11537
be paid from the county treasury in semimonthly installments and 11538
is in addition to the annual compensation that is received for 11539
the performance of the duties of the clerks of courts of 11540
Montgomery county and Miami county, as provided in sections 11541
325.08 and 325.18 of the Revised Code. 11542

(e) Except as otherwise provided in division (A) (1) (e) of 11543
this section, in the Akron municipal court, candidates for 11544
election to the office of clerk of the court shall be nominated 11545
by primary election. The primary election shall be held on the 11546
day specified in the charter of the city of Akron for the 11547
nomination of municipal officers. Notwithstanding any contrary 11548
provision of section 3513.05 or 3513.257 of the Revised Code, 11549

the declarations of candidacy and petitions of partisan 11550
candidates and the nominating petitions of independent 11551
candidates for the office of clerk of the Akron municipal court 11552
shall be signed by at least fifty qualified electors of the 11553
territory of the court. 11554

The candidates shall file a declaration of candidacy and 11555
petition, or a nominating petition, whichever is applicable, not 11556
later than four p.m. of the ninetieth day before the day of the 11557
primary election, in the form prescribed by section 3513.07 or 11558
3513.261 of the Revised Code. The declaration of candidacy and 11559
petition, or the nominating petition, shall conform to the 11560
applicable requirements of section 3513.05 or 3513.257 of the 11561
Revised Code. 11562

If no valid declaration of candidacy and petition is filed 11563
by any person for nomination as a candidate of a particular 11564
political party for election to the office of clerk of the Akron 11565
municipal court, a primary election shall not be held for the 11566
purpose of nominating a candidate of that party for election to 11567
that office. If only one person files a valid declaration of 11568
candidacy and petition for nomination as a candidate of a 11569
particular political party for election to that office, a 11570
primary election shall not be held for the purpose of nominating 11571
a candidate of that party for election to that office, and the 11572
candidate shall be issued a certificate of nomination in the 11573
manner set forth in section 3513.02 of the Revised Code. 11574

Declarations of candidacy and petitions, nominating 11575
petitions, and certificates of nomination for the office of 11576
clerk of the Akron municipal court shall contain a designation 11577
of the term for which the candidate seeks election. At the 11578
following regular municipal election, all candidates for the 11579

office shall be submitted to the qualified electors of the 11580
territory of the court in the manner that is provided in section 11581
1901.07 of the Revised Code for the election of the judges of 11582
the court. The clerk so elected shall hold office for a term of 11583
six years, which term shall commence on the first day of January 11584
following the clerk's election and continue until the clerk's 11585
successor is elected and qualified. 11586

(f) Except as otherwise provided in division (A) (1) (f) of 11587
this section, in the Barberton municipal court, candidates for 11588
election to the office of clerk of the court shall be nominated 11589
by primary election. The primary election shall be held on the 11590
day specified in the charter of the city of Barberton for the 11591
nomination of municipal officers. Notwithstanding any contrary 11592
provision of section 3513.05 or 3513.257 of the Revised Code, 11593
the declarations of candidacy and petitions of partisan 11594
candidates and the nominating petitions of independent 11595
candidates for the office of clerk of the Barberton municipal 11596
court shall be signed by at least fifty qualified electors of 11597
the territory of the court. 11598

The candidates shall file a declaration of candidacy and 11599
petition, or a nominating petition, whichever is applicable, not 11600
later than four p.m. of the ninetieth day before the day of the 11601
primary election, in the form prescribed by section 3513.07 or 11602
3513.261 of the Revised Code. The declaration of candidacy and 11603
petition, or the nominating petition, shall conform to the 11604
applicable requirements of section 3513.05 or 3513.257 of the 11605
Revised Code. 11606

If no valid declaration of candidacy and petition is filed 11607
by any person for nomination as a candidate of a particular 11608
political party for election to the office of clerk of the 11609

Barberton municipal court, a primary election shall not be held 11610
for the purpose of nominating a candidate of that party for 11611
election to that office. If only one person files a valid 11612
declaration of candidacy and petition for nomination as a 11613
candidate of a particular political party for election to that 11614
office, a primary election shall not be held for the purpose of 11615
nominating a candidate of that party for election to that 11616
office, and the candidate shall be issued a certificate of 11617
nomination in the manner set forth in section 3513.02 of the 11618
Revised Code. 11619

Declarations of candidacy and petitions, nominating 11620
petitions, and certificates of nomination for the office of 11621
clerk of the Barberton municipal court shall contain a 11622
designation of the term for which the candidate seeks election. 11623
At the following regular municipal election, all candidates for 11624
the office shall be submitted to the qualified electors of the 11625
territory of the court in the manner that is provided in section 11626
1901.07 of the Revised Code for the election of the judges of 11627
the court. The clerk so elected shall hold office for a term of 11628
six years, which term shall commence on the first day of January 11629
following the clerk's election and continue until the clerk's 11630
successor is elected and qualified. 11631

(g) (i) Through December 31, 2008, except as otherwise 11632
provided in division (A) (1) (g) (i) of this section, in the 11633
Cuyahoga Falls municipal court, candidates for election to the 11634
office of clerk of the court shall be nominated by primary 11635
election. The primary election shall be held on the day 11636
specified in the charter of the city of Cuyahoga Falls for the 11637
nomination of municipal officers. Notwithstanding any contrary 11638
provision of section 3513.05 or 3513.257 of the Revised Code, 11639
the declarations of candidacy and petitions of partisan 11640

candidates and the nominating petitions of independent 11641
candidates for the office of clerk of the Cuyahoga Falls 11642
municipal court shall be signed by at least fifty qualified 11643
electors of the territory of the court. 11644

The candidates shall file a declaration of candidacy and 11645
petition, or a nominating petition, whichever is applicable, not 11646
later than four p.m. of the ninetieth day before the day of the 11647
primary election, in the form prescribed by section 3513.07 or 11648
3513.261 of the Revised Code. The declaration of candidacy and 11649
petition, or the nominating petition, shall conform to the 11650
applicable requirements of section 3513.05 or 3513.257 of the 11651
Revised Code. 11652

If no valid declaration of candidacy and petition is filed 11653
by any person for nomination as a candidate of a particular 11654
political party for election to the office of clerk of the 11655
Cuyahoga Falls municipal court, a primary election shall not be 11656
held for the purpose of nominating a candidate of that party for 11657
election to that office. If only one person files a valid 11658
declaration of candidacy and petition for nomination as a 11659
candidate of a particular political party for election to that 11660
office, a primary election shall not be held for the purpose of 11661
nominating a candidate of that party for election to that 11662
office, and the candidate shall be issued a certificate of 11663
nomination in the manner set forth in section 3513.02 of the 11664
Revised Code. 11665

Declarations of candidacy and petitions, nominating 11666
petitions, and certificates of nomination for the office of 11667
clerk of the Cuyahoga Falls municipal court shall contain a 11668
designation of the term for which the candidate seeks election. 11669
At the following regular municipal election, all candidates for 11670

the office shall be submitted to the qualified electors of the 11671
territory of the court in the manner that is provided in section 11672
1901.07 of the Revised Code for the election of the judges of 11673
the court. The clerk so elected shall hold office for a term of 11674
six years, which term shall commence on the first day of January 11675
following the clerk's election and continue until the clerk's 11676
successor is elected and qualified. 11677

(ii) Division (A) (1) (g) (i) of this section shall have no 11678
effect after December 31, 2008. 11679

(h) Except as otherwise provided in division (A) (1) (h) of 11680
this section, in the Toledo municipal court, candidates for 11681
election to the office of clerk of the court shall be nominated 11682
by primary election. The primary election shall be held on the 11683
day specified in the charter of the city of Toledo for the 11684
nomination of municipal officers. Notwithstanding any contrary 11685
provision of section 3513.05 or 3513.257 of the Revised Code, 11686
the declarations of candidacy and petitions of partisan 11687
candidates and the nominating petitions of independent 11688
candidates for the office of clerk of the Toledo municipal court 11689
shall be signed by at least fifty qualified electors of the 11690
territory of the court. 11691

The candidates shall file a declaration of candidacy and 11692
petition, or a nominating petition, whichever is applicable, not 11693
later than four p.m. of the ninetieth day before the day of the 11694
primary election, in the form prescribed by section 3513.07 or 11695
3513.261 of the Revised Code. The declaration of candidacy and 11696
petition, or the nominating petition, shall conform to the 11697
applicable requirements of section 3513.05 or 3513.257 of the 11698
Revised Code. 11699

If no valid declaration of candidacy and petition is filed 11700

by any person for nomination as a candidate of a particular 11701
political party for election to the office of clerk of the 11702
Toledo municipal court, a primary election shall not be held for 11703
the purpose of nominating a candidate of that party for election 11704
to that office. If only one person files a valid declaration of 11705
candidacy and petition for nomination as a candidate of a 11706
particular political party for election to that office, a 11707
primary election shall not be held for the purpose of nominating 11708
a candidate of that party for election to that office, and the 11709
candidate shall be issued a certificate of nomination in the 11710
manner set forth in section 3513.02 of the Revised Code. 11711

Declarations of candidacy and petitions, nominating 11712
petitions, and certificates of nomination for the office of 11713
clerk of the Toledo municipal court shall contain a designation 11714
of the term for which the candidate seeks election. At the 11715
following regular municipal election, all candidates for the 11716
office shall be submitted to the qualified electors of the 11717
territory of the court in the manner that is provided in section 11718
1901.07 of the Revised Code for the election of the judges of 11719
the court. The clerk so elected shall hold office for a term of 11720
six years, which term shall commence on the first day of January 11721
following the clerk's election and continue until the clerk's 11722
successor is elected and qualified. 11723

(2) (a) Except for the Alliance, Auglaize county, Brown 11724
county, Columbiana county, Holmes county, Putnam county, 11725
Sandusky county, Lorain, Massillon, and Youngstown municipal 11726
courts, in a municipal court for which the population of the 11727
territory is less than one hundred thousand, the clerk shall be 11728
appointed by the court, and the clerk shall hold office until 11729
the clerk's successor is appointed and qualified. 11730

(b) In the Alliance, Lorain, Massillon, and Youngstown 11731
municipal courts, the clerk shall be elected for a term of 11732
office as described in division (A) (1) (a) of this section. 11733

(c) In the Auglaize county, Brown county, Holmes county, 11734
Putnam county, and Sandusky county municipal courts, the clerks 11735
of courts of Auglaize county, Brown county, Holmes county, 11736
Putnam county, and Sandusky county shall be the clerks, 11737
respectively, of the Auglaize county, Brown county, Holmes 11738
county, Putnam county, and Sandusky county municipal courts and 11739
may appoint a chief deputy clerk for each branch office that is 11740
established pursuant to section 1901.311 of the Revised Code, 11741
and assistant clerks as the judge of the court determines are 11742
necessary, all of whom shall receive the compensation that the 11743
legislative authority prescribes. The clerks of courts of 11744
Auglaize county, Brown county, Holmes county, Putnam county, and 11745
Sandusky county, acting as the clerks of the Auglaize county, 11746
Brown county, Holmes county, Putnam county, and Sandusky county 11747
municipal courts and assuming the duties of these offices, shall 11748
receive compensation payable from the county treasury in 11749
semimonthly installments at one-fourth the rate that is 11750
prescribed for the clerks of courts of common pleas as 11751
determined in accordance with the population of the county and 11752
the rates set forth in sections 325.08 and 325.18 of the Revised 11753
Code. 11754

(d) In the Columbiana county municipal court, the clerk of 11755
courts of Columbiana county shall be the clerk of the municipal 11756
court, may appoint a chief deputy clerk for each branch office 11757
that is established pursuant to section 1901.311 of the Revised 11758
Code, and may appoint any assistant clerks that the judges of 11759
the court determine are necessary. All of the chief deputy 11760
clerks and assistant clerks shall receive the compensation that 11761

the legislative authority prescribes. The clerk of courts of 11762
Columbiana county, acting as the clerk of the Columbiana county 11763
municipal court and assuming the duties of that office, shall 11764
receive in either biweekly installments or semimonthly 11765
installments, as determined by the payroll administrator, 11766
compensation payable from the county treasury at one-fourth the 11767
rate that is prescribed for the clerks of courts of common pleas 11768
as determined in accordance with the population of the county 11769
and the rates set forth in sections 325.08 and 325.18 of the 11770
Revised Code. 11771

(3) During the temporary absence of the clerk due to 11772
illness, vacation, or other proper cause, the court may appoint 11773
a temporary clerk, who shall be paid the same compensation, have 11774
the same authority, and perform the same duties as the clerk. 11775

(B) Except in the Hamilton county, Montgomery county, 11776
Miami county, Portage county, and Wayne county municipal courts, 11777
if a vacancy occurs in the office of the clerk of the Alliance, 11778
Lorain, Massillon, or Youngstown municipal court or occurs in 11779
the office of the clerk of a municipal court for which the 11780
population of the territory equals or exceeds one hundred 11781
thousand because the clerk ceases to hold the office before the 11782
end of the clerk's term or because a clerk-elect fails to take 11783
office, the vacancy shall be filled, until a successor is 11784
elected and qualified, by a person chosen by the residents of 11785
the territory of the court who are members of the county central 11786
committee of the political party by which the last occupant of 11787
that office or the clerk-elect was nominated. Not less than five 11788
nor more than fifteen days after a vacancy occurs, those members 11789
of that county central committee shall meet to make an 11790
appointment to fill the vacancy. At least four days before the 11791
date of the meeting, the chairperson or a secretary of the 11792

county central committee shall notify each such member of that 11793
county central committee by first class mail of the date, time, 11794
and place of the meeting and its purpose. A majority of all such 11795
members of that county central committee constitutes a quorum, 11796
and a majority of the quorum is required to make the 11797
appointment. If the office so vacated was occupied or was to be 11798
occupied by a person not nominated at a primary election, or if 11799
the appointment was not made by the committee members in 11800
accordance with this division, the court shall make an 11801
appointment to fill the vacancy. A successor shall be elected to 11802
fill the office for the unexpired term at the first municipal 11803
election that is held more than one hundred thirty-five days 11804
after the vacancy occurred. 11805

(C) (1) In a municipal court, other than the Auglaize 11806
county, the Brown county, the Columbiana county, the Holmes 11807
county, the Putnam county, the Sandusky county, and the Lorain 11808
municipal courts, for which the population of the territory is 11809
less than one hundred thousand, the clerk of the municipal court 11810
shall receive the annual compensation that the presiding judge 11811
of the court prescribes, if the revenue of the court for the 11812
preceding calendar year, as certified by the auditor or chief 11813
fiscal officer of the municipal corporation in which the court 11814
is located or, in the case of a county-operated municipal court, 11815
the county auditor, is equal to or greater than the 11816
expenditures, including any debt charges, for the operation of 11817
the court payable under this chapter from the city treasury or, 11818
in the case of a county-operated municipal court, the county 11819
treasury for that calendar year, as also certified by the 11820
auditor or chief fiscal officer. If the revenue of a municipal 11821
court, other than the Auglaize county, the Brown county, the 11822
Columbiana county, the Putnam county, the Sandusky county, and 11823

the Lorain municipal courts, for which the population of the 11824
territory is less than one hundred thousand for the preceding 11825
calendar year as so certified is not equal to or greater than 11826
those expenditures for the operation of the court for that 11827
calendar year as so certified, the clerk of a municipal court 11828
shall receive the annual compensation that the legislative 11829
authority prescribes. As used in this division, "revenue" means 11830
the total of all costs and fees that are collected and paid to 11831
the city treasury or, in a county-operated municipal court, the 11832
county treasury by the clerk of the municipal court under 11833
division (F) of this section and all interest received and paid 11834
to the city treasury or, in a county-operated municipal court, 11835
the county treasury in relation to the costs and fees under 11836
division (G) of this section. 11837

(2) In a municipal court, other than the Hamilton county, 11838
Montgomery county, Miami county, Portage county, and Wayne 11839
county municipal courts, for which the population of the 11840
territory is one hundred thousand or more, and in the Lorain 11841
municipal court, the clerk of the municipal court shall receive 11842
annual compensation in a sum equal to eighty-five per cent of 11843
the salary of a judge of the court. 11844

(3) The compensation of a clerk described in division (C) 11845
(1) or (2) of this section and of the clerk of the Columbiana 11846
county municipal court is payable in either semimonthly 11847
installments or biweekly installments, as determined by the 11848
payroll administrator, from the same sources and in the same 11849
manner as provided in section 1901.11 of the Revised Code, 11850
except that the compensation of the clerk of the Carroll county 11851
municipal court is payable in biweekly installments. 11852

(D) Before entering upon the duties of the clerk's office, 11853

the clerk of a municipal court shall give bond of not less than 11854
six thousand dollars to be determined by the judges of the 11855
court, conditioned upon the faithful performance of the clerk's 11856
duties. 11857

(E) The clerk of a municipal court may do all of the 11858
following: administer oaths, take affidavits, and issue 11859
executions upon any judgment rendered in the court, including a 11860
judgment for unpaid costs; issue, sign, and attach the seal of 11861
the court to all writs, process, subpoenas, and papers issuing 11862
out of the court; and approve all bonds, sureties, 11863
recognizances, and undertakings fixed by any judge of the court 11864
or by law. The clerk may refuse to accept for filing any 11865
pleading or paper submitted for filing by a person who has been 11866
found to be a vexatious litigator under section 2323.52 of the 11867
Revised Code and who has failed to obtain leave to proceed under 11868
that section. The clerk shall do all of the following: file and 11869
safely keep all journals, records, books, and papers belonging 11870
or appertaining to the court; record the proceedings of the 11871
court; perform all other duties that the judges of the court may 11872
prescribe; and keep a book showing all receipts and 11873
disbursements, which book shall be open for public inspection at 11874
all times. 11875

The clerk shall prepare and maintain a general index, a 11876
docket, and other records that the court, by rule, requires, all 11877
of which shall be the public records of the court. In the 11878
docket, the clerk shall enter, at the time of the commencement 11879
of an action, the names of the parties in full, the names of the 11880
counsel, and the nature of the proceedings. Under proper dates, 11881
the clerk shall note the filing of the complaint, issuing of 11882
summons or other process, returns, and any subsequent pleadings. 11883
The clerk also shall enter all reports, verdicts, orders, 11884

judgments, and proceedings of the court, clearly specifying the relief granted or orders made in each action. The court may order an extended record of any of the above to be made and entered, under the proper action heading, upon the docket at the request of any party to the case, the expense of which record may be taxed as costs in the case or may be required to be prepaid by the party demanding the record, upon order of the court.

(F) The clerk of a municipal court shall receive, collect, and issue receipts for all costs, fees, fines, bail, and other moneys payable to the office or to any officer of the court. The clerk shall on or before the twentieth day of the month following the month in which they are collected disburse to the proper persons or officers, and take receipts for, all costs, fees, fines, bail, and other moneys that the clerk collects. Subject to sections 307.515 and 4511.193 of the Revised Code and to any other section of the Revised Code that requires a specific manner of disbursement of any moneys received by a municipal court and except for the Hamilton county, Lawrence county, and Ottawa county municipal courts, the clerk shall pay all fines received for violation of municipal ordinances into the treasury of the municipal corporation the ordinance of which was violated and shall pay all fines received for violation of township resolutions adopted pursuant to section 503.52 or 503.53 or Chapter 504. of the Revised Code into the treasury of the township the resolution of which was violated. Subject to sections 1901.024 and 4511.193 of the Revised Code, in the Hamilton county, Lawrence county, and Ottawa county municipal courts, the clerk shall pay fifty per cent of the fines received for violation of municipal ordinances and fifty per cent of the fines received for violation of township resolutions adopted

pursuant to section 503.52 or 503.53 or Chapter 504. of the 11916
Revised Code into the treasury of the county. Subject to 11917
sections 307.515, 4511.19, and 5503.04 of the Revised Code and 11918
to any other section of the Revised Code that requires a 11919
specific manner of disbursement of any moneys received by a 11920
municipal court, the clerk shall pay all fines collected for the 11921
violation of state laws into the county treasury. Except in a 11922
county-operated municipal court, the clerk shall pay all costs 11923
and fees the disbursement of which is not otherwise provided for 11924
in the Revised Code into the city treasury. The clerk of a 11925
county-operated municipal court shall pay the costs and fees the 11926
disbursement of which is not otherwise provided for in the 11927
Revised Code into the county treasury. Moneys deposited as 11928
security for costs shall be retained pending the litigation. The 11929
clerk shall keep a separate account of all receipts and 11930
disbursements in civil and criminal cases, which shall be a 11931
permanent public record of the office. On the expiration of the 11932
term of the clerk, the clerk shall deliver the records to the 11933
clerk's successor. The clerk shall have other powers and duties 11934
as are prescribed by rule or order of the court. 11935

(G) All moneys paid into a municipal court shall be noted 11936
on the record of the case in which they are paid and shall be 11937
deposited in a state or national bank, ~~or a domestic savings and~~ 11938
~~loan association,~~ as defined in section ~~1151.01~~ 1101.01 of the 11939
Revised Code, that is selected by the clerk. Any interest 11940
received upon the deposits shall be paid into the city treasury, 11941
except that, in a county-operated municipal court, the interest 11942
shall be paid into the treasury of the county in which the court 11943
is located. 11944

On the first Monday in January of each year, the clerk 11945
shall make a list of the titles of all cases in the court that 11946

were finally determined more than one year past in which there 11947
remains unclaimed in the possession of the clerk any funds, or 11948
any part of a deposit for security of costs not consumed by the 11949
costs in the case. The clerk shall give notice of the moneys to 11950
the parties who are entitled to the moneys or to their attorneys 11951
of record. All the moneys remaining unclaimed on the first day 11952
of April of each year shall be paid by the clerk to the city 11953
treasurer, except that, in a county-operated municipal court, 11954
the moneys shall be paid to the treasurer of the county in which 11955
the court is located. The treasurer shall pay any part of the 11956
moneys at any time to the person who has the right to the moneys 11957
upon proper certification of the clerk. 11958

(H) Deputy clerks of a municipal court other than the 11959
Carroll county municipal court may be appointed by the clerk and 11960
shall receive the compensation, payable in either biweekly 11961
installments or semimonthly installments, as determined by the 11962
payroll administrator, out of the city treasury, that the clerk 11963
may prescribe, except that the compensation of any deputy clerk 11964
of a county-operated municipal court shall be paid out of the 11965
treasury of the county in which the court is located. The judge 11966
of the Carroll county municipal court may appoint deputy clerks 11967
for the court, and the deputy clerks shall receive the 11968
compensation, payable in biweekly installments out of the county 11969
treasury, that the judge may prescribe. Each deputy clerk shall 11970
take an oath of office before entering upon the duties of the 11971
deputy clerk's office and, when so qualified, may perform the 11972
duties appertaining to the office of the clerk. The clerk may 11973
require any of the deputy clerks to give bond of not less than 11974
three thousand dollars, conditioned for the faithful performance 11975
of the deputy clerk's duties. 11976

(I) For the purposes of this section, whenever the 11977

population of the territory of a municipal court falls below one 11978
hundred thousand but not below ninety thousand, and the 11979
population of the territory prior to the most recent regular 11980
federal census exceeded one hundred thousand, the legislative 11981
authority of the municipal corporation may declare, by 11982
resolution, that the territory shall be considered to have a 11983
population of at least one hundred thousand. 11984

(J) The clerk or a deputy clerk shall be in attendance at 11985
all sessions of the municipal court, although not necessarily in 11986
the courtroom, and may administer oaths to witnesses and jurors 11987
and receive verdicts. 11988

Sec. 2335.25. Each clerk of a court of record, the 11989
sheriff, and the prosecuting attorney shall enter in a journal 11990
or cashbook, provided at the expense of the county, an accurate 11991
account of all moneys collected or received ~~in his~~ the clerk's, 11992
sheriff's, or prosecuting attorney's official capacity, on the 11993
days of the receipt, and in the order of time so received, with 11994
a minute of the date and suit, or other matter, on account of 11995
which the money was received. The cashbook shall be a public 11996
record of the office, and shall, on the expiration of the term 11997
of each such officer, be delivered to ~~his~~ the officer's 11998
successor ~~in office~~. The clerk shall be the receiver of all 11999
moneys payable into ~~his~~ the clerk's office, whether collected by 12000
public officers of court or tendered by other persons, and, on 12001
request, shall pay the moneys to the persons entitled to receive 12002
them. 12003

The clerk of the court of common pleas or of the county 12004
court may deposit moneys payable into ~~his~~ the clerk's office in 12005
a bank ~~or a building and loan association~~, as defined in section 12006
~~1151.01-1101.01~~ of the Revised Code, subject to section 131.11 12007

of the Revised Code. Any interest received upon the deposits 12008
shall be paid into the treasury of the county for which the 12009
clerk performs ~~his~~ official duties. 12010

Sec. 3351.07. (A) For the purposes of this chapter, 12011
"approved lender" means any bank as defined in section 1101.01 12012
of the Revised Code, ~~any domestic savings and loan association~~ 12013
~~as defined in section 1151.01 of the Revised Code,~~ any credit 12014
union as defined in section 1733.01 of the Revised Code, any 12015
federal credit union established pursuant to federal law, any 12016
insurance company organized or authorized to do business in this 12017
state, any pension fund eligible under the "Higher Education 12018
Amendments of 1968," 82 Stat. 1026, 20 U.S.C.A. 1085, as 12019
amended, the secondary market operation designated under 12020
division (B) of this section, or any secondary market operation 12021
established pursuant to the "Education Amendments of 1972," 86 12022
Stat. 261, 20 U.S.C.A. 1071, as amended, or under the laws of 12023
any state. 12024

(B) The governor may designate one nonprofit corporation 12025
secondary market operation to be the single nonprofit private 12026
agency designated by the state under the "Higher Education Act 12027
of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d)(1)(D), as amended. 12028
A designation in effect on ~~the effective date of this amendment~~ 12029
October 16, 2009, expires December 31, 2009. Each designation 12030
~~after the effective date of this amendment~~ October 16, 2009, 12031
shall be made by competitive selection and shall be valid for 12032
one year. The controlling board shall not waive the competitive 12033
selection requirement. 12034

(C) The nonprofit corporation designated by the governor 12035
under division (B) of this section as the private agency 12036
secondary market operation shall be considered to be an agency 12037

of the state, in accordance with section 435(d)(1)(F) of the 12038
"Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 12039
1085(d)(1)(F), as amended, exclusively for the purpose of 12040
functioning as a secondary student loan market. The corporation 12041
shall be considered a state agency only for the purposes of this 12042
division and no other division or section of the Revised Code 12043
regarding state agencies shall apply to the corporation. No 12044
liability or obligation incurred by the corporation shall be 12045
considered to be a liability or debt of the state, nor shall the 12046
state be construed to act as guarantor of any debt of the 12047
corporation. 12048

(D) The nonprofit corporation designated under division 12049
(B) of this section shall designate a separate nonprofit 12050
corporation to operate exclusively for charitable and 12051
educational purposes, complementing and supplementing the 12052
designating corporation's secondary market operation for student 12053
loans authorized under the "Higher Education Act of 1965," 101 12054
Stat. 347, 20 U.S.C.A. 1085, as amended, and promoting the 12055
general health and welfare of the state, the public interest, 12056
and a public purpose through improving student assistance 12057
programs by expanding access to higher education financing 12058
programs for students and families in need of student financial 12059
aid. In furtherance of such purposes, the separate nonprofit 12060
corporation may do all of the following: 12061

(1) Assist educational institutions in establishing 12062
financial aid programs to help students obtain an economical 12063
education; 12064

(2) Encourage financial institutions to increase 12065
educational opportunities by making funds available to both 12066
students and educational institutions; 12067

- (3) Make available financial aid that supplements the financial assistance provided by eligible and approved lenders under state and federal programs; 12068
12069
12070
- (4) Develop and administer programs that do all of the following: 12071
12072
- (a) Provide financial aid and incidental student financial aid information to students and their parents or other persons responsible for paying educational costs of those students at educational institutions; 12073
12074
12075
12076
- (b) Provide financial aid and information relating to it to and through educational institutions, enabling those institutions to assist students financially in obtaining an education and fully expanding their intellectual capacity and skills; 12077
12078
12079
12080
12081
- (c) Better enable financial institutions to participate in student loan programs and other forms of financial aid, assisting students and educational institutions to increase education excellence and accessibility. 12082
12083
12084
12085
- (E) The nonprofit corporation designated under authority of division (D) of this section shall do both of the following: 12086
12087
- (1) Establish the criteria, standards, terms, and conditions for participation by students, parents, educational institutions, and financial institutions in that corporation's programs; 12088
12089
12090
12091
- (2) Provide the governor a report of its programs and a copy of its audited financial statements not later than one hundred eighty days after the end of each fiscal year of the corporation. 12092
12093
12094
12095

No liability, obligation, or debt incurred by the corporation designated under authority of division (D) of this section or by any person under that corporation's programs shall be, or be considered to be, a liability, obligation, or debt of, or a pledge of the faith and credit of, the state, any political subdivision of the state, or any state-supported or state-assisted institution of higher education, nor shall the state or any political subdivision of the state or any state-supported or state-assisted institution of higher education be or be construed to act as an obligor under or guarantor of any liability, obligation, or debt of that corporation or of any person under that corporation's programs or incur or be construed to have incurred any other liability, obligation, or debt as a result of any acts of the corporation.

(F) The nonprofit corporation designated under authority of division (D) of this section shall not be deemed to qualify by reason of the designation as a guarantor or an eligible lender under sections 435(d) and (j) of the "Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d) and (j), as amended.

Sec. 3767.41. (A) As used in this section:

(1) "Building" means, except as otherwise provided in this division, any building or structure that is used or intended to be used for residential purposes. "Building" includes, but is not limited to, a building or structure in which any floor is used for retail stores, shops, salesrooms, markets, or similar commercial uses, or for offices, banks, civic administration activities, professional services, or similar business or civic uses, and in which the other floors are used, or designed and intended to be used, for residential purposes. "Building" does

not include any building or structure that is occupied by its owner and that contains three or fewer residential units.

(2) (a) "Public nuisance" means a building that is a menace to the public health, welfare, or safety; that is structurally unsafe, unsanitary, or not provided with adequate safe egress; that constitutes a fire hazard, is otherwise dangerous to human life, or is otherwise no longer fit and habitable; or that, in relation to its existing use, constitutes a hazard to the public health, welfare, or safety by reason of inadequate maintenance, dilapidation, obsolescence, or abandonment.

(b) "Public nuisance" as it applies to subsidized housing means subsidized housing that fails to meet the following standards as specified in the federal rules governing each standard:

(i) Each building on the site is structurally sound, secure, habitable, and in good repair, as defined in 24 C.F.R. 5.703(b);

(ii) Each building's domestic water, electrical system, elevators, emergency power, fire protection, HVAC, and sanitary system is free of health and safety hazards, functionally adequate, operable, and in good repair, as defined in 24 C.F.R. 5.703(c);

(iii) Each dwelling unit within the building is structurally sound, habitable, and in good repair, and all areas and aspects of the dwelling unit are free of health and safety hazards, functionally adequate, operable, and in good repair, as defined in 24 C.F.R. 5.703(d)(1);

(iv) Where applicable, the dwelling unit has hot and cold running water, including an adequate source of potable water, as

defined in 24 C.F.R. 5.703(d) (2); 12155

(v) If the dwelling unit includes its own sanitary 12156
facility, it is in proper operating condition, usable in 12157
privacy, and adequate for personal hygiene, and the disposal of 12158
human waste, as defined in 24 C.F.R. 5.703(d) (3); 12159

(vi) The common areas are structurally sound, secure, and 12160
functionally adequate for the purposes intended. The basement, 12161
garage, carport, restrooms, closets, utility, mechanical, 12162
community rooms, daycare, halls, corridors, stairs, kitchens, 12163
laundry rooms, office, porch, patio, balcony, and trash 12164
collection areas are free of health and safety hazards, 12165
operable, and in good repair. All common area ceilings, doors, 12166
floors, HVAC, lighting, smoke detectors, stairs, walls, and 12167
windows, to the extent applicable, are free of health and safety 12168
hazards, operable, and in good repair, as defined in 24 C.F.R. 12169
5.703(e); 12170

(vii) All areas and components of the housing are free of 12171
health and safety hazards. These areas include, but are not 12172
limited to, air quality, electrical hazards, elevators, 12173
emergency/fire exits, flammable materials, garbage and debris, 12174
handrail hazards, infestation, and lead-based paint, as defined 12175
in 24 C.F.R. 5.703(f). 12176

(3) "Abate" or "abatement" in connection with any building 12177
means the removal or correction of any conditions that 12178
constitute a public nuisance and the making of any other 12179
improvements that are needed to effect a rehabilitation of the 12180
building that is consistent with maintaining safe and habitable 12181
conditions over its remaining useful life. "Abatement" does not 12182
include the closing or boarding up of any building that is found 12183
to be a public nuisance. 12184

(4) "Interested party" means any owner, mortgagee, 12185
lienholder, tenant, or person that possesses an interest of 12186
record in any property that becomes subject to the jurisdiction 12187
of a court pursuant to this section, and any applicant for the 12188
appointment of a receiver pursuant to this section. 12189

(5) "Neighbor" means any owner of property, including, but 12190
not limited to, any person who is purchasing property by land 12191
installment contract or under a duly executed purchase contract, 12192
that is located within five hundred feet of any property that 12193
becomes subject to the jurisdiction of a court pursuant to this 12194
section, and any occupant of a building that is so located. 12195

(6) "Tenant" has the same meaning as in section 5321.01 of 12196
the Revised Code. 12197

(7) "Subsidized housing" means a property consisting of 12198
more than four dwelling units that, in whole or in part, 12199
receives project-based assistance pursuant to a contract under 12200
any of the following federal housing programs: 12201

(a) The new construction or substantial rehabilitation 12202
program under section 8(b)(2) of the "United States Housing Act 12203
of 1937," Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f(b) 12204
(2) as that program was in effect immediately before the first 12205
day of October, 1983; 12206

(b) The moderate rehabilitation program under section 8(e) 12207
(2) of the "United States Housing Act of 1937," Pub. L. No. 75- 12208
412, 50 Stat. 888, 42 U.S.C. 1437f(e)(2); 12209

(c) The loan management assistance program under section 8 12210
of the "United States Housing Act of 1937," Pub. L. No. 75-412, 12211
50 Stat. 888, 42 U.S.C. 1437f; 12212

(d) The rent supplement program under section 101 of the 12213

"Housing and Urban Development Act of 1965," Pub. L. No. 89-174, 12214
79 Stat. 667, 12 U.S.C. 1701s; 12215

(e) Section 8 of the "United States Housing Act of 1937," 12216
Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f, following 12217
conversion from assistance under section 101 of the "Housing and 12218
Urban Development Act of 1965," Pub. L. No. 89-174, 79 Stat. 12219
667, 12 U.S.C. 1701s; 12220

(f) The program of supportive housing for the elderly 12221
under section 202 of the "Housing Act of 1959," Pub. L. No. 86- 12222
372, 73 Stat. 654, 12 U.S.C. 1701q; 12223

(g) The program of supportive housing for persons with 12224
disabilities under section 811 of the "National Affordable 12225
Housing Act of 1990," Pub. L. No. 101-625, 104 Stat. 4313, 42 12226
U.S.C. 8013; 12227

(h) The rental assistance program under section 521 of the 12228
"United States Housing Act of 1949," Pub. L. No. 90-448, 82 12229
Stat. 551, as amended by Pub. L. No. 93-383, 88 Stat. 696, 42 12230
U.S.C. 1490a. 12231

(8) "Project-based assistance" means the assistance is 12232
attached to the property and provides rental assistance only on 12233
behalf of tenants who reside in that property. 12234

(9) "Landlord" has the same meaning as in section 5321.01 12235
of the Revised Code. 12236

(B) (1) (a) In any civil action to enforce any local 12237
building, housing, air pollution, sanitation, health, fire, 12238
zoning, or safety code, ordinance, resolution, or regulation 12239
applicable to buildings, that is commenced in a court of common 12240
pleas, municipal court, housing or environmental division of a 12241
municipal court, or county court, or in any civil action for 12242

abatement commenced in a court of common pleas, municipal court, 12243
housing or environmental division of a municipal court, or 12244
county court, by a municipal corporation or township in which 12245
the building involved is located, by any neighbor, tenant, or by 12246
a nonprofit corporation that is duly organized and has as one of 12247
its goals the improvement of housing conditions in the county or 12248
municipal corporation in which the building involved is located, 12249
if a building is alleged to be a public nuisance, the municipal 12250
corporation, township, neighbor, tenant, or nonprofit 12251
corporation may apply in its complaint for an injunction or 12252
other order as described in division (C) (1) of this section, or 12253
for the relief described in division (C) (2) of this section, 12254
including, if necessary, the appointment of a receiver as 12255
described in divisions (C) (2) and (3) of this section, or for 12256
both such an injunction or other order and such relief. The 12257
municipal corporation, township, neighbor, tenant, or nonprofit 12258
corporation commencing the action is not liable for the costs, 12259
expenses, and fees of any receiver appointed pursuant to 12260
divisions (C) (2) and (3) of this section. 12261

(b) Prior to commencing a civil action for abatement when 12262
the property alleged to be a public nuisance is subsidized 12263
housing, the municipal corporation, township, neighbor, tenant, 12264
or nonprofit corporation commencing the action shall provide the 12265
landlord of that property with written notice that specifies one 12266
or more defective conditions that constitute a public nuisance 12267
as that term applies to subsidized housing and states that if 12268
the landlord fails to remedy the condition within sixty days of 12269
the service of the notice, a claim pursuant to this section may 12270
be brought on the basis that the property constitutes a public 12271
nuisance in subsidized housing. Any party authorized to bring an 12272
action against the landlord shall make reasonable attempts to 12273

serve the notice in the manner prescribed in the Rules of Civil Procedure to the landlord or the landlord's agent for the property at the property's management office, or at the place where the tenants normally pay or send rent. If the landlord is not the owner of record, the party bringing the action shall make a reasonable attempt to serve the owner. If the owner does not receive service the person bringing the action shall certify the attempts to serve the owner.

(2) (a) In a civil action described in division (B) (1) of this section, a copy of the complaint and a notice of the date and time of a hearing on the complaint shall be served upon the owner of the building and all other interested parties in accordance with the Rules of Civil Procedure. If certified mail service, personal service, or residence service of the complaint and notice is refused or certified mail service of the complaint and notice is not claimed, and if the municipal corporation, township, neighbor, tenant, or nonprofit corporation commencing the action makes a written request for ordinary mail service of the complaint and notice, or uses publication service, in accordance with the Rules of Civil Procedure, then a copy of the complaint and notice shall be posted in a conspicuous place on the building.

(b) The judge in a civil action described in division (B) (1) of this section shall conduct a hearing at least twenty-eight days after the owner of the building and the other interested parties have been served with a copy of the complaint and the notice of the date and time of the hearing in accordance with division (B) (2) (a) of this section.

(c) In considering whether subsidized housing is a public nuisance, the judge shall construe the standards set forth in

division (A) (2) (b) of this section in a manner consistent with 12304
department of housing and urban development and judicial 12305
interpretations of those standards. The judge shall deem that 12306
the property is not a public nuisance if during the twelve 12307
months prior to the service of the notice that division (B) (1) 12308
(b) of this section requires, the department of housing and 12309
urban development's real estate assessment center issued a score 12310
of seventy-five or higher out of a possible one hundred points 12311
pursuant to its regulations governing the physical condition of 12312
multifamily properties pursuant to 24 C.F.R. part 200, subpart 12313
P, and since the most recent inspection, there has been no 12314
significant change in the property's conditions that would 12315
create a serious threat to the health, safety, or welfare of the 12316
property's tenants. 12317

(C) (1) If the judge in a civil action described in 12318
division (B) (1) of this section finds at the hearing required by 12319
division (B) (2) of this section that the building involved is a 12320
public nuisance, if the judge additionally determines that the 12321
owner of the building previously has not been afforded a 12322
reasonable opportunity to abate the public nuisance or has been 12323
afforded such an opportunity and has not refused or failed to 12324
abate the public nuisance, and if the complaint of the municipal 12325
corporation, township, neighbor, tenant, or nonprofit 12326
corporation commencing the action requested the issuance of an 12327
injunction as described in this division, then the judge may 12328
issue an injunction requiring the owner of the building to abate 12329
the public nuisance or issue any other order that the judge 12330
considers necessary or appropriate to cause the abatement of the 12331
public nuisance. If an injunction is issued pursuant to this 12332
division, the owner of the building involved shall be given no 12333
more than thirty days from the date of the entry of the judge's 12334

order to comply with the injunction, unless the judge, for good 12335
cause shown, extends the time for compliance. 12336

(2) If the judge in a civil action described in division 12337
(B) (1) of this section finds at the hearing required by division 12338
(B) (2) of this section that the building involved is a public 12339
nuisance, if the judge additionally determines that the owner of 12340
the building previously has been afforded a reasonable 12341
opportunity to abate the public nuisance and has refused or 12342
failed to do so, and if the complaint of the municipal 12343
corporation, township, neighbor, tenant, or nonprofit 12344
corporation commencing the action requested relief as described 12345
in this division, then the judge shall offer any mortgagee, 12346
lienholder, or other interested party associated with the 12347
property on which the building is located, in the order of the 12348
priority of interest in title, the opportunity to undertake the 12349
work and to furnish the materials necessary to abate the public 12350
nuisance. Prior to selecting any interested party, the judge 12351
shall require the interested party to demonstrate the ability to 12352
promptly undertake the work and furnish the materials required, 12353
to provide the judge with a viable financial and construction 12354
plan for the rehabilitation of the building as described in 12355
division (D) of this section, and to post security for the 12356
performance of the work and the furnishing of the materials. 12357

If the judge determines, at the hearing, that no 12358
interested party is willing or able to undertake the work and to 12359
furnish the materials necessary to abate the public nuisance, or 12360
if the judge determines, at any time after the hearing, that any 12361
party who is undertaking corrective work pursuant to this 12362
division cannot or will not proceed, or has not proceeded with 12363
due diligence, the judge may appoint a receiver pursuant to 12364
division (C) (3) of this section to take possession and control 12365

of the building. 12366

(3) (a) The judge in a civil action described in division 12367
(B) (1) of this section shall not appoint any person as a 12368
receiver unless the person first has provided the judge with a 12369
viable financial and construction plan for the rehabilitation of 12370
the building involved as described in division (D) of this 12371
section and has demonstrated the capacity and expertise to 12372
perform the required work and to furnish the required materials 12373
in a satisfactory manner. An appointed receiver may be a 12374
financial institution that possesses an interest of record in 12375
the building or the property on which it is located, a nonprofit 12376
corporation as described in divisions (B) (1) and (C) (3) (b) of 12377
this section, including, but not limited to, a nonprofit 12378
corporation that commenced the action described in division (B) 12379
(1) of this section, or any other qualified property manager. 12380

(b) To be eligible for appointment as a receiver, no part 12381
of the net earnings of a nonprofit corporation shall inure to 12382
the benefit of any private shareholder or individual. Membership 12383
on the board of trustees of a nonprofit corporation appointed as 12384
a receiver does not constitute the holding of a public office or 12385
employment within the meaning of sections 731.02 and 731.12 or 12386
any other section of the Revised Code and does not constitute a 12387
direct or indirect interest in a contract or expenditure of 12388
money by any municipal corporation. A member of a board of 12389
trustees of a nonprofit corporation appointed as a receiver 12390
shall not be disqualified from holding any public office or 12391
employment, and shall not forfeit any public office or 12392
employment, by reason of membership on the board of trustees, 12393
notwithstanding any law to the contrary. 12394

(D) Prior to ordering any work to be undertaken, or the 12395

furnishing of any materials, to abate a public nuisance under 12396
this section, the judge in a civil action described in division 12397
(B) (1) of this section shall review the submitted financial and 12398
construction plan for the rehabilitation of the building 12399
involved and, if it specifies all of the following, shall 12400
approve that plan: 12401

(1) The estimated cost of the labor, materials, and any 12402
other development costs that are required to abate the public 12403
nuisance; 12404

(2) The estimated income and expenses of the building and 12405
the property on which it is located after the furnishing of the 12406
materials and the completion of the repairs and improvements; 12407

(3) The terms, conditions, and availability of any 12408
financing that is necessary to perform the work and to furnish 12409
the materials; 12410

(4) If repair and rehabilitation of the building are found 12411
not to be feasible, the cost of demolition of the building or of 12412
the portions of the building that constitute the public 12413
nuisance. 12414

(E) Upon the written request of any of the interested 12415
parties to have a building, or portions of a building, that 12416
constitute a public nuisance demolished because repair and 12417
rehabilitation of the building are found not to be feasible, the 12418
judge may order the demolition. However, the demolition shall 12419
not be ordered unless the requesting interested parties have 12420
paid the costs of demolition and, if any, of the receivership, 12421
and, if any, all notes, certificates, mortgages, and fees of the 12422
receivership. 12423

(F) Before proceeding with the duties of receiver, any 12424

receiver appointed by the judge in a civil action described in 12425
division (B)(1) of this section may be required by the judge to 12426
post a bond in an amount fixed by the judge, but not exceeding 12427
the value of the building involved as determined by the judge. 12428

The judge may empower the receiver to do any or all of the 12429
following: 12430

(1) Take possession and control of the building and the 12431
property on which it is located, operate and manage the building 12432
and the property, establish and collect rents and income, lease 12433
and rent the building and the property, and evict tenants; 12434

(2) Pay all expenses of operating and conserving the 12435
building and the property, including, but not limited to, the 12436
cost of electricity, gas, water, sewerage, heating fuel, repairs 12437
and supplies, custodian services, taxes and assessments, and 12438
insurance premiums, and hire and pay reasonable compensation to 12439
a managing agent; 12440

(3) Pay pre-receivership mortgages or installments of them 12441
and other liens; 12442

(4) Perform or enter into contracts for the performance of 12443
all work and the furnishing of materials necessary to abate, and 12444
obtain financing for the abatement of, the public nuisance; 12445

(5) Pursuant to court order, remove and dispose of any 12446
personal property abandoned, stored, or otherwise located in or 12447
on the building and the property that creates a dangerous or 12448
unsafe condition or that constitutes a violation of any local 12449
building, housing, air pollution, sanitation, health, fire, 12450
zoning, or safety code, ordinance, or regulation; 12451

(6) Obtain mortgage insurance for any receiver's mortgage 12452
from any agency of the federal government; 12453

(7) Enter into any agreement and do those things necessary 12454
to maintain and preserve the building and the property and 12455
comply with all local building, housing, air pollution, 12456
sanitation, health, fire, zoning, or safety codes, ordinances, 12457
resolutions, and regulations; 12458

(8) Give the custody of the building and the property, and 12459
the opportunity to abate the nuisance and operate the property, 12460
to its owner or any mortgagee or lienholder of record; 12461

(9) Issue notes and secure them by a mortgage bearing 12462
interest, and upon terms and conditions, that the judge 12463
approves. When sold or transferred by the receiver in return for 12464
valuable consideration in money, material, labor, or services, 12465
the notes or certificates shall be freely transferable. Any 12466
mortgages granted by the receiver shall be superior to any 12467
claims of the receiver. Priority among the receiver's mortgages 12468
shall be determined by the order in which they are recorded. 12469

(G) A receiver appointed pursuant to this section is not 12470
personally liable except for misfeasance, malfeasance, or 12471
nonfeasance in the performance of the functions of the office of 12472
receiver. 12473

(H) (1) The judge in a civil action described in division 12474
(B) (1) of this section may assess as court costs, the expenses 12475
described in division (F) (2) of this section, and may approve 12476
receiver's fees to the extent that they are not covered by the 12477
income from the property. Subject to that limitation, a receiver 12478
appointed pursuant to divisions (C) (2) and (3) of this section 12479
is entitled to receive fees in the same manner and to the same 12480
extent as receivers appointed in actions to foreclose mortgages. 12481

(2) (a) Pursuant to the police powers vested in the state, 12482

all expenditures of a mortgagee, lienholder, or other interested party that has been selected pursuant to division (C) (2) of this section to undertake the work and to furnish the materials necessary to abate a public nuisance, and any expenditures in connection with the foreclosure of the lien created by this division, is a first lien upon the building involved and the property on which it is located and is superior to all prior and subsequent liens or other encumbrances associated with the building or the property, including, but not limited to, those for taxes and assessments, upon the occurrence of both of the following:

(i) The prior approval of the expenditures by, and the entry of a judgment to that effect by, the judge in the civil action described in division (B) (1) of this section;

(ii) The recordation of a certified copy of the judgment entry and a sufficient description of the property on which the building is located with the county recorder in the county in which the property is located within sixty days after the date of the entry of the judgment.

(b) Pursuant to the police powers vested in the state, all expenses and other amounts paid in accordance with division (F) of this section by a receiver appointed pursuant to divisions (C) (2) and (3) of this section, the amounts of any notes issued by the receiver in accordance with division (F) of this section, all mortgages granted by the receiver in accordance with that division, the fees of the receiver approved pursuant to division (H) (1) of this section, and any amounts expended in connection with the foreclosure of a mortgage granted by the receiver in accordance with division (F) of this section or with the foreclosure of the lien created by this division, are a first

lien upon the building involved and the property on which it is 12513
located and are superior to all prior and subsequent liens or 12514
other encumbrances associated with the building or the property, 12515
including, but not limited to, those for taxes and assessments, 12516
upon the occurrence of both of the following: 12517

(i) The approval of the expenses, amounts, or fees by, and 12518
the entry of a judgment to that effect by, the judge in the 12519
civil action described in division (B) (1) of this section; or 12520
the approval of the mortgages in accordance with division (F) (9) 12521
of this section by, and the entry of a judgment to that effect 12522
by, that judge; 12523

(ii) The recordation of a certified copy of the judgment 12524
entry and a sufficient description of the property on which the 12525
building is located, or, in the case of a mortgage, the 12526
recordation of the mortgage, a certified copy of the judgment 12527
entry, and such a description, with the county recorder of the 12528
county in which the property is located within sixty days after 12529
the date of the entry of the judgment. 12530

(c) Priority among the liens described in divisions (H) (2) 12531
(a) and (b) of this section shall be determined as described in 12532
division (I) of this section. Additionally, the creation 12533
pursuant to this section of a mortgage lien that is prior to or 12534
superior to any mortgage of record at the time the mortgage lien 12535
is so created, does not disqualify the mortgage of record as a 12536
legal investment under Chapter 1107. or ~~1151.~~ or any other 12537
chapter of the Revised Code. 12538

(I) (1) If a receiver appointed pursuant to divisions (C) 12539
(2) and (3) of this section files with the judge in the civil 12540
action described in division (B) (1) of this section a report 12541
indicating that the public nuisance has been abated, if the 12542

judge confirms that the receiver has abated the public nuisance, 12543
and if the receiver or any interested party requests the judge 12544
to enter an order directing the receiver to sell the building 12545
and the property on which it is located, the judge may enter 12546
that order after holding a hearing as described in division (I) 12547
(2) of this section and otherwise complying with that division. 12548

(2) (a) The receiver or interested party requesting an 12549
order as described in division (I) (1) of this section shall 12550
cause a notice of the date and time of a hearing on the request 12551
to be served on the owner of the building involved and all other 12552
interested parties in accordance with division (B) (2) (a) of this 12553
section. The judge in the civil action described in division (B) 12554
(1) of this section shall conduct the scheduled hearing. At the 12555
hearing, if the owner or any interested party objects to the 12556
sale of the building and the property, the burden of proof shall 12557
be upon the objecting person to establish, by a preponderance of 12558
the evidence, that the benefits of not selling the building and 12559
the property outweigh the benefits of selling them. If the judge 12560
determines that there is no objecting person, or if the judge 12561
determines that there is one or more objecting persons but no 12562
objecting person has sustained the burden of proof specified in 12563
this division, the judge may enter an order directing the 12564
receiver to offer the building and the property for sale upon 12565
terms and conditions that the judge shall specify. 12566

(b) In any sale of subsidized housing that is ordered 12567
pursuant to this section, the judge shall specify that the 12568
subsidized housing not be conveyed unless that conveyance 12569
complies with applicable federal law and applicable program 12570
contracts for that housing. Any such conveyance shall be subject 12571
to the condition that the purchaser enter into a contract with 12572
the department of housing and urban development or the rural 12573

housing service of the federal department of agriculture under 12574
which the property continues to be subsidized housing and the 12575
owner continues to operate that property as subsidized housing 12576
unless the secretary of housing and urban development or the 12577
administrator of the rural housing service terminates that 12578
property's contract prior to or upon the conveyance of the 12579
property. 12580

(3) If a sale of a building and the property on which it 12581
is located is ordered pursuant to divisions (I) (1) and (2) of 12582
this section and if the sale occurs in accordance with the terms 12583
and conditions specified by the judge in the judge's order of 12584
sale, then the receiver shall distribute the proceeds of the 12585
sale and the balance of any funds that the receiver may possess, 12586
after the payment of the costs of the sale, in the following 12587
order of priority and in the described manner: 12588

(a) First, in satisfaction of any notes issued by the 12589
receiver pursuant to division (F) of this section, in their 12590
order of priority; 12591

(b) Second, any unreimbursed expenses and other amounts 12592
paid in accordance with division (F) of this section by the 12593
receiver, and the fees of the receiver approved pursuant to 12594
division (H) (1) of this section; 12595

(c) Third, all expenditures of a mortgagee, lienholder, or 12596
other interested party that has been selected pursuant to 12597
division (C) (2) of this section to undertake the work and to 12598
furnish the materials necessary to abate a public nuisance, 12599
provided that the expenditures were approved as described in 12600
division (H) (2) (a) of this section and provided that, if any 12601
such interested party subsequently became the receiver, its 12602
expenditures shall be paid prior to the expenditures of any of 12603

the other interested parties so selected; 12604

(d) Fourth, the amount due for delinquent taxes, 12605
assessments, charges, penalties, and interest owed to this state 12606
or a political subdivision of this state, provided that, if the 12607
amount available for distribution pursuant to division (I) (3) (d) 12608
of this section is insufficient to pay the entire amount of 12609
those taxes, assessments, charges, penalties, and interest, the 12610
proceeds and remaining funds shall be paid to each claimant in 12611
proportion to the amount of those taxes, assessments, charges, 12612
penalties, and interest that each is due. 12613

(e) The amount of any pre-receivership mortgages, liens, 12614
or other encumbrances, in their order of priority. 12615

(4) Following a distribution in accordance with division 12616
(I) (3) of this section, the receiver shall request the judge in 12617
the civil action described in division (B) (1) of this section to 12618
enter an order terminating the receivership. If the judge 12619
determines that the sale of the building and the property on 12620
which it is located occurred in accordance with the terms and 12621
conditions specified by the judge in the judge's order of sale 12622
under division (I) (2) of this section and that the receiver 12623
distributed the proceeds of the sale and the balance of any 12624
funds that the receiver possessed, after the payment of the 12625
costs of the sale, in accordance with division (I) (3) of this 12626
section, and if the judge approves any final accounting required 12627
of the receiver, the judge may terminate the receivership. 12628

(J) (1) A receiver appointed pursuant to divisions (C) (2) 12629
and (3) of this section may be discharged at any time in the 12630
discretion of the judge in the civil action described in 12631
division (B) (1) of this section. The receiver shall be 12632
discharged by the judge as provided in division (I) (4) of this 12633

section, or when all of the following have occurred: 12634

(a) The public nuisance has been abated; 12635

(b) All costs, expenses, and approved fees of the 12636
receivership have been paid; 12637

(c) Either all receiver's notes issued and mortgages 12638
granted pursuant to this section have been paid, or all the 12639
holders of the notes and mortgages request that the receiver be 12640
discharged. 12641

(2) If a judge in a civil action described in division (B) 12642
(1) of this section determines that, and enters of record a 12643
declaration that, a public nuisance has been abated by a 12644
receiver, and if, within three days after the entry of the 12645
declaration, all costs, expenses, and approved fees of the 12646
receivership have not been paid in full, then, in addition to 12647
the circumstances specified in division (I) of this section for 12648
the entry of such an order, the judge may enter an order 12649
directing the receiver to sell the building involved and the 12650
property on which it is located. Any such order shall be 12651
entered, and the sale shall occur, only in compliance with 12652
division (I) of this section. 12653

(K) The title in any building, and in the property on 12654
which it is located, that is sold at a sale ordered under 12655
division (I) or (J) (2) of this section shall be incontestable in 12656
the purchaser and shall be free and clear of all liens for 12657
delinquent taxes, assessments, charges, penalties, and interest 12658
owed to this state or any political subdivision of this state, 12659
that could not be satisfied from the proceeds of the sale and 12660
the remaining funds in the receiver's possession pursuant to the 12661
distribution under division (I) (3) of this section. All other 12662

liens and encumbrances with respect to the building and the 12663
property shall survive the sale, including, but not limited to, 12664
a federal tax lien notice properly filed in accordance with 12665
section 317.09 of the Revised Code prior to the time of the 12666
sale, and the easements and covenants of record running with the 12667
property that were created prior to the time of the sale. 12668

(L) (1) Nothing in this section shall be construed as a 12669
limitation upon the powers granted to a court of common pleas, a 12670
municipal court or a housing or environmental division of a 12671
municipal court under Chapter 1901. of the Revised Code, or a 12672
county court under Chapter 1907. of the Revised Code. 12673

(2) The monetary and other limitations specified in 12674
Chapters 1901. and 1907. of the Revised Code upon the 12675
jurisdiction of municipal and county courts, and of housing or 12676
environmental divisions of municipal courts, in civil actions do 12677
not operate as limitations upon any of the following: 12678

(a) Expenditures of a mortgagee, lienholder, or other 12679
interested party that has been selected pursuant to division (C) 12680
(2) of this section to undertake the work and to furnish the 12681
materials necessary to abate a public nuisance; 12682

(b) Any notes issued by a receiver pursuant to division 12683
(F) of this section; 12684

(c) Any mortgage granted by a receiver in accordance with 12685
division (F) of this section; 12686

(d) Expenditures in connection with the foreclosure of a 12687
mortgage granted by a receiver in accordance with division (F) 12688
of this section; 12689

(e) The enforcement of an order of a judge entered 12690
pursuant to this section; 12691

(f) The actions that may be taken pursuant to this section 12692
by a receiver or a mortgagee, lienholder, or other interested 12693
party that has been selected pursuant to division (C) (2) of this 12694
section to undertake the work and to furnish the materials 12695
necessary to abate a public nuisance. 12696

(3) A judge in a civil action described in division (B) (1) 12697
of this section, or the judge's successor in office, has 12698
continuing jurisdiction to review the condition of any building 12699
that was determined to be a public nuisance pursuant to this 12700
section. 12701

(4) Nothing in this section shall be construed to limit or 12702
prohibit a municipal corporation or township that has filed with 12703
the superintendent of insurance a certified copy of an adopted 12704
resolution, ordinance, or regulation authorizing the procedures 12705
described in divisions (C) and (D) of section 3929.86 of the 12706
Revised Code from receiving insurance proceeds under section 12707
3929.86 of the Revised Code. 12708

Sec. 4303.293. (A) Any person making application 12709
concerning a permit to conduct a business for which a permit is 12710
required under this chapter shall list on the application the 12711
name and address of each person having a legal or beneficial 12712
interest in the ownership of the business, including contracts 12713
for purchase on an installment basis. If any person is a 12714
corporation or limited liability company, the applicant shall 12715
list the names of each officer of the corporation; the names of 12716
each officer of the limited liability company, if the limited 12717
liability company has officers, and the names of the managing 12718
members of the company or the managers of the company, if the 12719
management of the company is not reserved to its members; the 12720
names of each person owning or controlling five per cent or more 12721

of the capital stock of the corporation; and the names of each 12722
person owning or controlling five per cent or more of either the 12723
voting interests or membership interests in the limited 12724
liability company. If any person is a partnership or 12725
association, the applicant shall list the names of each partner 12726
or member of the association. Any person having a legal or 12727
beneficial interest in the ownership of the business, other than 12728
a bank as defined in section 1101.01 of the Revised Code ~~or a~~ 12729
~~building and loan association as defined in section 1151.01 of~~ 12730
~~the Revised Code~~, shall notify the division of liquor control of 12731
the interest, including contracts for purchase on an installment 12732
basis, occurring after the application for, or the issuance of, 12733
the permit. The notification shall be given within fifteen days 12734
of the change. Whenever the person to whom a permit has been 12735
issued is a corporation or limited liability company and any 12736
transfer of that corporation's stock or that limited liability 12737
company's membership interests is proposed such that, following 12738
the transfer, the owner of the majority or plurality of shares 12739
of stock in the corporation would change or the owner of the 12740
majority or plurality of the limited liability company's 12741
membership interests would change, the proposed transfer of 12742
stock or membership interests shall be considered a proposed 12743
transfer of ownership of the permit, and application shall be 12744
made to the division of liquor control for a transfer of 12745
ownership. The application shall be subject to the notice and 12746
hearing requirements of section 4303.26 of the Revised Code and 12747
to the restrictions imposed by section 4303.29 and division (A) 12748
(1) of section 4303.292 of the Revised Code. 12749

(B) Whoever violates this section is guilty of a 12750
misdemeanor of the first degree. 12751

Sec. 5814.01. As used in sections 5814.01 to 5814.09 of 12752

the Revised Code, unless the context otherwise requires: 12753

(A) "Benefit plan" means any plan of an employer for the 12754
benefit of any employee, any plan for the benefit of any 12755
partner, or any plan for the benefit of a proprietor, and 12756
includes, but is not limited to, any pension, retirement, death 12757
benefit, deferred compensation, employment agency, stock bonus, 12758
option, or profit-sharing contract, plan, system, account, or 12759
trust. 12760

(B) "Broker" means a person that is lawfully engaged in 12761
the business of effecting transactions in securities for the 12762
account of others. A "broker" includes a financial institution 12763
that effects such transactions and a person who is lawfully 12764
engaged in buying and selling securities for the person's own 12765
account, through a broker or otherwise, as a part of a regular 12766
business. 12767

(C) "Court" means the probate court. 12768

(D) "The custodial property" includes: 12769

(1) All securities, money, life or endowment insurance 12770
policies, annuity contracts, benefit plans, real estate, 12771
tangible and intangible personal property, proceeds of a life or 12772
endowment insurance policy, an annuity contract, or a benefit 12773
plan, and other types of property under the supervision of the 12774
same custodian for the same minor as a consequence of a transfer 12775
or transfers made to the minor, a gift or gifts made to the 12776
minor, or a purchase made by the custodian for the minor, in a 12777
manner prescribed in sections 5814.01 to 5814.09 of the Revised 12778
Code; 12779

(2) The income from the custodial property; 12780

(3) The proceeds, immediate and remote, from the sale, 12781

exchange, conversion, investment, reinvestment, or other 12782
disposition of the securities, money, life or endowment 12783
insurance policies, annuity contracts, benefit plans, real 12784
estate, tangible and intangible personal property, proceeds of a 12785
life or endowment insurance policy, an annuity contract, or a 12786
benefit plan, other types of property, and income. 12787

(E) "Custodian" or "successor custodian" means a person so 12788
designated in a manner prescribed in sections 5814.01 to 5814.09 12789
of the Revised Code. 12790

(F) "Financial institution" means any bank⁷, as defined in 12791
section 1101.01 of the Revised Code, ~~any building and loan~~ 12792
~~association, as defined in section 1151.01,~~ any credit union as 12793
defined in section 1733.01 of the Revised Code, and any federal 12794
credit union⁷ as defined in the "Federal Credit Union Act," 73 12795
Stat. 628 (1959), 12 U.S.C.A. 1752, as amended. 12796

(G) "Guardian of the minor" includes the general guardian, 12797
guardian, tutor, or curator of the property, estate, or person 12798
of a minor. 12799

(H) "Issuer" means a person who places or authorizes the 12800
placing of the person's name on a security, other than as a 12801
transfer agent, to evidence that it represents a share, 12802
participation, or other interest in the person's property or in 12803
an enterprise, or to evidence the person's duty or undertaking 12804
to perform an obligation that is evidenced by the security, or 12805
who becomes responsible for or in place of any such person. 12806

(I) "Legal representative" of a person means the executor, 12807
administrator, general guardian, guardian, committee, 12808
conservator, tutor, or curator of the person's property or 12809
estate. 12810

(J) "Member of the minor's family" means a parent, 12811
stepparent, spouse, grandparent, brother, sister, uncle, or aunt 12812
of the minor, whether of the whole or half blood, or by 12813
adoption. 12814

(K) "Minor" means a person who has not attained the age of 12815
twenty-one years. 12816

(L) "Security" includes any note, stock, treasury stock, 12817
common trust fund, bond, debenture, evidence of indebtedness, 12818
certificate of interest or participation in an oil, gas, or 12819
mining title or lease or in payments out of production under an 12820
oil, gas, or mining title or lease, collateral trust 12821
certificate, transferable share, voting trust certificate, or, 12822
in general, any interest or instrument commonly known as a 12823
security, or any certificate of interest or participation in, 12824
any temporary or interim certificate, receipt or certificate of 12825
deposit for, or any warrant or right to subscribe to or 12826
purchase, any of the foregoing. A "security" does not include a 12827
security of which the donor or transferor is the issuer. A 12828
security is in "registered form" when it specifies a person who 12829
is entitled to it or to the rights that it evidences and its 12830
transfer may be registered upon books maintained for that 12831
purpose by or on behalf of the issuer. 12832

(M) "Transfer" means a disposition, other than a gift, by 12833
a person who is eighteen years of age or older that creates 12834
custodial property under sections 5814.01 to 5814.09 of the 12835
Revised Code. 12836

(N) "Transfer agent" means a person who acts as 12837
authenticating trustee, transfer agent, registrar, or other 12838
agent for an issuer in the registration of transfers of its 12839
securities, in the issue of new securities, or in the 12840

cancellation of surrendered securities. 12841

(O) "Transferor" means a person who is eighteen years of 12842
age or older, who makes a transfer. 12843

(P) "Trust company" means a financial institution that is 12844
authorized to exercise trust powers. 12845

(Q) "Administrator" includes an "administrator with the 12846
will annexed." 12847

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1163.20, 1163.21, 1163.22, 1163.24, 1163.25, 1163.26, 1163.27, 12920
1165.01, 1165.03, 1165.04, 1165.05, 1165.06, 1165.09, 1165.10, 12921
1165.11, 1165.12, 1165.13, 1165.14, 1165.17, 1165.18, 1165.19, 12922
1165.20, 1165.21, 1165.22, 1165.23, 1165.24, 1165.25, 1165.26, 12923
1165.27, 1165.28, 1165.29, 1165.30, 1165.33, 1181.16, 1181.17, 12924
and 1181.18 of the Revised Code are hereby repealed. 12925

Section 3. Notwithstanding section 1123.01 of the Revised Code, as amended by this act, both of the following apply: 12926
12927

(A) The appointed members who are serving on the Banking Commission as of the effective date of this section shall serve until the end of the term for which the member was appointed. 12928
12929
12930
The terms of office set forth in division (B) of that section 12931
and the qualifications for membership set forth in division (D) 12932
of that section shall first apply to the members appointed on or 12933

after the effective date of this section. 12934

(B) The Banking Commission shall, on the effective date of 12935
this section, additionally consist of the six members appointed 12936
to the Savings and Loan Associations and Savings Banks Board 12937
under section 1181.16 of the Revised Code. Each such member 12938
shall serve until the end of the term for which the member was 12939
appointed. 12940

Section 4. Sections 1, 2, and 3 of this act shall take 12941
effect July 1, 2018. 12942

Section 5. Section 1121.02 of the Revised Code is 12943
presented in this act as a composite of the section as amended 12944
by both Am. Sub. H.B. 538 and Am. Sub. S.B. 293 of the 121st 12945
General Assembly. The General Assembly, applying the principle 12946
stated in division (B) of section 1.52 of the Revised Code that 12947
amendments are to be harmonized if reasonably capable of 12948
simultaneous operation, finds that the composite is the 12949
resulting version of the section in effect prior to the 12950
effective date of the section as presented in this act. 12951