

**As Reported by the House Financial Institutions, Housing, and Urban
Development Committee**

132nd General Assembly

**Regular Session
2017-2018**

Sub. H. B. No. 35

Representative Hughes

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

A BILL

To amend sections 102.02, 109.572, 111.15, 119.01, 1
121.07, 131.11, 135.03, 135.032, 135.182, 2
135.32, 135.321, 135.51, 135.52, 135.53, 3
323.134, 339.06, 513.17, 749.081, 755.141, 4
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1707.03, 1901.31, 2335.25, 3351.07, 3767.41,	41
4303.293, and 5814.01; to amend, for the purpose	42
of adopting new section numbers as indicated in	43
parentheses, sections 1103.01 (1113.01), 1103.06	44
(1113.04), 1103.08 (1113.12), 1103.09 (1113.13),	45
1103.11 (1113.11), 1103.13 (1113.14), 1103.14	46
(1113.15), 1103.15 (1113.16), 1103.16 (1113.17),	47
1103.21 (1117.07), and 1113.01 (1113.02) and to	48
enact new section 1121.52 and sections 1101.05,	49
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1165.28, 1165.29, 1165.30, 1165.33, 1181.16,	123
1181.17, and 1181.18 of the Revised Code for the	124
purpose of enacting a new banking law for the	125
State of Ohio.	126

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

Section 1. That sections 102.02, 109.572, 111.15, 119.01,	127
121.07, 131.11, 135.03, 135.032, 135.182, 135.32, 135.321,	128
135.51, 135.52, 135.53, 323.134, 339.06, 513.17, 749.081,	129
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1181.21, 1181.25, 1349.16, 1509.07, 1509.225, 1510.09, 1514.04, 155
1707.03, 1901.31, 2335.25, 3351.07, 3767.41, 4303.293, and 156
5814.01 be amended; sections 1103.06 (1113.04), 1103.08 157
(1113.12), 1103.09 (1113.13), 1103.11 (1113.11), 1103.13 158
(1113.14), 1103.14 (1113.15), 1103.15 (1113.16), 1103.16 159
(1113.17), 1103.01 (1113.01), 1113.01 (1113.02), and 1103.21 160
(1117.07) be amended for the purpose of adopting new section 161
numbers as shown in parentheses; and new section 1121.52 and 162
sections 1101.05, 1103.99, 1109.021, 1109.04, 1109.151, 163
1109.441, 1109.62, 1114.01, 1114.02, 1114.03, 1114.04, 1114.05, 164
1114.06, 1114.07, 1114.08, 1114.09, 1114.10, 1114.11, 1114.12, 165
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1116.06, 1116.07, 1116.08, 1116.09, 1116.10, 1116.11, 1116.12, 167
1116.13, 1116.16, 1116.18, 1116.19, 1116.20, 1116.21, 1121.19, 168
and 1121.29 of the Revised Code be enacted to read as follows: 169

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

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

a candidate for the office of member of a board of education of 209
a city, local, exempted village, joint vocational, or 210
cooperative education school district or of a governing board of 211
an educational service center that has a total student count of 212
twelve thousand or more as most recently determined by the 213
department of education pursuant to section 3317.03 of the 214
Revised Code; every person who is appointed to the board of 215
education of a municipal school district pursuant to division 216
(B) or (F) of section 3311.71 of the Revised Code; all members 217
of the board of directors of a sanitary district that is 218
established under Chapter 6115. of the Revised Code and 219
organized wholly for the purpose of providing a water supply for 220
domestic, municipal, and public use, and that includes two 221
municipal corporations in two counties; every public official or 222
employee who is paid a salary or wage in accordance with 223
schedule C of section 124.15 or schedule E-2 of section 124.152 224
of the Revised Code; members of the board of trustees and the 225
executive director of the southern Ohio agricultural and 226
community development foundation; all members appointed to the 227
Ohio livestock care standards board under section 904.02 of the 228
Revised Code; all entrepreneurs in residence assigned by the 229
LeanOhio office in the department of administrative services 230
under section 125.65 of the Revised Code and every other public 231
official or employee who is designated by the appropriate ethics 232
commission pursuant to division (B) of this section. 233

(2) The disclosure statement shall include all of the 234
following: 235

(a) The name of the person filing the statement and each 236
member of the person's immediate family and all names under 237
which the person or members of the person's immediate family do 238
business; 239

(b) (i) Subject to divisions (A) (2) (b) (ii) and (iii) of 240
this section and except as otherwise provided in section 102.022 241
of the Revised Code, identification of every source of income, 242
other than income from a legislative agent identified in 243
division (A) (2) (b) (ii) of this section, received during the 244
preceding calendar year, in the person's own name or by any 245
other person for the person's use or benefit, by the person 246
filing the statement, and a brief description of the nature of 247
the services for which the income was received. If the person 248
filing the statement is a member of the general assembly, the 249
statement shall identify the amount of every source of income 250
received in accordance with the following ranges of amounts: 251
zero or more, but less than one thousand dollars; one thousand 252
dollars or more, but less than ten thousand dollars; ten 253
thousand dollars or more, but less than twenty-five thousand 254
dollars; twenty-five thousand dollars or more, but less than 255
fifty thousand dollars; fifty thousand dollars or more, but less 256
than one hundred thousand dollars; and one hundred thousand 257
dollars or more. Division (A) (2) (b) (i) of this section shall not 258
be construed to require a person filing the statement who 259
derives income from a business or profession to disclose the 260
individual items of income that constitute the gross income of 261
that business or profession, except for those individual items 262
of income that are attributable to the person's or, if the 263
income is shared with the person, the partner's, solicitation of 264
services or goods or performance, arrangement, or facilitation 265
of services or provision of goods on behalf of the business or 266
profession of clients, including corporate clients, who are 267
legislative agents. A person who files the statement under this 268
section shall disclose the identity of and the amount of income 269
received from a person who the public official or employee knows 270
or has reason to know is doing or seeking to do business of any 271

kind with the public official's or employee's agency. 272

(ii) If the person filing the statement is a member of the 273
general assembly, the statement shall identify every source of 274
income and the amount of that income that was received from a 275
legislative agent during the preceding calendar year, in the 276
person's own name or by any other person for the person's use or 277
benefit, by the person filing the statement, and a brief 278
description of the nature of the services for which the income 279
was received. Division (A) (2) (b) (ii) of this section requires 280
the disclosure of clients of attorneys or persons licensed under 281
section 4732.12 of the Revised Code, or patients of persons 282
certified under section 4731.14 of the Revised Code, if those 283
clients or patients are legislative agents. Division (A) (2) (b) 284
(ii) of this section requires a person filing the statement who 285
derives income from a business or profession to disclose those 286
individual items of income that constitute the gross income of 287
that business or profession that are received from legislative 288
agents. 289

(iii) Except as otherwise provided in division (A) (2) (b) 290
(iii) of this section, division (A) (2) (b) (i) of this section 291
applies to attorneys, physicians, and other persons who engage 292
in the practice of a profession and who, pursuant to a section 293
of the Revised Code, the common law of this state, a code of 294
ethics applicable to the profession, or otherwise, generally are 295
required not to reveal, disclose, or use confidences of clients, 296
patients, or other recipients of professional services except 297
under specified circumstances or generally are required to 298
maintain those types of confidences as privileged communications 299
except under specified circumstances. Division (A) (2) (b) (i) of 300
this section does not require an attorney, physician, or other 301
professional subject to a confidentiality requirement as 302

described in division (A) (2) (b) (iii) of this section to disclose 303
the name, other identity, or address of a client, patient, or 304
other recipient of professional services if the disclosure would 305
threaten the client, patient, or other recipient of professional 306
services, would reveal details of the subject matter for which 307
legal, medical, or professional advice or other services were 308
sought, or would reveal an otherwise privileged communication 309
involving the client, patient, or other recipient of 310
professional services. Division (A) (2) (b) (i) of this section 311
does not require an attorney, physician, or other professional 312
subject to a confidentiality requirement as described in 313
division (A) (2) (b) (iii) of this section to disclose in the brief 314
description of the nature of services required by division (A) 315
(2) (b) (i) of this section any information pertaining to specific 316
professional services rendered for a client, patient, or other 317
recipient of professional services that would reveal details of 318
the subject matter for which legal, medical, or professional 319
advice was sought or would reveal an otherwise privileged 320
communication involving the client, patient, or other recipient 321
of professional services. 322

(c) The name of every corporation on file with the 323
secretary of state that is incorporated in this state or holds a 324
certificate of compliance authorizing it to do business in this 325
state, trust, business trust, partnership, or association that 326
transacts business in this state in which the person filing the 327
statement or any other person for the person's use and benefit 328
had during the preceding calendar year an investment of over one 329
thousand dollars at fair market value as of the thirty-first day 330
of December of the preceding calendar year, or the date of 331
disposition, whichever is earlier, or in which the person holds 332
any office or has a fiduciary relationship, and a description of 333

the nature of the investment, office, or relationship. Division 334
(A) (2) (c) of this section does not require disclosure of the 335
name of any bank, savings and loan association, credit union, or 336
building and loan association with which the person filing the 337
statement has a deposit or a withdrawable share account. 338

(d) All fee simple and leasehold interests to which the 339
person filing the statement holds legal title to or a beneficial 340
interest in real property located within the state, excluding 341
the person's residence and property used primarily for personal 342
recreation; 343

(e) The names of all persons residing or transacting 344
business in the state to whom the person filing the statement 345
owes, in the person's own name or in the name of any other 346
person, more than one thousand dollars. Division (A) (2) (e) of 347
this section shall not be construed to require the disclosure of 348
debts owed by the person resulting from the ordinary conduct of 349
a business or profession or debts on the person's residence or 350
real property used primarily for personal recreation, except 351
that the superintendent of financial institutions ~~shall disclose~~ 352
~~the names of all state-chartered savings and loan associations~~ 353
~~and of all service corporations subject to regulation under~~ 354
~~division (E) (2) of section 1151.34 of the Revised Code to whom~~ 355
~~the superintendent in the superintendent's own name or in the~~ 356
~~name of any other person owes any money, and that the~~ 357
~~superintendent~~ and any deputy superintendent of banks shall 358
disclose the names of all state-chartered banks and all bank 359
subsidiary corporations subject to regulation under section 360
1109.44 of the Revised Code to whom the superintendent or deputy 361
superintendent owes any money. 362

(f) The names of all persons residing or transacting 363

business in the state, other than a depository excluded under 364
division (A) (2) (c) of this section, who owe more than one 365
thousand dollars to the person filing the statement, either in 366
the person's own name or to any person for the person's use or 367
benefit. Division (A) (2) (f) of this section shall not be 368
construed to require the disclosure of clients of attorneys or 369
persons licensed under section 4732.12 of the Revised Code, or 370
patients of persons certified under section 4731.14 of the 371
Revised Code, nor the disclosure of debts owed to the person 372
resulting from the ordinary conduct of a business or profession. 373

(g) Except as otherwise provided in section 102.022 of the 374
Revised Code, the source of each gift of over seventy-five 375
dollars, or of each gift of over twenty-five dollars received by 376
a member of the general assembly from a legislative agent, 377
received by the person in the person's own name or by any other 378
person for the person's use or benefit during the preceding 379
calendar year, except gifts received by will or by virtue of 380
section 2105.06 of the Revised Code, or received from spouses, 381
parents, grandparents, children, grandchildren, siblings, 382
nephews, nieces, uncles, aunts, brothers-in-law, sisters-in-law, 383
sons-in-law, daughters-in-law, fathers-in-law, mothers-in-law, 384
or any person to whom the person filing the statement stands in 385
loco parentis, or received by way of distribution from any inter 386
vivos or testamentary trust established by a spouse or by an 387
ancestor; 388

(h) Except as otherwise provided in section 102.022 of the 389
Revised Code, identification of the source and amount of every 390
payment of expenses incurred for travel to destinations inside 391
or outside this state that is received by the person in the 392
person's own name or by any other person for the person's use or 393
benefit and that is incurred in connection with the person's 394

official duties, except for expenses for travel to meetings or 395
conventions of a national or state organization to which any 396
state agency, including, but not limited to, any legislative 397
agency or state institution of higher education as defined in 398
section 3345.011 of the Revised Code, pays membership dues, or 399
any political subdivision or any office or agency of a political 400
subdivision pays membership dues; 401

(i) Except as otherwise provided in section 102.022 of the 402
Revised Code, identification of the source of payment of 403
expenses for meals and other food and beverages, other than for 404
meals and other food and beverages provided at a meeting at 405
which the person participated in a panel, seminar, or speaking 406
engagement or at a meeting or convention of a national or state 407
organization to which any state agency, including, but not 408
limited to, any legislative agency or state institution of 409
higher education as defined in section 3345.011 of the Revised 410
Code, pays membership dues, or any political subdivision or any 411
office or agency of a political subdivision pays membership 412
dues, that are incurred in connection with the person's official 413
duties and that exceed one hundred dollars aggregated per 414
calendar year; 415

(j) If the disclosure statement is filed by a public 416
official or employee described in division (B) (2) of section 417
101.73 of the Revised Code or division (B) (2) of section 121.63 418
of the Revised Code who receives a statement from a legislative 419
agent, executive agency lobbyist, or employer that contains the 420
information described in division (F) (2) of section 101.73 of 421
the Revised Code or division (G) (2) of section 121.63 of the 422
Revised Code, all of the nondisputed information contained in 423
the statement delivered to that public official or employee by 424
the legislative agent, executive agency lobbyist, or employer 425

under division (F) (2) of section 101.73 or (G) (2) of section 121.63 of the Revised Code. 426
427

(3) A person may file a statement required by this section in person, by mail, or by electronic means. 428
429

(4) A person who is required to file a statement under this section shall file that statement according to the following deadlines, as applicable: 430
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432

(a) Except as otherwise provided in divisions (A) (4) (b), (c), and (d) of this section, the person shall file the statement not later than the fifteenth day of May of each year. 433
434
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(b) A person who is a candidate for elective office shall file the statement no later than the thirtieth day before the primary, special, or general election at which the candidacy is to be voted on, whichever election occurs soonest, except that a person who is a write-in candidate shall file the statement no later than the twentieth day before the earliest election at which the person's candidacy is to be voted on. 436
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(c) A person who is appointed to fill a vacancy for an unexpired term in an elective office shall file the statement within fifteen days after the person qualifies for office. 443
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(d) A person who is appointed or employed after the fifteenth day of May, other than a person described in division (A) (4) (c) of this section, shall file an annual statement within ninety days after appointment or employment. 446
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448
449

(5) No person shall be required to file with the appropriate ethics commission more than one statement or pay more than one filing fee for any one calendar year. 450
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(6) The appropriate ethics commission, for good cause, may 453

extend for a reasonable time the deadline for filing a statement 454
under this section. 455

(7) A statement filed under this section is subject to 456
public inspection at locations designated by the appropriate 457
ethics commission except as otherwise provided in this section. 458

(B) The Ohio ethics commission, the joint legislative 459
ethics committee, and the board of commissioners on grievances 460
and discipline of the supreme court, using the rule-making 461
procedures of Chapter 119. of the Revised Code, may require any 462
class of public officials or employees under its jurisdiction 463
and not specifically excluded by this section whose positions 464
involve a substantial and material exercise of administrative 465
discretion in the formulation of public policy, expenditure of 466
public funds, enforcement of laws and rules of the state or a 467
county or city, or the execution of other public trusts, to file 468
an annual statement under division (A) of this section. The 469
appropriate ethics commission shall send the public officials or 470
employees written notice of the requirement not less than thirty 471
days before the applicable filing deadline unless the public 472
official or employee is appointed after that date, in which case 473
the notice shall be sent within thirty days after appointment, 474
and the filing shall be made not later than ninety days after 475
appointment. 476

Disclosure statements filed under this division with the 477
Ohio ethics commission by members of boards, commissions, or 478
bureaus of the state for which no compensation is received other 479
than reasonable and necessary expenses shall be kept 480
confidential. Disclosure statements filed with the Ohio ethics 481
commission under division (A) of this section by business 482
managers, treasurers, and superintendents of city, local, 483

exempted village, joint vocational, or cooperative education 484
school districts or educational service centers shall be kept 485
confidential, except that any person conducting an audit of any 486
such school district or educational service center pursuant to 487
section 115.56 or Chapter 117. of the Revised Code may examine 488
the disclosure statement of any business manager, treasurer, or 489
superintendent of that school district or educational service 490
center. Disclosure statements filed with the Ohio ethics 491
commission under division (A) of this section by the individuals 492
set forth in division (B) (2) of section 187.03 of the Revised 493
Code shall be kept confidential. The Ohio ethics commission 494
shall examine each disclosure statement required to be kept 495
confidential to determine whether a potential conflict of 496
interest exists for the person who filed the disclosure 497
statement. A potential conflict of interest exists if the 498
private interests of the person, as indicated by the person's 499
disclosure statement, might interfere with the public interests 500
the person is required to serve in the exercise of the person's 501
authority and duties in the person's office or position of 502
employment. If the commission determines that a potential 503
conflict of interest exists, it shall notify the person who 504
filed the disclosure statement and shall make the portions of 505
the disclosure statement that indicate a potential conflict of 506
interest subject to public inspection in the same manner as is 507
provided for other disclosure statements. Any portion of the 508
disclosure statement that the commission determines does not 509
indicate a potential conflict of interest shall be kept 510
confidential by the commission and shall not be made subject to 511
public inspection, except as is necessary for the enforcement of 512
Chapters 102. and 2921. of the Revised Code and except as 513
otherwise provided in this division. 514

(C) No person shall knowingly fail to file, on or before 515
the applicable filing deadline established under this section, a 516
statement that is required by this section. 517

(D) No person shall knowingly file a false statement that 518
is required to be filed under this section. 519

(E) (1) Except as provided in divisions (E) (2) and (3) of 520
this section, the statement required by division (A) or (B) of 521
this section shall be accompanied by a filing fee of sixty 522
dollars. 523

(2) The statement required by division (A) of this section 524
shall be accompanied by the following filing fee to be paid by 525
the person who is elected or appointed to, or is a candidate 526
for, any of the following offices: 527

		528
For state office, except member of the		529
state board of education	\$95	530
For office of member of general assembly	\$40	531
For county office	\$60	532
For city office	\$35	533
For office of member of the state board		534
of education	\$35	535
For office of member of a city, local,		536
exempted village, or cooperative		537
education board of		538
education or educational service		539
center governing board	\$30	540
For position of business manager,		541
treasurer, or superintendent of a		542
city, local, exempted village, joint		543
vocational, or cooperative education		544

school district or		545
educational service center	\$30	546
(3) No judge of a court of record or candidate for judge		547
of a court of record, and no referee or magistrate serving a		548
court of record, shall be required to pay the fee required under		549
division (E) (1) or (2) or (F) of this section.		550
(4) For any public official who is appointed to a		551
nonelective office of the state and for any employee who holds a		552
nonelective position in a public agency of the state, the state		553
agency that is the primary employer of the state official or		554
employee shall pay the fee required under division (E) (1) or (F)		555
of this section.		556
(F) If a statement required to be filed under this section		557
is not filed by the date on which it is required to be filed,		558
the appropriate ethics commission shall assess the person		559
required to file the statement a late filing fee of ten dollars		560
for each day the statement is not filed, except that the total		561
amount of the late filing fee shall not exceed two hundred fifty		562
dollars.		563
(G) (1) The appropriate ethics commission other than the		564
Ohio ethics commission and the joint legislative ethics		565
committee shall deposit all fees it receives under divisions (E)		566
and (F) of this section into the general revenue fund of the		567
state.		568
(2) The Ohio ethics commission shall deposit all receipts,		569
including, but not limited to, fees it receives under divisions		570
(E) and (F) of this section, investigative or other fees, costs,		571
or other funds it receives as a result of court orders, and all		572
moneys it receives from settlements under division (G) of		573

section 102.06 of the Revised Code, into the Ohio ethics 574
commission fund, which is hereby created in the state treasury. 575
All moneys credited to the fund shall be used solely for 576
expenses related to the operation and statutory functions of the 577
commission. 578

(3) The joint legislative ethics committee shall deposit 579
all receipts it receives from the payment of financial 580
disclosure statement filing fees under divisions (E) and (F) of 581
this section into the joint legislative ethics committee 582
investigative fund. 583

(H) Division (A) of this section does not apply to a 584
person elected or appointed to the office of precinct, ward, or 585
district committee member under Chapter 3517. of the Revised 586
Code; a presidential elector; a delegate to a national 587
convention; village or township officials and employees; any 588
physician or psychiatrist who is paid a salary or wage in 589
accordance with schedule C of section 124.15 or schedule E-2 of 590
section 124.152 of the Revised Code and whose primary duties do 591
not require the exercise of administrative discretion; or any 592
member of a board, commission, or bureau of any county or city 593
who receives less than one thousand dollars per year for serving 594
in that position. 595

Sec. 109.572. (A) (1) Upon receipt of a request pursuant to 596
section 121.08, 3301.32, 3301.541, or 3319.39 of the Revised 597
Code, a completed form prescribed pursuant to division (C) (1) of 598
this section, and a set of fingerprint impressions obtained in 599
the manner described in division (C) (2) of this section, the 600
superintendent of the bureau of criminal identification and 601
investigation shall conduct a criminal records check in the 602
manner described in division (B) of this section to determine 603

whether any information exists that indicates that the person 604
who is the subject of the request previously has been convicted 605
of or pleaded guilty to any of the following: 606

(a) A violation of section 2903.01, 2903.02, 2903.03, 607
2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 608
2905.01, 2905.02, 2905.05, 2907.02, 2907.03, 2907.04, 2907.05, 609
2907.06, 2907.07, 2907.08, 2907.09, 2907.21, 2907.22, 2907.23, 610
2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 611
2911.01, 2911.02, 2911.11, 2911.12, 2919.12, 2919.22, 2919.24, 612
2919.25, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.04, 613
2925.05, 2925.06, or 3716.11 of the Revised Code, felonious 614
sexual penetration in violation of former section 2907.12 of the 615
Revised Code, a violation of section 2905.04 of the Revised Code 616
as it existed prior to July 1, 1996, a violation of section 617
2919.23 of the Revised Code that would have been a violation of 618
section 2905.04 of the Revised Code as it existed prior to July 619
1, 1996, had the violation been committed prior to that date, or 620
a violation of section 2925.11 of the Revised Code that is not a 621
minor drug possession offense; 622

(b) A violation of an existing or former law of this 623
state, any other state, or the United States that is 624
substantially equivalent to any of the offenses listed in 625
division (A)(1)(a) of this section; 626

(c) If the request is made pursuant to section 3319.39 of 627
the Revised Code for an applicant who is a teacher, any offense 628
specified in section 3319.31 of the Revised Code. 629

(2) On receipt of a request pursuant to section 3712.09 or 630
3721.121 of the Revised Code, a completed form prescribed 631
pursuant to division (C)(1) of this section, and a set of 632
fingerprint impressions obtained in the manner described in 633

division (C) (2) of this section, the superintendent of the 634
bureau of criminal identification and investigation shall 635
conduct a criminal records check with respect to any person who 636
has applied for employment in a position for which a criminal 637
records check is required by those sections. The superintendent 638
shall conduct the criminal records check in the manner described 639
in division (B) of this section to determine whether any 640
information exists that indicates that the person who is the 641
subject of the request previously has been convicted of or 642
pleaded guilty to any of the following: 643

(a) A violation of section 2903.01, 2903.02, 2903.03, 644
2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 645
2905.01, 2905.02, 2905.11, 2905.12, 2907.02, 2907.03, 2907.05, 646
2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.25, 2907.31, 647
2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 648
2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.11, 649
2913.21, 2913.31, 2913.40, 2913.43, 2913.47, 2913.51, 2919.25, 650
2921.36, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.11, 651
2925.13, 2925.22, 2925.23, or 3716.11 of the Revised Code; 652

(b) An existing or former law of this state, any other 653
state, or the United States that is substantially equivalent to 654
any of the offenses listed in division (A) (2) (a) of this 655
section. 656

(3) On receipt of a request pursuant to section 173.27, 657
173.38, 173.381, 3701.881, 5164.34, 5164.341, 5164.342, 658
5123.081, or 5123.169 of the Revised Code, a completed form 659
prescribed pursuant to division (C) (1) of this section, and a 660
set of fingerprint impressions obtained in the manner described 661
in division (C) (2) of this section, the superintendent of the 662
bureau of criminal identification and investigation shall 663

conduct a criminal records check of the person for whom the 664
request is made. The superintendent shall conduct the criminal 665
records check in the manner described in division (B) of this 666
section to determine whether any information exists that 667
indicates that the person who is the subject of the request 668
previously has been convicted of, has pleaded guilty to, or 669
(except in the case of a request pursuant to section 5164.34, 670
5164.341, or 5164.342 of the Revised Code) has been found 671
eligible for intervention in lieu of conviction for any of the 672
following, regardless of the date of the conviction, the date of 673
entry of the guilty plea, or (except in the case of a request 674
pursuant to section 5164.34, 5164.341, or 5164.342 of the 675
Revised Code) the date the person was found eligible for 676
intervention in lieu of conviction: 677

(a) A violation of section 959.13, 959.131, 2903.01, 678
2903.02, 2903.03, 2903.04, 2903.041, 2903.11, 2903.12, 2903.13, 679
2903.15, 2903.16, 2903.21, 2903.211, 2903.22, 2903.34, 2903.341, 680
2905.01, 2905.02, 2905.05, 2905.11, 2905.12, 2905.32, 2905.33, 681
2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 682
2907.09, 2907.21, 2907.22, 2907.23, 2907.24, 2907.25, 2907.31, 683
2907.32, 2907.321, 2907.322, 2907.323, 2907.33, 2909.02, 684
2909.03, 2909.04, 2909.22, 2909.23, 2909.24, 2911.01, 2911.02, 685
2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.05, 686
2913.11, 2913.21, 2913.31, 2913.32, 2913.40, 2913.41, 2913.42, 687
2913.43, 2913.44, 2913.441, 2913.45, 2913.46, 2913.47, 2913.48, 688
2913.49, 2913.51, 2917.01, 2917.02, 2917.03, 2917.31, 2919.12, 689
2919.121, 2919.123, 2919.22, 2919.23, 2919.24, 2919.25, 2921.03, 690
2921.11, 2921.12, 2921.13, 2921.21, 2921.24, 2921.32, 2921.321, 691
2921.34, 2921.35, 2921.36, 2921.51, 2923.12, 2923.122, 2923.123, 692
2923.13, 2923.161, 2923.162, 2923.21, 2923.32, 2923.42, 2925.02, 693
2925.03, 2925.04, 2925.041, 2925.05, 2925.06, 2925.09, 2925.11, 694

2925.13, 2925.14, 2925.141, 2925.22, 2925.23, 2925.24, 2925.36, 695
2925.55, 2925.56, 2927.12, or 3716.11 of the Revised Code; 696

(b) Felonious sexual penetration in violation of former 697
section 2907.12 of the Revised Code; 698

(c) A violation of section 2905.04 of the Revised Code as 699
it existed prior to July 1, 1996; 700

(d) A violation of section 2923.01, 2923.02, or 2923.03 of 701
the Revised Code when the underlying offense that is the object 702
of the conspiracy, attempt, or complicity is one of the offenses 703
listed in divisions (A) (3) (a) to (c) of this section; 704

(e) A violation of an existing or former municipal 705
ordinance or law of this state, any other state, or the United 706
States that is substantially equivalent to any of the offenses 707
listed in divisions (A) (3) (a) to (d) of this section. 708

(4) On receipt of a request pursuant to section 2151.86 of 709
the Revised Code, a completed form prescribed pursuant to 710
division (C) (1) of this section, and a set of fingerprint 711
impressions obtained in the manner described in division (C) (2) 712
of this section, the superintendent of the bureau of criminal 713
identification and investigation shall conduct a criminal 714
records check in the manner described in division (B) of this 715
section to determine whether any information exists that 716
indicates that the person who is the subject of the request 717
previously has been convicted of or pleaded guilty to any of the 718
following: 719

(a) A violation of section 959.13, 2903.01, 2903.02, 720
2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.15, 2903.16, 721
2903.21, 2903.211, 2903.22, 2903.34, 2905.01, 2905.02, 2905.05, 722
2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 723

2907.09, 2907.21, 2907.22, 2907.23, 2907.25, 2907.31, 2907.32, 724
2907.321, 2907.322, 2907.323, 2909.02, 2909.03, 2909.22, 725
2909.23, 2909.24, 2911.01, 2911.02, 2911.11, 2911.12, 2913.49, 726
2917.01, 2917.02, 2919.12, 2919.22, 2919.24, 2919.25, 2923.12, 727
2923.13, 2923.161, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, 728
2927.12, or 3716.11 of the Revised Code, a violation of section 729
2905.04 of the Revised Code as it existed prior to July 1, 1996, 730
a violation of section 2919.23 of the Revised Code that would 731
have been a violation of section 2905.04 of the Revised Code as 732
it existed prior to July 1, 1996, had the violation been 733
committed prior to that date, a violation of section 2925.11 of 734
the Revised Code that is not a minor drug possession offense, 735
two or more OVI or OVUAC violations committed within the three 736
years immediately preceding the submission of the application or 737
petition that is the basis of the request, or felonious sexual 738
penetration in violation of former section 2907.12 of the 739
Revised Code; 740

(b) A violation of an existing or former law of this 741
state, any other state, or the United States that is 742
substantially equivalent to any of the offenses listed in 743
division (A)(4)(a) of this section. 744

(5) Upon receipt of a request pursuant to section 5104.013 745
of the Revised Code, a completed form prescribed pursuant to 746
division (C)(1) of this section, and a set of fingerprint 747
impressions obtained in the manner described in division (C)(2) 748
of this section, the superintendent of the bureau of criminal 749
identification and investigation shall conduct a criminal 750
records check in the manner described in division (B) of this 751
section to determine whether any information exists that 752
indicates that the person who is the subject of the request has 753
been convicted of or pleaded guilty to any of the following: 754

(a) A violation of section 2151.421, 2903.01, 2903.02, 755
2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 756
2903.22, 2903.34, 2905.01, 2905.02, 2905.05, 2905.11, 2905.32, 757
2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 758
2907.09, 2907.19, 2907.21, 2907.22, 2907.23, 2907.24, 2907.25, 759
2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2909.02, 760
2909.03, 2909.04, 2909.05, 2911.01, 2911.02, 2911.11, 2911.12, 761
2913.02, 2913.03, 2913.04, 2913.041, 2913.05, 2913.06, 2913.11, 762
2913.21, 2913.31, 2913.32, 2913.33, 2913.34, 2913.40, 2913.41, 763
2913.42, 2913.43, 2913.44, 2913.441, 2913.45, 2913.46, 2913.47, 764
2913.48, 2913.49, 2917.01, 2917.02, 2917.03, 2917.31, 2919.12, 765
2919.22, 2919.224, 2919.225, 2919.24, 2919.25, 2921.03, 2921.11, 766
2921.13, 2921.14, 2921.34, 2921.35, 2923.01, 2923.12, 2923.13, 767
2923.161, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, or 768
3716.11 of the Revised Code, felonious sexual penetration in 769
violation of former section 2907.12 of the Revised Code, a 770
violation of section 2905.04 of the Revised Code as it existed 771
prior to July 1, 1996, a violation of section 2919.23 of the 772
Revised Code that would have been a violation of section 2905.04 773
of the Revised Code as it existed prior to July 1, 1996, had the 774
violation been committed prior to that date, a violation of 775
section 2925.11 of the Revised Code that is not a minor drug 776
possession offense, a violation of section 2923.02 or 2923.03 of 777
the Revised Code that relates to a crime specified in this 778
division, or a second violation of section 4511.19 of the 779
Revised Code within five years of the date of application for 780
licensure or certification. 781

(b) A violation of an existing or former law of this 782
state, any other state, or the United States that is 783
substantially equivalent to any of the offenses or violations 784
described in division (A) (5) (a) of this section. 785

(6) Upon receipt of a request pursuant to section 5153.111 786
of the Revised Code, a completed form prescribed pursuant to 787
division (C)(1) of this section, and a set of fingerprint 788
impressions obtained in the manner described in division (C)(2) 789
of this section, the superintendent of the bureau of criminal 790
identification and investigation shall conduct a criminal 791
records check in the manner described in division (B) of this 792
section to determine whether any information exists that 793
indicates that the person who is the subject of the request 794
previously has been convicted of or pleaded guilty to any of the 795
following: 796

(a) A violation of section 2903.01, 2903.02, 2903.03, 797
2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 798
2905.01, 2905.02, 2905.05, 2907.02, 2907.03, 2907.04, 2907.05, 799
2907.06, 2907.07, 2907.08, 2907.09, 2907.21, 2907.22, 2907.23, 800
2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 801
2909.02, 2909.03, 2911.01, 2911.02, 2911.11, 2911.12, 2919.12, 802
2919.22, 2919.24, 2919.25, 2923.12, 2923.13, 2923.161, 2925.02, 803
2925.03, 2925.04, 2925.05, 2925.06, or 3716.11 of the Revised 804
Code, felonious sexual penetration in violation of former 805
section 2907.12 of the Revised Code, a violation of section 806
2905.04 of the Revised Code as it existed prior to July 1, 1996, 807
a violation of section 2919.23 of the Revised Code that would 808
have been a violation of section 2905.04 of the Revised Code as 809
it existed prior to July 1, 1996, had the violation been 810
committed prior to that date, or a violation of section 2925.11 811
of the Revised Code that is not a minor drug possession offense; 812

(b) A violation of an existing or former law of this 813
state, any other state, or the United States that is 814
substantially equivalent to any of the offenses listed in 815
division (A)(6)(a) of this section. 816

(7) On receipt of a request for a criminal records check 817
from an individual pursuant to section 4749.03 or 4749.06 of the 818
Revised Code, accompanied by a completed copy of the form 819
prescribed in division (C)(1) of this section and a set of 820
fingerprint impressions obtained in a manner described in 821
division (C)(2) of this section, the superintendent of the 822
bureau of criminal identification and investigation shall 823
conduct a criminal records check in the manner described in 824
division (B) of this section to determine whether any 825
information exists indicating that the person who is the subject 826
of the request has been convicted of or pleaded guilty to a 827
felony in this state or in any other state. If the individual 828
indicates that a firearm will be carried in the course of 829
business, the superintendent shall require information from the 830
federal bureau of investigation as described in division (B)(2) 831
of this section. Subject to division (F) of this section, the 832
superintendent shall report the findings of the criminal records 833
check and any information the federal bureau of investigation 834
provides to the director of public safety. 835

(8) On receipt of a request pursuant to section 1321.37, 836
1321.53, 1321.531, 1322.03, 1322.031, or 4763.05 of the Revised 837
Code, a completed form prescribed pursuant to division (C)(1) of 838
this section, and a set of fingerprint impressions obtained in 839
the manner described in division (C)(2) of this section, the 840
superintendent of the bureau of criminal identification and 841
investigation shall conduct a criminal records check with 842
respect to any person who has applied for a license, permit, or 843
certification from the department of commerce or a division in 844
the department. The superintendent shall conduct the criminal 845
records check in the manner described in division (B) of this 846
section to determine whether any information exists that 847

indicates that the person who is the subject of the request 848
previously has been convicted of or pleaded guilty to any of the 849
following: a violation of section 2913.02, 2913.11, 2913.31, 850
2913.51, or 2925.03 of the Revised Code; any other criminal 851
offense involving theft, receiving stolen property, 852
embezzlement, forgery, fraud, passing bad checks, money 853
laundering, or drug trafficking, or any criminal offense 854
involving money or securities, as set forth in Chapters 2909., 855
2911., 2913., 2915., 2921., 2923., and 2925. of the Revised 856
Code; or any existing or former law of this state, any other 857
state, or the United States that is substantially equivalent to 858
those offenses. 859

(9) On receipt of a request for a criminal records check 860
from the treasurer of state under section 113.041 of the Revised 861
Code or from an individual under section 4701.08, 4715.101, 862
4717.061, 4725.121, 4725.501, 4729.071, 4730.101, 4730.14, 863
4730.28, 4731.081, 4731.15, 4731.171, 4731.222, 4731.281, 864
4731.296, 4731.531, 4732.091, 4734.202, 4740.061, 4741.10, 865
4755.70, 4757.101, 4759.061, 4760.032, 4760.06, 4761.051, 866
4762.031, 4762.06, 4776.021, 4779.091, or 4783.04 of the Revised 867
Code, accompanied by a completed form prescribed under division 868
(C) (1) of this section and a set of fingerprint impressions 869
obtained in the manner described in division (C) (2) of this 870
section, the superintendent of the bureau of criminal 871
identification and investigation shall conduct a criminal 872
records check in the manner described in division (B) of this 873
section to determine whether any information exists that 874
indicates that the person who is the subject of the request has 875
been convicted of or pleaded guilty to any criminal offense in 876
this state or any other state. Subject to division (F) of this 877
section, the superintendent shall send the results of a check 878

requested under section 113.041 of the Revised Code to the 879
treasurer of state and shall send the results of a check 880
requested under any of the other listed sections to the 881
licensing board specified by the individual in the request. 882

(10) On receipt of a request pursuant to section 1121.23, 883
~~1155.03, 1163.05,~~ 1315.141, 1733.47, or 1761.26 of the Revised 884
Code, a completed form prescribed pursuant to division (C)(1) of 885
this section, and a set of fingerprint impressions obtained in 886
the manner described in division (C)(2) of this section, the 887
superintendent of the bureau of criminal identification and 888
investigation shall conduct a criminal records check in the 889
manner described in division (B) of this section to determine 890
whether any information exists that indicates that the person 891
who is the subject of the request previously has been convicted 892
of or pleaded guilty to any criminal offense under any existing 893
or former law of this state, any other state, or the United 894
States. 895

(11) On receipt of a request for a criminal records check 896
from an appointing or licensing authority under section 3772.07 897
of the Revised Code, a completed form prescribed under division 898
(C)(1) of this section, and a set of fingerprint impressions 899
obtained in the manner prescribed in division (C)(2) of this 900
section, the superintendent of the bureau of criminal 901
identification and investigation shall conduct a criminal 902
records check in the manner described in division (B) of this 903
section to determine whether any information exists that 904
indicates that the person who is the subject of the request 905
previously has been convicted of or pleaded guilty or no contest 906
to any offense under any existing or former law of this state, 907
any other state, or the United States that is a disqualifying 908
offense as defined in section 3772.07 of the Revised Code or 909

substantially equivalent to such an offense. 910

(12) On receipt of a request pursuant to section 2151.33 911
or 2151.412 of the Revised Code, a completed form prescribed 912
pursuant to division (C)(1) of this section, and a set of 913
fingerprint impressions obtained in the manner described in 914
division (C)(2) of this section, the superintendent of the 915
bureau of criminal identification and investigation shall 916
conduct a criminal records check with respect to any person for 917
whom a criminal records check is required under that section. 918
The superintendent shall conduct the criminal records check in 919
the manner described in division (B) of this section to 920
determine whether any information exists that indicates that the 921
person who is the subject of the request previously has been 922
convicted of or pleaded guilty to any of the following: 923

(a) A violation of section 2903.01, 2903.02, 2903.03, 924
2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 925
2905.01, 2905.02, 2905.11, 2905.12, 2907.02, 2907.03, 2907.05, 926
2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.25, 2907.31, 927
2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 928
2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.11, 929
2913.21, 2913.31, 2913.40, 2913.43, 2913.47, 2913.51, 2919.25, 930
2921.36, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.11, 931
2925.13, 2925.22, 2925.23, or 3716.11 of the Revised Code; 932

(b) An existing or former law of this state, any other 933
state, or the United States that is substantially equivalent to 934
any of the offenses listed in division (A)(12)(a) of this 935
section. 936

(13) On receipt of a request pursuant to section 3796.12 937
of the Revised Code, a completed form prescribed pursuant to 938
division (C)(1) of this section, and a set of fingerprint 939

impressions obtained in a manner described in division (C) (2) of 940
this section, the superintendent of the bureau of criminal 941
identification and investigation shall conduct a criminal 942
records check in the manner described in division (B) of this 943
section to determine whether any information exists that 944
indicates that the person who is the subject of the request 945
previously has been convicted of or pleaded guilty to the 946
following: 947

(a) A disqualifying offense as specified in rules adopted 948
under division (B) (2) (b) of section 3796.03 of the Revised Code 949
if the person who is the subject of the request is an 950
administrator or other person responsible for the daily 951
operation of, or an owner or prospective owner, officer or 952
prospective officer, or board member or prospective board member 953
of, an entity seeking a license from the department of commerce 954
under Chapter 3796. of the Revised Code; 955

(b) A disqualifying offense as specified in rules adopted 956
under division (B) (2) (b) of section 3796.04 of the Revised Code 957
if the person who is the subject of the request is an 958
administrator or other person responsible for the daily 959
operation of, or an owner or prospective owner, officer or 960
prospective officer, or board member or prospective board member 961
of, an entity seeking a license from the state board of pharmacy 962
under Chapter 3796. of the Revised Code. 963

(14) On receipt of a request required by section 3796.13 964
of the Revised Code, a completed form prescribed pursuant to 965
division (C) (1) of this section, and a set of fingerprint 966
impressions obtained in a manner described in division (C) (2) of 967
this section, the superintendent of the bureau of criminal 968
identification and investigation shall conduct a criminal 969

records check in the manner described in division (B) of this 970
section to determine whether any information exists that 971
indicates that the person who is the subject of the request 972
previously has been convicted of or pleaded guilty to the 973
following: 974

(a) A disqualifying offense as specified in rules adopted 975
under division (B) (8) (a) of section 3796.03 of the Revised Code 976
if the person who is the subject of the request is seeking 977
employment with an entity licensed by the department of commerce 978
under Chapter 3796. of the Revised Code; 979

(b) A disqualifying offense as specified in rules adopted 980
under division (B) (14) (a) of section 3796.04 of the Revised Code 981
if the person who is the subject of the request is seeking 982
employment with an entity licensed by the state board of 983
pharmacy under Chapter 3796. of the Revised Code. 984

(B) Subject to division (F) of this section, the 985
superintendent shall conduct any criminal records check to be 986
conducted under this section as follows: 987

(1) The superintendent shall review or cause to be 988
reviewed any relevant information gathered and compiled by the 989
bureau under division (A) of section 109.57 of the Revised Code 990
that relates to the person who is the subject of the criminal 991
records check, including, if the criminal records check was 992
requested under section 113.041, 121.08, 173.27, 173.38, 993
173.381, 1121.23, ~~1155.03, 1163.05~~, 1315.141, 1321.37, 1321.53, 994
1321.531, 1322.03, 1322.031, 1733.47, 1761.26, 2151.86, 3301.32, 995
3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3772.07, 996
3796.12, 4749.03, 4749.06, 4763.05, 5104.013, 5164.34, 5164.341, 997
5164.342, 5123.081, 5123.169, or 5153.111 of the Revised Code, 998
any relevant information contained in records that have been 999

sealed under section 2953.32 of the Revised Code; 1000

(2) If the request received by the superintendent asks for 1001
information from the federal bureau of investigation, the 1002
superintendent shall request from the federal bureau of 1003
investigation any information it has with respect to the person 1004
who is the subject of the criminal records check, including 1005
fingerprint-based checks of national crime information databases 1006
as described in 42 U.S.C. 671 if the request is made pursuant to 1007
section 2151.86 or 5104.013 of the Revised Code or if any other 1008
Revised Code section requires fingerprint-based checks of that 1009
nature, and shall review or cause to be reviewed any information 1010
the superintendent receives from that bureau. If a request under 1011
section 3319.39 of the Revised Code asks only for information 1012
from the federal bureau of investigation, the superintendent 1013
shall not conduct the review prescribed by division (B)(1) of 1014
this section. 1015

(3) The superintendent or the superintendent's designee 1016
may request criminal history records from other states or the 1017
federal government pursuant to the national crime prevention and 1018
privacy compact set forth in section 109.571 of the Revised 1019
Code. 1020

(4) The superintendent shall include in the results of the 1021
criminal records check a list or description of the offenses 1022
listed or described in division (A)(1), (2), (3), (4), (5), (6), 1023
(7), (8), (9), (10), (11), (12), (13), or (14) of this section, 1024
whichever division requires the superintendent to conduct the 1025
criminal records check. The superintendent shall exclude from 1026
the results any information the dissemination of which is 1027
prohibited by federal law. 1028

(5) The superintendent shall send the results of the 1029

criminal records check to the person to whom it is to be sent 1030
not later than the following number of days after the date the 1031
superintendent receives the request for the criminal records 1032
check, the completed form prescribed under division (C) (1) of 1033
this section, and the set of fingerprint impressions obtained in 1034
the manner described in division (C) (2) of this section: 1035

(a) If the superintendent is required by division (A) of 1036
this section (other than division (A) (3) of this section) to 1037
conduct the criminal records check, thirty; 1038

(b) If the superintendent is required by division (A) (3) 1039
of this section to conduct the criminal records check, sixty. 1040

(C) (1) The superintendent shall prescribe a form to obtain 1041
the information necessary to conduct a criminal records check 1042
from any person for whom a criminal records check is to be 1043
conducted under this section. The form that the superintendent 1044
prescribes pursuant to this division may be in a tangible 1045
format, in an electronic format, or in both tangible and 1046
electronic formats. 1047

(2) The superintendent shall prescribe standard impression 1048
sheets to obtain the fingerprint impressions of any person for 1049
whom a criminal records check is to be conducted under this 1050
section. Any person for whom a records check is to be conducted 1051
under this section shall obtain the fingerprint impressions at a 1052
county sheriff's office, municipal police department, or any 1053
other entity with the ability to make fingerprint impressions on 1054
the standard impression sheets prescribed by the superintendent. 1055
The office, department, or entity may charge the person a 1056
reasonable fee for making the impressions. The standard 1057
impression sheets the superintendent prescribes pursuant to this 1058
division may be in a tangible format, in an electronic format, 1059

or in both tangible and electronic formats. 1060

(3) Subject to division (D) of this section, the 1061
superintendent shall prescribe and charge a reasonable fee for 1062
providing a criminal records check under this section. The 1063
person requesting the criminal records check shall pay the fee 1064
prescribed pursuant to this division. In the case of a request 1065
under section 1121.23, ~~1155.03, 1163.05,~~ 1315.141, 1733.47, 1066
1761.26, 2151.33, 2151.412, or 5164.34 of the Revised Code, the 1067
fee shall be paid in the manner specified in that section. 1068

(4) The superintendent of the bureau of criminal 1069
identification and investigation may prescribe methods of 1070
forwarding fingerprint impressions and information necessary to 1071
conduct a criminal records check, which methods shall include, 1072
but not be limited to, an electronic method. 1073

(D) The results of a criminal records check conducted 1074
under this section, other than a criminal records check 1075
specified in division (A) (7) of this section, are valid for the 1076
person who is the subject of the criminal records check for a 1077
period of one year from the date upon which the superintendent 1078
completes the criminal records check. If during that period the 1079
superintendent receives another request for a criminal records 1080
check to be conducted under this section for that person, the 1081
superintendent shall provide the results from the previous 1082
criminal records check of the person at a lower fee than the fee 1083
prescribed for the initial criminal records check. 1084

(E) When the superintendent receives a request for 1085
information from a registered private provider, the 1086
superintendent shall proceed as if the request was received from 1087
a school district board of education under section 3319.39 of 1088
the Revised Code. The superintendent shall apply division (A) (1) 1089

(c) of this section to any such request for an applicant who is 1090
a teacher. 1091

(F) (1) All information regarding the results of a criminal 1092
records check conducted under this section that the 1093
superintendent reports or sends under division (A) (7) or (9) of 1094
this section to the director of public safety, the treasurer of 1095
state, or the person, board, or entity that made the request for 1096
the criminal records check shall relate to the conviction of the 1097
subject person, or the subject person's plea of guilty to, a 1098
criminal offense. 1099

(2) Division (F) (1) of this section does not limit, 1100
restrict, or preclude the superintendent's release of 1101
information that relates to the arrest of a person who is 1102
eighteen years of age or older, to an adjudication of a child as 1103
a delinquent child, or to a criminal conviction of a person 1104
under eighteen years of age in circumstances in which a release 1105
of that nature is authorized under division (E) (2), (3), or (4) 1106
of section 109.57 of the Revised Code pursuant to a rule adopted 1107
under division (E) (1) of that section. 1108

(G) As used in this section: 1109

(1) "Criminal records check" means any criminal records 1110
check conducted by the superintendent of the bureau of criminal 1111
identification and investigation in accordance with division (B) 1112
of this section. 1113

(2) "Minor drug possession offense" has the same meaning 1114
as in section 2925.01 of the Revised Code. 1115

(3) "OVI or OVUAC violation" means a violation of section 1116
4511.19 of the Revised Code or a violation of an existing or 1117
former law of this state, any other state, or the United States 1118

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. 1148

(B) (1) Any rule, other than a rule of an emergency nature, 1149
adopted by any agency pursuant to this section shall be 1150
effective on the tenth day after the day on which the rule in 1151
final form and in compliance with division (B) (3) of this 1152
section is filed as follows: 1153

(a) The rule shall be filed in electronic form with both 1154
the secretary of state and the director of the legislative 1155
service commission; 1156

(b) The rule shall be filed in electronic form with the 1157
joint committee on agency rule review. Division (B) (1) (b) of 1158
this section does not apply to any rule to which division (D) of 1159
this section does not apply. 1160

An agency that adopts or amends a rule that is subject to 1161
division (D) of this section shall assign a review date to the 1162
rule that is not later than five years after its effective date. 1163
If a review date assigned to a rule exceeds the five-year 1164
maximum, the review date for the rule is five years after its 1165
effective date. A rule with a review date is subject to review 1166
under section 106.03 of the Revised Code. This paragraph does 1167
not apply to a rule of a state college or university, community 1168
college district, technical college district, or state community 1169
college. 1170

If an agency in adopting a rule designates an effective 1171
date that is later than the effective date provided for by 1172
division (B) (1) of this section, the rule if filed as required 1173
by such division shall become effective on the later date 1174
designated by the agency. 1175

Any rule that is required to be filed under division (B) 1176

(1) of this section is also subject to division (D) of this 1177
section if not exempted by that division. 1178

If a rule incorporates a text or other material by 1179
reference, the agency shall comply with sections 121.71 to 1180
121.76 of the Revised Code. 1181

(2) A rule of an emergency nature necessary for the 1182
immediate preservation of the public peace, health, or safety 1183
shall state the reasons for the necessity. The emergency rule, 1184
in final form and in compliance with division (B)(3) of this 1185
section, shall be filed in electronic form with the secretary of 1186
state, the director of the legislative service commission, and 1187
the joint committee on agency rule review. The emergency rule is 1188
effective immediately upon completion of the latest filing, 1189
except that if the agency in adopting the emergency rule 1190
designates an effective date, or date and time of day, that is 1191
later than the effective date and time provided for by division 1192
(B)(2) of this section, the emergency rule if filed as required 1193
by such division shall become effective at the later date, or 1194
later date and time of day, designated by the agency. 1195

An emergency rule becomes invalid at the end of the one 1196
hundred twentieth day it is in effect. Prior to that date, the 1197
agency may file the emergency rule as a nonemergency rule in 1198
compliance with division (B)(1) of this section. The agency may 1199
not refile the emergency rule in compliance with division (B)(2) 1200
of this section so that, upon the emergency rule becoming 1201
invalid under such division, the emergency rule will continue in 1202
effect without interruption for another one hundred twenty-day 1203
period. 1204

(3) An agency shall file a rule under division (B)(1) or 1205
(2) of this section in compliance with the following standards 1206

and procedures: 1207

(a) The rule shall be numbered in accordance with the 1208
numbering system devised by the director for the Ohio 1209
administrative code. 1210

(b) The rule shall be prepared and submitted in compliance 1211
with the rules of the legislative service commission. 1212

(c) The rule shall clearly state the date on which it is 1213
to be effective and the date on which it will expire, if known. 1214

(d) Each rule that amends or rescinds another rule shall 1215
clearly refer to the rule that is amended or rescinded. Each 1216
amendment shall fully restate the rule as amended. 1217

If the director of the legislative service commission or 1218
the director's designee gives an agency notice pursuant to 1219
section 103.05 of the Revised Code that a rule filed by the 1220
agency is not in compliance with the rules of the legislative 1221
service commission, the agency shall within thirty days after 1222
receipt of the notice conform the rule to the rules of the 1223
commission as directed in the notice. 1224

(C) All rules filed pursuant to divisions (B) (1) (a) and 1225
(2) of this section shall be recorded by the secretary of state 1226
and the director under the title of the agency adopting the rule 1227
and shall be numbered according to the numbering system devised 1228
by the director. The secretary of state and the director shall 1229
preserve the rules in an accessible manner. Each such rule shall 1230
be a public record open to public inspection and may be 1231
transmitted to any law publishing company that wishes to 1232
reproduce it. 1233

(D) At least sixty-five days before a board, commission, 1234
department, division, or bureau of the government of the state 1235

files a rule under division (B) (1) of this section, it shall 1236
file the full text of the proposed rule in electronic form with 1237
the joint committee on agency rule review, and the proposed rule 1238
is subject to legislative review and invalidation under section 1239
106.021 of the Revised Code. If a state board, commission, 1240
department, division, or bureau makes a revision in a proposed 1241
rule after it is filed with the joint committee, the state 1242
board, commission, department, division, or bureau shall 1243
promptly file the full text of the proposed rule in its revised 1244
form in electronic form with the joint committee. A state board, 1245
commission, department, division, or bureau shall also file the 1246
rule summary and fiscal analysis prepared under section 127.18 1247
of the Revised Code in electronic form along with a proposed 1248
rule, and along with a proposed rule in revised form, that is 1249
filed under this division. If a proposed rule has an adverse 1250
impact on businesses, the state board, commission, department, 1251
division, or bureau also shall file the business impact 1252
analysis, any recommendations received from the common sense 1253
initiative office, and the associated memorandum of response, if 1254
any, in electronic form along with the proposed rule, or the 1255
proposed rule in revised form, that is filed under this 1256
division. 1257

A proposed rule that is subject to legislative review 1258
under this division may not be adopted and filed in final form 1259
under division (B) (1) of this section unless the proposed rule 1260
has been filed with the joint committee on agency rule review 1261
under this division and the time for the joint committee to 1262
review the proposed rule has expired without recommendation of a 1263
concurrent resolution to invalidate the proposed rule. 1264

As used in this division, "commission" includes the public 1265
utilities commission when adopting rules under a federal or 1266

state statute. 1267

This division does not apply to any of the following: 1268

(1) A proposed rule of an emergency nature; 1269

(2) A rule proposed under section 1121.05, 1121.06, 1270

~~1155.18, 1163.22,~~ 1349.33, 1707.201, 1733.412, 4123.29, 4123.34, 1271

4123.341, 4123.342, 4123.40, 4123.411, 4123.44, or 4123.442 of 1272

the Revised Code; 1273

(3) A rule proposed by an agency other than a board, 1274

commission, department, division, or bureau of the government of 1275

the state; 1276

(4) A proposed internal management rule of a board, 1277

commission, department, division, or bureau of the government of 1278

the state; 1279

(5) Any proposed rule that must be adopted verbatim by an 1280

agency pursuant to federal law or rule, to become effective 1281

within sixty days of adoption, in order to continue the 1282

operation of a federally reimbursed program in this state, so 1283

long as the proposed rule contains both of the following: 1284

(a) A statement that it is proposed for the purpose of 1285

complying with a federal law or rule; 1286

(b) A citation to the federal law or rule that requires 1287

verbatim compliance. 1288

(6) An initial rule proposed by the director of health to 1289

impose safety standards and quality-of-care standards with 1290

respect to a health service specified in section 3702.11 of the 1291

Revised Code, or an initial rule proposed by the director to 1292

impose quality standards on a facility listed in division (A) (4) 1293

of section 3702.30 of the Revised Code, if section 3702.12 of 1294

the Revised Code requires that the rule be adopted under this 1295
section; 1296

(7) A rule of the state lottery commission pertaining to 1297
instant game rules. 1298

If a rule is exempt from legislative review under division 1299
(D) (5) of this section, and if the federal law or rule pursuant 1300
to which the rule was adopted expires, is repealed or rescinded, 1301
or otherwise terminates, the rule is thereafter subject to 1302
legislative review under division (D) of this section. 1303

Whenever a state board, commission, department, division, 1304
or bureau files a proposed rule or a proposed rule in revised 1305
form under division (D) of this section, it shall also file the 1306
full text of the same proposed rule or proposed rule in revised 1307
form in electronic form with the secretary of state and the 1308
director of the legislative service commission. A state board, 1309
commission, department, division, or bureau shall file the rule 1310
summary and fiscal analysis prepared under section 127.18 of the 1311
Revised Code in electronic form along with a proposed rule or 1312
proposed rule in revised form that is filed with the secretary 1313
of state or the director of the legislative service commission. 1314

Sec. 119.01. As used in sections 119.01 to 119.13 of the 1315
Revised Code: 1316

(A) (1) "Agency" means, except as limited by this division, 1317
any official, board, or commission having authority to 1318
promulgate rules or make adjudications in the civil service 1319
commission, the division of liquor control, the department of 1320
taxation, the industrial commission, the bureau of workers' 1321
compensation, the functions of any administrative or executive 1322
officer, department, division, bureau, board, or commission of 1323

the government of the state specifically made subject to 1324
sections 119.01 to 119.13 of the Revised Code, and the licensing 1325
functions of any administrative or executive officer, 1326
department, division, bureau, board, or commission of the 1327
government of the state having the authority or responsibility 1328
of issuing, suspending, revoking, or canceling licenses. 1329

Sections 119.01 to 119.13 of the Revised Code do not apply 1330
to the public utilities commission. Sections 119.01 to 119.13 of 1331
the Revised Code do not apply to the utility radiological safety 1332
board; to the controlling board; to actions of the 1333
superintendent of financial institutions and the superintendent 1334
of insurance in the taking possession of, and rehabilitation or 1335
liquidation of, the business and property of banks, savings and 1336
loan associations, savings banks, credit unions, insurance 1337
companies, associations, reciprocal fraternal benefit societies, 1338
and bond investment companies; to any action taken by the 1339
division of securities under section 1707.201 of the Revised 1340
Code; or to any action that may be taken by the superintendent 1341
of financial institutions under section 1113.03, 1121.06, 1342
1121.10, 1125.09, 1125.12, 1125.18, ~~1157.09, 1157.12, 1157.18,~~ 1343
~~1165.09, 1165.12, 1165.18,~~ 1344
1349.33, 1733.35, 1733.361, 1733.37, 1344
or 1761.03 of the Revised Code. 1345

Sections 119.01 to 119.13 of the Revised Code do not apply 1346
to actions of the industrial commission or the bureau of 1347
workers' compensation under sections 4123.01 to 4123.94 of the 1348
Revised Code with respect to all matters of adjudication, or to 1349
the actions of the industrial commission, bureau of workers' 1350
compensation board of directors, and bureau of workers' 1351
compensation under division (D) of section 4121.32, sections 1352
4123.29, 4123.34, 4123.341, 4123.342, 4123.40, 4123.411, 1353
4123.44, 4123.442, 4127.07, divisions (B), (C), and (E) of 1354

section 4131.04, and divisions (B), (C), and (E) of section 1355
4131.14 of the Revised Code with respect to all matters 1356
concerning the establishment of premium, contribution, and 1357
assessment rates. 1358

(2) "Agency" also means any official or work unit having 1359
authority to promulgate rules or make adjudications in the 1360
department of job and family services, but only with respect to 1361
both of the following: 1362

(a) The adoption, amendment, or rescission of rules that 1363
section 5101.09 of the Revised Code requires be adopted in 1364
accordance with this chapter; 1365

(b) The issuance, suspension, revocation, or cancellation 1366
of licenses. 1367

(B) "License" means any license, permit, certificate, 1368
commission, or charter issued by any agency. "License" does not 1369
include any arrangement whereby a person or government entity 1370
furnishes medicaid services under a provider agreement with the 1371
department of medicaid. 1372

(C) "Rule" means any rule, regulation, or standard, having 1373
a general and uniform operation, adopted, promulgated, and 1374
enforced by any agency under the authority of the laws governing 1375
such agency, and includes any appendix to a rule. "Rule" does 1376
not include any internal management rule of an agency unless the 1377
internal management rule affects private rights and does not 1378
include any guideline adopted pursuant to section 3301.0714 of 1379
the Revised Code. 1380

(D) "Adjudication" means the determination by the highest 1381
or ultimate authority of an agency of the rights, duties, 1382
privileges, benefits, or legal relationships of a specified 1383

person, but does not include the issuance of a license in 1384
response to an application with respect to which no question is 1385
raised, nor other acts of a ministerial nature. 1386

(E) "Hearing" means a public hearing by any agency in 1387
compliance with procedural safeguards afforded by sections 1388
119.01 to 119.13 of the Revised Code. 1389

(F) "Person" means a person, firm, corporation, 1390
association, or partnership. 1391

(G) "Party" means the person whose interests are the 1392
subject of an adjudication by an agency. 1393

(H) "Appeal" means the procedure by which a person, 1394
aggrieved by a finding, decision, order, or adjudication of any 1395
agency, invokes the jurisdiction of a court. 1396

(I) "Internal management rule" means any rule, regulation, 1397
or standard governing the day-to-day staff procedures and 1398
operations within an agency. 1399

Sec. 121.07. (A) Except as otherwise provided in this 1400
division, the officers mentioned in sections 121.04 and 121.05 1401
of the Revised Code and the offices and divisions they 1402
administer shall be under the direction, supervision, and 1403
control of the directors of their respective departments, and 1404
shall perform such duties as the directors prescribe. In 1405
performing or exercising any of the examination or regulatory 1406
functions, powers, or duties vested by Title XI, Chapters 1733. 1407
and 1761., and sections 1315.01 to 1315.18 of the Revised Code 1408
in the superintendent of financial institutions, the 1409
superintendent of financial institutions and the division of 1410
financial institutions are independent of and are not subject to 1411
the control of the department or the director of commerce. In 1412

the absence of the superintendent of financial institutions, the 1413
director of commerce ~~may shall~~, for a limited period of time, 1414
perform or exercise any of those functions, powers, or duties or 1415
authorize the deputy superintendent for banks to perform or 1416
exercise any of the functions, power, or duties vested by Title 1417
XI and sections 1315.01 to 1315.18 of the Revised Code in the 1418
superintendent and the deputy superintendent for credit unions 1419
to perform or exercise any of the functions, powers, or duties 1420
vested by Chapters 1733. and 1761. of the Revised Code in the 1421
superintendent. 1422

(B) With the approval of the governor, the director of 1423
each department shall establish divisions within the department, 1424
and distribute the work of the department among such divisions. 1425
Each officer created by section 121.04 of the Revised Code shall 1426
be the head of such a division. 1427

With the approval of the governor, the director of each 1428
department may consolidate any two or more of the offices 1429
created in the department by section 121.04 of the Revised Code, 1430
or reduce the number of or create new divisions therein. 1431

The director of each department may prescribe rules for 1432
the government of the department, the conduct of its employees, 1433
the performance of its business, and the custody, use, and 1434
preservation of the records, papers, books, documents, and 1435
property pertaining thereto. 1436

Sec. 131.11. No money held or controlled by any probate 1437
court, juvenile court, clerk of the court of common pleas, clerk 1438
of a county court, sheriff, county recorder, director of a 1439
county department of job and family services, clerk or bailiff 1440
of a municipal court, prosecuting attorney, resident or division 1441
deputy director of highways, or treasurer of a university 1442

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

Any funds or securities in the possession or custody of 1462
any county official in an official capacity or any funds or 1463
securities the possession or custody of which is charged to any 1464
county official, including funds or securities in transit to or 1465
from any bank or trust company, may be insured by the board of 1466
county commissioners in such amount as is found necessary in the 1467
public interest. All costs of such insurance shall be paid by 1468
the county as provided in section 307.55 of the Revised Code. 1469

With respect to any insured or secured deposit mentioned 1470
in this section which is active as defined by section 135.01 of 1471
the Revised Code, any depositor named in this section may pay a 1472
service charge which is the same as that customarily made by the 1473

institution or institutions receiving money on deposit subject 1474
to check in the city or village where the bank or trust company 1475
accepting such active deposit is located. 1476

Sec. 135.03. Any national bank, any bank doing business 1477
under authority granted by the superintendent of financial 1478
institutions, or any bank doing business under authority granted 1479
by the regulatory authority of another state of the United 1480
States, located in this state, is eligible to become a public 1481
depository, subject to sections 135.01 to 135.21 of the Revised 1482
Code. No bank shall receive or have on deposit at any one time 1483
public moneys, including public moneys as defined in section 1484
135.31 of the Revised Code, in an aggregate amount in excess of 1485
thirty per cent of its total assets, as shown in its latest 1486
report to the comptroller of the currency, the superintendent of 1487
financial institutions, the federal deposit insurance 1488
corporation, or the board of governors of the federal reserve 1489
system. 1490

Any federal savings association, ~~any savings and loan~~ 1491
~~association or savings bank doing business under authority~~ 1492
~~granted by the superintendent of financial institutions,~~ or any 1493
savings and loan association or savings bank doing business 1494
under authority granted by the regulatory authority of another 1495
state of the United States, located in this state, and 1496
authorized to accept deposits is eligible to become a public 1497
depository, subject to sections 135.01 to 135.21 of the Revised 1498
Code. No savings association, savings and loan association, or 1499
savings bank shall receive or have on deposit at any one time 1500
public moneys, including public moneys as defined in section 1501
135.31 of the Revised Code, in an aggregate amount in excess of 1502
thirty per cent of its total assets, as shown in its latest 1503
report to the former office of thrift supervision, the 1504

comptroller of the currency, the superintendent of financial 1505
institutions, the federal deposit insurance corporation, or the 1506
board of governors of the federal reserve system. 1507

Sec. 135.032. No ~~bank or savings and loan association~~ 1508
institution mentioned in section 135.03 of the Revised Code is 1509
eligible to become a public depository or to receive any new 1510
public deposits pursuant to sections 135.01 to 135.21 of the 1511
Revised Code, if: 1512

~~(A) In the case of a bank, the bank institution or any of~~ 1513
its directors, officers, employees, or controlling shareholders 1514
or persons is currently a party to an active final or temporary 1515
cease-and-desist order issued ~~under section 1121.32 of the~~ 1516
~~Revised Code;~~ 1517

~~(B) In the case of an association, the association or any~~ 1518
~~of its directors, officers, employees, or controlling persons is~~ 1519
~~currently a party to an active final or summary cease and desist~~ 1520
~~order issued under section 1155.02 of the Revised Code~~ to ensure 1521
the safety and soundness of the institution. 1522

Sec. 135.182. (A) As used in this section: 1523

(1) "Public depository" means that term as defined in 1524
section 135.01 of the Revised Code, but also means an 1525
institution that receives or holds any public deposits as 1526
defined in section 135.31 of the Revised Code. 1527

(2) "Public depositor" means that term as defined in 1528
section 135.01 of the Revised Code, but also includes a county 1529
and any municipal corporation that has adopted a charter under 1530
Article XVIII, Ohio Constitution. 1531

(3) "Public deposits," "public moneys," and "treasurer" 1532
mean those terms as defined in section 135.01 of the Revised 1533

Code, but also have the same meanings as are set forth in 1534
section 135.31 of the Revised Code. 1535

(B) (1) Not later than July 1, 2017, the treasurer of state 1536
shall create the Ohio pooled collateral program. Under this 1537
program, each institution designated as a public depository that 1538
selects the pledging method prescribed in division (A) (2) of 1539
section 135.18 or division (A) (2) of section 135.37 of the 1540
Revised Code shall pledge to the treasurer of state a single 1541
pool of eligible securities for the benefit of all public 1542
depositories at the public depository to secure the repayment of 1543
all uninsured public deposits at the public depository, provided 1544
that at all times the total market value of the securities so 1545
pledged is at least equal to either of the following: 1546

(a) One hundred two per cent of the total amount of all 1547
uninsured public deposits; 1548

(b) An amount determined by rules adopted by the treasurer 1549
of state that set forth the criteria for determining the 1550
aggregate market value of the pool of eligible securities 1551
pledged by a public depository pursuant to division (B) of this 1552
section. Such criteria shall include, but are not limited to, 1553
prudent capital and liquidity management by the public 1554
depository and the safety and soundness of the public depository 1555
as determined by a third-party rating organization. 1556

(2) The treasurer of state shall monitor the eligibility, 1557
market value, and face value of the pooled securities pledged by 1558
the public depository. Each public depository shall carry in its 1559
accounting records at all times a general ledger or other 1560
appropriate account of the total amount of all public deposits 1561
to be secured by the pool, as determined at the opening of 1562
business each day, and the total market value of securities 1563

pledged to secure such deposits, and report such information to 1564
the treasurer of state in a manner and frequency as determined 1565
by the treasurer of state pursuant to rules adopted by the 1566
treasurer of state. A public depositor shall be responsible for 1567
periodically confirming the accuracy of its account balances 1568
with the treasurer of state; otherwise, the treasurer of state 1569
shall be the sole public depositor responsible for monitoring 1570
and ensuring the sufficiency of securities pledged under this 1571
section. 1572

(C) The public depository shall designate a qualified 1573
trustee approved by the treasurer of state and place with such 1574
trustee for safekeeping the eligible securities pledged pursuant 1575
to division (B) of this section. The trustee shall hold the 1576
eligible securities in an account indicating the treasurer of 1577
state's security interest in the eligible securities. The 1578
treasurer of state shall give written notice of the trustee to 1579
all public depositors for which such securities are pledged. The 1580
trustee shall report to the treasurer of state information 1581
relating to the securities pledged to secure such public 1582
deposits in a manner and frequency as determined by the 1583
treasurer of state. 1584

(D) In order for a public depository to receive public 1585
moneys under this section, the public depository and the 1586
treasurer of state shall first execute an agreement that sets 1587
forth the entire arrangement among the parties and that meets 1588
the requirements described in 12 U.S.C. 1823(e). In addition, 1589
the agreement shall authorize the treasurer of state to obtain 1590
control of the collateral pursuant to division (D) of section 1591
1308.24 of the Revised Code. 1592

(E) The securities or other obligations described in 1593

division (D) of section 135.18 of the Revised Code shall be 1594
eligible as collateral for the purposes of division (B) of this 1595
section, provided no such securities or obligations pledged as 1596
collateral are at any time in default as to either principal or 1597
interest. 1598

(F) Any federal reserve bank or branch thereof located in 1599
this state or federal home loan bank, without compliance with 1600
Chapter 1111. of the Revised Code and without becoming subject 1601
to any other law of this state relative to the exercise by 1602
corporations of trust powers generally, is qualified to act as 1603
trustee for the safekeeping of securities, under this section. 1604
Any institution mentioned in section 135.03 or 135.32 of the 1605
Revised Code that holds a certificate of qualification issued by 1606
the superintendent of financial institutions or any institution 1607
complying with sections 1111.04, 1111.05, and 1111.06 of the 1608
Revised Code is qualified to act as trustee for the safekeeping 1609
of securities under this section, other than those belonging to 1610
itself or to an affiliate as defined in section 1101.01 of the 1611
Revised Code. 1612

(G) The public depository may substitute, exchange, or 1613
release eligible securities deposited with the qualified trustee 1614
pursuant to this section, provided that such substitution, 1615
exchange, or release is effectuated pursuant to written 1616
authorization from the treasurer of state, and such action does 1617
not reduce the total market value of the securities to an amount 1618
that is less than the amount established pursuant to division 1619
(B) of this section. 1620

(H) Notwithstanding the fact that a public depository is 1621
required to pledge eligible securities in certain amounts to 1622
secure public deposits, a qualified trustee has no duty or 1623

obligation to determine the eligibility, market value, or face value of any securities deposited with the trustee by a public depository. This applies in all situations including, but not limited to, a substitution or exchange of securities, but excluding those situations effectuated by division (I) of this section in which the trustee is required to determine face and market value. 1624
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(I) The qualified trustee shall enter into a custodial agreement with the treasurer of state and public depository in which the trustee agrees to comply with entitlement orders originated by the treasurer of state without further consent by the public depository or, in the case of collateral held by the public depository in an account at a federal reserve bank, the treasurer of state shall have the treasurer's security interest marked on the books of the federal reserve bank where the account for the collateral is maintained. If the public depository fails to pay over any part of the public deposits made therein as provided by law and secured pursuant to division (B) of this section, the treasurer of state shall give written notice of this failure to the qualified trustee holding the pool of securities pledged against the public deposits, and at the same time shall send a copy of this notice to the public depository. Upon receipt of this notice, the trustee shall transfer to the treasurer of state for sale, the pooled securities that are necessary to produce an amount equal to the public deposits made by the public depositor and not paid over, less the portion of the deposits covered by any federal deposit insurance, plus any accrued interest due on the deposits. The treasurer of state shall sell any of the bonds or other securities so transferred. When a sale of bonds or other securities has been so made and upon payment to the public 1631
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depositor of the purchase money, the treasurer of state shall 1655
transfer such bonds or securities whereupon the absolute 1656
ownership of such bonds or securities shall pass to the 1657
purchasers. Any surplus after deducting the amount due to the 1658
public depositor and expenses of sale shall be paid to the 1659
public depository. 1660

(J) Any charges or compensation of a qualified trustee for 1661
acting as such under this section shall be paid by the public 1662
depository and in no event shall be chargeable to the public 1663
depositor or to any officer of the public depositor. The charges 1664
or compensation shall not be a lien or charge upon the 1665
securities deposited for safekeeping prior or superior to the 1666
rights to and interests in the securities of the public 1667
depositor. The treasurer and the treasurer's bonders or surety 1668
shall be relieved from any liability to the public depositor or 1669
to the public depository for the loss or destruction of any 1670
securities deposited with a qualified trustee pursuant to this 1671
section. 1672

(K) (1) The following information is confidential and not a 1673
public record under section 149.43 of the Revised Code: 1674

(a) All reports or other information obtained or created 1675
about a public depository for purposes of division (B) (1) (b) of 1676
this section; 1677

(b) The identity of a public depositor's public 1678
depository; 1679

(c) The identity of a public depository's public 1680
depositories. 1681

(2) Nothing in this section prevents the treasurer of 1682
state from releasing or exchanging such confidential information 1683

as required by law or for the operation of the pooled collateral 1684
program. 1685

Sec. 135.32. (A) Any national bank, any bank doing 1686
business under authority granted by the superintendent of 1687
financial institutions, or any bank doing business under 1688
authority granted by the regulatory authority of another state 1689
of the United States, located in this state, is eligible to 1690
become a public depository, subject to sections 135.31 to 135.40 1691
of the Revised Code. No bank shall receive or have on deposit at 1692
any one time public moneys, including public moneys as defined 1693
in section 135.01 of the Revised Code, in an aggregate amount in 1694
excess of thirty per cent of its total assets, as shown in its 1695
latest report to the comptroller of the currency, the 1696
superintendent of financial institutions, the federal deposit 1697
insurance corporation, or the board of governors of the federal 1698
reserve system. 1699

(B) Any federal savings association, ~~any savings and loan~~ 1700
~~association or savings bank doing business under authority~~ 1701
~~granted by the superintendent of financial institutions,~~ or any 1702
savings and loan association or savings bank doing business 1703
under authority granted by the regulatory authority of another 1704
state of the United States, located in this state, and 1705
authorized to accept deposits is eligible to become a public 1706
depository, subject to sections 135.31 to 135.40 of the Revised 1707
Code. No savings association, savings and loan association, or 1708
savings bank shall receive or have on deposit at any one time 1709
public moneys, including public moneys as defined in section 1710
135.01 of the Revised Code, in an aggregate amount in excess of 1711
thirty per cent of its total assets, as shown in its latest 1712
report to the former office of thrift supervision, the 1713
comptroller of the currency, the superintendent of financial 1714

institutions, the federal deposit insurance corporation, or the 1715
board of governors of the federal reserve system. 1716

Sec. 135.321. ~~No bank or savings and loan association~~ 1717
institution mentioned in section 135.32 of the Revised Code is 1718
eligible to become a public depository or to receive any new 1719
public deposits pursuant to sections 135.31 to 135.40 of the 1720
Revised Code, if: 1721

~~(A) In the case of a bank, the bank~~ institution or any of 1722
its directors, officers, employees, or controlling shareholders 1723
or persons is currently a party to an active final or temporary 1724
cease-and-desist order issued ~~under section 1121.32 of the~~ 1725
~~Revised Code;~~ 1726

~~(B) In the case of an association, the association or any~~ 1727
~~of its directors, officers, employees, or controlling persons is~~ 1728
~~currently a party to an active final or summary cease and desist~~ 1729
~~order issued under section 1155.02 of the Revised Code~~ to ensure 1730
the safety and soundness of the institution. 1731

Sec. 135.51. In case of any default on the part of a bank 1732
~~or domestic building and loan association~~ in its capacity as 1733
depository of the money of any county, municipal corporation, 1734
township, or school district, the board of county commissioners, 1735
the legislative authority of such municipal corporation, the 1736
board of township trustees, and the board of education of such 1737
school district, in lieu of immediately selling the securities 1738
received and held as security for the deposit of such money 1739
under authority of any section of the Revised Code, may retain 1740
the same, collect the interest and any installments of principal 1741
thereafter falling due on such securities, and refund, exchange, 1742
sell, or otherwise dispose of any of them, at such times and in 1743
such manner as such board of county commissioners, legislative 1744

authority, board of township trustees, or board of education 1745
determines to be advisable with a view to conserving the value 1746
of such securities for the benefit of such county, municipal 1747
corporation, township, or school district, and for the benefit 1748
of the depositors, creditors, and stockholders or other owners 1749
of such bank ~~or building and loan association.~~ 1750

Sec. 135.52. In anticipation of the collection of the 1751
principal and interest of securities, or other disposition of 1752
them, as authorized by section 135.51 of the Revised Code, and 1753
of the payment of dividends in the liquidation of the depository 1754
bank ~~or domestic savings and loan association,~~ and for the 1755
purpose of providing public money immediately available for the 1756
needs of the county, municipal corporation, township, or school 1757
district, the taxing authority may issue bonds of the county, 1758
municipal corporation, township, or school district, in an 1759
amount not exceeding the moneys on deposit in the depository 1760
bank ~~or savings and loan association,~~ the payment of which is 1761
secured by such securities, after crediting to such moneys the 1762
amount realized from the sale or other disposition of any other 1763
securities pledged or deposited for such moneys, or in an amount 1764
not exceeding the value or amount ultimately to be realized from 1765
such securities to be determined by valuation made under oath by 1766
two persons who are conversant with the value of the assets 1767
represented by such securities, whichever amount is the lesser, 1768
plus an amount equal to the interest accruing on such securities 1769
during one year from and after the date of default of such bank 1770
~~or savings and loan association~~ in its capacity as a depository. 1771
The maturity of such bonds shall not exceed ten years and they 1772
shall bear interest at a rate not exceeding the rate determined 1773
as provided in section 9.95 of the Revised Code. Such bonds 1774
shall be the general obligations of the county, municipal 1775

corporation, township, or school district issuing them. The 1776
legislation under which such bonds are issued shall comply with 1777
Section 11 of Article XII, Ohio Constitution. The amount of such 1778
bonds issued or outstanding shall not be considered in 1779
ascertaining any of the limitations on the net indebtedness of 1780
such county, municipal corporation, township, or school district 1781
prescribed by law. In all other respects, the issuance, 1782
maturities, and sale of such bonds shall be subject to Chapter 1783
133. of the Revised Code. 1784

A sufficient amount of the moneys received from principal 1785
on the sale of such bonds to cover the interest accruing on such 1786
securities for one year, to the extent determined by the 1787
authority issuing such bonds in the resolution or ordinance of 1788
issuance under this section, shall be paid into the bond 1789
retirement fund from which the bonds are to be redeemed, 1790
together with premiums and accrued interest. The balance of such 1791
principal shall be credited to the funds to which the moneys 1792
represented by such depository balance belong, and in the 1793
respective amounts of such funds. 1794

Sec. 135.53. All principal and interest collected by the 1795
proper officer or agent of the county, municipal corporation, 1796
township, or school district, on account of the securities 1797
mentioned in section 135.51 of the Revised Code, the proceeds of 1798
any sale or other disposition of any of such securities, and any 1799
dividends received from the liquidation of the defaulting bank 1800
~~or domestic building and loan association,~~ shall be paid into 1801
the bond retirement fund from which the bonds provided for in 1802
section 135.52 of the Revised Code are to be redeemed, until the 1803
aggregate of such payments equals the requirements of such fund, 1804
whereupon such securities, and any remaining depository balance, 1805
not anticipated by such bonds, to the extent then retained by 1806

such county, municipal corporation, township, or school 1807
district, shall be assigned and delivered to the defaulting bank 1808
~~or building and loan association,~~ to its liquidating officer, or 1809
to its successor or assignee, together with a release or other 1810
instrument showing full satisfaction of the claim of such 1811
county, municipal corporation, township, or school district 1812
against such bank, ~~building and loan association,~~ or officer. 1813

Sec. 323.134. As used in this section, "financial 1814
institution" means a bank as defined in section 1101.01 of the 1815
Revised Code, ~~a building and loan association as defined in~~ 1816
~~section 1151.01 of the Revised Code,~~ or any other person 1817
regularly engaging in the business of making or brokering 1818
residential mortgage loans on security located in this state. 1819

The county treasurer may request any financial institution 1820
to enter into an agreement with the treasurer for information 1821
exchanges limited exclusively to the purpose of real property 1822
tax billing and payment, including, but not limited to, the 1823
sharing of information that is part of a data processing system. 1824
With the approval of the county automatic data processing board 1825
or if the county has no board, with the approval of the county 1826
auditor, the county treasurer may enter such an agreement with 1827
any consenting financial institution. Where such an agreement 1828
enables the treasurer to collect the proper amounts of such 1829
taxes due without preparing and sending the tax bills required 1830
by section 323.13 of the Revised Code, the treasurer need not 1831
prepare and send such bills for any entries of real property 1832
upon which taxes are properly computed and paid by the use of 1833
such information exchange. 1834

Sec. 339.06. (A) The board of county hospital trustees, 1835
upon completion of construction or leasing and equipping of a 1836

county hospital, shall assume and continue the operation of the 1837
hospital. 1838

(B) The board of county hospital trustees shall have the 1839
entire management and control of the county hospital. The board 1840
may in writing delegate its management and control of the county 1841
hospital to the administrator of the county hospital employed 1842
under section 339.07 of the Revised Code. The board shall 1843
establish such rules for the hospital's government, management, 1844
control, and the admission of persons as are expedient. 1845

(C) The board of county hospital trustees has control of 1846
the property of the county hospital, including management and 1847
disposal of surplus property other than real estate or an 1848
interest in real estate. 1849

(D) With respect to the use of funds by the board of 1850
county hospital trustees and its accounting for the use of 1851
funds, all of the following apply: 1852

(1) The board of county hospital trustees has control of 1853
all funds used in the county hospital's operation, including 1854
moneys received from the operation of the hospital, moneys 1855
appropriated for its operation by the board of county 1856
commissioners, and moneys resulting from special levies 1857
submitted by the board of county commissioners as provided for 1858
in section 5705.22 of the Revised Code. 1859

(2) Of the funds used in the county hospital's operation, 1860
all or part of any amount determined not to be necessary to meet 1861
current demands on the hospital may be invested by the board of 1862
county hospital trustees or its designee in any classifications 1863
of securities and obligations eligible for deposit or investment 1864
of county moneys pursuant to section 135.35 of the Revised Code, 1865

subject to the approval of the board's written investment policy 1866
by the county investment advisory committee established pursuant 1867
to section 135.341 of the Revised Code. If a county hospital is 1868
based in a county that has adopted a charter under Section 3 of 1869
Article X, Ohio Constitution, such funds may be invested by the 1870
board of county hospital trustees as provided in this division 1871
or in an ordinance adopted by the legislative authority of the 1872
county, in either case subject to approval by the county 1873
investment advisory committee, or as provided in section 339.061 1874
of the Revised Code. 1875

(3) Annually, not later than sixty days before the end of 1876
the fiscal year used by the county hospital, the board of county 1877
hospital trustees shall submit its proposed budget for the 1878
ensuing fiscal year to the board of county commissioners for 1879
that board's review. The board of county commissioners shall 1880
review and approve the proposed budget by the first day of the 1881
fiscal year to which the budget applies. If the board of county 1882
commissioners has not approved the budget by the first day of 1883
the fiscal year to which the budget applies, the budget is 1884
deemed to have been approved by the board on the first day of 1885
that fiscal year. 1886

(4) The board of county hospital trustees shall not expend 1887
funds received from taxes collected pursuant to any tax levied 1888
under section 5705.22 of the Revised Code or the amount 1889
appropriated to the county hospital by the board of county 1890
commissioners in the annual appropriation measure for the county 1891
until its budget for the applicable fiscal year is approved in 1892
accordance with division (C) (3) of this section. At any time the 1893
amount received from those sources differs from the amount shown 1894
in the approved budget, the board of county commissioners may 1895
require the board of county hospital trustees to revise the 1896

county hospital budget accordingly. 1897

(5) Funds under the control of the board of county 1898
hospital trustees may be disbursed by the board, consistent with 1899
the approved budget, for the uses and purposes of the county 1900
hospital; for the replacement of necessary equipment; for the 1901
acquisition, leasing, or construction of permanent improvements 1902
to county hospital property; or for making a donation authorized 1903
by division (E) of this section. Each disbursement of funds 1904
shall be made on a voucher signed by signatories designated and 1905
approved by the board of county hospital trustees. 1906

(6) The head of a board of county hospital trustees is not 1907
required to file an estimate of contemplated revenue and 1908
expenditures for the ensuing fiscal year under section 5705.28 1909
of the Revised Code unless the board of county commissioners 1910
levies a tax for the county hospital, or such a tax is proposed, 1911
or the board of county hospital trustees desires that the board 1912
of county commissioners make an appropriation to the county 1913
hospital for the ensuing fiscal year. 1914

(7) All moneys appropriated by the board of county 1915
commissioners or from special levies by the board of county 1916
commissioners for the operation of the hospital, when collected 1917
shall be paid to the board of county hospital trustees on a 1918
warrant of the county auditor and approved by the board of 1919
county commissioners. 1920

(8) The board of county hospital trustees shall provide 1921
for the conduct of an annual financial audit of the county 1922
hospital. Not later than thirty days after it receives the final 1923
report of an annual financial audit, the board shall file a copy 1924
of the report with the board of county commissioners. 1925

(E) For the public purpose of improving the health, 1926
safety, and general welfare of the community, the board of 1927
county hospital trustees may donate to a nonprofit entity any of 1928
the following: 1929

(1) Moneys and other financial assets determined not to be 1930
necessary to meet current demands on the hospital; 1931

(2) Surplus hospital property, including supplies, 1932
equipment, office facilities, and other property that is not 1933
real estate or an interest in real estate; 1934

(3) Services rendered by the hospital. 1935

(F) (1) For purposes of division (F) (2) of this section:— 1936

~~(a) "Bank", "bank" has the same meaning as in section 1937
1101.01 of the Revised Code. 1938~~

~~(b) "Savings and loan association" has the same meaning as 1939
in section 1151.01 of the Revised Code.— 1940~~

~~(c) "Savings bank" has the same meaning as in section— 1941
1161.01 of the Revised Code.— 1942~~

(2) The board of county hospital trustees may enter into a 1943
contract for a secured line of credit with a bank, ~~savings and~~ 1944
~~loan association, or savings bank~~ if the contract meets all of 1945
the following requirements: 1946

(a) The term of the contract does not exceed one year, 1947
except that the contract may provide for the automatic renewal 1948
of the contract for up to four additional one-year periods if, 1949
on the date of automatic renewal, the aggregate outstanding 1950
draws remaining unpaid under the secured line of credit do not 1951
exceed fifty per cent of the maximum amount that can be drawn 1952
under the secured line of credit. 1953

(b) The contract provides that the bank, ~~savings and loan~~ 1954
~~association, or savings bank~~ shall not commence a civil action 1955
against the board of county commissioners, any member of the 1956
board, or the county to recover the principal, interest, or any 1957
charges or other amounts that remain outstanding on the secured 1958
line of credit at the time of any default by the board of county 1959
hospital trustees. 1960

(c) The contract provides that no assets other than those 1961
of the county hospital can be used to secure the line of credit. 1962

(d) The terms and conditions of the contract comply with 1963
all state and federal statutes and rules governing the extension 1964
of a secured line of credit. 1965

(3) Any obligation incurred by a board of county hospital 1966
trustees under division (F)(2) of this section is an obligation 1967
of that board only and not a general obligation of the board of 1968
county commissioners or the county within the meaning of 1969
division (Q) of section 133.01 of the Revised Code. 1970

(4) Notwithstanding anything to the contrary in the 1971
Revised Code, the board of county hospital trustees may secure 1972
the line of credit authorized under division (F)(2) of this 1973
section by the grant of a security interest in any part or all 1974
of its tangible personal property and intangible personal 1975
property, including its deposit accounts, accounts receivable, 1976
or both. 1977

(5) No board of county hospital trustees shall at any time 1978
have more than one secured line of credit under division (F)(2) 1979
of this section. 1980

(G) The board of county hospital trustees shall establish 1981
a schedule of charges for all services and treatment rendered by 1982

the county hospital. It may provide for the free treatment in 1983
the hospital of soldiers, sailors, and marines of the county, 1984
under such conditions and rules as it prescribes. 1985

(H) The board of county hospital trustees may designate 1986
the amounts and forms of insurance protection to be provided, 1987
and the board of county commissioners shall assist in obtaining 1988
such protection. The expense of providing the protection shall 1989
be paid from hospital operating funds. 1990

(I) The board of county hospital trustees may authorize a 1991
county hospital and each of its units, hospital board members, 1992
designated hospital employees, and medical staff members to be a 1993
member of and maintain membership in any local, state, or 1994
national group or association organized and operated for the 1995
promotion of the public health and welfare or advancement of the 1996
efficiency of hospital administration and in connection 1997
therewith to use tax funds for the payment of dues and fees and 1998
related expenses but nothing in this section prohibits the board 1999
from using receipts from hospital operation, other than tax 2000
funds, for the payment of such dues and fees. 2001

(J) The following apply to the board of county hospital 2002
trustees in relation to its employees and the employees of the 2003
county hospital: 2004

(1) The board shall adopt the wage and salary schedule for 2005
employees. 2006

(2) The board may employ the hospital's administrator 2007
pursuant to section 339.07 of the Revised Code, and the 2008
administrator may employ individuals for the hospital in 2009
accordance with that section. 2010

(3) The board may employ assistants as necessary to 2011

perform its clerical work, superintend properly the construction 2012
of the county hospital, and pay the hospital's expenses. Such 2013
employees may be paid from funds provided for the county 2014
hospital. 2015

(4) The board may hire, by contract or as salaried 2016
employees, such management consultants, accountants, attorneys, 2017
engineers, architects, construction managers, and other 2018
professional advisors as it determines are necessary and 2019
desirable to assist in the management of the programs and 2020
operation of the county hospital. Such professional advisors may 2021
be paid from county hospital operating funds. 2022

(5) Notwithstanding section 325.19 of the Revised Code, 2023
the board may grant to employees any fringe benefits the board 2024
determines to be customary and usual in the nonprofit hospital 2025
field in its community, including, but not limited to: 2026

(a) Additional vacation leave with full pay for full-time 2027
employees, including full-time hourly rate employees, after 2028
service of one year; 2029

(b) Vacation leave and holiday pay for part-time employees 2030
on a pro rata basis; 2031

(c) Leave with full pay due to death in the employee's 2032
immediate family, which shall not be deducted from the 2033
employee's accumulated sick leave; 2034

(d) Premium pay for working on holidays listed in section 2035
325.19 of the Revised Code; 2036

(e) Moving expenses for new employees; 2037

(f) Discounts on hospital supplies and services. 2038

(6) The board may provide holiday leave by observing 2039

Martin Luther King day, Washington-Lincoln day, Columbus day,	2040
and Veterans' day on days other than those specified in section	2041
1.14 of the Revised Code.	2042
(7) The board may grant to employees the insurance	2043
benefits authorized by section 339.16 of the Revised Code.	2044
(8) Notwithstanding section 325.19 of the Revised Code,	2045
the board may grant to employees, including hourly rate	2046
employees, such personal holidays as the board determines to be	2047
customary and usual in the hospital field in its community.	2048
(9) The board may provide employee recognition awards and	2049
hold employee recognition dinners.	2050
(10) The board may grant to employees the recruitment and	2051
retention benefits specified under division (K) of this section.	2052
(K) Notwithstanding sections 325.191 and 325.20 of the	2053
Revised Code, the board of county hospital trustees may provide,	2054
without the prior authorization of the board of county	2055
commissioners, scholarships for education in the health care	2056
professions, tuition reimbursement, and other staff development	2057
programs to enhance the skills of health care professionals for	2058
the purpose of recruiting or retaining qualified employees.	2059
The board of county hospital trustees may pay reasonable	2060
expenses for recruiting or retaining physicians and other	2061
appropriate health care practitioners.	2062
(L) The board of county hospital trustees may retain	2063
counsel and institute legal action in its own name for the	2064
collection of delinquent accounts. The board may also employ any	2065
other lawful means for the collection of delinquent accounts.	2066
Sec. 513.17. (A) The board of hospital governors shall,	2067

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 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: 2097

(a) The term of the contract does not exceed one hundred 2098
eighty days. 2099

(b) The contract provides that any amount extended must be 2100
repaid in full before any additional credit can be extended. 2101

(c) The contract provides that the bank, ~~savings and loan~~ 2102
~~association, or savings bank~~ shall not commence a civil action 2103
against the joint township district hospital board, any member 2104
of the board, board of township trustees, township, or board of 2105
county commissioners to recover the principal, interest, or any 2106
charges or other amounts that remain outstanding on the secured 2107
line of credit at the time of any default by the board of 2108
hospital governors. 2109

(d) The contract provides that no assets other than those 2110
of the hospital can be used to secure the line of credit. 2111

(e) The terms and conditions of the contract comply with 2112
all state and federal statutes and rules governing the extension 2113
of a secured line of credit. 2114

(3) Any obligation incurred by a board of hospital 2115
governors under this division is an obligation of that board 2116
only and not a general obligation of the joint township district 2117
hospital board, board of county commissioners, county, board of 2118
township trustees, or township within the meaning of division 2119
(Q) of section 133.01 of the Revised Code. 2120

(4) No board of hospital governors shall at any time have 2121
more than one secured line of credit under this section. 2122

(C) The board of hospital governors may grant to its 2123
employees such of the following as it determines to be customary 2124

and usual in the nonprofit hospital field in its community:	2125
(1) Paid vacation and holiday leave, for holidays listed	2126
in section 511.10 of the Revised Code, and other benefits for	2127
full-time employees;	2128
(2) Vacation leave and holiday pay for part-time employees	2129
on a pro rata basis;	2130
(3) Leave with full pay due to death in the employee's	2131
immediate family, which shall not be deducted from the	2132
employee's accumulated sick leave;	2133
(4) Premium pay for working on holidays listed in section	2134
511.10 of the Revised Code;	2135
(5) Moving expenses for new employees;	2136
(6) Discounts on purchases from the hospital pharmacy;	2137
(7) Discounts on hospital supplies and services.	2138
The board of hospital governors may provide employee	2139
recognition awards and hold employee recognition dinners.	2140
The board of hospital governors may provide scholarships	2141
for education in the health care professions, tuition	2142
reimbursement, and other staff development programs to enhance	2143
the skills of health care professionals for the purpose of	2144
recruiting or retaining qualified employees.	2145
The board of hospital governors may pay reasonable	2146
expenses for recruiting physicians into the district or for	2147
retaining them if all or part of the district has been	2148
designated as an area with a shortage of personal health	2149
services under the "Health Maintenance Organization Act of	2150
1973," 87 Stat. 914, 42 U.S.C. 300e, as amended.	2151

(D) The members of the board of governors shall serve 2152
without compensation, but their necessary expenses, when engaged 2153
in the business of the hospital board, shall be paid by the 2154
joint township district hospital board. 2155

(E) The board of hospital governors with the approval of 2156
the county commissioners may employ counsel and institute legal 2157
action in its own name for the collection of delinquent 2158
accounts. The board may also employ any other lawful means for 2159
the collection of delinquent accounts. Counsel employed under 2160
this section shall be paid from the hospital's funds. 2161

Sec. 749.081. (A) For purposes of this section: 2162

~~(1) "Bank", "bank" has the same meaning as in section 2163
1101.01 of the Revised Code. 2164~~

~~(2) "Savings and loan association" has the same meaning as 2165
in section 1151.01 of the Revised Code. 2166~~

~~(3) "Savings bank" has the same meaning as in section 2167
1161.01 of the Revised Code. 2168~~

(B) The board of hospital commissioners may enter into a 2169
contract for a secured line of credit with a bank, ~~savings and 2170
loan association, or savings bank~~ if the contract meets all of 2171
the following requirements: 2172

(1) The term of the contract does not exceed one hundred 2173
eighty days; 2174

(2) The board's secured line of credit does not exceed 2175
five hundred thousand dollars; 2176

(3) The contract provides that any amount extended must be 2177
repaid in full before any additional credit can be extended; 2178

(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;

(5) The contract provides that no assets other than those of the hospital can be used to secure the line of credit;

(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.

(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 2208
addition to the provisions of sections 755.12 to 755.18 of the 2209
Revised Code: 2210

(A) The governor, speaker of the house of representatives, 2211
and president of the senate shall each appoint one member to the 2212
board of trustees of the district. These members may be members 2213
of the general assembly, but any members of the general assembly 2214
appointed to the board of trustees shall be nonvoting members 2215
and shall serve only while they remain members of the general 2216
assembly. Members appointed under this division shall serve 2217
terms of three years and serve without pay, and all vacancies in 2218
their positions on the board, whether for an unexpired term or 2219
at the end of a term, shall be filled in the same manner as the 2220
original appointments. 2221

(B) The board of trustees of a joint recreation district 2222
may designate the amounts and forms of property and casualty 2223
insurance protection to be provided. The expense of providing 2224
the protection shall be paid from operating funds of the joint 2225
recreation district. 2226

(C) The board of trustees of a joint recreation district 2227
may acquire, construct, maintain, and operate horticultural 2228
facilities, public banquet facilities, greenhouses, and such 2229
other facilities as are authorized in section 755.16 of the 2230
Revised Code. 2231

(D) (1) By resolution of its board of trustees, the joint 2232
recreation district may issue revenue bonds beyond the limit of 2233
bonded indebtedness provided by law, for the acquisition, 2234
construction, furnishing, or equipping of any real or personal 2235
property, or any combination thereof which it is authorized to 2236
acquire, construct, furnish, or equip, including all costs in 2237

connection with or incidental thereto. 2238

(2) The revenue bonds of the joint recreation district 2239
shall be secured only by a pledge of and a lien on the revenues 2240
of the joint recreation district that are designated in the 2241
resolution, including, but not limited to, any property to be 2242
acquired, constructed, furnished, or equipped with the proceeds 2243
of the bond issue, after provision only for the reasonable cost 2244
of operating, maintaining, and repairing the property of the 2245
joint recreation district so designated. The bonds may further 2246
be secured by the covenant of the joint recreation district to 2247
maintain rates or charges that will produce revenues sufficient 2248
to meet the costs of operating, maintaining, and repairing such 2249
property and to meet the interest and principal requirements of 2250
the bonds and to establish and maintain reserves for the 2251
foregoing purposes. The board of trustees of the joint 2252
recreation district, by resolution, may provide for the issuance 2253
of additional revenue bonds from time to time, to be secured 2254
equally and ratably, without preference, priority, or 2255
distinction, with outstanding revenue bonds, but subject to the 2256
terms and limitations of any trust agreement described in this 2257
section, and of any resolution authorizing bonds then 2258
outstanding. The board of trustees, by resolution, may designate 2259
additional property of the district, the revenues of which shall 2260
be pledged and be subject to a lien for the payment of the debt 2261
charges on revenue bonds theretofore authorized by resolution of 2262
the board of trustees, to the same extent as the revenues above 2263
described. 2264

(3) In the discretion of the board of trustees, the 2265
revenue bonds of the district may be secured by a trust 2266
agreement between the joint recreation district and a corporate 2267
trustee, that may be any trust company or bank having powers of 2268

a trust company, within or without the state. 2269

(4) The trust agreement may provide for the pledge or 2270
assignment of the revenues to be received, but shall not pledge 2271
the general credit and taxing power of the joint recreation 2272
district. The trust agreement or the resolution providing for 2273
the issuance of revenue bonds may set forth the rights and 2274
remedies of the bondholders and trustees, and may contain other 2275
provisions for protecting and enforcing their rights and 2276
remedies that are determined in the discretion of the board of 2277
trustees to be reasonable and proper. The agreement or 2278
resolution may provide for the custody, investment, and 2279
disbursement of all moneys derived from the sale of such bonds, 2280
or from the revenues of the joint recreation district, other 2281
than those moneys received from taxes levied pursuant to section 2282
755.171 of the Revised Code, and may provide for the deposit of 2283
such funds without regard to Chapter 135. of the Revised Code. 2284

(5) All bonds issued under authority of this section, 2285
regardless of form or terms and regardless of any other law to 2286
the contrary, shall have all qualities and incidents of 2287
negotiable instruments, subject to provisions for registration, 2288
and may be issued in coupon, fully registered, or other form, or 2289
any combination thereof, as the board of trustees determines. 2290
Provision may be made for the registration of any coupon bonds 2291
as to principal alone or as to both principal and interest, and 2292
for the conversion into coupon bonds of any fully registered 2293
bonds or bonds registered as to both principal and interest. 2294

(6) The revenue bonds shall bear interest at such rate or 2295
rates, shall bear such date or dates, and shall mature within 2296
thirty years following the date of issuance and in such amount, 2297
at such time or times, and in such number of installments, as 2298

may be provided in or pursuant to the resolution authorizing 2299
their issuance. Any original issue of revenue bonds shall mature 2300
not later than thirty years from their date of issue. Such 2301
resolution also shall provide for the execution of the bonds, 2302
which may be by facsimile signatures unless prohibited by the 2303
resolution, and the manner of sale of the bonds. The resolution 2304
shall provide for, or provide for the determination of, any 2305
other terms and conditions relative to the issuance, sale, and 2306
retirement of the bonds that the board of trustees in its 2307
discretion determines to be reasonable and proper. 2308

(7) Whenever a joint recreation district considers it 2309
expedient, it may issue renewal notes and refund any bonds, 2310
whether the bonds to be refunded have or have not matured. The 2311
final maturity of any notes, including any renewal notes, shall 2312
not be later than five years from the date of issue of the 2313
original issue of notes. The final maturity of any refunding 2314
bonds shall not be later than the later of thirty years from the 2315
date of issue of the original issue of bonds or the date by 2316
which it is expected, at the time of issuance of the refunding 2317
bonds, that the useful life of all of the property, other than 2318
interests in land, refinanced with proceeds of the bonds will 2319
have expired. The refunding bonds shall be sold and the proceeds 2320
applied to the purchase, redemption, or payment of the bonds to 2321
be refunded and the costs of issuance of the refunding bonds. 2322
The bonds and notes issued under this section, their transfer, 2323
and the income therefrom, shall at all times be free from 2324
taxation within the state. 2325

(E) A joint recreation district described in this section 2326
may do all of the following: 2327

(1) Operate or appoint agents to operate, or otherwise 2328

provide for the operation of, its properties and its facilities, 2329
activities, and programs and to enter into agreements and 2330
arrangements related thereto, and to receive and apply the net 2331
proceeds thereof solely to the management, operation, 2332
development, maintenance, and repair of its properties, its 2333
buildings, facilities, improvements, and grounds; 2334

(2) Impose and collect a charge for admission for 2335
selective events, exhibits, and facilities; 2336

(3) Offer memberships of various denominations for 2337
selective activities or facilities; 2338

(4) Form advisory and other support committees to the 2339
board of trustees to provide counsel and assistance to the board 2340
in the management, operation, and development of its properties, 2341
buildings, facilities, improvements, and grounds; 2342

(5) Grant licenses, or enter into leases or contracts, for 2343
the use of any part of its properties, facilities, buildings, 2344
and grounds for such length of time and upon such terms and 2345
conditions as the board of trustees deems appropriate and 2346
necessary, and grant easements in, through, or over its 2347
property; 2348

(6) Receive and accept from any federal, state, county, 2349
municipal, or local government or agency, any grant or 2350
contribution of money, property, labor, or other things of 2351
value, to be held, used, and applied for the purpose for which 2352
such grants and contributions are made; and 2353

(7) Accept and expend gifts, grants, devises, and bequests 2354
of money and property on behalf of the board of trustees and 2355
hold, use, and apply such gifts, grants, devises, and bequests 2356
according to the terms thereof. 2357

(F) (1) For purposes of division (F) (2) of this section+ 2358

~~(a) "Bank", "bank" has the same meaning as in section 2359~~
1101.01 of the Revised Code. 2360

~~(b) "Savings and loan association" has the same meaning as 2361~~
~~in section 1151.01 of the Revised Code. 2362~~

~~(c) "Savings bank" has the same meaning as in section 2363~~
~~1161.01 of the Revised Code. 2364~~

(2) The board of trustees may enter into a contract for a 2365
secured line of credit with a bank, ~~savings and loan~~ 2366
~~association, or savings bank~~ if the contract meets all of the 2367
following requirements: 2368

(a) The term of the contract does not exceed one year, 2369
except that the contract may provide for the automatic renewal 2370
of the contract for up to four additional one-year periods. 2371

(b) The contract provides that the bank, ~~savings and loan~~ 2372
~~association, or savings bank~~ shall not commence a civil action 2373
against the board, any member of the board, or the county or the 2374
municipal corporation to recover the principal, interest, or any 2375
charges or other amounts that remain outstanding on the secured 2376
line of credit at the time of any default by the board. 2377

(c) The contract provides that no assets other than those 2378
of the joint recreation district can be used to secure the line 2379
of credit. 2380

(d) The terms and conditions of the contract comply with 2381
all state and federal statutes and rules governing the extension 2382
of a secured line of credit. 2383

(3) Any obligation incurred by a board of trustees of a 2384
joint recreation district pursuant to division (B) of this 2385

section is an obligation of that board only and not a general 2386
obligation of the board of county commissioners, the county, or 2387
the municipal corporation within the meaning of division (Q) of 2388
section 133.01 of the Revised Code. 2389

(G) (1) For purposes of division (G) (2) of this section, 2390
"lease-purchase agreement" has the same meaning as a lease with 2391
an option to purchase. 2392

(2) For any purpose for which a board of trustees of a 2393
joint recreation district described in this section is 2394
authorized to acquire real or personal property, that board may 2395
enter into a lease-purchase agreement in accordance with this 2396
section to acquire the property. 2397

The lease-purchase agreement shall provide for a series of 2398
terms in which no term extends beyond the end of the fiscal year 2399
of the joint recreation district in which that term commences. 2400
In total, the terms provided for in the agreement shall be for 2401
not more than the useful life of the real or personal property 2402
that is the subject of the agreement. A property's useful life 2403
shall be determined either by the maximum number of installment 2404
payments permitted under the statute that authorizes the board 2405
to acquire the property or, if there is no such provision, by 2406
the maximum number of years to maturity provided for the 2407
issuance of bonds in division (B) of section 133.20 of the 2408
Revised Code if bonds were to be issued by a subdivision under 2409
that section to finance such facilities. If the useful life 2410
cannot be determined under either of those statutes, it shall be 2411
estimated as provided in division (C) of section 133.20 of the 2412
Revised Code. 2413

The lease-purchase agreement shall provide that, at the 2414
end of the final term in the agreement, if all obligations of 2415

the joint recreation district have been satisfied, the title to 2416
the leased property shall vest in the joint recreation district 2417
if that title has not vested in the joint recreation district 2418
before or during the lease terms; except that the lease-purchase 2419
agreement may require the joint recreation district to pay an 2420
additional lump sum payment as a condition of obtaining that 2421
title. 2422

(3) A board of trustees of a joint recreation district 2423
that enters into a lease-purchase agreement under this section 2424
may do any of the following with the property that is the 2425
subject of the agreement: 2426

(a) If the property is personal property, assign the 2427
board's rights to that property; 2428

(b) Grant the lessor a security interest in the property; 2429

(c) If the property is real property, grant leases, 2430
easements, or licenses for underlying land or facilities under 2431
the board's control for terms not exceeding five years beyond 2432
the final term of the lease-purchase agreement. 2433

(4) The authority granted in division (G) of this section 2434
is in addition to and not in derogation of, any other financing 2435
authority provided by law. 2436

(H) The board of trustees of a joint recreation district 2437
described in this section may exercise such other powers as 2438
shall have been granted to it in the agreement between the 2439
municipal corporation and the board of county commissioners 2440
establishing the joint recreation district entered into pursuant 2441
to division (C) of section 755.14 of the Revised Code. 2442

Sec. 902.01. As used in this chapter: 2443

(A) "Bonds" means bonds, notes, or other forms of 2444
evidences of obligation issued in temporary or definitive form, 2445
including refunding bonds and notes and bonds and notes issued 2446
in anticipation of the issuance of bonds and renewal notes. 2447

(B) "Bond proceedings" means the resolution or ordinance 2448
or the trust agreement or indenture of mortgage, or combination 2449
thereof, authorizing or providing for the terms and conditions 2450
applicable to bonds issued under authority of this chapter. 2451

(C) "Borrower" means the recipient of a loan or the lessee 2452
or purchaser of a project under this chapter and is limited to a 2453
sole proprietor, or to a partnership, joint venture, firm, 2454
association, or corporation, a majority of whose stockholders, 2455
partners, members, or associates are persons or the spouses of 2456
persons related to each other within the fourth degree of 2457
kinship, according to law, provided that the sole proprietor or 2458
at least one of such related persons resides or will reside on 2459
or is or will actively operate the project or the farm or 2460
agricultural enterprise composed, in whole or in part, of the 2461
project, and provided further that the sole proprietor or all of 2462
the stockholders, members, partners, or associates are natural 2463
persons. The agricultural financing commission may establish 2464
procedures for the determination of the eligibility of borrowers 2465
under this chapter which determinations are conclusive in 2466
relation to the validity and enforceability of bonds issued 2467
under bond proceedings authorized in connection therewith, and 2468
in relation to security interests given and leases, subleases, 2469
sale agreements, loan agreements, and other agreements made in 2470
connection therewith, all in accordance with their terms. 2471

(D) "Composite financing arrangement" means the sale of a 2472
single issue of bonds to finance two or more projects, 2473

including, but not limited to, a single issue of bonds for a 2474
group of loans submitted by or through a single lending 2475
institution or with credit enhancement from a single lending 2476
institution, or the sale by or on behalf of one or more issuers 2477
of two or more issues or lots of bonds under or pursuant to a 2478
single sale agreement, single marketing arrangement, or single 2479
official statement, offering circular, or other marketing 2480
document. 2481

(E) "Issuer" means the state, or any county or municipal 2482
corporation of the state. 2483

(F) "Issuing authority" means in the case of a municipal 2484
corporation, the legislative authority thereof; and in the case 2485
of a county, the board of county commissioners or whatever 2486
officers, board, commission, council, or other body might 2487
succeed to or assume the legislative powers of the board of 2488
county commissioners. 2489

(G) "Lending institution" means ~~any domestic building and~~ 2490
~~loan association as defined in section 1151.01 of the Revised~~ 2491
~~Code, any service corporation the entire stock of which is owned~~ 2492
~~by one or more such building and loan associations, a bank which~~ 2493
that has its principal place of business located in this state, 2494
a bank subsidiary corporation that is wholly owned by a bank 2495
having its principal place of business located in this state, 2496
any state or federal governmental agency or instrumentality 2497
including without limitation the federal land bank, production 2498
credit association, or bank for cooperatives, or any of their 2499
local associations, or any other financial institution or entity 2500
authorized to make mortgage loans and qualified to do business 2501
in this state. 2502

(H) "Loan" includes a loan made to or through, or a 2503

deposit with, a lending institution or a loan made directly to 2504
the owner or operator of a project to finance one or more 2505
projects. Notwithstanding any other provision of this chapter, 2506
loans from proceeds of bonds issued under a composite financing 2507
arrangement shall be made only to or through, or by a deposit 2508
with, a lending institution, including the purchase of loans 2509
from lending institutions, or be made in any other manner in 2510
which a lending institution has been or is involved in the 2511
origination or credit enhancement of the loan. 2512

(I) "Mortgage loan" means a loan secured by a mortgage, 2513
deed of trust, or other security interest. 2514

(J) "Pledged facilities" means the project or projects 2515
mortgaged or facilities the rentals, revenues, and other income, 2516
charges, and moneys from which are pledged, or both, for the 2517
payment of the principal of and interest on the bonds issued 2518
under authority of section 902.04 of the Revised Code, and 2519
includes a project for which a loan has been made under 2520
authority of this chapter, in which case, references in this 2521
chapter to revenues of such pledged facilities or from the 2522
disposition thereof include payments made or to be made to or 2523
for the account of the issuer pursuant to such loan. 2524

(K) "Project" means real or personal property, or both, 2525
including undivided and other interests therein, acquired by 2526
gift or purchase, constructed, reconstructed, enlarged, 2527
improved, furnished, or equipped, or any combination thereof, by 2528
an issuer, or by others from the proceeds of bonds, located 2529
within the boundaries of the issuer, and used or to be used by a 2530
borrower for agricultural purposes as provided in division (D) 2531
of this section. A project is hereby determined to qualify as 2532
facilities for industry, commerce, distribution, or research 2533

described in Section 13 of Article VIII, Ohio Constitution. 2534

(L) "Purchase" means, with respect to loans, the purchase 2535
of loans from, or other acquisition by an issuer of loans of, 2536
lending institutions. 2537

(M) "Revenues" means the rentals, revenues, payments, 2538
repayments, income, charges, and moneys derived or to be derived 2539
from the use, lease, sublease, rental, sale, including 2540
installment sale or conditional sale, or other disposition of 2541
pledged facilities, or derived or to be derived pursuant to a 2542
loan made for a project, bond proceeds to the extent provided in 2543
the bond proceedings for the payment of principal of, or 2544
premium, if any, or interest on the bonds, proceeds from any 2545
insurance, condemnation, or guaranty pertaining to pledged 2546
facilities or the financing thereof, any income and profit from 2547
the investment of the proceeds of bonds or of any revenues, any 2548
fees and charges received by or on behalf of an issuer for the 2549
services of or commitments by the issuer, and moneys received in 2550
repayment of and for interest on any loan made or purchased by 2551
an issuer, moneys received by an issuer upon the sale of any 2552
bonds of the issuer under section 902.04 of the Revised Code, 2553
any moneys received from investment of funds of an issuer or 2554
from the sale of collateral securing loans made or purchased by 2555
the issuer, including collateral acquired by foreclosure or 2556
other action to enforce a security interest, and any moneys 2557
received in payment of a claim under insurance, guarantees, 2558
letters of credit, or otherwise with respect to any loans made 2559
or purchased by an issuer or any collateral held by the issuer 2560
of any bonds issued under this chapter. 2561

(N) "Security interest" means a mortgage, lien, or other 2562
encumbrance on, or pledge or assignment of, or other security 2563

interest with respect to all or any part of pledged facilities, 2564
revenues, reserve funds, or other funds established under the 2565
bond proceedings, or on, of, or with respect to, a lease, 2566
sublease, sale, conditional sale, or installment sale agreement, 2567
loan agreement, or any other agreement pertaining to the lease, 2568
sublease, sale, or other disposition of a project or pertaining 2569
to a loan made for a project, or any guaranty or insurance 2570
agreement made with respect thereto, or any interest of the 2571
issuer therein, or any other interest granted, assigned, 2572
purchased, or released to secure payments of the principal of, 2573
premium, if any, or interest on any bonds or to secure any other 2574
payments to be made by an issuer under the bond proceedings. Any 2575
security interest under this chapter may be prior or subordinate 2576
to or on a parity with any other mortgage, lien, encumbrance, 2577
pledge, assignment, or other security interest. 2578

Sec. 924.10. (A) There is hereby established in the state 2579
treasury a fund for each marketing program that is established 2580
by the director of agriculture pursuant to this chapter. Except 2581
as authorized in division (B) of this section, all moneys 2582
collected by the department of agriculture from each marketing 2583
program pursuant to section 924.09 of the Revised Code shall be 2584
paid into the fund for the marketing program and shall be 2585
disbursed only pursuant to a voucher approved by the director 2586
for use in defraying the costs of administration of the 2587
marketing program and for carrying out sections 924.02, 924.03, 2588
and 924.13 of the Revised Code. 2589

(B) In lieu of deposits in the fund established pursuant 2590
to division (A) of this section, the operating committee of any 2591
marketing program established pursuant to this chapter may 2592
deposit all moneys collected pursuant to section 924.09 of the 2593
Revised Code with a bank ~~or a savings and loan association~~ as 2594

defined in ~~sections~~section 1101.01 and ~~1151.01~~ of the Revised 2595
Code. All moneys collected pursuant to section 924.09 of the 2596
Revised Code and deposited pursuant to this division also shall 2597
be used only in defraying the costs of administration of the 2598
marketing program and for carrying out sections 924.02, 924.03, 2599
and 924.13 of the Revised Code. 2600

(C) Each operating committee shall establish a fiscal year 2601
for its marketing program and shall publish within sixty days of 2602
the end of each fiscal year an activity and financial report and 2603
make such report available to each producer who pays an 2604
assessment or otherwise contributes to the marketing program 2605
which the committee administers, and to other interested 2606
persons. 2607

(D) In addition to the reports required by division (C) of 2608
this section, any marketing program that deposits moneys in 2609
accordance with division (B) of this section shall submit to the 2610
director both of the following: 2611

(1) Annually, a financial statement prepared by a 2612
certified public accountant holding a live permit from the 2613
accountancy board issued pursuant to Chapter 4701. of the 2614
Revised Code. The marketing program shall file the financial 2615
statement with the director not more than sixty days after the 2616
end of each fiscal year. 2617

(2) Monthly, an unaudited financial statement. 2618

Sec. 924.26. (A) The grain marketing program operating 2619
committee shall levy on producers and, as provided in division 2620
(B) of this section, handlers the following assessments, as 2621
applicable: 2622

(1) One-half of one per cent of the per-bushel price of 2623

wheat at the first point of sale; 2624

(2) One-half of one per cent of the per-bushel price of 2625
barley at the first point of sale; 2626

(3) One-half of one per cent of the per-bushel price of 2627
rye at the first point of sale; 2628

(4) One-half of one per cent of the per-bushel price of 2629
oats at the first point of sale. 2630

(B) The director may require a handler to withhold 2631
assessments from any amounts that the handler owes to producers 2632
and to remit them to the director. A handler who pays for a 2633
producer an assessment that is levied under this section may 2634
deduct the amount of the assessment from any money that the 2635
handler owes to the producer. 2636

(C) The operating committee shall deposit all money 2637
collected under this section with a bank ~~or savings and loan~~ 2638
~~association~~ as defined in ~~sections~~ section 1101.01 and 1151.01 2639
of the Revised Code. All money so collected and deposited shall 2640
be used only for defraying the costs of administration of the 2641
marketing program and for carrying out sections 924.20 to 924.30 2642
of the Revised Code. The operating committee shall not use any 2643
assessments that it levies for any political or legislative 2644
purpose or for preferential treatment of one person to the 2645
detriment of any other person affected by the grain marketing 2646
program. 2647

(D) The operating committee shall refund to a producer the 2648
assessments that it collects from the producer not later than 2649
thirty days after receipt of a valid application by the producer 2650
for a refund, provided that the producer complies with the 2651
procedures for a refund established by the committee under 2652

section 924.24 of the Revised Code. 2653

An application for a refund shall be made on a form 2654
provided by the director. The operating committee shall ensure 2655
that refund forms are available where assessments for the grain 2656
marketing program are collected. 2657

Sec. 924.45. (A) (1) After a marketing agreement takes 2658
effect, a board of directors that will administer the marketing 2659
agreement shall be established in accordance with the terms of 2660
the marketing agreement. Except for the director of agriculture 2661
or the director's designee who shall serve as an ex officio 2662
member of the board of directors, members of the board shall be 2663
selected only from individuals who are producers that signed the 2664
marketing agreement. 2665

(2) The provisional board of directors created pursuant to 2666
division (B) (1) of section 924.42 of the Revised Code shall 2667
verify that the board of directors is established in accordance 2668
with the terms of the marketing agreement. If the provisional 2669
board of directors determines that the board of directors was 2670
not established in accordance with the terms of the marketing 2671
agreement, the provisional board shall notify the director who 2672
shall take appropriate actions to ensure that the board of 2673
directors is established in accordance with the terms of the 2674
marketing agreement. If the provisional board of directors 2675
determines that the board of directors was established in 2676
accordance with the terms of the marketing agreement, the 2677
provisional board shall cease to exist. 2678

(B) A board of directors that is established to administer 2679
a marketing agreement shall do all of the following: 2680

(1) Establish priorities of the board that are consistent 2681

with the estimated financial resources that will be generated 2682
under the terms of the marketing agreement and with the scope of 2683
the marketing agreement; 2684

(2) Prepare a budget that is consistent with the estimated 2685
financial resources that will be generated under the terms of 2686
the marketing agreement and with the scope of the marketing 2687
agreement; 2688

(3) Deposit all money collected pursuant to the marketing 2689
agreement with a bank as defined in section 1101.01 of the 2690
~~Revised Code or with a savings and loan association as defined~~ 2691
~~in section 1151.01 of the Revised Code.~~ The board shall use the 2692
money only to pay the costs of the board in administering the 2693
marketing agreement and of the activities authorized under the 2694
marketing agreement and under sections 924.40 to 924.45 of the 2695
Revised Code. 2696

(4) Establish a fiscal year for purposes of marketing 2697
activities performed under the terms of the marketing agreement; 2698

(5) Publish an activity and financial report not later 2699
than sixty days after the end of a fiscal year. The board shall 2700
make the report available to each producer that signed the 2701
marketing agreement and to other interested parties. 2702

(6) Provide annually to the director of agriculture and to 2703
each producer that signed the marketing agreement a financial 2704
statement that is prepared by a person who holds a current 2705
certificate as a certified public accountant issued under 2706
Chapter 4701. of the Revised Code. The board shall provide the 2707
financial statement to the director not later than sixty days 2708
after the end of a fiscal year. 2709

(7) Reimburse the department of agriculture for actual 2710

administrative costs incurred by the department in the 2711
administration of sections 924.40 to 924.45 of the Revised Code. 2712
However, the amount reimbursed in a fiscal year shall not exceed 2713
ten per cent of the total amount of money collected in that 2714
fiscal year by the board of directors under the authority of the 2715
marketing agreement. 2716

(8) Perform all other acts and exercise all other powers 2717
that are reasonably necessary, proper, or advisable to 2718
effectuate the purposes of sections 924.40 to 924.45 of the 2719
Revised Code. 2720

(C) A board of directors that is established to administer 2721
a marketing agreement may do all of the following: 2722

(1) Propose to the director rules that are necessary for 2723
the board to perform its duties under the requirements of the 2724
marketing agreement and under sections 924.40 to 924.45 of the 2725
Revised Code; 2726

(2) Hire personnel and contract for services that are 2727
necessary for the implementation and administration of the 2728
marketing agreement; 2729

(3) Receive and investigate, or cause to be investigated, 2730
a complaint concerning an alleged violation of a term of the 2731
marketing agreement. If the board determines that such a 2732
violation has occurred, the board shall refer the matter to the 2733
director for enforcement. 2734

(4) Amend the marketing agreement in accordance with the 2735
terms of the marketing agreement and with sections 924.40 to 2736
924.45 of the Revised Code; 2737

(5) Terminate the marketing agreement with the approval of 2738
a majority of the participating producers that are signatories 2739

to the marketing agreement. If the marketing agreement is 2740
terminated, the board shall distribute any remaining unobligated 2741
money collected under the authority of the marketing agreement 2742
to each participating producer in the same proportion that the 2743
producer paid assessments under the marketing agreement. 2744

Sec. 1101.01. As used in Chapters 1101. to 1127. of the 2745
Revised Code, unless the context requires otherwise: 2746

(A) "Affiliate" has the same meaning as in division (A)(1) 2747
of section 1109.53 of the Revised Code and includes a subsidiary 2748
of a bank. 2749

(B) "Bank" ~~or "banking corporation"~~ means ~~a corporation an~~ 2750
entity that solicits, receives, or accepts money or its 2751
equivalent for deposit as a business, whether the deposit is 2752
made by check or is evidenced by a certificate of deposit, 2753
passbook, note, receipt, ledger card, or otherwise. "Bank" ~~also~~ 2754
~~or "banking corporation"~~ includes a state bank or ~~a corporation~~ 2755
any entity doing business as a bank ~~or~~, savings bank, or 2756
savings association under authority granted by the office of the 2757
comptroller of the currency or the former office of thrift 2758
supervision, the appropriate bank regulatory authority of 2759
another state of the United States, or the appropriate bank 2760
regulatory authority of another country, but does not include a 2761
~~savings association, savings bank, or~~ credit union. 2762

(C) "Bank holding company" has the same meaning as in the 2763
"Bank Holding Company Act of 1956," 70 Stat. 133, 12 U.S.C. 2764
1841, as amended. 2765

(D) "Banking office" means an office or other place 2766
established by a bank at which ~~a~~ the bank receives money or its 2767
equivalent from the public for deposit and conducts a general 2768

banking business. "Banking office" does not include any of the 2769
following: 2770

(1) Any location at which a bank receives, but does not 2771
accept, cash or other items for subsequent deposit, such as by 2772
mail or armored car service or at a lock box or night 2773
depository; 2774

(2) Any structure located within five hundred yards of ~~a~~ 2775
an approved banking office of a bank and operated as an 2776
extension of the services of the banking office; 2777

(3) Any automated teller machine, remote service unit, or 2778
other money transmission device owned, leased, or operated by a 2779
bank; 2780

(4) Any facility located within the geographical limits of 2781
a military installation at which a bank only accepts deposits 2782
and cashes checks; 2783

(5) Any location at which a bank takes and processes 2784
applications for loans and may disburse loan proceeds, but does 2785
not accept deposits; 2786

(6) Any location at which a bank is engaged solely in 2787
providing administrative support services for its own operations 2788
or for other depository institutions. 2789

~~(D)~~ (E) "Branch" means a banking office that is not also 2790
the bank's principal place of business consistent with its 2791
articles of incorporation or articles of association. 2792

~~(E)~~ "Capital" ~~(F)~~ (1) With respect to a stock state bank, 2793
"capital" means the sum of ~~a~~ the bank's: 2794

~~(1)~~ (a) Paid-in capital and surplus relating to common 2795
stock; 2796

(2) <u>(b)</u> To the extent permitted by the superintendent of financial institutions, paid-in capital and surplus relating to preferred stock;	2797 2798 2799
(3) <u>(c)</u> Undivided profits; and	2800
(4) <u>(d)</u> To the extent permitted by the superintendent the proceeds of the sale of debt securities and other assets and reserves.	2801 2802 2803
(F) <u>(2)</u> With respect to a mutual state bank, "capital" means either of the following:	2804 2805
<u>(a)</u> Retained earnings;	2806
<u>(b)</u> At the discretion of the superintendent, any other form of capital, subject to any applicable federal and state laws.	2807 2808 2809
<u>(G)</u> "Code of regulations" includes a constitution adopted by a state bank for similar purposes.	2810 2811
<u>(H)</u> "Control" has the same meaning as in division (H) of section 1109.53 of the Revised Code.	2812 2813
(G) "Controlling shareholder" means a person who, directly or indirectly, controls a bank.	2814 2815
(H) <u>(I)</u> "Debt securities" means obligations issued by a bank the holders of which, in the event of the insolvency or liquidation of the bank, are subordinated in right of payment to the bank's depositors and general creditors.	2816 2817 2818 2819
(I) <u>(J)</u> "Deposit" has the same meaning as in 12 C.F.R. 204.2, as amended.	2820 2821
<u>(K)</u> "Entity" has the same meaning as in section 1701.01 of the Revised Code.	2822 2823

(L) "Federal savings association" means a federal savings and loan association or a federal savings bank doing business under authority granted by the office of the comptroller of the currency or the former office of thrift supervision.

~~(J)~~ (M) "Mutual holding company" means either of the following:

(1) A mutual state bank or an affiliate of a mutual state bank reorganized in accordance with Chapter 1116. of the Revised Code to hold all or part of the shares of the capital stock of a subsidiary state bank;

(2) A mutual holding company organized in accordance with 12 U.S.C. 1467a(o) that has converted to a mutual holding company under Chapter 1116. of the Revised Code.

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

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

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

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

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

(S) "Remote service unit" means an automated facility, 2852
operated by a customer of a bank, that conducts banking 2853
functions, such as receiving deposits, paying withdrawals, or 2854
lending money. 2855

(T) "Reorganization" means a consolidation, merger, or 2856
transfer of assets and liabilities pursuant to Chapter 1115. or 2857
1116. of the Revised Code. 2858

~~(N)~~ (U) "Savings and loan holding company" has the same 2859
meaning as in 12 U.S.C. 1467a. 2860

(V) "Savings association" means a savings and loan 2861
association doing business under authority granted by the 2862
~~superintendent of financial institutions pursuant to Chapter~~ 2863
~~1151. of the Revised Code, a savings and loan association doing~~ 2864
~~business under authority granted by the regulatory authority of~~ 2865
another state, or a federal savings association. "Savings 2866
association" also includes a state bank that elects to operate 2867
as a savings and loan association under section 1109.021 of the 2868
Revised Code. 2869

~~(O)~~ (W) "Savings bank" means a savings bank doing business 2870
under authority granted by the superintendent of financial 2871
~~institutions pursuant to Chapter 1161. of the Revised Code or a~~ 2872
~~savings bank doing business under authority granted by the~~ 2873
regulatory authority of another state. 2874

~~(P)~~ (X) "Shares" means any equity interest, including a 2875
limited partnership interest and any other equity interest in 2876
which liability is limited to the amount of the investment. 2877
"Shares" does not include a general partnership interest or any 2878
other interest involving general liability. 2879

(Y) "State bank" means a bank doing business under 2880

authority granted by the superintendent of financial 2881
institutions. "State bank" includes a state bank that elects to 2882
operate as a savings and loan association under section 1109.021 2883
of the Revised Code. 2884

~~(Q)~~ (Z) "Stock state bank" means a state bank that has an 2885
ownership structure represented by shares of stock. 2886

(AA) "Subsidiary" has the same meaning as in section 2887
1109.53 of the Revised Code. 2888

~~(R)~~ (BB) "Surplus" means the total of amounts paid for 2889
shares in excess of their respective par values, amounts 2890
contributed other than for shares, and amounts transferred from 2891
undivided profits, less amounts transferred to stated capital. 2892

~~(S)~~ (CC) "Trust company" means a corporation an entity 2893
qualified and licensed under section 1111.06 of the Revised Code 2894
to solicit or engage in trust business in this state, or a 2895
person that is required by Chapter 1111. of the Revised Code to 2896
be ~~a corporation~~ an entity qualified and licensed under section 2897
1111.06 of the Revised Code to solicit or engage in trust 2898
business in this state. 2899

~~(T)~~ (DD) "Undivided profits" means the cumulative 2900
undistributed amount of a bank's net income not otherwise 2901
allocated. 2902

Sec. 1101.02. It is hereby declared to be the purpose of 2903
the general assembly in enacting Chapters 1101. to 1127. of the 2904
Revised Code to do all of the following: 2905

(A) Delegate to the division of financial institutions 2906
rule-making power and administrative discretion, subject to 2907
Chapters 1101. to 1127. of the Revised Code, to assure the 2908
supervision and regulation of banks chartered under the laws of 2909

this state may be flexible and readily responsive to changes in 2910
economic conditions, banking practices, and the financial 2911
services industry; 2912

(B) Provide for the protection of the interests of 2913
depositors, creditors, shareholders, members, and the general 2914
public in banks doing business in this state; 2915

(C) Permit banks to effectively serve the convenience and 2916
needs of their depositors, borrowers, and others, and permit the 2917
continued improvement of the products and services banks 2918
provide; 2919

(D) Provide the opportunity for the boards and management 2920
of banks to exercise their business judgment, subject to the 2921
provisions of Chapters 1101. to 1127. and 1701. of the Revised 2922
Code; 2923

(E) Provide state banks with competitive parity with other 2924
types of financial institutions doing business in this state; 2925

(F) Sustain the viability of the state bank charter option 2926
and the dual banking system in this state and the United States; 2927

~~(F)~~-(G) Clarify and modernize the laws governing banking. 2928

Sec. 1101.03. (A) Except as otherwise provided in this 2929
section, every bank existing on or incorporated after ~~January 1,~~ 2930
~~1997,~~ the effective date of this amendment is subject to 2931
Chapters 1101. to 1127. of the Revised Code. 2932

(B) Except as otherwise provided in this section, Chapters 2933
1101. to 1127. of the Revised Code do not affect the legality of 2934
banks organized, loans or investments made or committed to be 2935
made, or transactions completed or committed before ~~January 1,~~ 2936
~~1997,~~ the effective date of this amendment. 2937

(C) Except as otherwise provided in this section, Chapters 1101. to 1127. of the Revised Code do not affect the status of any bank organized, or any banking office established or authorized, before ~~January 1, 1997~~ the effective date of this amendment. 2938
2939
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2942

(D) Chapters 1101. to 1127. of the Revised Code do not apply to persons in their fiduciary capacities, as follows: 2943
2944

(1) Any person who, on ~~January 1, 1997~~ the effective date of this amendment, is serving as a fiduciary under a trust instrument, will, or other document executed before ~~January 1, 1997~~ the effective date of this amendment; 2945
2946
2947
2948

(2) Any person who is named or nominated as a potential, prospective, or successor fiduciary in a trust instrument, will, or other document executed before ~~January 1, 1997~~ the effective date of this amendment. 2949
2950
2951
2952

(E) Both of the following apply to every savings bank and savings and loan association that is organized under the laws of this state and is in existence as of the effective date of this amendment: 2953
2954
2955
2956

(1) The powers, privileges, duties, and restrictions conferred and imposed in the charter or act of incorporation of such an institution are hereby abridged, enlarged, or otherwise modified so that each charter or act of incorporation conforms to the provisions of this title. 2957
2958
2959
2960
2961

(2) Notwithstanding any contrary provision in its charter or act of incorporation, every such institution possesses the powers, rights, and privileges and is subject to the duties, restrictions, and liabilities conferred and imposed by this title. 2962
2963
2964
2965
2966

(F) Any state bank that wishes to become or remain an 2967
affiliate of a savings and loan holding company may do so by 2968
complying with section 1109.021 of the Revised Code. 2969

Sec. 1101.05. Except as otherwise expressly provided, the 2970
provisions of Chapters 1101. to 1127. of the Revised Code and 2971
any rules adopted under those chapters: 2972

(A) Are enforceable only by the superintendent of 2973
financial institutions, the superintendent's designee, the 2974
federal deposit insurance corporation, the federal reserve, or, 2975
with respect to Chapter 1127. of the Revised Code, a prosecuting 2976
attorney; and 2977

(B) Do not create or provide a private right of action or 2978
defense for or on behalf of any party other than the 2979
superintendent or the superintendent's designee. 2980

Sec. 1101.15. (A) (1) Except as provided in division (A) (2) 2981
of this section, no person other than a bank doing business 2982
under authority granted by the superintendent of financial 2983
institutions, the bank chartering authority of another state, 2984
the office of the comptroller of the currency, or the bank 2985
chartering authority of a foreign country shall do either of the 2986
following: 2987

(a) Use "bank," "banker," ~~or~~ "banking," "savings 2988
association," "savings and loan," "building and loan," or 2989
"savings bank," or a word or combination of words of similar 2990
meaning in any other language, in a designation or name, or as 2991
any part of a designation or name, under which business is or 2992
may be conducted in this state; 2993

(b) Represent itself as a bank. 2994

(2) ~~(a) A corporation doing business under Chapter 1151. of~~ 2995

~~the Revised Code 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, as provided in
section 1151.07 of the Revised Code.~~

~~(b) A corporation doing business under Chapter 1161. of
the Revised Code 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, as provided in
section 1161.09 of the Revised Code.~~

~~(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 fiduciary and exempt from licensure under Chapter 1111. of the Revised Code may serve as a fiduciary to the extent permitted by the exemption.

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

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

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

~~(f)~~ (d) A person, whether operating for profit or not, may use "trust" or a word or words of similar meaning in any other language, in a designation or name, 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 3055
to mislead the public and authorizes the use of the name. 3056

(C) No bank or trust company shall use "state" as part of 3057
a designation or name under which it transacts business in this 3058
state, unless the bank or trust company is doing business under 3059
authority granted by the superintendent or the bank chartering 3060
authority of another state. 3061

Sec. 1101.16. (A) No person shall solicit, receive, or 3062
accept ~~deposits~~ money or its equivalent for deposit as a 3063
business in this state, except a state bank, a domestic 3064
~~association as defined in section 1151.01 of the Revised Code, a~~ 3065
~~savings bank as defined in section 1161.01 of the Revised Code~~ 3066
an entity doing business as a bank, savings bank, or savings 3067
association under authority granted by the bank regulatory 3068
authority of the United States, another state of the United 3069
States, or another country, or a credit union as defined in 3070
section 1733.01 of the Revised Code that is authorized to accept 3071
deposits in this state, ~~and except as provided in sections~~ 3072
~~1115.05, 1117.01, 1151.052, 1151.053, 1151.60, 1161.07,~~ 3073
~~1161.071, and 1161.76 of the Revised Code.~~ 3074

(B) ~~No bank or bank holding company incorporated under the~~ 3075
~~laws of another state or having its principal place of business~~ 3076
~~in another state shall solicit, receive, or accept deposits in~~ 3077
~~this state unless it has established or acquired a banking~~ 3078
~~office pursuant to section 1117.01 of the Revised Code or a~~ 3079
~~transaction under section 1115.05 of the Revised Code, or~~ 3080
~~transact any banking business of any kind in this state other~~ 3081
~~than lending money, trust business in accordance with Chapter~~ 3082
~~1111. of the Revised Code, or through or as an agent pursuant to~~ 3083
~~section 1117.05 of the Revised Code.~~ 3084

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

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

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

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

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

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

- (a) "Bank," "banking," "company," or "co."; 3114
- (b) "Savings," "loan," "savings and loan," "building and loan," or "thrift." 3115
3116
- (2) May include the word "state," "federal," 3117
"association," or, if approved by the superintendent of 3118
financial institutions, another term; 3119
- (3) Shall not, as determined by the superintendent ~~of~~ 3120
~~financial institutions,~~ be likely to mislead the public as to 3121
the bank's character or purpose; 3122
- (4) Shall, as determined by the superintendent, be 3123
distinguishable from all names already recorded by existing 3124
financial institutions in this state or for which reservations 3125
under this section are in effect, unless the existing financial 3126
institution that earliest recorded a name from which the 3127
proposed name is not distinguishable, or the person that 3128
reserved a name from which the proposed name is not 3129
distinguishable, has filed its written consent with the 3130
superintendent and with the secretary of state pursuant to 3131
division (C) of section 1701.05 of the Revised Code. 3132
- (B) To reserve a name for a state bank to be organized 3133
under Chapter 1113. or 1114. of the Revised Code or for an 3134
existing state bank, a person shall submit to the superintendent 3135
a written application for the exclusive right to use a specified 3136
name. If the superintendent finds that the specified name 3137
satisfies the requirements for a state bank name and is 3138
available for use in accordance with this section, the 3139
superintendent shall endorse approval on the application and 3140
forward the reservation to the secretary of state for filing. 3141
- (C) (1) Reservation of a name pursuant to division (B) of 3142

this section gives the applicant the exclusive right to use the 3143
name as follows: 3144

(a) If the reservation application is submitted to the 3145
superintendent prior to submitting an application to incorporate 3146
a new state bank or amended articles of incorporation or an 3147
amendment to the articles of incorporation, for one hundred 3148
eighty days after the date on which the secretary of state filed 3149
the reservation endorsed by the superintendent, and for one year 3150
after the date on which the secretary of state filed the 3151
reservation endorsed by the superintendent if the superintendent 3152
extends the reservation; 3153

(b) If an application to incorporate a new state bank or 3154
amended articles of incorporation or an amendment to the 3155
articles of incorporation for an existing state bank is 3156
submitted to the superintendent concurrently with the 3157
reservation application or during the time a previously filed 3158
reservation remains in effect, from the date on which the 3159
secretary of state filed the reservation endorsed by the 3160
superintendent until the superintendent approves or disapproves 3161
the incorporation of the new state bank or the amended articles 3162
of incorporation or amendment to the articles of incorporation 3163
for an existing state bank. 3164

(2) The superintendent shall, on behalf of a state bank or 3165
other person that has reserved a name pursuant to this section, 3166
endorse and forward to the secretary of state any additional 3167
name reservations required to maintain the reservation of the 3168
name under section 1701.05 of the Revised Code for as long as 3169
the name reservation is in effect pursuant to division (C)(1) of 3170
this section. 3171

(D) For purposes of this section, a name is recorded if it 3172

is either of the following: 3173

(1) The name of a ~~financial institution~~ bank, savings 3174
bank, or savings association in its articles of incorporation or 3175
articles of association on the records of the secretary of 3176
state, superintendent of financial institutions, office of the 3177
comptroller of the currency, ~~office of thrift supervision,~~ or 3178
any of their successors; 3179

(2) Registered as, or as part of, a trade name or service 3180
mark with the secretary of state. 3181

(E) (1) Absent the express written permission of the state 3182
bank, no person shall use the name of a state bank in an 3183
advertisement, solicitation, promotional, or other material in a 3184
way that may mislead another person, or cause another person to 3185
be misled, into believing that the person issuing the 3186
advertisement, solicitation, promotional, or other material is 3187
associated or affiliated with the state bank. 3188

(2) A state bank injured by a violation of division (E) (1) 3189
of this section may bring an action in law or equity for 3190
recovery of damages, a temporary restraining order, an 3191
injunction, or any other available remedy. 3192

Sec. 1103.18. (A) Instead of a treasurer, as required by 3193
section 1701.64 of the Revised Code, a state bank may have a 3194
cashier, controller, comptroller, or other officer whose 3195
authority and duties the superintendent of financial 3196
institutions determines are essentially equivalent to those of a 3197
treasurer. 3198

(B) For any state bank that has a cashier, controller, 3199
comptroller, or other officer instead of a treasurer, as 3200
authorized by division (A) of this section, the cashier, 3201

controller, comptroller, or other officer may execute, 3202
acknowledge, or verify any instrument or take any other action 3203
that by law a treasurer of the state bank would be authorized to 3204
execute, acknowledge, verify, or take. 3205

Sec. 1103.19. When the signatures of two ~~officers~~ 3206
authorized representatives of a state bank are required, as for 3207
a certificate for an amendment of the state bank's articles of 3208
incorporation or amended articles of incorporation pursuant to 3209
section ~~1103.08 or 1103.09~~ 1113.12, 1113.13, or 1114.11 of the 3210
Revised Code or for certification of a conversion pursuant to 3211
section 1115.01 of the Revised Code, a consolidation or merger 3212
pursuant to section 1115.11 of the Revised Code, or a transfer 3213
of assets and liabilities pursuant to section 1115.14 of the 3214
Revised Code, one of the ~~officers~~ authorized representatives 3215
signing shall be the chairperson of the board of directors, the 3216
president, or a vice-president, as determined by the board of 3217
directors. The other ~~officer~~ authorized representative signing 3218
shall be the secretary or an assistant secretary, as determined 3219
by the board of directors. 3220

Sec. 1103.20. (A) When any provision in Chapters 1101. to 3221
1127. or Chapter 1701. of the Revised Code requires a document 3222
regarding an existing, previously existing, or proposed state 3223
bank to be filed with the secretary of state, all of the 3224
following apply: 3225

(1) The person responsible for producing the document 3226
shall deliver the document, properly completed, to the 3227
superintendent of financial institutions, along with payment for 3228
any fee required for filing the document with the secretary of 3229
state. 3230

(2) The superintendent shall file the document, and any 3231

required approval by the superintendent, with the secretary of 3232
state. 3233

(3) The secretary of state shall send a certified copy of 3234
the document to both the superintendent and the state bank or 3235
other person on whose behalf the superintendent filed the 3236
document. 3237

(B) If the person responsible for producing the document 3238
to be filed fails to comply with division (A) (1) of this 3239
section, the action or transaction to which the document relates 3240
is not authorized or effective. 3241

Sec. 1103.99. Whoever violates division (E) (1) of section 3242
1103.07 of the Revised Code shall be subject to a civil penalty 3243
of up to ten thousand dollars for each day the violation is 3244
committed, repeated, or continued. 3245

Sec. 1105.01. (A) Except where the Revised Code, the 3246
articles of incorporation, or the code of regulations require 3247
action to be authorized or taken by shareholders or members, all 3248
of the authority of a state bank shall be exercised by or under 3249
the direction of the bank's board of directors. The board of 3250
directors shall consist of not less than five directors. 3251

(B) Unless the articles of incorporation or the code of 3252
regulations provide for a different term, which may not exceed 3253
three years from the date of the director's election and until 3254
the director's successor is elected and qualified, each director 3255
shall hold office until the next annual meeting of the 3256
shareholders or members and until the director's successor is 3257
elected and qualified, or until the director's earlier 3258
resignation, removal from office, or death. 3259

(C) The articles of incorporation or the code of 3260

regulations may provide for the classification of directors into 3261
either two or three classes consisting of not less than ~~three~~ 3262
two directors each. The terms of office of the several classes 3263
need not be uniform, except that no term shall exceed the 3264
maximum time specified in division (B) of this section. 3265

Sec. 1105.02. (A) (1) Of the directors on the board of 3266
directors of a state bank: 3267

(a) A majority of the directors shall be outside 3268
directors. However, in the case of a stock state bank, if eighty 3269
per cent or more of any class of the bank's voting shares are 3270
owned by a company, a majority of the directors may be officers 3271
or directors of one or more affiliates of the bank. 3272

~~(b) A majority of the directors shall be residents of this~~ 3273
~~state or live within one hundred miles of this state~~ For 3274
purposes of this section, anyone who is not an employee of the 3275
state bank or the bank holding company shall be considered an 3276
outside director. 3277

(2) (a) If during a term of office a director causes the 3278
total membership of the board to be ~~in violation of~~ out of 3279
compliance with division (A) (1) (a) ~~or (b)~~ of this section, the 3280
director forfeits the directorship, and the director's office is 3281
then vacant. 3282

~~(b) If the membership of a board of directors of a bank on~~ 3283
~~July 14, 1987, is composed in violation of division (A) (1) (a) or~~ 3284
~~(b) of this section, the directors who are holding office on~~ 3285
~~that date may continue to hold office, and may be reelected or~~ 3286
~~reappointed if there is no interruption in their respective~~ 3287
~~service.~~ 3288

~~(c)~~ No new director, or former director who is elected or 3289

appointed to the board after an interruption in service, shall 3290
be elected or appointed ~~in violation of~~ if it causes the total 3291
membership of the board to be out of compliance with division 3292
(A) (1) (a) ~~or (b)~~ of this section. 3293

(B) (1) No person who has been convicted of, or has pleaded 3294
guilty to, a felony or any crime involving an act of fraud, 3295
dishonesty or, breach of trust, theft, or money laundering 3296
shall take office serve as a director of a bank or a subsidiary 3297
or affiliate of a bank. The superintendent of financial 3298
institutions may waive this restriction if the crime the person 3299
was convicted of or pleaded guilty to was a misdemeanor or minor 3300
misdemeanor or the equivalent thereof. 3301

(2) If during a term of office any director is convicted 3302
of, or pleads guilty to, a ~~felony crime~~ described under division 3303
(B) (1) of this section, the director forfeits the directorship, 3304
and the director's office is then vacant. 3305

Sec. 1105.03. (A) To qualify as a director, each person 3306
elected or appointed to the board of directors shall, within 3307
sixty days after election or appointment, take and subscribe an 3308
oath to diligently and honestly perform the duties of a director 3309
and to not knowingly violate or permit to be violated any 3310
federal banking law or any provision of Chapters 1101. to 1127. 3311
of the Revised Code. 3312

(B) Promptly upon execution, and within sixty days of the 3313
person's election or appointment, the oath shall be filed with 3314
the secretary of the state bank. 3315

Sec. 1105.04. Each officer and employee of a state bank, 3316
prior to the discharge of the officer's or employee's duties, 3317
shall be covered by an individual, schedule, or blanket fidelity 3318

bond in favor of the bank, with terms and issuing insurer 3319
approved by the board of directors. The amount of the bond shall 3320
be set by the board of directors, and shall be reasonable given 3321
the size of the bank and nature of its business. The board of 3322
directors are not required to provide a bond covering their 3323
duties as directors. 3324

Sec. 1105.08. (A) (1) A state bank's board of directors 3325
shall meet monthly unless the bank's code of regulations 3326
provides for a different frequency of meetings, which shall not 3327
be less than quarterly. 3328

(2) Division (A) (1) of this section does not prohibit 3329
either of the following: 3330

(a) A state bank's board of directors meeting more 3331
frequently than required by division (A) (1) of this section or 3332
the bank's code of regulations; 3333

(b) The superintendent of financial institutions requiring 3334
a state bank's board of directors to meet more frequently than 3335
required by division (A) (1) of this section or the bank's code 3336
of regulations if the superintendent determines more frequent 3337
meetings are appropriate because of circumstances regarding the 3338
bank. 3339

(B) Unless prohibited by the articles of incorporation, 3340
the code of regulations, or, in the case of a committee of the 3341
board of directors, an order of the board of directors, meetings 3342
of the board of directors or a committee of the board of 3343
directors may be held ~~through~~ in any manner permitted by the 3344
laws of this state, including by communications equipment, if 3345
all persons participating can communicate with each of the 3346
others. Participation in a meeting in accordance with this 3347

division constitutes presence at the meeting. 3348

(C) Minutes shall be kept of all meetings of a state 3349
bank's board of directors and of any committees of the board of 3350
directors, and shall be recorded in a readable and reproducible 3351
form and kept at the bank. The minutes shall show the action of 3352
the board of directors or any committee of the board of 3353
directors on loans, discounts, and investments made or 3354
authorized. The minutes of all committees of the board of 3355
directors shall be submitted to the board of directors for 3356
review at each meeting of the board of directors. 3357

Sec. 1105.10. (A) Once elected or appointed, a director 3358
may be removed ~~by~~ as follows: 3359

(1) By the board of directors or the superintendent of 3360
financial institutions if ~~either~~ any of the following applies: 3361

~~(1)(a)~~ The director has filed for relief or is a debtor 3362
in a case filed under Title XI of the United States Code; 3363

~~(2)(b)~~ A court has determined the director is 3364
incompetent; 3365

(c) The director has been removed in accordance with 3366
federal law. 3367

(2) By the board of directors for any of the grounds set 3368
forth in the state bank's code of regulations or bylaws; 3369

(3) By a majority of the disinterested directors if they 3370
determine the director has a conflict of interest. 3371

(B) (1) (a) Except as provided in division (B) (1) (b) of this 3372
section, unless the articles of incorporation or the code of 3373
regulations of the state bank expressly provide that removal of 3374
members of the board of directors shall require a greater vote, 3375

the shareholders or members may remove all the directors, all 3376
the directors of a particular class, or any individual director 3377
from office, without assigning any cause, by the vote of the 3378
holders of a majority of the voting power entitling them to 3379
elect directors in place of those to be removed. 3380

(b) If the shareholders or members have the right to vote 3381
cumulatively in the election of directors of the bank, unless 3382
all the directors or all the directors of a particular class are 3383
removed, the vote of shareholders or members does not remove an 3384
individual director if the votes cast against the director's 3385
removal, if cumulatively voted at an election of all the 3386
directors or all the directors of a particular class, as the 3387
case may be, would be sufficient to elect at least one director. 3388

(2) If one or more directors is removed pursuant to 3389
division (B)(1) of this section, the shareholders or members may 3390
elect a new director at the same meeting for the unexpired term 3391
of each director removed. Failure of the shareholders or members 3392
to elect a director to fill the unexpired term of any director 3393
removed is deemed to create a vacancy in the board. 3394

(C) Unless the articles of incorporation or the code of 3395
regulations otherwise provide, the remaining directors, though 3396
less than a majority of the whole authorized number of 3397
directors, may, by the vote of a majority of their number, fill 3398
any vacancy in the board for the unexpired term. 3399

(1) A vacancy exists if the shareholders or members 3400
increase the authorized number of directors but fail at the 3401
meeting at which the increase is authorized, or an adjournment 3402
of the meeting, to elect the additional directors provided for, 3403
or if the shareholders or members fail at any time to elect the 3404
whole authorized number of directors. 3405

(2) The office of a member of the board of directors 3406
becomes vacant if the director dies ~~or~~, resigns, or is removed. 3407
A resignation takes effect immediately unless the director 3408
specifies another time. 3409

(D) If a vacancy created on the board of directors causes 3410
the number of directors to be less than that fixed by the 3411
articles of incorporation or code of regulations, the vacancy 3412
shall not be required to be filled until such time as an 3413
appropriate candidate is identified and duly appointed or 3414
elected. 3415

(E) Notwithstanding divisions (B) and (C) of this section, 3416
the requirement for a quorum set forth in section 1701.62 of the 3417
Revised Code applies to a state bank's board of directors. 3418

Sec. 1105.11. ~~Any (A) A~~ A director, officer, employee, or 3419
other institution-affiliated party of a bank who knowingly 3420
violates or knowingly permits any of the officers, agents, or 3421
employees of the bank to violate any provision of Chapters 1101. 3422
to 1127. of the Revised Code shall not be liable personally and 3423
individually liable for all direct or indirect damages the bank, 3424
its shareholders or members, or any other person sustains in 3425
consequence of the a violation of or failure to comply with any 3426
provision of Chapters 1101. to 1127. of the Revised Code or the 3427
rules adopted under those chapters, including any civil money 3428
penalties, unless it can be shown that the director, officer, 3429
employee, or other institution-affiliated party knowingly 3430
violated or failed to comply with that provision of law or, with 3431
respect to a director's liability, that the director knowingly 3432
permitted any of the officers, employees, or other institution- 3433
affiliated parties to violate or fail to comply with any such 3434
provision. 3435

(B) Nothing in this section shall be construed to deprive 3436
a director of the defenses set forth in section 1701.59 of the 3437
Revised Code. 3438

Sec. 1107.03. No state bank shall operate without adequate 3439
capital as determined by the superintendent of financial 3440
institutions. In evaluating the adequacy of a state bank's 3441
capital, the superintendent may consider any of the following: 3442

(A) The nature and volume of the bank's business; 3443

(B) The amount, nature, quality, and liquidity of the 3444
bank's assets; 3445

(C) The amount and nature of the bank's liabilities, 3446
including those that are not presently due or are contingent; 3447

(D) The amount and nature of the bank's fixed costs; 3448

(E) The history of and prospects for the bank to earn and 3449
retain income; 3450

(F) The quality of the bank's operations, including risk 3451
management; 3452

(G) The quality of the bank's management; 3453

(H) The nature and quality of the bank's ownership; 3454

(I) Any other factor the superintendent finds to be 3455
relevant under the circumstances. 3456

Sec. 1107.05. (A) A state bank may issue debt securities 3457
at the times, in the amounts, and subject to the terms approved 3458
in writing by the superintendent of financial institutions. 3459

(B) ~~The~~ In the case of a stock state bank, the terms of 3460
debt securities may include either of the following: 3461

(1) Options to subscribe to or purchase the bank's shares 3462
at not less than par value; 3463

(2) The right to convert the debt securities to the bank's 3464
shares, if the par value of the shares resulting from the 3465
conversion does not exceed the value on the bank's books of the 3466
debt securities being converted. 3467

(C) The terms of any option granted in connection with the 3468
issuance of debt securities or any right to convert debt 3469
securities to shares shall not permit or require the holders of 3470
the debt securities to be held individually responsible for the 3471
state bank's debts, contracts, or engagements, ~~or for~~ 3472
~~assessments for restoration of the bank's paid-in capital,~~ on 3473
the basis of their status as holders of the debt securities. 3474

Sec. 1107.07. ~~(A)~~ All stock state bank shares shall have 3475
par value, whether they are common shares or preferred shares. 3476

~~(B) (1) Except as otherwise provided in division (B) (2) of~~ 3477
~~this section:~~ 3478

~~(a) Bank shares still held as treasury shares one year~~ 3479
~~after being acquired are deemed retired and to be authorized and~~ 3480
~~unissued shares.~~ 3481

~~(b) Authorized and unissued bank shares that are not~~ 3482
~~issued or reissued and fully paid in one year after being~~ 3483
~~authorized or otherwise becoming authorized and unissued shares~~ 3484
~~are deemed canceled.~~ 3485

~~(2) Division (B) (1) of this section does not apply to bank~~ 3486
~~shares authorized or acquired and held as treasury shares for~~ 3487
~~purposes of meeting conversion rights or options, employee stock~~ 3488
~~purchase or ownership plans, mergers, consolidations, other~~ 3489
~~reorganizations, or acquisitions, purchases of real estate the~~ 3490

~~board of directors considers necessary or convenient for~~ 3491
~~transaction of the bank's business, or any other specific~~ 3492
~~purpose, in accordance with division (D) of section 1103.08 or~~ 3493
~~division (A) (1) of section 1103.09 of the Revised Code.~~ 3494

~~(C) Preferred shares retired by a bank shall be canceled~~ 3495
~~and not reissued, whether or not provision for cancellation is~~ 3496
~~made in the bank's articles of incorporation.~~ 3497

~~(D) Both common shares and preferred shares of a bank~~ 3498
~~shall be assessable, on a pro rata basis, for restoration of the~~ 3499
~~bank's paid-in capital.~~ 3500

Sec. 1107.09. (A) A stock state bank may, with the 3501
approval of the bank's board of directors, the holders of a 3502
majority of the bank's voting shares, and the superintendent of 3503
financial institutions, adopt and carry out plans for the 3504
offering or sale of, the grant of, or the grant of options on, 3505
the bank's shares to any or all employees, officers, or 3506
directors of the bank or any of the bank's subsidiaries or 3507
affiliates, or to other parties, or to a trustee on their 3508
behalf. For purposes of this section, "other parties" means any 3509
person that has provided, or will provide, a service or a 3510
benefit to the bank, as determined by the board of directors. 3511

(B) A plan may be adopted under this section for any 3512
unissued shares, treasury shares, or shares to be purchased or 3513
granted. A plan may provide for the payment or issuance of the 3514
shares at one time or in installments or for the establishment 3515
of special funds in which employees or other parties approved 3516
under division (A) of this section may participate. 3517

(C) Shares otherwise subject to pre-emptive rights may be 3518
offered or sold under a plan only when released from pre-emptive 3519

rights. Shares authorized for the purpose of carrying out a plan 3520
adopted under this section shall, ~~in accordance with division~~ 3521
~~(D) of section 1103.08 of the Revised Code,~~ be deemed released 3522
from pre-emptive rights. 3523

Sec. 1107.11. (A) Unless otherwise provided in the 3524
articles of incorporation, the holders of any class of a stock 3525
state bank's shares, other than shares that are limited as to 3526
dividend rate and liquidation price, shall, upon the offering or 3527
sale for cash of shares of the same class, have the right, 3528
during a reasonable time and on reasonable terms fixed by the 3529
directors, to purchase the shares in proportion to their 3530
respective holdings of shares of that class, at not less than 3531
par value, unless the shares offered or sold are any of the 3532
following: 3533

(1) Treasury shares; 3534

(2) Released from pre-emptive rights by the affirmative 3535
vote or written consent of the holders of either of the 3536
following: 3537

(a) Two-thirds of the shares entitled to the pre-emptive 3538
rights; 3539

(b) A majority of the shares entitled to the pre-emptive 3540
rights, if for offering and sale or granting options to any or 3541
all employees of the bank or any of the bank's subsidiaries or 3542
to a trustee on their behalf, under a plan adopted under section 3543
1107.09 of the Revised Code; 3544

(3) Offered to shareholders in satisfaction of their pre- 3545
emptive rights and not purchased by the shareholders, and 3546
thereupon issued or agreed to be issued for a consideration not 3547
less than that at which the shares were offered to the 3548

shareholders, less reasonable expenses, compensation, or 3549
discount paid or allowed for the sale, underwriting, or purchase 3550
of the shares. 3551

(B) An action arising from the offering or sale of shares 3552
under division (A) of this section shall be brought within two 3553
years after the date on which written notice or other 3554
communication of the transaction is mailed or otherwise given to 3555
the person entitled to bring the action. In no event shall any 3556
such action be brought later than four years after the cause of 3557
action accrued. 3558

(C) Pre-emptive rights with respect to shares issued by a 3559
stock state bank chartered on or after the effective date of 3560
this amendment shall be governed by section 1701.15 of the 3561
Revised Code. 3562

Sec. 1107.13. (A) ~~A~~ With the prior written approval of the 3563
superintendent of financial institutions, a stock state bank may 3564
purchase its own shares ~~only in the following circumstances:~~ 3565

~~(1) To avoid the issuance of, or to eliminate, fractional 3566~~
~~shares;~~ 3567

~~(2) From a shareholder who, by reason of dissent, is 3568~~
~~entitled to be paid the fair cash value of the shares;~~ 3569

~~(3) With the approval of the superintendent of financial 3570~~
~~institutions, pursuant to authority in the bank's articles of 3571~~
~~incorporation to purchase its shares~~ accordance with section 3572
1701.35 of the Revised Code. 3573

(B) A stock state bank that acquires shares of its stock 3574
shall retire or dispose of the shares at the time and in the 3575
manner required by the superintendent. 3576

Sec. 1107.15. A stock state bank's board of directors may 3577
declare dividends and distributions on the bank's outstanding 3578
shares, subject to all of the following conditions: 3579

(A) Except as otherwise provided in division (B) of this 3580
section, payment of a dividend or distribution may only be 3581
funded from undivided profits or, subject to the approval of the 3582
superintendent of financial institutions, from a special reserve 3583
created from proceeds from the sale of bank stock. 3584

(B) A dividend or distribution may be funded, in whole or 3585
in part, from surplus with the approval of both of the 3586
following: 3587

(1) The holders of at least two-thirds of the outstanding 3588
shares of each class of the bank's stock; 3589

(2) The superintendent ~~of financial institutions.~~ 3590

(C) A dividend or distribution may be paid in treasury 3591
shares or in authorized but unissued shares, if the board makes 3592
the required transfers to surplus and paid-in capital. 3593

(D) The approval of the superintendent is required for the 3594
declaration of dividends and distributions if the total of all 3595
dividends and distributions declared on the bank's shares in any 3596
year, and not paid in shares, exceeds the total of its net 3597
income for that year combined with its retained net income of 3598
the preceding two years. 3599

(E) Prior to the declaration of any dividend or 3600
distribution the bank has made all required allocations to 3601
reserves for losses or contingencies. 3602

Sec. 1109.01. (A) A state bank may use, exercise, and 3603
enjoy all of the powers, rights, and privileges of a corporation 3604

as set forth in section 1701.13 of the Revised Code, unless 3605
otherwise provided in its articles of incorporation and except 3606
as otherwise expressly limited by Chapters 1101. to 1127. of the 3607
Revised Code. The powers authorized under this division include 3608
the power to receive any property of any description, or any 3609
interest in property, by gift, devise, or bequest, and to make 3610
donations for the public welfare or for charitable, scientific, 3611
or educational purposes. 3612

(B) A state bank may perform all acts necessary to carry 3613
into effect the powers authorized by Title XI of the Revised 3614
Code and the purposes for which the bank was created. 3615

Sec. 1109.02. (A) In addition to exercising the powers and 3616
performing the acts authorized under Chapters 1101. to 1127. of 3617
the Revised Code, a state bank has and may exercise all powers 3618
and perform all acts attendant to the business of banking as set 3619
forth in those chapters. 3620

(B) A state bank has and may exercise all powers, perform 3621
all acts, and provide all services that are otherwise a part of 3622
or incidental to the business of banking. 3623

(C) In addition to what is otherwise authorized under 3624
Chapters 1101. to 1127. of the Revised Code, a state bank has 3625
and may exercise all powers, perform all acts, and provide all 3626
services that are permitted for national banks and federal 3627
savings associations, other than those dealing with interest 3628
rates, regardless of the date the corresponding parity rule 3629
adopted by the superintendent of financial institutions under 3630
section 1121.05 of the Revised Code takes effect. If a state 3631
bank intends to take any such action before the adoption of the 3632
corresponding parity rule, the bank shall provide the 3633
superintendent with prior written notice of the action and the 3634

basis for the action. The superintendent, within ninety days 3635
after receipt of that notice, may prohibit the bank from taking 3636
such action if the superintendent determines it would be unsafe 3637
or unsound for the bank. 3638

Sec. 1109.021. (A) As used in this section, "portfolio 3639
assets" and "qualified thrift investments" have the same 3640
meanings as in 12 U.S.C. 1467a, as amended. 3641

(B) A state bank may elect to operate as a savings and 3642
loan association by filing a written notice of that election 3643
with the superintendent of financial institutions. 3644

(C) Upon filing an election notice, a state bank shall be 3645
considered a savings and loan association if both of the 3646
following conditions are met: 3647

(1) Its qualified thrift investments equal or exceed 3648
sixty-five per cent of its portfolio assets. 3649

(2) Its qualified thrift investments continue to equal or 3650
exceed sixty-five per cent of its assets on a monthly average 3651
basis in nine out of every twelve months. 3652

(D) A state bank may revoke its election notice at any 3653
time by submitting a written notice thereof to the 3654
superintendent. 3655

Sec. 1109.03. (A) No bank shall transact business in this 3656
state unless its deposit accounts are insured by the federal 3657
deposit insurance corporation, except a bank that by the terms 3658
of its articles of incorporation or articles of association is 3659
not permitted to solicit or accept deposits other than trust 3660
funds. Each bank whose deposit accounts are insured by the 3661
federal deposit insurance corporation shall maintain that 3662
insurance as a condition of doing business in this state. 3663

(B) Each bank doing business in this state shall comply 3664
with the reserve requirements of the "Federal Reserve Act of 3665
1913," as amended. 3666

(C) Any bank doing business in this state may become a 3667
member of the federal reserve system as permitted under federal 3668
law and do all things necessary to maintain that membership in 3669
accordance with the "Federal Reserve Act of 1913," as amended. 3670

(D) Any bank doing business in this state may become a 3671
member of a federal home loan bank and do all things necessary 3672
to maintain that membership in accordance with the "Federal Home 3673
Loan Bank Act of 1932," 47 Stat. 725, 12 U.S.C.A. 1421, as 3674
amended. A bank may purchase and hold stock in a federal home 3675
loan bank in excess of the amount required for membership, if 3676
that purchase and holding of stock is consistent with the 3677
financial condition of the bank and prudent banking practice. 3678

Sec. 1109.04. (A) A bank may, in good faith, rely: 3679

(1) On any and all information, agreements, documents, and 3680
signatures provided by its customers as being true, accurate, 3681
complete, and authentic and representing what they purport to 3682
represent; and 3683

(2) That the persons signing have full capacity and 3684
complete authority to execute and deliver any and all such 3685
documents and agreements and to act in such capacity as may be 3686
represented to the bank. 3687

As used in this division, "good faith" has the same 3688
meaning as in section 1301.201 of the Revised Code. 3689

(B) A bank may, with the customer's consent, provide 3690
electronically any statement, notice, or report required to be 3691
provided customers under this chapter. A customer's consent may 3692

be obtained electronically or in writing. 3693

(C) A bank customer may, with the bank's consent, provide 3694
electronically any notice required to be provided to the bank 3695
under this chapter. A bank's consent may be obtained 3696
electronically or in writing. 3697

Sec. 1109.05. (A) A bank may receive money on deposit and 3698
may establish the terms and conditions of each deposit contract. 3699
A bank may receive demand deposits subject to withdrawal or to 3700
payment upon the depositor's check, order, or other 3701
authorization. 3702

(B) At the time of opening a deposit account, a bank shall 3703
provide the depositor a statement containing the existing terms 3704
and conditions of the deposit contract. The statement may be set 3705
forth on the depositor's signature card, which card may be 3706
electronic or in writing. Before effecting any change in the 3707
terms and conditions of a deposit contract, a bank shall ~~send-~~ 3708
~~written~~ provide notice, in written or electronic form, of the 3709
change to each depositor with whom the bank has a deposit 3710
contract of the kind to be changed. Depositors and any other 3711
owners of interests in deposit accounts shall be bound by all 3712
changes banks make in their deposit contracts. 3713

(C) For each deposit account a bank shall, at minimum, do 3714
either of the following: 3715

(1) Periodically ~~send~~ make available to each deposit 3716
customer a ~~written~~ report, in written or electronic form, of the 3717
customer's deposit account activity since the last report was 3718
provided, unless the account is a certificate of deposit with no 3719
activity except for compounding interest; 3720

(2) Issue a passbook on which deposits, interest, 3721

payments, and withdrawals can be recorded. 3722

(D) A bank may secure deposits in the manner and to the 3723
extent provided or authorized by law or any lawful order of a 3724
court having custody of money and ordering money to be 3725
deposited. 3726

(E) (1) A bank may serve as a depository for public funds 3727
of this state, other states of the United States, political 3728
subdivisions of this state and other states of the United 3729
States, the United States, agencies of the United States, 3730
foreign nations, political subdivisions of foreign nations, 3731
multinational organizations, and subdivisions of multinational 3732
organizations. 3733

(2) (a) A bank may provide security for the public funds 3734
described in division (E) (1) of this section if that is a 3735
condition imposed by law for their deposit. 3736

(b) Depositors of public funds that are collateralized by 3737
securities pledged by a bank in accordance with Chapter 135. of 3738
the Revised Code and any applicable federal law shall have and 3739
maintain a first and best lien and security interest in and to 3740
such securities, any substitute securities, and the proceeds of 3741
those securities, in favor of such depositors. 3742

Sec. 1109.08. (A) A bank may provide safes, vaults, safe 3743
deposit boxes, night depositories, and other secure receptacles 3744
for the uses, purposes, and benefits of its customers, on the 3745
terms and conditions the bank prescribes. 3746

(B) A bank may, on the terms and conditions the bank 3747
prescribes, receive tangible property and evidence of tangible 3748
or intangible property for safekeeping using any of the 3749
following: 3750

(1) The bank's safes, vaults, and other secure receptacles;	3751 3752
(2) The safes, vaults, and other secure receptacles of another bank or of a safekeeping agent or custodian that is qualified under rules adopted by the superintendent of financial institutions;	3753 3754 3755 3756
(3) The bank's own safekeeping system or the safekeeping system of another bank or of a safekeeping agent or custodian that is qualified under rules adopted by the superintendent;	3757 3758 3759
(4) A recognized title or registration system, on the terms and conditions the bank prescribes.	3760 3761
<u>(C) Unless agreed to in writing by the bank, nothing in this section creates a bailment between a customer and the bank.</u>	3762 3763
Sec. 1109.10. If any claim not clearly consistent with the terms of any applicable authority on file with a bank is made to any deposit, safe deposit box, property held in safekeeping, security, obligation, or other property in the bank's possession or control, in whole or in part, by any person, including any depositor, individual, or group of individuals, whether or not authorized to draw on or exercise any right or control with respect to the property, the bank is not required to recognize the claim without one of the following:	3764 3765 3766 3767 3768 3769 3770 3771 3772
(A) A court order, issued by a court of competent jurisdiction and served on the bank, enjoining or restraining the bank from taking any action with respect to the property or instructing the bank to pay <u>some or all of</u> the balance of the <u>account</u> , provide access to the safe deposit box, or deliver the property as provided in the order;	3773 3774 3775 3776 3777 3778
(B) A bond in the form and amount and with sureties	3779

satisfactory to the bank, indemnifying the bank against any 3780
liabilities, loss, and expenses it might incur because of its 3781
recognition of the claim or because of its refusal, due to the 3782
claim, to honor or recognize any right with respect to the 3783
property. 3784

Sec. 1109.15. (A) (1) Subject to the restrictions and 3785
limitations of the Revised Code, a state bank may do any of the 3786
following: 3787

(a) Loan money, with or without security, and payable on 3788
demand, at maturity, in installments, or by any combination of 3789
these; 3790

(b) Issue, advise, and confirm letters of credit 3791
authorizing the beneficiaries of the letters to draw upon the 3792
bank or its correspondents; 3793

(c) Purchase open accounts, whether or not the accounts 3794
represent an evidence of debt. 3795

(2) Subject to the margin requirements the superintendent 3796
of financial institutions may prescribe by rule, a state bank 3797
may make loans secured by stocks, bonds, or other securities. 3798

(B) Subject to sections 1109.22, 1109.32, and 1109.47 of 3799
the Revised Code and any rules the superintendent prescribes, a 3800
state bank may purchase obligations of any kind with or without 3801
recourse. 3802

(C) A state bank may acquire personal property for lease 3803
to others, if the transaction, as a whole, has the character of 3804
an extension of credit. 3805

(D) (1) Subject to division (D) (2) of this section, any 3806
other restrictions and limitations of the Revised Code, and any 3807

conditions, restrictions, or requirements established by the 3808
superintendent, a state bank may enter into a debt suspension 3809
agreement or debt cancellation contract with a borrower or 3810
borrowers in connection with any loan or extension of credit. 3811

(2) A state bank shall not offer or finance, directly or 3812
indirectly, a debt suspension agreement or debt cancellation 3813
contract requiring a lump sum, single payment for the agreement 3814
or contract payable at the outset of the agreement or contract, 3815
if the debt subject to the agreement or contract is secured by 3816
one to four family, residential real property. 3817

(3) For purposes of division (D) of this section, "debt 3818
cancellation contract" and "debt suspension agreement" have the 3819
same meanings as in 12 C.F.R part 37, as amended. 3820

~~(E) Unless otherwise expressly agreed in writing, the 3821
relationship between a bank and its obligor, with respect to any 3822
extension of credit, is that of a creditor and debtor, and 3823
creates no fiduciary or other relationship between the parties. 3824~~

Sec. 1109.151. Unless otherwise expressly agreed to in 3825
writing by the bank, the relationship between a bank and its 3826
obligor, or a bank and its customer, creates no fiduciary or 3827
other relationship between the parties or any special duty on 3828
the part of the bank to the customer or any other party. 3829

Sec. 1109.16. (A) The superintendent of financial 3830
institutions shall adopt rules prescribing standards for 3831
extensions of credit that are either of the following: 3832

(1) Secured by liens on interests in real estate; 3833

(2) Made for the purpose of financing the construction of 3834
either a building or improvements to real estate. 3835

(B) In prescribing the standards required by division (A) 3836
of this section, the superintendent shall consider all of the 3837
following: 3838

(1) The risk the extensions of credit pose to the federal 3839
deposit insurance funds; 3840

(2) The need for state banks to operate in a safe and 3841
sound manner; 3842

(3) The availability of credit; 3843

(4) Any other factors the superintendent considers 3844
appropriate. 3845

(C) In prescribing the standards required by division (A) 3846
of this section, the superintendent may differentiate among 3847
types of loans on the basis of any of the following: 3848

(1) Statutory requirements; 3849

(2) Risk to the federal deposit insurance funds; 3850

(3) The safety and soundness of state banks. 3851

(D) The superintendent shall not adversely evaluate an 3852
investment or a loan made by a state bank, or consider a loan to 3853
be nonperforming, solely because the loan is secured by or the 3854
investment is in commercial, residential, or industrial 3855
property, unless the investment or loan may affect the bank's 3856
safety and soundness. 3857

Sec. 1109.17. (A) (1) A state bank may accept drafts or 3858
bills of exchange drawn on it and may purchase acceptances of 3859
drafts or bills of exchange issued by other banks and 3860
participations in acceptances of drafts or bills of exchange 3861
issued by other banks, subject to the following limitations: 3862

(a) For acceptances of drafts or bills of exchange 3863
described in division (B) (1) of this section, the limitations in 3864
division (B) (2) of this section apply. 3865

(b) For acceptances of drafts or bills of exchange 3866
satisfying the requirements of division (C) (1) of this section, 3867
the limitations in division (C) (2) apply. 3868

(c) For all other acceptances of drafts or bills of 3869
exchange, the limitations on loans and extensions of credit to a 3870
person in section 1109.22 of the Revised Code apply to both of 3871
the following: 3872

(i) A state bank's total outstanding obligations for any 3873
one person on acceptances of drafts or bills of exchange that 3874
the bank has issued and on acceptances of drafts or bills of 3875
exchange and participations in acceptances of drafts or bills of 3876
exchange issued by other banks and that the bank has purchased; 3877

(ii) A state bank's total outstanding obligations on 3878
acceptances of drafts or bills of exchange issued by any one 3879
other bank. 3880

(2) For purposes of applying the limitations imposed by 3881
division (A) (1) of this section, a state bank's obligation on an 3882
acceptance of a draft or bill of exchange does not include the 3883
portion of an acceptance of a draft or bill of exchange issued 3884
by the bank that is covered by a participation agreement sold to 3885
another. 3886

(B) (1) Subject to the limitations in division (B) (2) of 3887
this section, a state bank may accept drafts or bills of 3888
exchange drawn upon it having not more than six months' sight to 3889
run, exclusive of days of grace, that are any of the following: 3890

(a) From transactions involving the importation or 3891

exportation of goods;	3892
(b) From transactions involving the domestic shipment of	3893
goods;	3894
(c) Secured at the time of acceptance by a warehouse	3895
receipt or other documentation conveying or securing title	3896
covering readily marketable staples.	3897
(2) (a) Except as provided in division (B) (2) (b) of this	3898
section, no <u>state bank</u> shall accept drafts or bills of exchange,	3899
or be obligated for a participation share for drafts or bills of	3900
exchange under division (B) (1) of this section, in an amount	3901
equal at any time in the aggregate to more than one hundred	3902
fifty per cent of the bank's capital.	3903
(b) The superintendent of financial institutions, under	3904
conditions the superintendent may prescribe, may authorize a	3905
<u>state bank</u> to accept or be obligated for a participation share	3906
in drafts or bills of exchange under division (B) (1) of this	3907
section, in an amount not exceeding at any time in the aggregate	3908
two hundred per cent of the bank's capital.	3909
(3) Notwithstanding division (B) (2) of this section, a	3910
<u>state bank</u> 's aggregate acceptances of drafts or bills of	3911
exchange, including obligations for a participation share in	3912
drafts or bills of exchange, under division (B) (1) of this	3913
section, that arise from domestic transactions shall not exceed	3914
fifty per cent of the aggregate of all acceptances of drafts or	3915
bills of exchange, including obligations for a participation	3916
share in drafts or bills of exchange, the bank is permitted	3917
under division (B) of this section.	3918
(4) No <u>state bank</u> shall accept drafts or bills of exchange	3919
or be obligated for a participation share in drafts or bills of	3920

exchange under division (B) (1) of this section, whether from a 3921
foreign or domestic transaction, for any one person, 3922
partnership, corporation, association, or other entity in an 3923
amount equal at any time in the aggregate to more than ten per 3924
cent of the bank's capital, unless the bank is secured either by 3925
attached documents or by some other actual security arising from 3926
the same transaction as the acceptance. 3927

(C) (1) Subject to the limitations set forth in division 3928
(C) (2) of this section, a state bank may accept drafts or bills 3929
of exchange drawn upon it having not more than three months' 3930
sight to run, exclusive of days of grace, and drawn under 3931
conditions the superintendent may prescribe, by banks or bankers 3932
in foreign countries or dependencies or insular possessions of 3933
the United States, for the purpose of furnishing dollar exchange 3934
as required by the usages of trade in the respective countries, 3935
dependencies, or insular possessions. 3936

(2) (a) No state bank shall accept drafts or bills of 3937
exchange under division (C) (1) of this section for any one bank 3938
in an aggregate amount exceeding ten per cent of the accepting 3939
bank's capital, unless the draft or bill of exchange is 3940
accompanied by documents conveying or securing title or other 3941
adequate security. 3942

(b) No state bank shall accept drafts or bills of exchange 3943
under division (C) (1) of this section in an aggregate amount 3944
exceeding fifty per cent of the accepting bank's capital. 3945

Sec. 1109.22. (A) As used in this section: 3946

(1) "Derivative transaction" includes any transaction that 3947
is a contract, agreement, swap, warrant, note, or option that is 3948
based, in whole or in part, on the value of, any interest in, or 3949

any quantitative measure or the occurrence of any event relating 3950
to, one or more commodities, securities, currencies, interest or 3951
other rates, indices, or other assets. 3952

(2) "Loans and extensions of credit" shall include all of 3953
the following: 3954

(a) All direct or indirect advances of funds made on the 3955
basis of any obligation of a person to repay the funds or 3956
repayable from specific property pledged by or on behalf of the 3957
person; 3958

(b) To the extent specified by the superintendent of 3959
financial institutions, any liability of a bank to advance funds 3960
to or on behalf of a person pursuant to a contractual 3961
commitment; 3962

(c) Any credit exposure to a person arising from a 3963
derivative transaction between the person and a bank. 3964

(3) "Person" includes an individual; sole proprietorship; 3965
partnership; joint venture; association; trust; estate; business 3966
trust; corporation; government; agency, instrumentality, or 3967
political subdivision of a government; limited liability 3968
company; or any similar entity or organization. 3969

(B) Except as provided in divisions (C), (D), (E), and (F) 3970
of this section: 3971

(1) The total loans and extensions of credit by a state 3972
bank to a person outstanding at any one time and not fully 3973
secured, as determined in a manner consistent with division (B) 3974
(2) of this section, by collateral having a market value at 3975
least equal to the amount of the loans and extensions of credit 3976
to that person that are outstanding shall not exceed fifteen per 3977
cent of the unimpaired capital of the bank. 3978

(2) The total loans and extensions of credit by a state 3979
bank to a person outstanding at one time and fully secured by 3980
readily marketable collateral having a market value, as 3981
determined by reliable and continuously available price 3982
quotations, at least equal to the amount of the loans and 3983
extensions of credit to that person that are outstanding shall 3984
not exceed ten per cent of the unimpaired capital of the bank. 3985

(3) The limitation set forth in division (B) (2) of this 3986
section is separate from and in addition to the limitation set 3987
forth in division (B) (1) of this section. 3988

(4) Notwithstanding the limitations set forth in divisions 3989
(B) (1) and (2) of this section, any state bank may grant one or 3990
more loans in an aggregate amount of up to five hundred thousand 3991
dollars to one person, subject to any applicable restrictions 3992
under federal law. 3993

(C) No limitation based on capital applies to loans and 3994
extensions of credit by a bank to a person that are any of the 3995
following types: 3996

(1) Loans or extensions of credit arising from the 3997
discount of commercial or business paper evidencing an 3998
obligation to the person negotiating it with recourse; 3999

(2) The purchase of bankers' acceptances of the kinds 4000
described in division (B) or (C) of section 1109.17 of the 4001
Revised Code and issued by other banks; 4002

(3) Loans or extensions of credit secured by bonds, notes, 4003
certificates of indebtedness, treasury bills of the United 4004
States, or other obligations fully guaranteed as to principal 4005
and interest by the United States; 4006

(4) Loans or extensions of credit to or secured by 4007

unconditional takeout commitments or guarantees of any 4008
department, agency, bureau, board, commission, or establishment 4009
of the United States or any corporation wholly owned, directly 4010
or indirectly, by the United States; 4011

(5) Loans or extensions of credit secured by a segregated 4012
deposit account in the lending bank; 4013

(6) Loans or extensions of credit to any financial 4014
institution or to any receiver, conservator, superintendent of 4015
financial institutions, or other agent in charge of the business 4016
and property of a financial institution, when the loans or 4017
extensions of credit are approved by the superintendent of 4018
financial institutions of this state; 4019

(7) Loans or extensions of credit to the student loan 4020
marketing association. 4021

(D) A state bank may make loans and extensions of credit 4022
secured by bills of lading, warehouse receipts, or similar 4023
documents transferring or securing title to readily marketable 4024
staples subject to the general limitations of division (B) of 4025
this section, and may make additional loans and extensions of 4026
credit secured by bills of lading, warehouse receipts, or 4027
similar documents transferring or securing title to readily 4028
marketable staples, if all of the following apply: 4029

(1) The market value of the staples securing each 4030
additional loan or extension of credit at all times equals or 4031
exceeds one hundred fifteen per cent of the outstanding amount 4032
of the loan or extension of credit. 4033

(2) The staples are fully covered by insurance whenever it 4034
is customary to insure staples of that kind. 4035

(3) The total amount of the bank's additional loans and 4036

extensions of credit outstanding to one person at any time does 4037
not exceed thirty-five per cent of the bank's capital. 4038

(E) Subject to divisions (E) (1) and (2) of this section, a 4039
state bank may make loans and extensions of credit arising from 4040
the discount of negotiable or nonnegotiable installment consumer 4041
paper. 4042

(1) If the paper carries a full recourse endorsement or 4043
unconditional guarantee by the person transferring the paper, 4044
the total amount of the installment consumer paper transferred 4045
by one person a state bank may hold at one time shall not exceed 4046
twenty-five per cent of the bank's capital, and the collateral 4047
requirements of division (B) (2) of this section do not apply. 4048

(2) The limitations set forth in division (B) of this 4049
section apply only to the loans and extensions of credit of each 4050
maker of negotiable or nonnegotiable installment consumer paper, 4051
and not to obligations arising from any full or partial recourse 4052
endorsement or guarantee by the transferor discounting the 4053
consumer paper to the state bank, if both of the following 4054
apply: 4055

(a) The state bank's files are, or the knowledge of its 4056
officers of the financial condition of each maker of the 4057
consumer paper is, reasonably adequate. 4058

(b) An officer of the state bank designated for that 4059
purpose by the bank's board of directors certifies in writing 4060
that the bank is relying primarily upon the responsibility of 4061
each maker for payment of the loans or extensions of credit and 4062
not upon any full or partial recourse endorsement or guarantee 4063
by the transferor. 4064

(F) Without regard to the collateral requirements of 4065

division (B) of this section, a state bank may have loans and 4066
extensions of credit to one person outstanding at one time not 4067
exceeding twenty-five per cent of the bank's capital of the 4068
following types: 4069

(1) Loans and extensions of credit secured by shipping 4070
documents or instruments transferring or securing title covering 4071
livestock or giving a lien on livestock, when the market value 4072
of the livestock securing the obligation is not at any time less 4073
than one hundred fifteen per cent of the face amount of the note 4074
covered; 4075

(2) Loans and extensions of credit that arise from the 4076
discount by dealers in dairy cattle of paper given in payment 4077
for dairy cattle, if the paper carries a full recourse 4078
endorsement or unconditional guarantee of the seller, and the 4079
loans and extensions of credit are secured by the cattle being 4080
sold. 4081

(G) (1) The superintendent may adopt rules to administer 4082
and carry out the purposes of this section, including, but not 4083
limited to, the following: 4084

(a) Rules defining or further defining terms used in this 4085
section, including expanding or limiting the definition of 4086
"person" defined in division (A) of this section; 4087

(b) Rules establishing limits or requirements other than 4088
those specified in this section for particular classes or 4089
categories of loans or extensions of credit; 4090

(c) Rules relating to credit exposure arising from 4091
derivative transactions. 4092

(2) The superintendent may determine when a loan 4093
putatively made to a person is, for purposes of this section, to 4094

be attributed to another person. 4095

Sec. 1109.23. (A) No state bank may extend credit to any 4096
of its executive officers, directors, or principal shareholders, 4097
or to any of their related interests, except as authorized by 4098
this section and, with respect to executive officers, as 4099
authorized by section 1109.24 of the Revised Code. 4100

(B) (1) A state bank may extend credit to any of its 4101
executive officers, directors, or principal shareholders, or to 4102
any of their related interests, only if all of the following 4103
apply to the extension of credit: 4104

(a) The extension of credit is made on substantially the 4105
same terms, including interest rates and collateral, as those 4106
terms prevailing at the time for comparable transactions by the 4107
bank with persons who are not executive officers, directors, 4108
principal shareholders, or employees of the bank. 4109

(b) The extension of credit does not involve more than the 4110
normal risk of repayment or present other unfavorable features. 4111

(c) The bank follows credit underwriting procedures that 4112
are not less stringent than those applicable to comparable 4113
transactions by the bank with persons who are not executive 4114
officers, directors, principal shareholders, or employees of the 4115
bank. 4116

(2) Nothing in division (B) (1) of this section shall be 4117
construed to prohibit any extension of credit made pursuant to a 4118
benefit or compensation program that meets both of the following 4119
conditions: 4120

(a) The program is ~~widely~~ available to all employees of 4121
the bank; 4122

(b) The program does not give preference to any officer, 4123
director, or principal shareholder of the bank, or to any 4124
related interest of an officer, director, or principal 4125
shareholder, over other employees of the bank. 4126

(C) A state bank may extend credit to any of its executive 4127
officers, directors, or principal shareholders, or to any of 4128
their related interests, in an amount that, when aggregated with 4129
the amount of all outstanding extensions of credit by the bank 4130
to the executive officer, director, or principal shareholder and 4131
that person's related interests, would exceed an amount 4132
prescribed by the superintendent of financial institutions, only 4133
if both of the following conditions are met: 4134

(1) The extension of credit has been approved in advance 4135
by a majority vote of the bank's entire board of directors. 4136

(2) The executive officer, director, or principal 4137
shareholder, who or whose related interest would be obligated on 4138
the extension of credit, has abstained from participating, 4139
directly or indirectly, in the deliberations or voting on the 4140
extension of credit. 4141

(D) A state bank may extend credit to any of its executive 4142
officers, directors, or principal shareholders, or to any of 4143
their related interests, only if the extension of credit is in 4144
an amount that, when aggregated with the amount of all 4145
outstanding extensions of credit by the bank to the executive 4146
officer, director, or principal shareholder and that person's 4147
related interests, would not exceed the limit on loans to a 4148
single borrower established by section 1109.22 of the Revised 4149
Code. 4150

(E) (1) A state bank may extend credit to any of its 4151

executive officers, directors, or principal shareholders, or to 4152
any of their related interests, if the extension of credit is in 4153
an amount that, when aggregated with the amount of all 4154
outstanding extensions of credit by the bank to all of its 4155
executive officers, directors, principal shareholders, and their 4156
related interests, would not exceed the bank's unimpaired 4157
capital. 4158

(2) The superintendent may prescribe a limit that is more 4159
stringent than the limit contained in division (E) (1) of this 4160
section. 4161

(3) The superintendent may make exceptions to division (E) 4162
(1) of this section for state banks with less than one hundred 4163
million dollars in deposits, if the superintendent determines 4164
that the exceptions are important to avoid constricting the 4165
availability of credit in small communities or to attract 4166
directors to those banks. In no case may the aggregate amount of 4167
all outstanding extensions of credit by a state bank to all of 4168
its executive officers, directors, principal shareholders, and 4169
their related interests, be more than two times the bank's 4170
unimpaired capital. 4171

(F) (1) If any executive officer or director of a state 4172
bank has an account at the bank, the bank may not pay from that 4173
account an amount exceeding the funds on deposit in the account. 4174

(2) Division (F) (1) does not prohibit the bank from paying 4175
funds in accordance with either of the following: 4176

(a) A written, preauthorized, interest-bearing extension 4177
of credit specifying a method of repayment; 4178

(b) A written preauthorized transfer of funds from another 4179
account of the executive officer or director at that bank. 4180

(G) No executive officer, director, or principal 4181
shareholder shall knowingly receive, or knowingly permit any of 4182
that person's related interests to receive, from a state bank, 4183
directly or indirectly, any extension of credit not authorized 4184
under this section. 4185

(H) (1) Subject to division (H) (2) of this section, for 4186
purposes of this section, any executive officer, director, or 4187
principal shareholder of any company of which the state bank is 4188
a subsidiary, or of any other subsidiary of that company, is 4189
deemed to be an executive officer, director, or principal 4190
shareholder, respectively, of the bank. 4191

(2) The superintendent may make exceptions to the 4192
application of division (H) (1) of this section for any person 4193
who is an executive officer or director of a subsidiary of a 4194
company that controls a state bank, if both of the following 4195
apply: 4196

(a) The person does not have authority to participate, and 4197
does not participate, in major policymaking functions of the 4198
bank. 4199

(b) The assets of the subsidiary do not exceed ten per 4200
cent of the consolidated assets of the company that controls the 4201
bank, and the subsidiary is not controlled by any other company. 4202

(I) For purposes of this section: 4203

(1) ~~Bank~~ "State bank" includes any subsidiary of a state 4204
bank. 4205

(2) (a) "Company" means any corporation, limited liability 4206
company, partnership, business or other trust, association, 4207
joint venture, pool syndicate, sole proprietorship, 4208
unincorporated organization, or other business entity. 4209

- (b) "Company" does not include either of the following: 4210
- (i) A bank, savings bank, or savings association, the 4211
deposits of which are insured by the federal deposit insurance 4212
corporation; 4213
- (ii) A corporation the majority of the shares of which are 4214
owned by the United States or by any state of the United States. 4215
- (3) "Control" of a company or state bank by a person means 4216
the person, directly or indirectly, or acting through or in 4217
concert with one or more persons, meets any of the following: 4218
- (a) The person owns, controls, or has the power to vote 4219
twenty-five per cent or more of any class of the company's or, 4220
in the case of a stock state bank, the bank's voting securities. 4221
- (b) The person controls in any manner the election of a 4222
majority of the company's or state bank's directors. 4223
- (c) The person has the power to exercise a controlling 4224
influence over the company's or state bank's management or 4225
policies. 4226
- (4) "Executive officer" means a person who participates or 4227
has the authority to participate, other than as a director, in 4228
major policymaking functions of a company or state bank. 4229
- (5) To "extend credit" or to make an "extension of credit" 4230
means to make or renew any loan, to grant a line of credit, or 4231
to enter into any similar transaction as a result of which an 4232
executive officer, director, or principal shareholder, or any of 4233
that person's related interests, becomes obligated, directly, 4234
indirectly, or by any means whatsoever, to pay money or its 4235
equivalent to the state bank. 4236
- (6) "Principal shareholder" means a person who, directly 4237

or indirectly, or acting through or in concert with one or more 4238
persons, owns, controls, or has the power to vote more than ten 4239
per cent of any class of voting securities of a stock state bank 4240
or company, other than a company of which the bank is a 4241
subsidiary. 4242

(7) "Related interest" of a person means either of the 4243
following: 4244

(a) Any company controlled by that person; 4245

(b) Any political committee or campaign committee that is 4246
controlled by that person or the funds or services of which will 4247
benefit that person. 4248

(8) "Subsidiary" means any company of which a state bank 4249
or company meets any of the following: 4250

(a) The bank or company owns twenty-five per cent or more 4251
of the voting shares of the company. 4252

(b) The bank or company controls in any manner the 4253
election of a majority of the directors of the company. 4254

(c) The bank or company has the power, directly or 4255
indirectly, to exercise a controlling influence with respect to 4256
the management or policies of the company. 4257

Sec. 1109.24. (A) Except as authorized by this section or 4258
section 1109.23 of the Revised Code, no state bank may extend 4259
credit in any manner to any of its own executive officers. No 4260
executive officer of a state bank may become indebted to that 4261
bank except by means of an extension of credit the bank is 4262
authorized by this section to make. Any extension of credit made 4263
pursuant to this section shall be promptly reported to the 4264
bank's board of directors and may be made only if all of the 4265

following apply: 4266

(1) The state bank would be authorized to make the 4267
extension of credit to other borrowers. 4268

(2) The extension of credit is on terms that are not more 4269
favorable than those afforded to other non-executive borrowers. 4270

(3) The executive officer has submitted a detailed, 4271
current financial statement. 4272

(4) The extension of credit is made on the condition that 4273
it shall become due and payable on demand of the state bank at 4274
any time when the executive officer is indebted to any other 4275
bank or banks on account of extensions of credit of any one of 4276
the three categories referred to in divisions (B), (C), and (D) 4277
of this section in an aggregate amount greater than the amount 4278
of credit of the same category the state bank being served as an 4279
executive officer could extend to the executive officer. 4280

(B) With the specific prior approval of its board of 4281
directors, a state bank may make a loan to any of its executive 4282
officers if, at the time the loan is made, both of the following 4283
apply: 4284

(1) The loan is secured by a first lien on a dwelling that 4285
is expected, after the loan is made, to be owned by the 4286
executive officer and used as the executive officer's residence. 4287

(2) No other loan by the bank to the executive officer 4288
under the authority of this division is outstanding. 4289

(C) A state bank may make extensions of credit to any 4290
executive officer of the bank to finance the education of the 4291
executive officer's children. 4292

(D) A state bank may make extensions of credit not 4293

otherwise specifically authorized by this section to any of the 4294
bank's executive officers in an amount prescribed by the 4295
superintendent of financial institutions. 4296

(E) Except to the extent permitted by division (D) of this 4297
section, a state bank may not extend credit to a partnership in 4298
which one or more of the bank's executive officers are partners 4299
having, individually or together, a majority interest. For 4300
purposes of division (D) of this section, the full amount of the 4301
credit extended shall be considered to have been extended to 4302
each executive officer of the bank who is a member of the 4303
partnership. 4304

~~(F) Whenever an executive officer of a bank becomes 4305
indebted to any bank or banks, other than the bank served as an 4306
executive officer, on account of extensions of credit of any one 4307
of the categories referred to in divisions (B), (C), and (D) of 4308
this section in an aggregate amount greater than the aggregate 4309
amount of credit of the same category that could lawfully be 4310
extended to the executive officer by the bank served as an 4311
executive officer, the executive officer shall make a written 4312
report to the board of directors of the bank stating all of the 4313
following: 4314~~

~~(1) The date and amount of each extension of credit by any 4315
other bank or banks to the executive officer; 4316~~

~~(2) The security for each extension of credit; 4317~~

~~(3) The purposes for which the proceeds of the extensions 4318
of credit have been or are to be used. 4319~~

~~(G) This section does not prohibit any executive officer 4320
of a state bank from endorsing or guaranteeing any loan or other 4321
asset previously acquired by the bank in good faith, for the 4322~~

protection of the bank, or incurring any indebtedness to the 4323
bank for the purpose of either protecting the bank against loss 4324
or giving financial assistance to the bank. 4325

~~(H)~~-(G) Each state bank shall include with, but not as 4326
part of, each report of condition made to the superintendent 4327
pursuant to section 1121.21 of the Revised Code, a report of all 4328
loans made under the authority of this section by the bank since 4329
the bank's previous report of condition. 4330

~~(I)~~-(H) Each day any extension of credit in violation of 4331
this section exists is a continuation of the violation for 4332
purposes of section 1121.35 of the Revised Code. 4333

Sec. 1109.25. (A) No stock state bank shall lend money on 4334
the security of shares of its own stock or accept shares of its 4335
own stock in satisfaction of a debt, unless necessary to prevent 4336
loss on a debt previously contracted in good faith. 4337

(B) A stock state bank that accepts shares of its own 4338
stock as allowed by division (A) of this section shall retire or 4339
dispose of the shares at the time and in the manner required by 4340
the superintendent of financial institutions. 4341

(C) For purposes of this section, the superintendent may 4342
determine that stock of a person that controls a stock state 4343
bank, if the stock is not readily marketable, is the functional 4344
equivalent of stock of the bank and, therefore, subject to 4345
divisions (A) and (B) of this section. 4346

Sec. 1109.26. (A) (1) A state bank may own or hold for not 4347
more than five years any real estate it acquires by foreclosure, 4348
conveyance in lieu of foreclosure, or other legal proceedings 4349
relating to loan security interests or otherwise in satisfaction 4350
of a debt previously contracted. The superintendent of financial 4351

institutions may, upon application by a state bank, grant the bank the power to hold the real estate for a longer time. 4352
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(2) The superintendent may, at any time, require a state bank to obtain an independent qualified appraisal of real estate the bank owns or holds in accordance with division (A) (1) of this section. 4354
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(3) Real estate sold on contract, but with title remaining in the name of the state bank, shall not be considered real estate held by the bank for the purpose of divisions (A) (1) and (2) of this section. 4358
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(B) (1) A state bank may own or hold for not more than five years ~~stock shares~~ of companies either acquired in securing satisfaction of a debt previously contracted in good faith or taken on a refinancing plan involving an investment that was legal at the time it was made. The superintendent may, upon application by a state bank, grant the bank the power to hold the ~~stock shares~~ for a longer time. 4362
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(2) The superintendent may, at any time, require a state bank to obtain an independent qualified appraisal of the ~~stock shares~~ the bank owns or holds in accordance with ~~this~~ division (B) of this section. 4369
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(C) The limitations set forth in this section shall not apply to real estate or shares owned or held by a state bank affiliate, except for a company that is a subsidiary of the state bank. 4373
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Sec. 1109.31. (A) A state bank may purchase, acquire by lease, or otherwise invest in the real estate and interests in real estate the board of directors considers necessary or convenient for transaction of the bank's business, including by 4377
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ownership of ~~stock of a wholly owned subsidiary corporation~~ an 4381
entity having as its exclusive authority the ownership and 4382
management of the bank's real estate interests. 4383

(B) A state bank may invest an amount equal to the greater 4384
of the bank's capital or ten per cent of its total assets in any 4385
other real estate. This limitation does not apply, however, to 4386
real estate acquired by foreclosure, conveyance in lieu of 4387
foreclosure, or other legal proceedings relating to loan 4388
security interests or otherwise in satisfaction of a debt 4389
previously contracted. 4390

Sec. 1109.32. (A) A state bank may invest in any of the 4391
following: 4392

(1) Bonds, bills, notes, or other debt securities of the 4393
United States or for which the full faith and credit of 4394
~~the united states~~ United States is pledged for payment of 4395
principal and interest; 4396

(2) Bonds, notes, or other debt securities issued by this 4397
state, or any state of the United States, that are the direct 4398
obligation of the issuer and for which the full faith and credit 4399
of the issuer is pledged to provide payment of the principal and 4400
interest; 4401

(3) Bonds, notes, or other debt securities of any county, 4402
municipal corporation, township, school district, improvement 4403
district, sewer district, or other subdivision of this state or 4404
any other state of the United States, that are the direct 4405
obligation of the county or the subdivision issuing them and for 4406
which the full faith and credit of the issuing county or 4407
subdivision is pledged to provide payment of principal and 4408
interest; 4409

(4) Bonds or other debt obligations issued or guaranteed 4410
by agencies or instrumentalities of the United States, 4411
regardless of the guarantee of payment of principal and interest 4412
by the United States; 4413

(5) Subject to conditions and restrictions the 4414
superintendent of financial institutions may prescribe, bonds, 4415
debentures, and other debt securities issued by any country or 4416
multinational organization that are the direct obligation of the 4417
issuing country or multinational organization and for which the 4418
full faith and credit of the issuing country or multinational 4419
organization is pledged to provide payment of principal and 4420
interest; 4421

(6) Bankers' acceptances of the kinds described in 4422
divisions (B) and (C) of section 1109.17 of the Revised Code; 4423

(7) Subject to conditions and restrictions the 4424
superintendent may prescribe, bonds, debentures, and other debt 4425
securities and obligations of any state or political subdivision 4426
of a state, a public corporation, or governmental agency that 4427
are payable solely out of anticipated revenues, commonly 4428
referred to as revenue bonds; 4429

(8) As defined and restricted by the superintendent, 4430
marketable obligations evidencing the indebtedness of any 4431
corporation in the form of bonds, notes, debentures, or 4432
equipment trust certificates, commonly referred to as investment 4433
securities. 4434

(B) In addition to any other provision of this chapter 4435
authorizing state banks to invest in bonds, debentures, or other 4436
debt securities, ~~the superintendent a state bank may approve~~ 4437
~~banks' investment invest~~ in bonds, debentures, and other debt 4438

securities and obligations in which national banks, savings 4439
banks, and savings associations insured by the federal deposit 4440
insurance corporation are permitted to invest. 4441

Sec. 1109.33. A state bank may apply to the superintendent 4442
of financial institutions for permission to invest, subject to 4443
the conditions and requirements prescribed by the 4444
superintendent, an amount, in the aggregate, not exceeding ten 4445
per cent of ~~the~~ a stock state bank's paid-in capital and surplus 4446
or a mutual state bank's retained earnings in the stock of banks 4447
or corporations chartered or incorporated under the laws of the 4448
United States, including section 25a of the "Federal Reserve Act 4449
of 1913," 12 U.S.C. 611, as amended, and principally engaged in 4450
international or foreign banking, or in banking in a dependency 4451
or insular possession of the United States, either directly or 4452
through the agency, ownership, or control of local institutions 4453
in foreign countries, dependencies, or insular possessions. 4454

Sec. 1109.34. (A) A state bank may invest in the 4455
securities of a domestic insurance company organized under 4456
Chapter 3907. or 3925. of the Revised Code, regulated by the 4457
superintendent of insurance under Title XXXIX of the Revised 4458
Code and engaged exclusively in the business of reinsuring 4459
risks, to the extent permitted by and subject to limitations and 4460
restrictions imposed by the superintendent of financial 4461
institutions by rules adopted in accordance with Chapter 119. of 4462
the Revised Code. 4463

(B) (1) The total amount any state bank may invest in the 4464
common and preferred stock, obligations, and other securities of 4465
domestic insurance companies pursuant to division (A) of this 4466
section shall not exceed ten per cent of the bank's assets. 4467

(2) A state bank may file an application with the 4468

superintendent of financial institutions for permission to 4469
invest, subject to the conditions and requirements prescribed by 4470
the superintendent of financial institutions, an amount in 4471
excess of ten per cent of the bank's capital in the common and 4472
preferred stock, bonds, debentures, and other obligations of one 4473
domestic insurance company pursuant to division (A) of this 4474
section. 4475

(C) A state bank making investments pursuant to division 4476
(A) of this section shall report the investments annually on the 4477
first day of March to the superintendent of financial 4478
institutions and the superintendent of insurance. The report 4479
shall include, for each reinsurer in which the bank has made an 4480
investment, information as to the amount of reinsurance written 4481
in this state by each line of insurance designated by the 4482
superintendent of insurance. 4483

Sec. 1109.35. (A) (1) As used in ~~this division~~ (A) of this 4484
section: 4485

(a) "Venture capital firm" means any corporation, 4486
partnership, proprietorship, limited liability company, or other 4487
entity, the principal business of which is or will be the making 4488
of investments in small businesses. 4489

(b) "Small business" means any corporation, partnership, 4490
proprietorship, limited liability company, or other entity that 4491
either does not have more than four hundred employees, or would 4492
qualify as a small business for the purpose of receiving 4493
financial assistance from small business investment companies 4494
licensed under the "Small Business Investment Act of 1958," 72 4495
Stat. 689, 15 U.S.C. 661, as amended, and rules of the small 4496
business administration. 4497

~~(c) "Shares" means any equity interest, including a limited partnership interest and other equity interest in which liability is limited to the amount of the investment, but does not include a general partnership interest or other interests involving general liability.~~ 4498
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(2) A stock state bank may invest, in the aggregate, five per cent of its paid-in capital and surplus, and a mutual state bank may invest, in the aggregate, five per cent of its retained earnings, in shares issued by the following: 4503
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(a) Venture capital firms organized under the laws of the United States or of this state and having an office within this state, if, as a condition of a bank making an investment in a venture capital firm, the firm agrees to use its best efforts to make investments, in an aggregate amount at least equal to the investment to be made by the bank in that venture capital firm, in small businesses having their principal office within this state and having either more than one-half of their assets within this state or more than one-half of their employees employed within this state; 4507
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(b) Small businesses having more than half of their assets or employees within this state. 4517
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(B) (1) A state bank may invest in the following: 4519

(a) The stocks, bonds, debentures, notes, or other evidences of indebtedness of any of the following: 4520
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(i) A community improvement corporation, organized under Chapters 1702. and 1724. of the Revised Code for the sole purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of a community or area; 4522
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(ii) A development corporation, organized under Chapter 1726. of the Revised Code to promote agricultural, industrial, and business developments within the state;

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

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

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

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

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

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

(C) Acceptable to the superintendent.	4556
Sec. 1109.39. In addition to the specific investments	4557
authorized in this chapter, a <u>state</u> bank may also invest, in the	4558
aggregate, no more than ten per cent of its assets in the common	4559
or preferred stock, obligations, or other securities of any	4560
corporations, as authorized by the bank's board of directors.	4561
Sec. 1109.40. (A) In addition to the other loan and	4562
investment authority provided for banks in Chapter 1109. of the	4563
Revised Code, but subject to all other provisions of the Revised	4564
Code, a <u>state</u> bank may invest up to fifteen per cent of its	4565
total assets in loans or investments authorized by the bank's	4566
board of directors.	4567
(B) If a loan or other investment is authorized under more	4568
than one section of Chapter 1109. of the Revised Code, a <u>state</u>	4569
bank may designate under which section the loan or investment	4570
has been or will be made. The loan or investment may be	4571
apportioned among appropriate categories, and may be moved in	4572
whole or in part from one category to another.	4573
Sec. 1109.43. (A) For purposes of this section:	4574
(1) "Bankers' bank" means a bank organized to engage	4575
exclusively in providing services to other depository	4576
institutions and depository institution holding companies and	4577
their officers, directors, and employees.	4578
(2) "Bankers' bank holding company" means a corporation	4579
that owns or controls, directly or indirectly, a majority of the	4580
shares of the capital stock of a bankers' bank, or controls in	4581
any manner the election of a majority of the directors of a	4582
bankers' bank.	4583
(3) "Depository institution" means a bank, savings and	4584

~~loan~~-association, savings bank, or credit union. 4585

(B) A state bank may invest, in the aggregate, up to ten 4586
per cent of its capital in shares of a bankers' ~~bank~~banks or a 4587
bankers' bank holding ~~company~~, or bothcompanies. 4588

(C) (1) The voting shares of a bankers' bank shall be owned 4589
by twenty or more depository institutions or depository 4590
institution holding companies, and no depository institution or 4591
depository institution holding company shall own, directly or 4592
indirectly, more than fifteen per cent of the voting shares of a 4593
bankers' bank. 4594

(2) The voting shares of a bankers' bank shall be owned, 4595
directly or indirectly, exclusively by depository institutions, 4596
depository institution holding companies, and persons who hold 4597
the shares under, or initially acquired them through, a plan for 4598
the benefit of the bankers' bank's officers and employees. 4599

~~(D) No bank or affiliate of a bank shall, directly, 4600
indirectly, or acting through one or more other persons, own or 4601
control or have the power to vote shares of any of the 4602
following: 4603~~

~~(1) More than one bankers' bank; 4604~~

~~(2) More than one bankers' bank holding company; 4605~~

~~(3) Both a bankers' bank and a bankers' bank holding 4606
company, unless the bankers' bank is an affiliate of that 4607
bankers' bank holding company. 4608~~

Sec. 1109.44. (A) A state bank may invest, in the 4609
aggregate, twenty-five per cent of its assets in the stock, 4610
obligations, and other securities of bank subsidiary 4611
corporations and bank service corporations. 4612

(B) A state bank shall obtain the approval of the 4613
superintendent of financial institutions prior to investing in, 4614
acquiring, or establishing a bank subsidiary corporation or bank 4615
service corporation, or performing any new activities in a bank 4616
subsidiary corporation or bank service corporation. 4617

(C) (1) A bank subsidiary corporation that is a wholly 4618
owned subsidiary of the state bank may engage in any activities, 4619
except taking deposits, that are a part or an extension of the 4620
business of banking. 4621

(2) A bank service corporation shall be owned solely by 4622
one or more ~~depository institutions~~ banks, and may, at any 4623
location, do any of the following: 4624

(a) Provide clerical, bookkeeping, accounting, 4625
statistical, or similar services; 4626

(b) Engage in any activities, except taking deposits, that 4627
all of its owner ~~depository institutions~~ banks are authorized to 4628
engage in; 4629

(c) Engage in any activity, except taking deposits, the 4630
board of governors of the federal reserve system has determined 4631
to be permissible for a ~~bank~~ financial holding company under 4632
section 4(e)(8) ~~(k)(1)~~ of the "Bank Holding Company Act of 4633
1956," as amended, 70 Stat. 133, 12 U.S.C.A. 1843 ~~(e)(8)(k)(1)~~. 4634

(D) Bank subsidiary corporations and bank service 4635
corporations are subject to examination and regulation by the 4636
superintendent. 4637

~~(E) Only if the company in which the investment is to be~~ 4638
~~made qualifies as either a~~ A bank subsidiary corporation or a 4639
bank service corporation ~~under this section~~ may a ~~bank~~ invest in 4640
~~securities pursuant to section 1109.39 of the Revised Code or~~ 4641

~~make investments pursuant to section 1109.40 of the Revised Code— 4642
that result in any of the following: 4643~~

~~(1) The bank, directly or indirectly, or acting through 4644
one or more other persons, owns, controls, or has the power to 4645
vote twenty-five per cent or more of any class of voting 4646
securities of the company in which the investment is being made. 4647~~

~~(2) The bank controls in any manner the election of a 4648
majority of the directors or trustees of the company in which 4649
the investment is being made. 4650~~

~~(3) As determined by the superintendent after notice and 4651
opportunity for a hearing, the bank directly or indirectly 4652
exercises a controlling influence over the management or 4653
policies of the company in which the investment is being made a 4654
lower-tier bank subsidiary corporation or bank service 4655
corporation, subject to the requirements of this section. 4656~~

Sec. 1109.441. Only for investments made under section 4657
1109.44 of the Revised Code may a state bank invest in 4658
securities pursuant to section 1109.39 of the Revised Code or 4659
make investments pursuant to section 1109.40 of the Revised Code 4660
that result in any of the following: 4661

(A) The state bank, directly or indirectly, or acting 4662
through one or more other persons, owning, controlling, or 4663
having the power to vote twenty-five per cent or more of any 4664
class of voting securities of the company in which the 4665
investment is being made; 4666

(B) The state bank controlling in any manner the election 4667
of a majority of the directors or trustees of the company in 4668
which the investment is being made; 4669

(C) As determined by the superintendent of financial 4670

institutions after notice and opportunity for a hearing, the 4671
state bank directly or indirectly exercising a controlling 4672
influence over the management or policies of the company in 4673
which the investment is being made. 4674

Sec. 1109.45. A state bank may invest in the shares of a 4675
clearing corporation as defined by section 1308.01 of the 4676
Revised Code. 4677

Sec. 1109.47. (A) Except as provided in division (B) of 4678
this section, a state bank shall not invest more than fifteen 4679
per cent of its capital in the ~~stock~~shares, obligations, or 4680
other securities of any one issuer. 4681

(B) Division (A) of this section does not apply to any of 4682
the following: 4683

(1) Bonds or other obligations enumerated in divisions (A) 4684
(1) to (6) of section 1109.32 of the Revised Code; 4685

(2) Investment in a bank subsidiary corporation engaged 4686
solely in the business of holding title to real estate described 4687
in division (A) of section 1109.31 of the Revised Code; 4688

(3) Obligations or securities, other than stock, of the 4689
federal national mortgage association, the student loan 4690
marketing association, the government national mortgage 4691
association, or the federal home loan mortgage corporation, or 4692
their successors; 4693

(4) Common and preferred stock, obligations, and other 4694
securities of one domestic reinsurance company with the written 4695
permission of the superintendent of financial institutions as 4696
required by division (B) of section 1109.34 of the Revised Code; 4697

(5) Shares, obligations, securities, or other interests of 4698

any other issuer with the written approval of the 4699
superintendent. 4700

(C) For purposes of this section, no purchase by a state 4701
bank of stock in a federal reserve bank or federal home loan 4702
bank is an investment. 4703

(D) If a state or political subdivision of a state issues 4704
securities, acting solely as a conduit for the transmission of 4705
the proceeds of the sale of the securities to one or more 4706
private entities for economic development purposes and to be 4707
repaid solely by the private entity or entities that received 4708
the proceeds of the sale of the securities, then both of the 4709
following apply for purposes of determining the amount a state 4710
bank may invest in accordance with division (A) of this section: 4711

(1) The securities are obligations of the private entity 4712
or entities in proportion to their receipt of the proceeds. 4713

(2) The securities are not obligations of the issuing 4714
state or political subdivision. 4715

Sec. 1109.48. In exercising its investment authority, a 4716
state bank shall give equal consideration to investments that 4717
involve firms owned and controlled by minorities and firms owned 4718
and controlled by women, either alone or in joint venture with 4719
other firms, where the investments offer quality, return, and 4720
safety comparable to other investments currently available to 4721
the bank. 4722

Sec. 1109.49. A state bank investing in the securities of 4723
a bank or corporation pursuant to this chapter shall furnish 4724
information concerning the financial condition of the bank or 4725
corporation to the superintendent of financial institutions upon 4726
the superintendent's demand. 4727

Sec. 1109.53. For purposes of this section and sections 4728
1109.54, 1109.55, and 1109.56 of the Revised Code: 4729

(A) (1) "Affiliate" means any of the following: 4730

(a) A company that controls the state bank and any other 4731
company controlled by the company that controls the state bank; 4732

(b) A bank subsidiary of the state bank; 4733

(c) A company that is controlled directly or indirectly, 4734
by a trust or otherwise, by or for the benefit of shareholders 4735
who beneficially or otherwise control, directly or indirectly, 4736
by trust or otherwise, the state bank or any company that 4737
controls the state bank; 4738

(d) A company in which a majority of the directors or 4739
trustees constitute a majority of the directors or trustees of 4740
the state bank or any company that controls the state bank; 4741

(e) A company, including a real estate investment trust, 4742
that is sponsored and advised on a contractual basis by the 4743
state bank or a subsidiary of the state bank; 4744

(f) An investment company to which the state bank or one 4745
of its affiliates is an investment advisor as defined in section 4746
2(a)(20) of the "Investment Company Act of 1940," 54 Stat. 789, 4747
15 U.S.C. 80a-2(a)(20), as amended; 4748

(g) A company the superintendent of financial institutions 4749
determines by rule or order to have a relationship with the 4750
state bank or one of its subsidiaries or affiliates such that 4751
covered transactions by the state bank or its subsidiary with 4752
that company may be affected by the relationship to the 4753
detriment of the state bank or its subsidiary. 4754

(2) "Affiliate" does not include any of the following: 4755

(a) A company, other than a bank, that is a subsidiary of a state bank, unless a determination is made under division (A) (1)(g) of this section not to exclude the subsidiary company from the definition of affiliate;

(b) A company engaged solely in holding the premises of the state bank;

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

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

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

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

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

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

(a) A loan or extension of credit to the affiliate;	4784
(b) A purchase of or an investment in securities issued by the affiliate;	4785 4786
(c) A purchase of assets, including assets subject to an agreement to repurchase, from the affiliate, except the purchase of real or personal property as specifically exempted by the superintendent by rule or order;	4787 4788 4789 4790
(d) The acceptance of securities issued by the affiliate as collateral security for a loan or extension of credit to any person or company;	4791 4792 4793
(e) The issuance of a guarantee, acceptance, or letter of credit, including an endorsement or standby letter of credit to any person or company.	4794 4795 4796
(2) "Covered transaction" does not include any of the following:	4797 4798
(a) A transaction with another bank if either of the following apply:	4799 4800
(i) One of the banks controls eighty per cent or more of the voting shares of the other bank.	4801 4802
(ii) The same company controls eighty per cent or more of the voting shares of both banks.	4803 4804
(b) Making deposits in an affiliated bank or affiliated foreign bank in the ordinary course of correspondent business, subject to any restrictions the superintendent may prescribe by rule or order;	4805 4806 4807 4808
(c) Giving immediate credit to an affiliate for uncollected items received in the ordinary course of business;	4809 4810

- (d) Making a loan or extension of credit to, or issuing a guarantee, acceptance, or letter of credit on behalf of, an affiliate that is fully secured by one of the following: 4811
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- (i) Obligations of the United States or its agencies or instrumentalities; 4814
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- (ii) Obligations fully guaranteed as to principal and interest by the United States or its agencies or instrumentalities; 4816
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- (iii) A segregated, earmarked deposit account with the state bank. 4819
4820
- (e) Purchasing securities issued by a company engaged solely in one or more of the following activities: 4821
4822
- (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; 4823
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- (ii) Conducting a safe-deposit business; 4827
- (iii) Furnishing services to or performing services for a company that controls the state bank or its subsidiaries; 4828
4829
- (iv) Liquidating assets acquired from a company that controls the state bank or its banking subsidiaries. 4830
4831
- (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; 4832
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4835
- (g) Purchasing from an affiliate a loan or extension of credit that was originated by the state bank and sold to the 4836
4837

affiliate subject to a repurchase agreement or with recourse. 4838

(E) "Low quality asset" means an asset that is one or more 4839
of the following: 4840

(1) An asset classified as "substandard," "doubtful," or 4841
"loss," or treated as "other loans especially mentioned" in the 4842
most recent report of examination or inspection of an affiliate 4843
prepared by any of the federal deposit insurance corporation, 4844
the federal reserve, the office of the comptroller of the 4845
currency, ~~the office of thrift supervision,~~ the division of 4846
financial institutions, or the financial institution regulators 4847
of other states of the United States; 4848

(2) An asset in a nonaccrual status; 4849

(3) An asset on which principal or interest payments are 4850
more than thirty days past due; 4851

(4) An asset whose terms have been renegotiated or 4852
compromised due to the deteriorating financial condition of the 4853
obligor. 4854

(F) "Securities" means, except as provided in section 4855
1109.55 of the Revised Code, stocks, bonds, debentures, notes, 4856
or other similar obligations. 4857

(G) "Subsidiary" means, with respect to a specified 4858
company, a company that is controlled by the specified company. 4859

(H) (1) Subject to division (H) (2) of this section, a 4860
company or shareholder is deemed to have control over another 4861
company, if any of the following apply: 4862

(a) The company or shareholder, directly or indirectly, or 4863
acting through one or more other persons, owns, controls, or has 4864
the power to vote twenty-five per cent or more of any class of 4865

voting securities of the other company. 4866

(b) The company or shareholder controls in any manner the 4867
election of a majority of the directors or trustees of the other 4868
company. 4869

(c) The superintendent determines, after notice and 4870
opportunity for a hearing, the company or shareholder, directly 4871
or indirectly, exercises a controlling influence over the 4872
management or policies of the other company. 4873

(2) No company shall be found to own or control another 4874
company by virtue of the ownership or control of securities in a 4875
fiduciary capacity, except either as provided in divisions (A) 4876
(1) (c) and (d) of this section or if the company owning or 4877
controlling the securities is a business trust. 4878

(I) Any transaction by a state bank with any person shall 4879
be considered a transaction with an affiliate to the extent the 4880
proceeds of the transaction are used for the benefit of, or 4881
transferred to, an affiliate. 4882

Sec. 1109.54. (A) A state bank and its subsidiaries may 4883
engage in a covered transaction with an affiliate only if both 4884
of the following apply: 4885

(1) The aggregate amount of covered transactions by the 4886
bank and its subsidiaries with the particular affiliate will not 4887
exceed ten per cent of the bank's capital. 4888

(2) The aggregate amount of all covered transactions by 4889
the bank and its subsidiaries with all of the bank's affiliates 4890
will not exceed twenty per cent of the bank's capital. 4891

(B) A state bank and its subsidiaries may not purchase a 4892
low quality asset from an affiliate unless the bank or its 4893

subsidiary, pursuant to an independent credit evaluation, 4894
committed itself to purchase the asset prior to the time the 4895
asset was acquired by the affiliate. 4896

(C) Any covered transactions and any transactions between 4897
a state bank and an affiliate shall be on terms and conditions 4898
that are consistent with safe and sound banking practices. 4899

(D) Except as provided in division (E) (4) of this section, 4900
any loan or extension of credit to, or guarantee, acceptance, or 4901
letter of credit issued on behalf of, an affiliate by a state 4902
bank or its subsidiary shall be secured at the time of the 4903
transaction by collateral having a market value equal to any of 4904
the following: 4905

(1) One hundred per cent of the amount of the loan or 4906
extension of credit, guarantee, acceptance, or letter of credit, 4907
if the collateral is composed of any of the following: 4908

(a) Obligations of the United States or its agencies or 4909
instrumentalities; 4910

(b) Obligations fully guaranteed as to principal and 4911
interest by the United States or its agencies or 4912
instrumentalities; 4913

(c) Notes, drafts, bills of exchange, or bankers' 4914
acceptances described in division (B) or ~~(C)~~ (C) of section 4915
1109.17 of the Revised Code; 4916

(d) A segregated, earmarked deposit account with the bank. 4917

(2) One hundred ten per cent of the amount of the loan or 4918
extension of credit, guarantee, acceptance, or letter of credit, 4919
if the collateral is composed of obligations of any state or 4920
political subdivision of any state; 4921

(3) One hundred twenty per cent of the amount of the loan 4922
or extension of credit, guarantee, acceptance, or letter of 4923
credit, if the collateral is composed of other debt instruments, 4924
including receivables; 4925

(4) One hundred thirty per cent of the amount of the loan 4926
or extension of credit, guarantee, acceptance, or letter of 4927
credit, if the collateral is composed of stock, leases, or other 4928
real or personal property. 4929

(E) For purposes of division (D) of this section: 4930

(1) Any collateral that is subsequently retired or 4931
amortized shall be replaced by additional eligible collateral as 4932
needed to keep the percentage of the collateral value relative 4933
to the amount of the outstanding loan or extension of credit, 4934
guarantee, acceptance, or letter of credit equal to the minimum 4935
percentage required at the inception of the transaction. 4936

(2) A low quality asset is not acceptable as collateral 4937
for a loan or extension of credit to, or guarantee, acceptance, 4938
or letter of credit issued on behalf of, an affiliate. 4939

(3) The securities issued by an affiliate of the state 4940
bank are not acceptable as collateral for a loan or extension of 4941
credit to, or guarantee, acceptance, or letter of credit issued 4942
on behalf of, that affiliate or any other affiliate of the bank. 4943

(4) The collateral requirements set forth in divisions (D) 4944
and (E) (1) of this section do not apply to any acceptance that 4945
is fully secured by either attached documents or other property 4946
that is involved in the transaction and that has an 4947
ascertainable market value. 4948

Sec. 1109.55. (A) A state bank and its subsidiaries may 4949
engage in any of the transactions described in division (B) of 4950

this section only if one of the following applies: 4951

(1) The transaction is on terms and under circumstances, 4952
including credit standards, that are substantially the same, or 4953
at least as favorable to the bank or its subsidiary, as those 4954
prevailing at the time for comparable transactions with or 4955
involving other nonaffiliated companies. 4956

(2) In the absence of comparable transactions, the 4957
transaction is on terms and under circumstances, including 4958
credit standards, that in good faith would be offered to, or 4959
would apply to, nonaffiliated companies. 4960

(B) Division (A) of this section applies to all of the 4961
following: 4962

(1) A covered transaction with an affiliate; 4963

(2) The sale of securities or other assets to an 4964
affiliate, including assets subject to an agreement to 4965
repurchase; 4966

(3) The payment of money or the furnishing of services to 4967
an affiliate under contract, lease, or otherwise; 4968

(4) Any transaction in which an affiliate acts as an agent 4969
or broker or receives a fee for its services to the bank or to 4970
any other person. 4971

(C) No state bank or its subsidiary shall do either of the 4972
following: 4973

(1) Purchase as fiduciary any securities or other assets 4974
from an affiliate unless the purchase is permitted by one of the 4975
following: 4976

(a) The instrument creating the fiduciary relationship; 4977

(b) A court order;	4978
(c) The law of the jurisdiction governing the fiduciary relationship.	4979 4980
(2) Whether acting as principal or fiduciary, knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security if a principal underwriter of the security is an affiliate.	4981 4982 4983 4984
Division (C) (2) of this section does not apply if the purchase or acquisition of the securities has been approved, before the securities are initially offered for sale to the public, by a majority of the directors of the bank who are not officers or employees of the bank or any of its affiliates.	4985 4986 4987 4988 4989
(D) No <u>state</u> bank or affiliate or subsidiary of a <u>state</u> bank shall publish any advertisement or enter into any agreement stating or suggesting the bank shall in any way be responsible for the obligations of its affiliates.	4990 4991 4992 4993
(E) For purposes of division (C) of this section:	4994
(1) "Principal underwriter" means any underwriter, in connection with a primary distribution of securities, that is any of the following:	4995 4996 4997
(a) In privity of contract with the issuer or an affiliated person of the issuer;	4998 4999
(b) Acting alone or in concert with one or more other persons, initiates or directs the formation of an underwriting syndicate;	5000 5001 5002
(c) Allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution.	5003 5004 5005

(2) "Security" has the same meaning as in section 3(a)(10) 5006
of the "Securities Exchange Act of 1934," 48 Stat. 881, 15 5007
U.S.C. 78c(a)(10), as amended. 5008

Sec. 1109.59. A state bank may borrow money in any sum 5009
consistent with safety and soundness. Borrowing by means of the 5010
issuance of debt securities is subject to the approval of the 5011
superintendent of financial institutions in accordance with 5012
section 1107.05 of the Revised Code. 5013

Sec. 1109.61. No state bank shall contract to pay, or pay 5014
to any person, any fees for management or consulting services, 5015
including fees for legal, accounting, brokerage, or other 5016
similar professional services, that do not have a direct 5017
relationship to the value of the services rendered or to be 5018
rendered, based on reasonable costs consistent with current 5019
market values for services of the kind contracted for. 5020

Sec. 1109.62. A state bank may engage in the business of 5021
selling insurance through a subsidiary insurance agency subject 5022
to licensing under the law of this state and the law of every 5023
other state in which services are provided by the bank or its 5024
subsidiary. 5025

Sec. 1109.63. A state bank may buy, sell, and exchange 5026
coin and bullion. 5027

Sec. 1109.64. Subject to the limitations and restrictions 5028
of Chapters 1101. to 1127. of the Revised Code, a state bank 5029
shall have the power to do both of the following: 5030

(A) Operate travel agencies; 5031

(B) Engage in the sale of tickets for passage on common 5032
carriers, such as airlines, railroads, ships, and buses, to 5033
points within and outside the United States. 5034

Sec. 1109.65. In order to protect its interest in a 5035
property, a state bank may purchase a tax certificate under 5036
section 5721.32 or 5721.33 of the Revised Code. 5037

Sec. 1109.69. (A) ~~Every~~Unless a longer record retention 5038
period is required by applicable federal law or regulation, each 5039
bank shall retain or preserve the following bank records and 5040
supporting documents for only the following periods of time: 5041

(1) For one year: 5042

(a) Broker's confirmations, invoices, and statements 5043
relating to security transactions of the bank or for or with its 5044
customers, after date of transaction; 5045

(b) Corporate resolutions, partnership authorizations, and 5046
similar authorizations relating to closed accounts, loans that 5047
have been paid, or other completed transactions, after date of 5048
closing, payment, or completion; 5049

(c) Ledger records of safe deposit accounts, after date of 5050
last entry on the ledger; 5051

(d) Night depository records, after their date; 5052

(e) Records relating to closed Christmas club or similar 5053
limited duration special purpose accounts, after date of 5054
closing; 5055

(f) Records relating to customer collection accounts, 5056
after date of transaction; 5057

(g) Stop payment orders, after their date; 5058

(h) All records relating to closed consumer credit loans 5059
and discounts, after date of closing; 5060

(i) Deposit tickets relating to demand deposit accounts, 5061

after their date;	5062
(2) For six years:	5063
(a) Deposit and withdrawal tickets relating to open or	5064
closed savings accounts, after their date;	5065
(b) Individual ledger sheets or other records serving the	5066
same purpose that show a zero balance and that relate to demand,	5067
time, or savings deposit accounts, and safekeeping accounts,	5068
after date of last entry, or, where the ledger sheets or other	5069
records show an open balance, after date of transfer of the	5070
amount of the balance to another ledger sheet or record;	5071
(c) Official checks, drafts, money orders, and other	5072
instruments for the payment of money issued by the bank and that	5073
have been canceled, after date of issue;	5074
(d) Records relating to closed escrow accounts, after date	5075
of closing;	5076
(e) Records, other than corporate resolutions, partnership	5077
authorizations, and similar authorizations relating to closed	5078
loans and discounts other than consumer credit loans and	5079
discounts, after date of closing;	5080
(f) Safe deposit access tickets and correspondence or	5081
documents relating to access, after their date;	5082
(g) Lease or contract records relating to closed safe	5083
deposit accounts, after date of closing;	5084
(h) Signature cards relating to closed demand, savings, or	5085
time accounts, closed safe deposit accounts, and closed	5086
safekeeping accounts, after date of closing;	5087
(i) Undelivered statements for demand deposit, negotiable	5088

order of withdrawal, savings, agency, brokerage, or other 5089
accounts for which customer statements are prepared, and 5090
canceled checks or other items, after date of statement, 5091
provided the bank has attempted to send the statements and 5092
checks or other items to its customer, has held them pursuant to 5093
the instructions of or an agreement with its customer, or has 5094
made them available to its customer. 5095

(B) The superintendent of financial institutions may 5096
designate a retention period of either one year or six years for 5097
any record maintained by a bank but not listed in division (A) 5098
of this section. Records that are not listed in division (A) of 5099
this section and for which the superintendent has not designated 5100
a retention period shall be retained or preserved for six years 5101
from the date of completion of the transaction to which the 5102
record relates or, if the last entry has been transferred to a 5103
new record showing the continuation of a transaction not yet 5104
completed, from the date of the last entry. 5105

(C) The requirements of divisions (A) and (B) of this 5106
section may be complied with by the preservation of records in 5107
the manner prescribed in section 1109.68 of the Revised Code. 5108

(D) In construing the terms set forth in division (A) of 5109
this section, reference may be made to general banking usage. 5110

(E) A bank may dispose of any records that have been 5111
retained or preserved for the period set forth in divisions (A) 5112
and (B) of this section. 5113

(F) Any action by or against a bank based on, or the 5114
determination of which would depend on, the contents of records 5115
for which a period of retention or preservation is set forth in 5116
divisions (A) and (B) of this section shall be brought within 5117

the time for which the record must be retained or preserved. 5118

(G) Where a record may be classified under either division 5119
(A) (1) or (2) of this section, the record shall be retained or 5120
preserved for the period set forth in division (A) (2) of this 5121
section. 5122

(H) The provisions of this section do not apply to those 5123
records maintained by a bank in its capacity as a trust company. 5124

Sec. 1111.01. As used in this chapter: 5125

(A) "Charitable trust" means a charitable remainder 5126
annuity trust as defined in section 664(d) of the Internal 5127
Revenue Code, a charitable remainder unitrust as defined in 5128
section 664(d) of the Internal Revenue Code, a charitable lead 5129
or other split interest trust subject to the governing 5130
instrument requirements of section 508(e) of the Internal 5131
Revenue Code, a pooled income fund as defined in section 642(c) 5132
of the Internal Revenue Code, a trust that is a private 5133
foundation as defined in section 509 of the Internal Revenue 5134
Code, or a trust of which each beneficiary is a charity. 5135

For purposes of this division and division (B) of this 5136
section, "Internal Revenue Code" means the "Internal Revenue 5137
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 5138

(B) "Charity" means a state university as defined in 5139
section 3345.011 of the Revised Code, a community college as 5140
defined in section 3354.01 of the Revised Code, a technical 5141
college as defined in section 3357.01 of the Revised Code, a 5142
state community college as defined in section 3358.01 of the 5143
Revised Code, a private college or university that possesses a 5144
certificate of authorization issued by the Ohio board of regents 5145
pursuant to Chapter 1713. of the Revised Code, a trust or 5146

organization exempt from taxation under section 501(c)(3) or 5147
section 501(c)(13) of the Internal Revenue Code, or a 5148
corporation, trust, or organization described in section 170(c) 5149
(2) of the Internal Revenue Code. The term "charities" means 5150
more than one trust or organization that is a charity. 5151

(C) "Collective investment fund" means a fund established 5152
by a trust company or an affiliate of a trust company for the 5153
collective investment of assets held in a fiduciary capacity, 5154
either alone or with one or more cofiduciaries, by the 5155
establishing trust company and its affiliates. 5156

(D) "Fiduciary investment company" means a corporation 5157
that is both of the following: 5158

(1) An investment company; 5159

(2) Incorporated, owned, and operated in accordance with 5160
rules adopted by the superintendent of financial institutions 5161
for the investment of funds held by trust companies in a 5162
fiduciary capacity and for true fiduciary purposes, either alone 5163
or with one or more cofiduciaries. 5164

(E) "Home" has the same meaning as in section 3721.10 of 5165
the Revised Code. 5166

(F) "Instrument" includes any will, declaration of trust, 5167
agreement of trust, agency, or custodianship, or court order 5168
creating a fiduciary relationship. 5169

(G) "Residential facility" has the same meaning as in 5170
section 5123.19 of the Revised Code. 5171

(H) "Investment company" means any investment company as 5172
defined in section 3 and registered under section 8 of the 5173
"Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a- 5174

3 and 80a-8, as amended. 5175

(I) "Trust business" means accepting and executing trusts 5176
of property, serving as a trustee, executor, administrator, 5177
guardian, receiver, or conservator, and providing fiduciary 5178
services as a business. "Trust business" does not include any of 5179
the following: 5180

(1) Any natural person acting as a trustee, executor, 5181
administrator, guardian, receiver, or conservator pursuant to 5182
appointment by a court of competent jurisdiction; 5183

(2) Any natural person serving as a trustee who does not 5184
hold self out to the public as willing to act as a trustee for 5185
hire. For purposes of division (I) of this section, the 5186
solicitation or advertisement of legal or accounting services by 5187
a person licensed in this state as an attorney or a person 5188
holding an Ohio permit to practice public accounting issued 5189
under division (A) of section 4701.10 of the Revised Code shall 5190
not be considered to be the act of holding self out to the 5191
public as willing to act as a trustee for hire. 5192

(3) A charity, an officer or employee of a charity, or a 5193
person affiliated with a charity, serving as trustee of a 5194
charitable trust of which the charity, or another charity with a 5195
similar purpose, is a beneficiary; 5196

(4) Any natural person, home, or residential facility 5197
serving as trustee or taking other actions relative to a 5198
qualified income trust described in section 1917(d)(4)(B) of the 5199
"Social Security Act," 42 U.S.C. 1396p(d)(4)(B), as amended; 5200

(5) Other fiduciary activities the superintendent 5201
determines are not undertaken as a business. 5202

Sec. 1111.02. (A) Except as provided in ~~divisions~~division 5203

(B) ~~and (C)~~ of this section, no person shall solicit or engage 5204
in trust business in this state except a corporation that is one 5205
of the following: 5206

(1) A corporation licensed under section 1111.06 of the 5207
Revised Code that is one of the following: 5208

(a) A state bank ~~doing business under authority granted by~~ 5209
~~the superintendent of financial institutions;~~ 5210

(b) A ~~savings and loan association doing business under~~ 5211
~~authority granted by the superintendent of financial~~ 5212
~~institutions;~~ 5213

~~(c) A savings bank doing business under authority granted~~ 5214
~~by the superintendent of financial institutions;~~ 5215

~~(d) A bank authorized to accept and execute trusts and~~ 5216
~~doing business under authority granted by the bank chartering~~ 5217
~~authority of another state or country;~~ 5218

~~(e) (c)~~ A corporation organized under the laws of another 5219
state or country and authorized to accept and execute trusts in 5220
that state or country. 5221

(2) A national bank or federal savings association 5222
authorized to accept and execute trusts and doing business under 5223
authority granted by the office of the comptroller of the 5224
currency; 5225

~~(3) A savings association authorized to accept and execute~~ 5226
~~trusts and doing business under authority granted by the office~~ 5227
~~of thrift supervision.~~ 5228

(B) This chapter shall not apply to ~~any of the following~~: 5229

~~(1) A savings and loan association serving as a trustee to~~ 5230

~~the extent authorized by section 1151.191 of the Revised Code;~~ 5231

~~(2) A savings bank serving as a trustee to the extent authorized by section 1161.24 of the Revised Code;~~ 5232
5233

~~(3) A~~ a corporation that is incorporated under the laws of 5234
another state or the United States, has its principal place of 5235
business in another state, is currently qualified to do and is 5236
engaging in trust business in the state where the corporation 5237
has its principal place of business, and is doing any of the 5238
following: 5239

~~(a)~~ (1) Serving as ancillary executor or administrator of 5240
property in this state that is in the estate of a decedent, 5241
after appointment as executor or administrator of the estate by 5242
the courts of the decedent's state of residence; 5243

~~(b)~~ (2) As trustee, acquiring, holding, or transferring a 5244
security interest in lands or other property in this state, by 5245
mortgage, deed of trust, or other instrument, to secure any 5246
evidence of indebtedness; 5247

~~(c)~~ (3) Certifying to any evidence of indebtedness. 5248

~~(C) The following persons shall not be subject to this chapter until July 1, 1997:~~ 5249
5250

~~(1) Any person, other than a person described in division (A) or (B) of this section, that is serving as a fiduciary under a trust instrument, will, or other document executed before July 1, 1997;~~ 5251
5252
5253
5254

~~(2) Any person, other than a person described in division (A) or (B) of this section, that is named as a fiduciary in, or is nominated as a fiduciary under, a trust instrument, will, or other document executed before July 1, 1997.~~ 5255
5256
5257
5258

Sec. 1111.03. (A) Notwithstanding any other provision of 5259
the Revised Code, any national bank or federal savings 5260
association that has been granted fiduciary powers by the office 5261
of the comptroller of the currency ~~or any federal savings~~ 5262
~~association that has been granted fiduciary powers by the office~~ 5263
~~of thrift supervision~~ may act in this state as trustee, 5264
executor, administrator, registrar of stocks and bonds, guardian 5265
of estates, assignee, receiver, or in any other fiduciary 5266
capacity in which trust companies qualified and licensed under 5267
section 1111.06 of the Revised Code are authorized to act in 5268
this state. For such purpose, a national bank or federal savings 5269
association shall have the same powers and rights, including but 5270
not limited to, the same right to make and accept transfers of 5271
fiduciary appointments, as are granted by the laws of this state 5272
to trust companies qualified and licensed under section 1111.06 5273
of the Revised Code, and may solicit trust business, accept 5274
trust deposits, and maintain nonbranch trust offices in this 5275
state. A national bank or federal savings association shall not, 5276
by virtue of conducting such trust activity in this state, be 5277
subject to examination or inspection by the superintendent of 5278
financial institutions, nor shall it be required to obtain any 5279
approval, authorization, licenses, or certification from, or pay 5280
any fee or assessment to, the superintendent in order to conduct 5281
trust activities in this state. 5282

(B) Notwithstanding the provisions of division (A) of this 5283
section, section 1111.04, division (B) of section 1111.07, and 5284
section 1111.08 of the Revised Code shall apply to national 5285
banks and federal savings associations. 5286

Sec. 1111.04. (A) Prior to soliciting or engaging in trust 5287
business in this state, a trust company shall pledge to the 5288
treasurer of state interest bearing securities authorized in 5289

division (B) of this section, having a par value, not including 5290
unaccrued interest, of one hundred thousand dollars, and 5291
approved by the superintendent of financial institutions. The 5292
trust company may pledge the securities either by delivery to 5293
the treasurer of state or by placing the securities with a 5294
qualified trustee for safekeeping to the account of the 5295
treasurer of state, the corporate fiduciary, and any other 5296
person having an interest in the securities under Chapter 1109. 5297
of the Revised Code, as their respective interests may appear 5298
and be asserted by written notice to or demand upon the 5299
qualified trustee or by order of judgment of a court. 5300

(B) Securities pledged by a trust company to satisfy the 5301
requirements of division (A) of this section shall be one or 5302
more of the following: 5303

(1) Bonds, notes, or other obligations of or guaranteed by 5304
the United States or for which the full faith and credit of the 5305
United States is pledged for the payment of principal and 5306
interest; 5307

(2) Bonds, notes, debentures, or other obligations or 5308
securities issued by any agency or instrumentality of the United 5309
States; 5310

(3) General obligations of this or any other state of the 5311
United States or any subdivision of this or any other state of 5312
the United States. 5313

(C) The treasurer of state shall accept delivery of 5314
securities pursuant to this section when accompanied by the 5315
superintendent's approval of the securities or the written 5316
receipt of a qualified trustee describing the securities and 5317
showing the superintendent's approval of the securities, and 5318

shall issue a written acknowledgment of the delivery of the securities or the qualified trustee's receipt and the superintendent's approval to the trust company.

(D) The superintendent shall approve securities to be pledged by a trust company pursuant to this section if the securities are all of the following:

(1) Interest bearing and of the value required by division (A) of this section;

(2) Of one or more of the kinds authorized by division (B) of this section and not a derivative of or merely an interest in any of those securities;

(3) Not in default.

(E) The treasurer of state shall, with the approval of the superintendent, permit a trust company to pledge securities in substitution for securities pledged pursuant to this section and the withdrawal of the securities substituted for so long as the securities remaining pledged satisfy the requirements of division (A) of this section. The treasurer of state shall permit a trust company to collect interest paid on securities pledged pursuant to this section so long as the trust company is solvent. The treasurer of state shall, with the approval of the superintendent, permit a trust company to withdraw securities pledged pursuant to this section when the trust company has ceased to solicit or engage in trust business in this state.

(F) For purposes of this section, a qualified trustee is a federal reserve bank, a federal home loan bank, a trust company as defined in section 1101.01 of the Revised Code, or a national bank or federal savings association that has pledged securities pursuant to this section, is authorized to accept and execute

trusts, and is doing business under authority granted by the 5348
~~office of the comptroller of the currency, or a savings-~~ 5349
~~association that has pledged securities pursuant to this-~~ 5350
~~section, is authorized to accept and execute trusts, and is-~~ 5351
~~doing business under authority granted by the office of thrift-~~ 5352
~~supervision except that.~~ However, a national bank or federal 5353
savings association doing business under authority granted by 5354
the office of the comptroller of the currency, a savings- 5355
~~association doing business under authority granted by the office-~~ 5356
~~of thrift supervision,~~ or a trust company may not act as a 5357
qualified trustee for securities it or any of its affiliates is 5358
pledging pursuant to this section. 5359

(G) The superintendent, with the approval of the treasurer 5360
of state and the attorney general, shall prescribe the form of 5361
all receipts and acknowledgments provided for by this section, 5362
and upon request shall furnish a copy of each form, with the 5363
superintendent's certification attached, to each qualified 5364
trustee eligible to hold securities for safekeeping under this 5365
section. 5366

Sec. 1111.06. (A) Any person, other than a national bank 5367
with trust powers or a federal savings association with trust 5368
powers, proposing to solicit or engage in trust business in this 5369
state shall apply to the superintendent of financial 5370
institutions to be licensed as a trust company. The 5371
superintendent shall approve or disapprove the application 5372
within sixty days after accepting it. 5373

(B) In determining whether to approve or disapprove an 5374
application for a trust company license, the superintendent 5375
shall consider all of the following: 5376

(1) Whether the applicant is a corporation described in 5377

division (A) (1) of section 1111.02 of the Revised Code; 5378

(2) Whether the applicant's articles of incorporation or 5379
association authorize the applicant to serve as a trustee; 5380

(3) If the applicant is not a state bank, ~~savings and loan-~~ 5381
~~association, or savings bank doing business under authority~~ 5382
~~granted by the superintendent~~, whether the applicant is 5383
currently qualified to do and is engaging in trust business in 5384
the state or country under the laws of which the applicant is 5385
organized; 5386

(4) Whether the applicant satisfies the requirements of 5387
section 1111.05 of the Revised Code; 5388

(5) Whether it is reasonable to believe the applicant will 5389
comply with applicable laws and observe sound fiduciary 5390
standards in conducting trust business in this state; 5391

(6) If the applicant is not a state bank, ~~savings and loan-~~ 5392
~~association, or savings bank doing business under authority~~ 5393
~~granted by the superintendent~~, whether the applicant is subject 5394
to comprehensive supervision and regulation of its fiduciary 5395
activities by appropriate authorities of the state or country 5396
under the laws of which the applicant is organized. 5397

(C) In approving an application for a trust company 5398
license, the superintendent may impose any condition the 5399
superintendent determines to be appropriate. 5400

(D) When an applicant has satisfied all prior conditions 5401
imposed by the superintendent in approving the applicant's 5402
application for a trust company license and has pledged 5403
securities as required by section 1111.04 of the Revised Code, 5404
the superintendent shall issue the applicant a trust company 5405
license. A license issued pursuant to this section shall remain 5406

in force and effect until surrendered by the licensee pursuant 5407
to section 1111.31 of the Revised Code or suspended or revoked 5408
by the superintendent pursuant to section 1111.32 of the Revised 5409
Code. 5410

Sec. 1111.07. (A) A trust company's license to solicit or 5411
engage in trust business in this state is not transferable or 5412
assignable. 5413

(B) Subject to section 2109.28 of the Revised Code, if any 5414
trust company enters into a merger or consolidation in which the 5415
trust company is not the surviving corporation, or transfers all 5416
or substantially all of its assets and liabilities to another 5417
corporation, the resulting, surviving, or transferee corporation 5418
shall succeed the trust company as fiduciary as a matter of law 5419
and without necessity to do anything further, if the resulting, 5420
surviving, or transferee corporation is a trust company ~~or~~ or a 5421
national bank or federal savings association authorized to 5422
accept and execute trusts and doing business under authority 5423
granted by the office of the comptroller of the currency, ~~or a~~ 5424
~~federal savings association authorized to accept and execute~~ 5425
~~trusts and doing business under authority granted by the office~~ 5426
~~of thrift supervision~~. If the trust company is not the surviving 5427
corporation of a merger, enters a consolidation, or after 5428
transferring substantially all of its assets and liabilities 5429
ceases to solicit or engage in trust business in this state, the 5430
trust company shall surrender its trust company license in 5431
accordance with section 1111.31 of the Revised Code. 5432

Sec. 1111.08. (A) A trust company, or a national bank or 5433
federal savings association authorized to accept and execute 5434
trusts and doing business under authority granted by the office 5435
of the comptroller of the currency, ~~or a federal savings~~ 5436

~~association authorized to accept and execute trusts and doing~~ 5437
~~business under authority granted by the office of thrift~~ 5438
~~supervision~~ may transfer all or part of its trust business in 5439
this state to another trust company, or to a national bank or 5440
federal savings association authorized to accept and execute 5441
trusts and doing business under authority granted by the office 5442
of the comptroller of the currency, ~~or to a federal savings~~ 5443
~~association authorized to accept and execute trusts and doing~~ 5444
~~business under authority granted by the office of thrift~~ 5445
~~supervision,~~ if all of the following have occurred: 5446

(1) Not less than sixty days before consummation of the 5447
transfer, either the transferor or transferee, or both, for each 5448
fiduciary account or relationship to be transferred, has given 5449
written notice, by regular mail to the most recent address shown 5450
on the records of the transferor, to all of the following that 5451
apply: 5452

(a) Each court having jurisdiction over the fiduciary 5453
account or relationship; 5454

(b) Each cofiduciary of the fiduciary account or 5455
relationship; 5456

(c) Each surviving settlor of the trust; 5457

(d) Each person that, alone or in conjunction with others, 5458
has the power to remove the trust company as fiduciary or 5459
appoint a successor fiduciary; 5460

(e) Except in the case of a trust described in section 5461
401(a) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 5462
26 U.S.C.A. 401(a), as amended, each adult beneficiary currently 5463
receiving or entitled as a matter of right to receive a 5464
distribution of principal or income from the trust, estate, or 5465

fund; 5466

(f) In the case of a trust described in section 401(a) of 5467
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 5468
401(a), as amended, the employer or employee organization, or 5469
both, responsible for the maintenance of the trust. 5470

(2) The transferor has filed a certified copy of the 5471
agreement for the sale with the superintendent of financial 5472
institutions. 5473

(B) (1) The transfer of a fiduciary account or relationship 5474
pursuant to division (A) of this section results in the 5475
transferee being substituted for the transferor as fiduciary as 5476
a matter of law and without necessity to do anything further. 5477

(2) The transfer of a fiduciary account or relationship 5478
pursuant to division (A) of this section does neither of the 5479
following: 5480

(a) Impair the right of any person that, alone or in 5481
conjunction with others, has the power to remove a fiduciary or 5482
appoint a successor fiduciary; 5483

(b) Absolve or discharge a transferor from any liability 5484
arising out of its breach of any fiduciary duty or obligation to 5485
the account prior to the transfer. 5486

Sec. 1111.09. (A) (1) A trust service office is any 5487
location established by a trust company as a place for either of 5488
the following: 5489

(a) Persons seeking the services of the trust company, or 5490
information about those services, to contact representatives of 5491
the trust company regarding the trust company's business. 5492

(b) The trust company's representatives to contact the 5493

trust company's customers, or potential customers, and their 5494
representatives. 5495

(2) None of the following is a trust service office: 5496

(a) Any location where a trust company conducts its 5497
operations but does not provide facilities for contact with its 5498
customers or contact by the public with the trust company; 5499

(b) Any location that is the home or place of work or 5500
business or used for the convenience of the trust company's 5501
customer, potential customer, or a representative of a customer 5502
or potential customer where the trust company's representative's 5503
contact with its customer, potential customer, or a 5504
representative of a customer or potential customer is merely 5505
incidental to the purposes for which the location is maintained 5506
and to the activities conducted there; 5507

(c) Any location where another person, including a 5508
financial institution, conducts its business and persons 5509
inquiring about trust services are merely referred to a trust 5510
company, even if referrals to a particular trust company are by 5511
exclusive arrangement and compensated. 5512

(B) A trust company may, consistent with the trust 5513
company's safe and sound operation and the law, establish and 5514
maintain trust service offices at any location, including the 5515
following: 5516

(1) If clearly identified and distinguished, at a location 5517
where another person, including a financial institution, also 5518
conducts business; 5519

(2) If the trust company is a bank, savings and loan 5520
association, or savings bank, at any of its approved banking 5521
offices or main office or branches. 5522

(C) (1) A trust company shall give notice in writing to the 5523
superintendent of financial institutions prior to establishing, 5524
relocating, or closing a trust service office in this state. 5525

(2) A trust company that is a state bank ~~doing business~~ 5526
~~under authority granted by the superintendent~~ also shall give 5527
notice in writing to the superintendent prior to establishing, 5528
relocating, or closing a trust service office outside this 5529
state. 5530

Sec. ~~1103.01~~ 1113.01. A stock state banking corporation 5531
shall be created, organized, and governed, ~~and its business~~ 5532
shall be conducted, and its directors shall be chosen, in all 5533
respects in the same manner as is provided by Chapters 1701. and 5534
1704. of the Revised Code, for corporations generally, to the 5535
extent that is not inconsistent with this chapter, ~~Chapter~~ 5536
Chapters 1101. to 1111., and Chapters ~~1105. 1114.~~ to 1127. of 5537
the Revised Code. 5538

Sec. ~~1113.01~~ 1113.02. (A) Five or more natural persons, at 5539
least one of whom is a resident of this state, may, with the 5540
approval of the superintendent of financial institutions, 5541
incorporate a stock state bank. 5542

(B) The persons proposing to incorporate a stock state 5543
bank shall apply for approval of the proposed bank by submitting 5544
the application prescribed by the superintendent, which 5545
application shall include all of the following: 5546

(1) The proposed articles of incorporation and code of 5547
regulations; 5548

(2) An application for reservation of a name in accordance 5549
with section 1103.07 of the Revised Code, if reservation is 5550
desired by the incorporators and has not been previously filed; 5551

(3) The location and a description of the proposed initial banking office; 5552
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(4) Information to demonstrate the proposed bank will satisfy the requirements of division (C) of section 1113.03 and any other provision of the Revised Code identified by the superintendent; 5554
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(5) Any other information the superintendent requires. 5558

(C) Notwithstanding division (A) of this section, a corporation may act as the sole incorporator of a stock state bank if either of the following applies: 5559
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(1) The corporation is registered with the board of governors of the federal reserve system as a bank holding company; 5562
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(2) The superintendent determines the corporation is intending to form either of the following: 5565
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(a) A stock state 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; 5567
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(b) A stock state 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. 5571
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Sec. 1113.03. (A) Within ten days after receipt from the superintendent of financial institutions of notice of acceptance 5578
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of an application for approval to incorporate a stock state 5580
bank, the incorporators shall publish notice of the proposed 5581
incorporation in a newspaper of general circulation in the 5582
county where the bank's initial banking office is to be located. 5583
The incorporators shall publish the notice once a week for two 5584
weeks and furnish a certified copy of it to the superintendent. 5585
The notice shall specify the name of the proposed bank, its 5586
location, the amount of the proposed capital, the names of the 5587
incorporators, the address of the superintendent, and the date 5588
by which comments on the application must be filed with the 5589
superintendent, which date shall be thirty days after the date 5590
of the first publication of the notice. 5591

(B) If any comments on the application are filed with the 5592
superintendent within the thirty-day period prescribed in 5593
division (A) of this section, the superintendent shall determine 5594
whether the comments are relevant to the requirements for 5595
incorporation of a stock state bank and, if so, investigate the 5596
comments in the manner the superintendent considers appropriate. 5597

(C) The superintendent shall examine all of the facts 5598
connected with the application to determine if all of the 5599
following requirements are met: 5600

(1) The proposed articles of incorporation and code of 5601
regulations, application for reservation of name, applicable 5602
fees, and other items required meet the requirements of the 5603
Revised Code. 5604

(2) The convenience and needs of the public will be served 5605
by the proposed bank. 5606

(3) The population and economic characteristics of the 5607
area primarily to be served afford reasonable promise of 5608

adequate support for the proposed bank. 5609

(4) The competence, experience, and integrity of the 5610
proposed directors and officers are such as to command the 5611
confidence of the community and warrant the belief that the 5612
business of the proposed bank will be honestly and efficiently 5613
conducted. 5614

(5) The capital of the proposed bank is adequate in 5615
relation to the amount and character of the anticipated business 5616
of the bank and the safety of prospective depositors. 5617

(D) Within one hundred eighty days following the date of 5618
acceptance of the application, the superintendent shall approve 5619
or disapprove the incorporation of the proposed bank upon the 5620
basis of the examination. In giving approval, the superintendent 5621
may impose conditions to be met prior to the issuance of a 5622
certificate of authority to commence business under section 5623
1113.09 of the Revised Code. 5624

(E) If the superintendent approves the application, the 5625
superintendent shall make a certificate to that effect and 5626
forward the certificate and the articles of incorporation of the 5627
proposed bank to the secretary of state for filing. 5628

Sec. ~~1103.06~~-1113.04. (A) A stock state bank's articles of 5629
incorporation shall contain all of the following: 5630

(1) The name of the bank; 5631

(2) The place in this state where the bank's principal 5632
place of business is to be located; 5633

(3) The purpose or purposes for which the bank is formed; 5634

(4) The maximum number and the par value of shares the 5635
bank is authorized to have outstanding and their express terms, 5636

if any. The articles of incorporation shall not authorize shares 5637
without par value. If the shares are to be classified, the 5638
designation of each class, the number and par value of the 5639
shares of each class, and the express terms, if any, of the 5640
shares of each class shall be included. 5641

(B) The articles of incorporation may also set forth any 5642
lawful provision for the purpose of defining, limiting, or 5643
regulating the exercise of the authority of the stock state 5644
bank, the incorporators, the directors, the officers, the 5645
shareholders, or the holders of any class of shares, and any 5646
provision that may be set forth in the bank's code of 5647
regulations. 5648

Sec. 1113.05. (A) Before any subscription to shares has 5649
been received, the incorporators may, by unanimous written 5650
action and subject to ~~division (E)~~ the requirements of this 5651
section, adopt amendments to the stock state bank's articles of 5652
incorporation or amended articles of incorporation to change any 5653
provision of, or add any provision that may properly be included 5654
in, the articles of incorporation. 5655

(B) Amended articles of incorporation shall set forth all 5656
provisions required in, and only provisions that may properly be 5657
in, original articles of incorporation or amendments to articles 5658
of incorporation at the time the amended articles of 5659
incorporation are adopted, and shall state that they supersede 5660
the existing articles of incorporation. 5661

(C) (1) If the incorporators propose the adoption of any 5662
amendment to a stock state bank's articles of incorporation or 5663
amended articles of incorporation, the bank shall send to the 5664
superintendent of financial institutions a copy of the proposed 5665
amendment or amended articles of incorporation for review and 5666

approval prior to adoption by the incorporators. 5667

(2) Upon receiving a proposed amendment or amended 5668
articles of incorporation, the superintendent shall conduct 5669
whatever examination the superintendent considers necessary to 5670
determine if both of the following conditions are satisfied: 5671

(a) The proposed amendment or amended articles of 5672
incorporation comply with the requirements of the Revised Code. 5673

(b) The proposed amendment or amended articles of 5674
incorporation will not adversely affect the interests of the 5675
bank's depositors and creditors and the convenience and needs of 5676
the public. 5677

(3) Within forty-five days after receiving the proposed 5678
amendment or amended articles of incorporation, the 5679
superintendent shall notify the bank of the superintendent's 5680
approval or disapproval unless the superintendent determines 5681
additional information is required. In that event, the 5682
superintendent shall request the information in writing within 5683
twenty days after the date the proposed amendment or amended 5684
articles of incorporation were received. The bank shall have 5685
thirty days to submit the information to the superintendent. The 5686
superintendent shall notify the bank of the superintendent's 5687
approval or disapproval of the proposed amendment or amended 5688
articles of incorporation within forty-five days after the date 5689
the additional information is received. If the proposed 5690
amendment or amended articles of incorporation are disapproved 5691
by the superintendent, the superintendent shall notify the bank 5692
of the reasons for the disapproval. 5693

(4) If the superintendent fails to approve or disapprove 5694
the proposed amendment or amended articles of incorporation 5695

within the time period required under division (C) (3) of this 5696
section, the proposed amendment or amended articles of 5697
incorporation shall be considered approved. 5698

(5) If the proposed amendment or amended articles of 5699
incorporation are approved, in no event shall that approval be 5700
construed or represented as an affirmative endorsement of the 5701
amendment or amended articles of incorporation by the 5702
superintendent. 5703

(D) (1) Upon their adoption of any approved amendment to a 5704
stock state bank's articles of incorporation, the incorporators 5705
shall send to the superintendent ~~of financial institutions~~ a 5706
certificate, signed by all the incorporators, containing a copy 5707
of the resolution adopting the amendment and a statement of the 5708
manner of and basis for its adoption. 5709

(2) Upon their adoption of approved amended articles of 5710
incorporation, the incorporators shall send to the 5711
superintendent a copy of the amended articles of incorporation, 5712
accompanied by a certificate, signed by all the incorporators, 5713
containing a copy of the resolution adopting the amended 5714
articles of incorporation and a statement of the manner of and 5715
basis for its adoption. 5716

~~(D)~~ (E) Upon receiving a certificate required by division 5717
~~(C)~~ (D) of this section, the superintendent shall conduct 5718
whatever examination the superintendent considers necessary to 5719
determine if ~~both of the following conditions are satisfied:~~ 5720

~~(1) The~~ the manner of and basis for the adoption of the 5721
amendment or amended articles of incorporation and the manner of 5722
and basis for adoption comply with the requirements of the 5723
Revised Code~~+~~ 5724

~~(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.~~ 5725
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~~(E)~~ (F) (1) Within ~~sixty~~ thirty days after receiving a certificate required by division ~~(C)~~ (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 ~~(C)~~ (D) 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. 5728
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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 ~~(C)~~ (D) 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. 5740
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Sec. 1113.06. (A) After the secretary of state has filed the articles of incorporation and certificate of approval of the superintendent of financial institutions, the incorporators, or a majority of them, shall order books to be opened for subscription to the stock state bank's shares. An installment of not less than ten per cent of the subscription price of each 5749
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share shall be payable at the time of making the subscription, 5755
and the balance shall be payable as soon thereafter as the board 5756
of directors requires. 5757

(B) When the stock state bank's shares have been fully 5758
subscribed, the incorporators, or a majority of them, shall 5759
certify this fact in writing to the superintendent. The 5760
superintendent shall file the certification with the secretary 5761
of state. 5762

(C) Upon their compliance with division (B) of this 5763
section, at least a majority of the incorporators shall give not 5764
less than ten days' notice in writing by mail to the 5765
shareholders who have not waived the notice to meet at a 5766
specified time and place for the purpose of adopting a code of 5767
regulations, electing directors, and transacting any other 5768
business authorized by section 1113.08 of the Revised Code. The 5769
shareholders shall meet for those purposes at the time and place 5770
specified. 5771

(D) The incorporators shall not receive any subscriptions 5772
for shares after the election of directors. 5773

Sec. 1113.08. (A) A stock state bank organized under 5774
Chapter 1113. of the Revised Code shall not accept deposits, 5775
incur indebtedness, or transact any business except business 5776
that is incidental to its organization or to the obtaining of 5777
subscriptions to or payment for its shares until the bank 5778
receives a certificate of authority to commence business issued 5779
by the superintendent of financial institutions. 5780

(B) The bank shall file a report with the superintendent 5781
when it has done everything required before it can be authorized 5782
to commence business and when the subscriptions for the bank's 5783

shares have been fully paid in, in the amounts fixed by the 5784
superintendent. 5785

(C) Upon receipt of the report referred to in division (B) 5786
of this section, the superintendent shall examine the affairs of 5787
the bank and determine whether the bank has complied with all 5788
requirements necessary to entitle it to engage in business. 5789

Sec. 1113.09. (A) The superintendent of financial 5790
institutions shall issue a certificate of authority to commence 5791
business if: 5792

(1) The superintendent is satisfied, based upon the 5793
examination conducted pursuant to section 1113.08 of the Revised 5794
Code and any other facts within the knowledge of the 5795
superintendent, that the stock state bank is otherwise entitled 5796
to commence business. 5797

(2) With respect to a stock state bank that, upon 5798
commencing business, would be authorized to accept deposits 5799
other than trust funds, the superintendent has received from the 5800
federal deposit insurance corporation (FDIC) confirmation that 5801
the FDIC has approved the bank's application to become an 5802
insured bank as defined in section 3(h) of the "Federal Deposit 5803
Insurance Act," 92 Stat. 614 (1978), 12 U.S.C.A. 1813(h). A 5804
stock state bank is not required to become an insured bank as 5805
defined in section 3(h) of the "Federal Deposit Insurance Act" 5806
if, by the terms of its articles of incorporation, it is not 5807
permitted to solicit or accept deposits other than trust funds. 5808

(B) The bank shall cause the certificate of authority to 5809
commence business to be published once a week for two successive 5810
weeks in a newspaper of general circulation in the county where 5811
the bank's initial banking office is located. 5812

(C) For purposes of this section, "trust funds" means 5813
funds held in a fiduciary capacity and includes, but is not 5814
limited to, funds held as trustee, executor, administrator, 5815
guardian, or agent. 5816

Sec. ~~1103.11~~ 1113.11. (A) Each stock state bank shall have 5817
a code of regulations for its governance as a corporation, the 5818
conduct of its affairs, and the management of its property. The 5819
code of regulations shall be consistent with the law of this 5820
state and the bank's articles of incorporation. 5821

~~(B) A bank's original code of regulations shall be adopted~~ 5822
~~at a meeting of shareholders held for that purpose by the~~ 5823
~~affirmative vote of the holders of shares entitling them to~~ 5824
~~exercise a majority of the voting power of the bank on the~~ 5825
~~proposal.~~ 5826

~~(C) The shareholders may amend a bank's code of~~ 5827
~~regulations or adopt a new code of regulations in any of the~~ 5828
~~following ways:~~ 5829

~~(1) At a meeting of shareholders by the affirmative vote~~ 5830
~~of the holders of shares entitling them to exercise a majority~~ 5831
~~of the voting power of the bank on the proposal;~~ 5832

~~(2) Without a meeting by the written consent of the~~ 5833
~~holders of shares entitling them to exercise two thirds of the~~ 5834
~~voting power of the bank on the proposal;~~ 5835

~~(3) If the bank's articles of incorporation or code of~~ 5836
~~regulations so provide or permit, by the affirmative vote or~~ 5837
~~written consent of the holders of shares entitling them to~~ 5838
~~exercise a greater or lesser proportion, but not less than a~~ 5839
~~majority, of the voting power of the bank on the proposal.~~ 5840

~~(D) Notice of a shareholders' meeting to adopt any~~ 5841

~~amendment to the code of regulations, or a new code of~~ 5842
~~regulations, shall be given in the manner provided in section~~ 5843
~~1103.13 of the Revised Code. Notice by the incorporators of the~~ 5844
~~first meeting of shareholders in accordance with section 1113.06~~ 5845
~~of the Revised Code shall be sufficient for the adoption of the~~ 5846
~~original code of regulations of a new bank.~~ 5847

~~(E) Without limiting the generality of this authority, the~~ 5848
~~code of regulations may include provisions with respect to any~~ 5849
~~of the following:~~ 5850

~~(1) The time and place for holding, the manner of and~~ 5851
~~authority for calling, giving notice of, and conducting, and the~~ 5852
~~requirements of a quorum for, meetings of shareholders;~~ 5853

~~(2) The taking of a record of shareholders or the~~ 5854
~~temporary closing of books against transfers of shares;~~ 5855

~~(3) The number, classification, manner of fixing or~~ 5856
~~changing the number, qualifications, term of office, and~~ 5857
~~compensation or manner of fixing compensation of directors;~~ 5858

~~(4) The terms on which new certificates for shares may be~~ 5859
~~issued in the place of lost, stolen, or destroyed certificates;~~ 5860

~~(5) The time and place for holding, the manner of and~~ 5861
~~authority for calling, giving notice of, and conducting, and the~~ 5862
~~requirements of a quorum for, meetings of the directors;~~ 5863

~~(6) The appointment and authority of an executive and~~ 5864
~~other committees of the directors;~~ 5865

~~(7) The titles, qualifications, duties, term of office,~~ 5866
~~compensation or manner of fixing compensation, and removal of~~ 5867
~~officers;~~ 5868

~~(8) Defining, limiting, or regulating the exercise of the~~ 5869

~~authority of the bank, the directors, the officers, or all the~~ 5870
~~shareholders;~~ 5871

~~(9) The manner in and conditions upon which a certificated~~ 5872
~~security, and the conditions upon which an uncertificated~~ 5873
~~security, and the shares represented by a certificated or~~ 5874
~~uncertificated security, may be transferred, restrictions on the~~ 5875
~~right to transfer the shares, and reservations of liens on the~~ 5876
~~shares.~~ 5877

~~(F) Unless either a bank's articles of incorporation or~~ 5878
~~code of regulations provides otherwise, if the code of~~ 5879
~~regulations is to be amended or a new code of regulations is~~ 5880
~~proposed for adoption without a meeting of the shareholders, at~~ 5881
~~least ten days prior to the last day a shareholder may consent~~ 5882
~~to or deny consent to the proposed amendments or new code of~~ 5883
~~regulations, the secretary of the bank shall mail a copy of the~~ 5884
~~proposed amendments or new code of regulations to each~~ 5885
~~shareholder who would be entitled, as of the date of the~~ 5886
~~mailing, to vote on the amendment or adoption.~~ 5887

~~(G) If the code of regulations is amended or a new code of~~ 5888
~~regulations is adopted without a meeting of the shareholders,~~ 5889
~~the secretary of the bank shall mail a copy of the amendment or~~ 5890
~~the new code of regulations, or notice of the adoption of the~~ 5891
~~amendment or new code of regulations, to each shareholder who~~ 5892
~~would have been entitled to vote on the amendment or adoption.~~ 5893

Sec. ~~1103.08~~ 1113.12. (A) After subscriptions to shares 5894
have been received by the incorporators, the shareholders of a 5895
stock state bank may, subject to ~~division (H)~~ the requirements 5896
of this section, adopt amendments to the bank's articles of 5897
incorporation or adopt amended articles of incorporation to 5898
change any provision of, or add any provision that may properly 5899

be included in, the articles of incorporation. 5900

(1) The shareholders may adopt an amendment to the bank's 5901
articles of incorporation or amended articles of incorporation 5902
at a meeting held for that purpose, as follows: 5903

(a) By the affirmative vote of the holders of shares 5904
entitling them to exercise two-thirds of the voting power of the 5905
bank on the proposal or, if the articles of incorporation 5906
provide or permit, by the affirmative vote of a greater or 5907
lesser proportion, but not less than a majority, of the voting 5908
power; 5909

(b) When the holders of shares of a particular class are 5910
entitled to vote as a class, by the affirmative vote of the 5911
holders of at least two-thirds or, if the articles of 5912
incorporation provide or permit, a greater or lesser portion, 5913
but not less than a majority, of the shares of the class. 5914

(2) The shareholders may adopt amended articles of 5915
incorporation to consolidate the original articles of 5916
incorporation and all previously adopted amendments to the 5917
articles of incorporation at a meeting held for that purpose by 5918
the affirmative vote of holders of shares entitling them to 5919
exercise a majority of the voting power of the bank on the 5920
proposal. 5921

(3) The shareholders may adopt an amendment to the bank's 5922
articles of incorporation or amended articles of incorporation 5923
without a meeting by the written consent of all of the holders 5924
of shares who would be entitled to vote at a meeting held for 5925
that purpose. 5926

(B) Any amendment or amended articles of incorporation of 5927
a stock state bank that would eliminate cumulative voting 5928

rights, as permitted by section 1701.69 of the Revised Code, 5929
shall not be adopted if the votes of a sufficient number of 5930
shares are cast against the amendment or amended articles of 5931
incorporation that, if cumulatively voted at an election of all 5932
directors or all directors of a particular class, would be 5933
sufficient, at the time the shareholders vote on the proposal, 5934
to elect at least one director. 5935

(C) The shareholders of a stock state bank may adopt an 5936
amendment to the bank's articles of incorporation to authorize 5937
the purchase of the bank's shares, if the amendment states that 5938
the superintendent of financial institutions must approve the 5939
purchase in writing prior to each purchase of shares. 5940

(D) The shareholders of a stock state bank may adopt an 5941
amendment to the bank's articles of incorporation to permit the 5942
bank to have authorized and unissued shares or treasury shares 5943
~~for any of the following purposes:~~ 5944

~~(1) Meeting conversion rights or options;~~ 5945

~~(2) Employee stock purchase or ownership plans;~~ 5946

~~(3) Mergers, consolidations, or other reorganizations, or~~ 5947
~~acquisitions;~~ 5948

~~(4) The purchase of real estate the board of directors~~ 5949
~~considers necessary or convenient for transaction of the bank's~~ 5950
~~business;~~ 5951

~~(5) Any other specific purpose.~~ 5952

~~Shares shall be considered authorized for these purposes~~ 5953
~~only if the shareholder resolutions authorizing the shares~~ 5954
~~specifically state the purposes for which the shares are~~ 5955
~~authorized. Shares authorized specifically for any of these~~ 5956

~~purposes shall not be issued for any other purpose. Shares~~ 5957
~~authorized for these purposes shall be deemed released from pre-~~ 5958
~~emptive rights.~~ 5959

(E) Amended articles of incorporation shall set forth all 5960
provisions required in, and only provisions that may properly be 5961
in, original articles of incorporation or amendments to articles 5962
of incorporation at the time the amended articles of 5963
incorporation are adopted, and shall state that they supersede 5964
the existing articles of incorporation. 5965

(F) (1) If the shareholders propose the adoption of any 5966
amendment to a stock state bank's articles of incorporation or 5967
amended articles of incorporation, the bank shall send to the 5968
superintendent a copy of the proposed amendment or amended 5969
articles of incorporation for review and approval prior to 5970
adoption by the shareholders. 5971

(2) Upon receiving a proposed amendment or amended 5972
articles of incorporation, the superintendent shall conduct 5973
whatever examination the superintendent considers necessary to 5974
determine if both of the following conditions are satisfied: 5975

(a) The proposed amendment or amended articles of 5976
incorporation comply with the requirements of the Revised Code. 5977

(b) The proposed amendment or amended articles of 5978
incorporation will not adversely affect the interests of the 5979
bank's depositors and creditors and the convenience and needs of 5980
the public. 5981

(3) Within forty-five days after receiving the proposed 5982
amendment or amended articles of incorporation, the 5983
superintendent shall notify the bank of the superintendent's 5984
approval or disapproval unless the superintendent determines 5985

additional information is required. In that event, the 5986
superintendent shall request the information in writing within 5987
twenty days after the date the proposed amendment or amended 5988
articles of incorporation were received. The bank shall have 5989
thirty days to submit the information to the superintendent. The 5990
superintendent shall notify the bank of the superintendent's 5991
approval or disapproval of the proposed amendment or amended 5992
articles of incorporation within forty-five days after the date 5993
the additional information is received. If the proposed 5994
amendment or amended articles of incorporation are disapproved 5995
by the superintendent, the superintendent shall notify the bank 5996
of the reasons for the disapproval. 5997

(4) If the superintendent fails to approve or disapprove 5998
the proposed amendment or amended articles of incorporation 5999
within the time period required under division (F)(3) of this 6000
section, the proposed amendment or amended articles of 6001
incorporation shall be considered approved. 6002

(5) If the proposed amendment or amended articles of 6003
incorporation are approved, in no event shall that approval be 6004
construed or represented as an affirmative endorsement of the 6005
amendment or amended articles of incorporation by the 6006
superintendent. 6007

(G)(1) Upon adoption by the shareholders of any approved 6008
amendment to a stock state bank's articles of incorporation, the 6009
bank shall send to the superintendent a certificate containing a 6010
copy of the shareholders' resolution adopting the amendment and 6011
a statement of the manner of its adoption. If the directors 6012
proposed the amendment, the certificate shall include a copy of 6013
the resolution adopted by the directors to propose the amendment 6014
to the shareholders. The certificate shall be signed by ~~bank~~ 6015

~~officers~~ the bank's authorized representatives in accordance 6016
with section 1103.19 of the Revised Code. 6017

(2) Upon adoption by the shareholders of approved amended 6018
articles of incorporation, the bank shall send to the 6019
superintendent a copy of the amended articles of incorporation, 6020
accompanied by a certificate containing a copy of the 6021
shareholders' resolution adopting the amended articles of 6022
incorporation and a statement of the manner of its adoption. If 6023
the directors proposed the amended articles of incorporation, 6024
the certificate shall include a copy of the resolution adopted 6025
by the directors to propose the amended articles of 6026
incorporation to the shareholders. The certificate shall be 6027
signed by ~~bank officers~~ the bank's authorized representatives in 6028
accordance with section 1103.19 of the Revised Code. 6029

~~(G)~~ (H) Upon receiving a certificate required by division 6030
~~(F)~~ (G) of this section, the superintendent shall conduct 6031
whatever examination the superintendent considers necessary to 6032
determine if ~~both of the following conditions are satisfied:~~ 6033

~~(1) The~~ the manner of adoption of the amendment or amended 6034
articles of incorporation ~~and the manner of adoption comply~~ 6035
complies with the requirements of the Revised Code. 6036

~~(2) The amendment or amended articles of incorporation~~ 6037
~~will not adversely affect the interests of the bank's depositors~~ 6038
~~and creditors and the convenience and needs of the public.~~ 6039

~~(H)~~ (I) (1) Within ~~sixty~~ thirty days after receiving a 6040
certificate required by division ~~(F)~~ (G) of this section, the 6041
superintendent shall approve or disapprove the amendment or 6042
amended articles of incorporation. If the superintendent 6043
approves the amendment or amended articles of incorporation, the 6044

superintendent shall forward a certificate of that approval, a 6045
copy of the certificate required by division ~~(F)~~ (G) of this 6046
section, and, ~~in the case of amended articles of incorporation,~~ 6047
a copy of the amendment or amended articles of incorporation, to 6048
the secretary of state, who shall file the documents. Upon 6049
filing by the secretary of state, the amendment or amended 6050
articles of incorporation shall be effective. 6051

(2) If the superintendent fails to approve or disapprove 6052
the amendment or amended articles of incorporation within ~~sixty-~~ 6053
thirty days after receiving a certificate required by division 6054
~~(F)~~ (G) of this section, the bank shall forward a copy of the 6055
certificate and, ~~in the case of amended articles of~~ 6056
~~incorporation,~~ a copy of the amendment or amended articles of 6057
incorporation, to the secretary of state, who shall file the 6058
documents. Upon filing by the secretary of state, the amendment 6059
or amended articles of incorporation shall be effective. 6060

Sec. ~~1103.09~~ 1113.13. (A) After subscriptions to shares 6061
have been received by the incorporators, the board of directors 6062
of a stock state bank may, subject to ~~division (F)~~ the 6063
requirements of this section, adopt amendments to the bank's 6064
articles of incorporation to do any of the following: 6065

(1) Authorize the shares necessary to meet conversion or 6066
option rights when all of the following apply: 6067

(a) The bank has issued shares of one class convertible 6068
into shares of another class or obligations convertible into 6069
shares of the bank, or has granted options to purchase shares. 6070

(b) The conversion or option rights are set forth in the 6071
articles of incorporation or have been approved by the same vote 6072
of shareholders as, at the time of the approval, would have been 6073

required to amend the articles of incorporation to authorize the 6074
shares required for that purpose. 6075

(c) The bank does not have sufficient authorized and 6076
unissued shares available to satisfy the conversion or option 6077
rights. 6078

(2) Reduce the authorized number of shares of a class by 6079
the number of shares of that class that have been redeemed, or 6080
have been surrendered to or acquired by the bank upon 6081
conversion, exchange, purchase, or otherwise, or to eliminate 6082
from the articles of incorporation all references to the shares 6083
of a class, and to make any other change required, when all of 6084
the authorized shares of that class have been redeemed, or 6085
surrendered to or acquired by the bank; 6086

(3) Reduce the authorized number of shares of a class by 6087
the number of shares of that class that were canceled, ~~pursuant~~ 6088
~~to section 1107.07 of the Revised Code,~~ for not being issued or 6089
reissued and for not being fully paid in within one year after 6090
the date they were authorized or otherwise became authorized and 6091
unissued shares. 6092

(B) The board of directors of a stock state bank may adopt 6093
amended articles of incorporation to consolidate the original 6094
articles of incorporation and all previously adopted amendments 6095
to the articles of incorporation that are in force at the time. 6096

(C) Amended articles of incorporation shall set forth all 6097
provisions required in, and only provisions that may properly be 6098
in, original articles of incorporation or amendments to articles 6099
of incorporation at the time the amended articles of 6100
incorporation are adopted, and shall state that they supersede 6101
the existing articles of incorporation. 6102

(D) (1) If the board of directors propose the adoption of 6103
any amendment to a stock state bank's articles of incorporation 6104
or amended articles of incorporation, the bank shall send to the 6105
superintendent of financial institutions a copy of the proposed 6106
amendment or amended articles of incorporation for review and 6107
approval prior to adoption by the board. 6108

(2) Upon receiving a proposed amendment or amended 6109
articles of incorporation, the superintendent shall conduct 6110
whatever examination the superintendent considers necessary to 6111
determine if both of the following conditions are satisfied: 6112

(a) The proposed amendment or amended articles of 6113
incorporation comply with the requirements of the Revised Code. 6114

(b) The proposed amendment or amended articles of 6115
incorporation will not adversely affect the interests of the 6116
bank's depositors and creditors. 6117

(3) Within forty-five days after receiving the proposed 6118
amendment or amended articles of incorporation, the 6119
superintendent shall notify the bank of the superintendent's 6120
approval or disapproval unless the superintendent determines 6121
additional information is required. In that event, the 6122
superintendent shall request the information in writing within 6123
twenty days after the date the proposed amendment or amended 6124
articles of incorporation were received. The bank shall have 6125
thirty days to submit the information to the superintendent. The 6126
superintendent shall notify the bank of the superintendent's 6127
approval or disapproval of the proposed amendment or amended 6128
articles of incorporation within forty-five days after the date 6129
the additional information is received. If the proposed 6130
amendment or amended articles of incorporation are disapproved 6131
by the superintendent, the superintendent shall notify the bank 6132

of the reasons for the disapproval. 6133

(4) If the superintendent fails to approve or disapprove 6134
the proposed amendment or amended articles of incorporation 6135
within the time period required by division (D)(3) of this 6136
section, the proposed amendment or amended articles of 6137
incorporation shall be considered approved. 6138

(5) If the proposed amendment or amended articles of 6139
incorporation are approved, in no event shall that approval be 6140
construed or represented as an affirmative endorsement of the 6141
amendment or amended articles of incorporation by the 6142
superintendent. 6143

(E)(1) Upon adoption by the board of directors of any 6144
approved amendment to a stock state bank's articles of 6145
incorporation, the bank shall send to the superintendent of 6146
financial institutions a certificate containing a copy of the 6147
directors' resolution adopting the amendment and a statement of 6148
the manner of and basis for its adoption. The certificate shall 6149
be signed by ~~bank officers~~ the bank's authorized representatives 6150
in accordance with section 1103.19 of the Revised Code. 6151

(2) Upon adoption by the board of directors of approved 6152
amended articles of incorporation, the bank shall send to the 6153
superintendent a copy of the amended articles of incorporation, 6154
accompanied by a certificate containing a copy of the directors' 6155
resolution adopting the amended articles of incorporation and a 6156
statement of the manner of and basis for its adoption. The 6157
certificate shall be signed by ~~bank officers~~ the bank's 6158
authorized representatives in accordance with section 1103.19 of 6159
the Revised Code. 6160

~~(E)~~ (F) Upon receiving a certificate required by division 6161

~~(D)-(E)~~ of this section, the superintendent shall conduct 6162
whatever examination the superintendent considers necessary to 6163
determine if ~~both of the following conditions are satisfied:~~ 6164

~~(1) The~~ the manner of and basis for adoption of the 6165
amendment or amended articles of incorporation ~~and the manner of~~ 6166
~~and basis for adoption~~ comply with the requirements of the 6167
Revised Code. 6168

~~(2) The amendment or amended articles of incorporation~~ 6169
~~will not adversely affect the interests of the bank's depositors~~ 6170
~~and creditors and the convenience and needs of the public.~~ 6171

~~(F)~~ (G) (1) Within ~~sixty~~ thirty days after receiving a 6172
certificate required by division ~~(D)-(E)~~ of this section, the 6173
superintendent shall approve or disapprove the amendment or 6174
amended articles of incorporation. If the superintendent 6175
approves the amendment or amended articles of incorporation, the 6176
superintendent shall forward a certificate of that approval, a 6177
copy of the certificate required by division ~~(D)-(E)~~ of this 6178
section, and, ~~in the case of amended articles of incorporation,~~ 6179
a copy of the amendment or amended articles of incorporation, 6180
to the secretary of state, who shall file the documents. Upon 6181
filing by the secretary of state, the amendment or amended 6182
articles of incorporation shall be effective. 6183

(2) If the superintendent fails to approve or disapprove 6184
the amendment or amended articles of incorporation within ~~sixty~~ 6185
thirty days after receiving a certificate required by division 6186
~~(D)-(E)~~ of this section, the bank shall forward a copy of the 6187
certificate and, ~~in the case of amended articles of~~ 6188
~~incorporation,~~ a copy of the amendment or amended articles of 6189
incorporation, to the secretary of state, who shall file the 6190
documents. Upon filing by the secretary of state, the amendment 6191

or amended articles of incorporation shall be effective. 6192

Sec. ~~1103.13~~ 1113.14. (A) A stock state bank's 6193
shareholders shall hold an annual meeting in accordance with 6194
this section and the bank's articles of incorporation and code 6195
of regulations. The purposes of the annual meeting shall include 6196
the election of directors and the presentation of the financial 6197
statements. 6198

(B) The financial statements presented at the annual 6199
meeting shall satisfy the requirements of one of the following: 6200

(1) The basic financial information required to be made 6201
available to shareholders of a stock state bank prior to the 6202
annual meeting pursuant to section ~~1103.14~~ 1113.15 of the 6203
Revised Code; 6204

(2) The financial statements required to be presented at 6205
the annual meeting of a corporation pursuant to section 1701.38 6206
of the Revised Code; 6207

(3) The financial statements required under federal law 6208
for a bank subject to the registration requirements of section 6209
12 of the "Securities Exchange Act of 1934," 48 Stat. 892, 15 6210
U.S.C.A. 781, as amended. 6211

(C) ~~Written notice stating the time, place, and purpose or~~ 6212
~~purposes of any meeting~~ Meetings of the shareholders shall be 6213
~~given either by personal delivery or by first class mail not~~ 6214
~~less than seven nor more than sixty days before the date of the~~ 6215
~~meeting, unless the articles of incorporation or the code of~~ 6216
~~regulations specify a longer period, to each shareholder of~~ 6217
~~record entitled to notice of the meeting. The notice shall be~~ 6218
~~given by or at the direction of the president, a vice president,~~ 6219
~~the secretary, any two directors, or any other officer~~ 6220

~~designated by the bank's code of regulations. If notice is given~~ 6221
~~by mail, the notice shall be addressed to the shareholder at the~~ 6222
~~address as it appears on the records of the bank, and shall be~~ 6223
~~deemed to have been given when deposited in the mail. In~~ 6224
~~computing the period of time for the giving of notice required~~ 6225
~~under this division, the date on which the notice is given shall~~ 6226
~~be excluded, and the day of the meeting shall be included~~ 6227
may be 6228
called for any of the reasons and in the manner set forth in 6228
section 1701.40 of the Revised Code. Notice of adjournment of a 6229
~~meeting need not be given if the time and place to which it is~~ 6230
~~adjourned are fixed and announced at the meeting~~ 6231
any meeting 6231
shall be provided in accordance with section 1701.41 of the 6232
Revised Code. 6233

(D) The requirements of this section shall not apply with 6234
respect to annual or special meetings of shareholders of a stock 6235
state bank that is wholly owned, except for directors' 6236
qualifying shares, if any, by a bank holding company or savings 6237
and loan holding company. 6238

Sec. ~~1103.14~~ 1113.15. (A) Prior to each annual meeting of 6239
its shareholders, each stock state bank shall make basic 6240
financial information available to its shareholders in 6241
accordance with this section unless the bank is either of the 6242
following: 6243

(1) Subject to the registration requirements of section 12 6244
of the "Securities Exchange Act of 1934," 48 Stat. 892, 15 6245
U.S.C.A. 781, as amended. 6246

(2) Wholly owned, except for directors' qualifying shares, 6247
by a bank holding company. 6248

(B) The basic financial information required to be made 6249

available under this section shall include, at a minimum, 6250
information substantially similar to both of the following: 6251

(1) Those portions of the consolidated reports of income 6252
made to the superintendent of financial institutions for each of 6253
the two preceding full years covering all of the following: 6254

(a) Sources and disposition of income; 6255

(b) Changes in equity capital; 6256

(c) Allowance for possible loan losses. 6257

(2) The balance sheet portion of the consolidated reports 6258
of condition made to the superintendent at the end of each of 6259
the two preceding years. 6260

(C) The bank may present the basic financial information 6261
in any format it determines suitable, including copies of the 6262
relevant portions of the consolidated reports of condition and 6263
income or an annual report. 6264

(D) The bank shall make the basic financial information 6265
available by doing either of the following: 6266

(1) Sending the information to each shareholder prior to, 6267
or concurrently with, the notice of the annual meeting of 6268
shareholders; 6269

(2) Including in, or sending with, the notice of the 6270
annual meeting of shareholders a statement indicating that basic 6271
financial information concerning the bank for the two years 6272
preceding the meeting may be obtained from the bank without 6273
charge, accompanied by the address, telephone number, and name 6274
or title of the bank employee or officer whom shareholders 6275
should contact for the information, and promptly mailing, 6276
delivering, or otherwise sending the information to any 6277

shareholder who requests it. 6278

Sec. ~~1103.15~~ 1113.16. ~~Each~~ Except as otherwise expressly 6279
provided in the terms for any class of shares issued by a stock 6280
state bank, every holder of ~~a~~ the bank's voting shares, in 6281
elections of directors and in deciding other questions at 6282
meetings of shareholders, is entitled to one vote for each share 6283
held and shall not accumulate the votes unless otherwise 6284
provided in the articles of incorporation. Any shareholder 6285
eligible to vote may vote by proxy authorized in writing. An 6286
appointment of a proxy shall expire in accordance with division 6287
(C) of section 1701.48 of the Revised Code. Unless the articles 6288
of incorporation, the code of regulations, or the contract of 6289
subscription otherwise provides, a subscriber for authorized 6290
shares is a shareholder for the purposes of this section, but no 6291
shares upon which an installment of the purchase price is 6292
overdue and unpaid shall be voted. 6293

Sec. ~~1103.16~~ 1113.17. (A) Each stock state bank shall keep 6294
correct and complete books and records of account, together with 6295
records of the proceedings, including minutes of any meetings, 6296
of its incorporators, shareholders, directors, and committees of 6297
the directors, and records of its shareholders showing their 6298
names and addresses and the number and class of shares issued or 6299
transferred of record to or by them from time to time. 6300

(B) Upon request of any shareholder eligible to attend and 6301
vote at any meeting of the bank's shareholders, the board of 6302
directors shall produce at the meeting an alphabetically 6303
arranged list, or classified lists, of the shareholders of 6304
record as of the applicable record date, showing their 6305
respective addresses and the number and class of shares held by 6306
each, and certified by the officer or agent responsible for 6307

registering issues and transfers of shares. The list or lists, 6308
certified by the officer or agent, shall be prima facie evidence 6309
of the facts shown in the list or lists. 6310

(C) Any shareholder of the bank, upon written demand 6311
stating the specific purpose of the demand, has the right to 6312
examine in person or by agent or attorney at any reasonable time 6313
and for any reasonable and proper purpose, the books and records 6314
of the bank, except books and records of deposit, agency or 6315
fiduciary accounts, loan records, and other records relating to 6316
customer services or transactions. 6317

(D) The authority granted under Title XI of the Revised 6318
Code to inspect the books and records of a stock state bank 6319
shall apply solely to the superintendent of financial 6320
institutions and to the shareholders of record of the bank. 6321

Sec. 1114.01. A mutual state bank and the rights and 6322
liabilities of its members shall be governed by its articles of 6323
incorporation, code of regulations, and bylaws and by this 6324
chapter. 6325

Sec. 1114.02. (A) Five or more natural persons, at least 6326
one of whom is a resident of this state, may, with the approval 6327
of the superintendent of financial institutions, incorporate a 6328
mutual state bank. 6329

(B) The persons proposing to incorporate a mutual state 6330
bank shall apply for approval to incorporate the bank by 6331
submitting the application prescribed by the superintendent, 6332
which application shall include all of the following: 6333

(1) The proposed articles of incorporation and code of 6334
regulations; 6335

(2) An application for reservation of a name in accordance 6336

with section 1103.07 of the Revised Code, if reservation is 6337
desired by the incorporators and has not been previously filed; 6338

(3) The location and a description of the proposed initial 6339
banking office; 6340

(4) Information to demonstrate the proposed bank will 6341
satisfy the requirements of division (C) of section 1114.03 and 6342
any other provision of the Revised Code identified by the 6343
superintendent; 6344

(5) Any other information the superintendent requires. 6345

Sec. 1114.03. (A) Within ten days after receipt from the 6346
superintendent of financial institutions of notice of acceptance 6347
of an application for approval to incorporate a mutual state 6348
bank, the incorporators shall publish notice of the proposed 6349
incorporation in a newspaper of general circulation in the 6350
county where the bank's initial banking office is to be located. 6351
The incorporators shall publish the notice once a week for two 6352
weeks and furnish a certified copy of it to the superintendent. 6353
The notice shall specify the name of the proposed bank, its 6354
location, the amount of the proposed capital, the names of the 6355
incorporators, the address of the superintendent, and the date 6356
by which comments on the application must be filed with the 6357
superintendent, which date shall be thirty days after the date 6358
of the first publication of the notice. 6359

(B) If any comments on the application are filed with the 6360
superintendent within the thirty-day period prescribed in 6361
division (A) of this section, the superintendent shall determine 6362
whether the comments are relevant to the requirements for 6363
incorporation of a mutual state bank and, if so, investigate the 6364
comments in the manner the superintendent considers appropriate. 6365

(C) The superintendent shall examine all of the facts 6366
connected with the application to determine if all of the 6367
following requirements are met: 6368

(1) The proposed articles of incorporation and code of 6369
regulations, application for reservation of name, applicable 6370
fees, and other items required meet the requirements of the 6371
Revised Code. 6372

(2) The population and economic characteristics of the 6373
area primarily to be served afford reasonable promise of 6374
adequate support for the proposed bank. 6375

(3) The competence, experience, and integrity of the 6376
proposed directors and officers are such as to command the 6377
confidence of the community and warrant the belief that the 6378
business of the proposed bank will be honestly and efficiently 6379
conducted. 6380

(4) The capital of the proposed bank is adequate in 6381
relation to the amount and character of the anticipated business 6382
of the bank and the safety of prospective depositors. 6383

(D) Within one hundred eighty days following the date of 6384
acceptance of the application, the superintendent shall approve 6385
or disapprove the incorporation of the proposed bank upon the 6386
basis of the examination. In giving approval, the superintendent 6387
may impose conditions to be met prior to the issuance of a 6388
certificate of authority to commence business under section 6389
1114.07 of the Revised Code. 6390

(E) If the superintendent approves the application, the 6391
superintendent shall make a certificate to that effect and 6392
forward the certificate and the articles of incorporation of the 6393
proposed bank to the secretary of state for filing. 6394

Sec. 1114.04. (A) A mutual state bank's articles of 6395
incorporation shall contain all of the following: 6396

(1) The name of the bank; 6397

(2) The place in this state where the bank's principal 6398
place of business is to be located; 6399

(3) The purpose or purposes for which the bank is formed. 6400

(B) The articles of incorporation may also set forth any 6401
lawful provision for the purpose of defining, limiting, or 6402
regulating the exercise of the authority of the bank, the 6403
incorporators, the directors, the officers, the members, and any 6404
provision that may be set forth in the bank's code of 6405
regulations. 6406

Sec. 1114.05. (A) As used in the section, "authorized 6407
capital" means the initial funding required to organize a mutual 6408
state bank. 6409

(B) The authorized capital of a mutual state bank shall be 6410
of such amount as the superintendent of financial institutions 6411
may determine based upon the amount and character of the 6412
anticipated business of the bank and the safety of prospective 6413
depositors. In addition, the superintendent may, in the 6414
superintendent's discretion, fix the amount of the expense fund 6415
for operating losses to be created by nonrefundable 6416
contributions. 6417

(C) The organization of the mutual state bank may be 6418
completed when a sum equal to five per cent of the authorized 6419
capital, as determined by the superintendent, is paid in and the 6420
names and addresses of its officers, its code of regulations, 6421
and its bylaws have been filed with and approved by the 6422
superintendent. 6423

(D) Five years after the mutual state bank commences 6424
business, any remaining balance in the expense fund shall be 6425
transferred to retained earnings, if the bank is on a profitable 6426
operating basis as determined by the superintendent. 6427

Sec. 1114.06. (A) A mutual state bank organized under this 6428
chapter shall not accept deposits, incur indebtedness, or 6429
transact any business other than business that is incidental to 6430
its organization until the bank receives a certificate of 6431
authority to commence business issued by the superintendent of 6432
financial institutions under section 1114.07 of the Revised 6433
Code. 6434

(B) The bank shall file a report with the superintendent 6435
when it has done everything required by the superintendent 6436
before it can be authorized to commence business. 6437

(C) Upon receipt of the report referred to in division (B) 6438
of this section, the superintendent shall examine the affairs of 6439
the bank and determine whether the bank has complied with all of 6440
the requirements necessary to entitle it to engage in business. 6441

Sec. 1114.07. (A) The superintendent of financial 6442
institutions shall issue a certificate of authority to commence 6443
business if both of the following conditions are met: 6444

(1) The superintendent is satisfied, based upon the 6445
examination conducted pursuant to section 1114.06 of the Revised 6446
Code and any other facts within the knowledge of the 6447
superintendent, that the mutual state bank is otherwise entitled 6448
to commence business. 6449

(2) The superintendent has received from the federal 6450
deposit insurance corporation written confirmation that it has 6451
approved the bank's application to become an insured bank as 6452

defined in section 3(h) of the "Federal Deposit Insurance Act," 6453
92 Stat. 614 (1978), 12 U.S.C. 1813(h), as amended. 6454

(B) The mutual state bank shall cause the certificate of 6455
authority to commence business to be published once a week for 6456
two consecutive weeks in a newspaper of general circulation in 6457
the county where the bank's initial banking office is located. 6458

Sec. 1114.08. (A) A depositor of a mutual state bank shall 6459
be a voting member and shall have such ownership interest in the 6460
bank as may be provided in the terms and conditions set forth in 6461
the articles of incorporation, code of regulations, and bylaws 6462
of the bank. 6463

(B) The code of regulations of a mutual state bank may 6464
provide that all borrowers from the bank are members and, if so, 6465
shall provide for their rights and privileges. 6466

(C) (1) Unless otherwise provided in the articles of 6467
incorporation or code of regulations, a proxy granted by a 6468
depositor to the officers and directors of a mutual state bank 6469
shall expire on the date specified in the proxy. If no date is 6470
so specified, the authority granted by the proxy shall be 6471
perpetual. 6472

(2) On and after the effective date of this section, the 6473
writing or verifiable communication appointing a proxy shall be 6474
separate and distinct from any deposit agreement, loan 6475
agreement, or any other agreement, statement, document, or 6476
disclosure provided by a mutual state bank to a depositor. 6477

Sec. 1114.09. (A) Before any member deposits have been 6478
received, the incorporators may, by unanimous written action and 6479
subject to the requirements of this section, adopt amendments to 6480
the mutual state bank's articles of incorporation or amended 6481

articles of incorporation to change any provision of, or add any 6482
provision that may properly be included in, the articles of 6483
incorporation. 6484

(B) Amended articles of incorporation shall set forth all 6485
provisions required in, and only provisions that may properly be 6486
in, original articles of incorporation or amendments to articles 6487
of incorporation at the time the amended articles of 6488
incorporation are adopted, and shall state that they supersede 6489
the existing articles of incorporation. 6490

(C) (1) If the incorporators propose the adoption of any 6491
amendment to a mutual state bank's articles of incorporation or 6492
amended articles of incorporation, the bank shall send to the 6493
superintendent of financial institutions a copy of the proposed 6494
amendment or amended articles of incorporation for review and 6495
approval prior to adoption by the incorporators. 6496

(2) Upon receiving a proposed amendment or amended 6497
articles of incorporation, the superintendent shall conduct 6498
whatever examination the superintendent considers necessary to 6499
determine if both of the following conditions are satisfied: 6500

(a) The proposed amendment or amended articles of 6501
incorporation comply with the requirements of the Revised Code. 6502

(b) The proposed amendment or amended articles of 6503
incorporation will not adversely affect the interests of the 6504
bank's depositors and creditors. 6505

(3) Within forty-five days after receiving the proposed 6506
amendment or amended articles of incorporation, the 6507
superintendent shall notify the bank of the superintendent's 6508
approval or disapproval of the proposed amendment or amended 6509
articles of incorporation unless the superintendent determines 6510

additional information is required. In that event, the 6511
superintendent shall request the information in writing within 6512
twenty days after the date the proposed amendment or amended 6513
articles of incorporation were received. The bank shall have 6514
thirty days to submit the information to the superintendent. The 6515
superintendent shall notify the bank of the superintendent's 6516
approval or disapproval of the proposed amendment or amended 6517
articles of incorporation within forty-five days after the date 6518
the additional information is received. If the proposed 6519
amendment or amended articles of incorporation are disapproved 6520
by the superintendent, the superintendent shall notify the bank 6521
of the reasons for the disapproval. 6522

(4) If the superintendent fails to approve or disapprove 6523
the proposed amendment or amended articles of incorporation 6524
within the time period required under division (C)(3) of this 6525
section, the proposed amendment or amended articles of 6526
incorporation shall be considered approved. 6527

(5) If the proposed amendment or amended articles of 6528
incorporation are approved, in no event shall that approval be 6529
construed or represented as an affirmative endorsement of the 6530
amendment or amended articles of incorporation by the 6531
superintendent. 6532

(D)(1) Upon their adoption of any approved amendment to a 6533
mutual state bank's articles of incorporation, the incorporators 6534
shall send to the superintendent a certificate, signed by all 6535
the incorporators, containing a copy of the resolution adopting 6536
the amendment and a statement of the manner of and basis for its 6537
adoption. 6538

(2) Upon their adoption of approved amended articles of 6539
incorporation, the incorporators shall send to the 6540

superintendent a copy of the amended articles of incorporation, 6541
accompanied by a certificate, signed by all the incorporators, 6542
containing a copy of the resolution adopting the amended 6543
articles of incorporation and a statement of the manner of and 6544
basis for its adoption. 6545

(E) Upon receiving a certificate required by division (D) 6546
of this section, the superintendent shall conduct whatever 6547
examination the superintendent considers necessary to determine 6548
if the manner of and basis for the adoption of the amendment or 6549
amended articles of incorporation comply with the requirements 6550
of the Revised Code. 6551

(F) (1) Within thirty days after receiving a certificate 6552
required by division (D) of this section, the superintendent 6553
shall approve or disapprove the amendment or amended articles of 6554
incorporation. If the superintendent approves the amendment or 6555
amended articles of incorporation, the superintendent shall 6556
forward a certificate of that approval, a copy of the 6557
certificate required by division (D) of this section, and a copy 6558
of the amendment or amended articles of incorporation to the 6559
secretary of state, who shall file the documents. Upon filing by 6560
the secretary of state, the amendment or amended articles of 6561
incorporation shall be effective. 6562

(2) If the superintendent fails to approve or disapprove 6563
the amendment or amended articles of incorporation within thirty 6564
days after receiving a certificate required by division (D) of 6565
this section, the bank shall forward a copy of the certificate 6566
and a copy of the amendment or amended articles of incorporation 6567
to the secretary of state, who shall file the documents. Upon 6568
filing by the secretary of state, the amendment or amended 6569
articles of incorporation shall be effective. 6570

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. 6571
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Sec. 1114.11. (A) (1) The code of regulations of a mutual state bank may provide for the amendment of its articles of incorporation or code of regulations, or the adoption of amended articles of incorporation or code of regulations, at any meeting of the members for which notice has been properly given in accordance with section 1114.12 of the Revised Code. The amendment or amended articles of incorporation or code of regulations shall be adopted by a two-thirds vote of the votes cast in person or by proxy at the meeting or, if the articles of incorporation or code of regulations provide or permit, by the affirmative vote of a greater or lesser proportion, but not less than a majority, of the voting members represented at such meeting. The number of votes that each member may cast shall be determined by the code of regulations. 6576
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(2) Unless precluded by its articles of incorporation or code of regulations, a mutual state bank may adopt an amendment to its articles of incorporation or code of regulations, or amended articles of incorporation or code of regulations, at any meeting authorized in writing by a majority of its members of record if all of the following conditions are met: 6590
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(a) Notice of the meeting is given in accordance with section 1114.12 of the Revised Code. 6596
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(b) The notice of the proposed action to be taken at the meeting is in a form approved by the superintendent of financial institutions. 6598
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(c) The proposed action is approved by a two-thirds vote 6601
of the votes cast authorizing the meeting. 6602

(d) A majority of the members of record are present in 6603
person or by proxy at the meeting. 6604

(B) The board of directors of a mutual state bank may 6605
adopt amended articles of incorporation or code of regulations 6606
to consolidate the original articles of incorporation or code of 6607
regulations and all previously adopted amendments to the 6608
articles of incorporation or code of regulations that are in 6609
force at the time. 6610

(C) (1) Amended articles of incorporation shall set forth 6611
all provisions required in, and only provisions that may 6612
properly be in, original articles of incorporation or amendments 6613
to articles of incorporation at the time the amended articles of 6614
incorporation are adopted, and shall state that they supersede 6615
the existing articles of incorporation. 6616

(2) An amended code of regulations shall set forth all 6617
provisions required in, and only provisions that may properly be 6618
in, an original code of regulations or amendments to a code of 6619
regulations at the time the amended code of regulations is 6620
adopted, and shall state that it supersedes the existing code of 6621
regulations. 6622

(D) (1) If the members or board of directors propose the 6623
adoption of any amendment to the mutual state bank's articles of 6624
incorporation or code of regulations, or amended articles of 6625
incorporation or amended code of regulations, the bank shall 6626
send to the superintendent a copy of the proposed amendment, or 6627
the proposed amended articles of incorporation or code of 6628
regulations, for review and approval prior to adoption by the 6629

members or directors. 6630

(2) Upon receiving a proposed amendment or proposed 6631
amended articles of incorporation or code of regulations, the 6632
superintendent shall conduct whatever examination the 6633
superintendent considers necessary to determine if both of the 6634
following conditions are satisfied: 6635

(a) The proposed amendment or amended articles of 6636
incorporation or code of regulations comply with the 6637
requirements of the Revised Code. 6638

(b) The proposed amendment or amended articles of 6639
incorporation or code of regulations will not adversely affect 6640
the interests of the bank's depositors and creditors. 6641

(3) Within forty-five days after receiving the proposed 6642
amendment, or the proposed amended articles of incorporation or 6643
code of regulations, the superintendent shall notify the bank of 6644
the approval or disapproval unless the superintendent determines 6645
that additional information is required. In that event, the 6646
superintendent shall request the information in writing within 6647
twenty days after the date the proposed amendment, or the 6648
proposed amended articles of incorporation or code of 6649
regulations, was received. The bank shall have thirty days to 6650
submit the information to the superintendent. The superintendent 6651
shall notify the bank of the superintendent's approval or 6652
disapproval of the proposed amendment, or the proposed amended 6653
articles of incorporation or code of regulations, within forty- 6654
five days after the date the additional information is received. 6655
If the proposed amendment or proposed amended articles of 6656
incorporation or code of regulations are disapproved by the 6657
superintendent, the superintendent shall notify the bank of the 6658
reasons for the disapproval. 6659

(4) If the superintendent fails to approve or disapprove 6660
the proposed amendment or proposed amended articles of 6661
incorporation or code of regulations within the time period 6662
required under division (D)(3) of this section, the proposed 6663
amendment or proposed amended articles of incorporation or code 6664
of regulations shall be considered approved. 6665

(5) If the proposed amendment or amended articles of 6666
incorporation are approved, in no event shall that approval be 6667
construed or represented as an affirmative endorsement of the 6668
amendment or amended articles of incorporation by the 6669
superintendent. 6670

(E)(1) Upon adoption by the members of any approved 6671
amendment to a mutual state bank's articles of incorporation or 6672
code of regulations, or approved amended articles of 6673
incorporation or code of regulations, the bank shall send to the 6674
superintendent a certificate containing a copy of the members' 6675
resolution adopting the amendment or amended articles of 6676
incorporation or code of regulations and a statement of the 6677
manner of and basis for its adoption. If the board of directors 6678
proposed the amendment or the amended articles of incorporation 6679
or code of regulations, the certificate shall include a copy of 6680
the resolution adopted by the directors to propose the amendment 6681
or amended articles of incorporation or code of regulations to 6682
the members. The certificate shall be signed by the bank's 6683
authorized representatives in accordance with section 1103.19 of 6684
the Revised Code. 6685

(2) Upon adoption by the board of directors of any 6686
approved amendment to a mutual state bank's articles of 6687
incorporation or code of regulations, or approved amended 6688
articles of incorporation or code of regulations, the bank shall 6689

provide to the superintendent a copy of the amendment or amended 6690
articles of incorporation or code of regulations, accompanied by 6691
a certificate containing a copy of the directors' resolution 6692
adopting the amendment or amended articles of incorporation or 6693
code of regulations and a statement of the manner of and basis 6694
for its adoption. The certificate shall be signed by the bank's 6695
authorized representatives in accordance with section 1103.19 of 6696
the Revised Code. 6697

(F) Upon receiving a certificate required by division (E) 6698
of this section, the superintendent shall conduct whatever 6699
examination the superintendent considers necessary to determine 6700
if the manner of and basis for adoption of the amendment or 6701
amended articles of incorporation or code of regulations comply 6702
with the requirements of the Revised Code. 6703

(G) (1) Within thirty days after receiving a certificate 6704
required by division (E) of this section, the superintendent 6705
shall approve or disapprove the amendment or amended articles of 6706
incorporation or code of regulations. If the superintendent 6707
approves the amendment or amended articles of incorporation or 6708
code of regulations, the superintendent shall forward a 6709
certificate of that approval, a copy of the certificate required 6710
by division (E) of this section, and a copy of the amendment or 6711
amended articles of incorporation or code of regulations to the 6712
secretary of state, who shall file the documents. Upon filing by 6713
the secretary of state, the amendment or amended articles of 6714
incorporation or code of regulations shall be effective. 6715

(2) If the superintendent fails to approve or disapprove 6716
the amendment or amended articles of incorporation or code of 6717
regulations within thirty days after receiving a certificate 6718
required by division (E) of this section, the bank shall forward 6719

a copy of the certificate and a copy of the amendment or amended 6720
articles of incorporation or code of regulations to the 6721
secretary of state, who shall file the documents. Upon filing by 6722
the secretary of state, the amendment or amended articles of 6723
incorporation or code of regulations shall be effective. 6724

Sec. 1114.12. (A) Whenever members of a mutual state bank 6725
are required or authorized to elect directors or to take any 6726
other action at a meeting, either annual or special, notice of 6727
the meeting shall be given in either of the following ways: 6728

(1) By publication, once each week on the same day of the 6729
week for three consecutive weeks immediately preceding the date 6730
of the meeting in a newspaper published in and of general 6731
circulation in the county in which the principal office of the 6732
bank is located, of a notice containing the name of the bank and 6733
the purpose, place, date, and hour of the meeting; 6734

(2) By notice served upon or mailed to members as provided 6735
in section 1701.41 of the Revised Code. 6736

(B) The notice required under division (A) of this section 6737
shall include a statement that, if a member granted a proxy to 6738
the officers and directors of the bank, the proxy is revocable 6739
at any time before the meeting or by attending the meeting and 6740
voting in person. 6741

Sec. 1114.16. In the event of a liquidation or dissolution 6742
of a mutual state bank, the priority of claims shall be 6743
established by section 1125.24 of the Revised Code. 6744

Sec. 1115.01. (A) (1) A stock state bank may do any of the 6745
following: 6746

(a) Convert into a national bank or a federal savings 6747
association if the conversion is approved by both the office of 6748

the comptroller of the currency and the affirmative vote or 6749
written consent of the holders of two-thirds, or such other 6750
proportion not less than a majority as the stock state bank's 6751
articles of incorporation require, of the outstanding shares of 6752
each class of the bank's stock; 6753

~~(b) Convert into a federal savings association if the 6754
conversion is approved by both the office of thrift supervision 6755
and the affirmative vote or written consent of the holders of 6756
two thirds, or such other proportion not less than a majority as 6757
the bank's articles of incorporation require, of the outstanding 6758
shares of each class of the bank's stock;~~ 6759

~~(e) Convert into a bank, savings bank, or savings and loan 6760
association pursuant to section 1151.64 of the Revised Code or 6761
the laws of another state if the conversion is approved by both 6762
the regulatory authority of the other state and the affirmative 6763
vote or written consent of the holders of two-thirds, or such 6764
other proportion not less than a majority as the stock state 6765
bank's articles of incorporation require, of the outstanding 6766
shares of each class of the bank's stock;~~ 6767

~~(d) Convert into a savings bank pursuant to section 6768
1161.631 of the Revised Code or the laws of another state if the 6769
conversion is approved by the affirmative vote or written 6770
consent of the holders of two thirds, or such other proportion 6771
not less than a majority as the bank's articles of incorporation 6772
require, of the outstanding shares of each class of the bank's 6773
stock;~~ 6774

~~(e) Convert into a bank doing business under authority 6775
granted by the bank regulatory authority of another state, 6776
pursuant to the laws of that state, if the conversion is 6777
approved by the affirmative vote or written consent of the 6778~~

~~holders of two thirds, or such other proportion not less than a~~ 6779
~~majority as the bank's articles of incorporation require, of the~~ 6780
~~outstanding shares of each class of the bank's stock.~~ 6781

(2) A mutual state bank may do any of the following: 6782

(a) Convert into a national bank or a federal savings 6783
association if the conversion is approved by the office of the 6784
comptroller of the currency, the affirmative vote of two-thirds 6785
of the mutual state bank's board of directors, and the 6786
affirmative vote of two-thirds of the total outstanding votes 6787
eligible to be cast at the meeting at which the plan of 6788
conversion is presented to the members for adoption; 6789

(b) Convert into a bank, savings bank, or savings 6790
association pursuant to the laws of another state if the 6791
conversion is approved by the regulatory authority of the other 6792
state, the affirmative vote of two-thirds of the mutual state 6793
bank's board of directors, and the affirmative vote of two- 6794
thirds of the total outstanding votes eligible to be cast at the 6795
meeting at which the plan of conversion is presented to the 6796
members for adoption. 6797

(B) A state bank that converts into a national bank, a 6798
federal savings association, or a bank, savings bank, or savings 6799
association doing business under authority granted by the bank 6800
regulatory authority of another state, ~~or a federal savings-~~ 6801
~~association~~ shall, immediately upon the conversion being 6802
effective, file with the superintendent of financial 6803
institutions all information the superintendent determines is 6804
necessary to reflect in the state's records that the bank ~~or~~ 6805
~~federal savings association~~ is no longer a corporation organized 6806
and doing business under the laws of this state. 6807

~~(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.~~ 6808
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~~(2) A national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank proposing to convert into a state bank shall submit to the superintendent an application for the superintendent's approval of the conversion that includes all of the following:~~ 6812
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~~(a) A plan of conversion;~~ 6818

~~(b) The proposed articles of incorporation and code of regulations of the proposed state bank;~~ 6819
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~~(c) An officers' certification that the directors and shareholders of the national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank have approved the plan of conversion and the proposed articles of incorporation and code of regulations in accordance with the applicable state or federal law and with the bank's, savings association's, or savings bank's articles of association or incorporation and code of regulations or bylaws;~~ 6821
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~~(d) Any other information the superintendent requires.~~ 6830

~~(3) Within ten business days after receiving an application required under division (B) (2) of this section, the superintendent shall determine whether to accept the application. Within ninety days after accepting an application required under division (B) (2) of this section, the superintendent shall approve or disapprove the application. In~~ 6831
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~~determining whether to approve the bank's, savings-~~ 6837
~~association's, or savings bank's conversion into a state bank,~~ 6838
~~the superintendent shall consider all of the following:~~ 6839

~~(a) The adequacy of the capital and paid-in capital of the~~ 6840
~~proposed state bank;~~ 6841

~~(b) Whether the competence, experience, and integrity of~~ 6842
~~each director, executive officer, and controlling shareholder of~~ 6843
~~the proposed state bank meet the criteria for acquiring control~~ 6844
~~of a state bank as provided in section 1115.06 of the Revised~~ 6845
~~Code;~~ 6846

~~(c) Whether the proposed state bank affords reasonable~~ 6847
~~promise of successful operation;~~ 6848

~~(d) Whether the proposed state bank meets the requirements~~ 6849
~~of Chapters 1101. to 1127. of the Revised Code.~~ 6850

~~(4) The superintendent may condition an approval of the~~ 6851
~~conversion of a national bank, bank doing business under~~ 6852
~~authority granted by the bank regulatory authority of another~~ 6853
~~state, savings association, or savings bank into a state bank in~~ 6854
~~any manner the superintendent considers appropriate.~~ 6855

~~(5) (a) If the superintendent approves a conversion of a~~ 6856
~~national bank, bank doing business under authority granted by~~ 6857
~~the bank regulatory authority of another state, savings-~~ 6858
~~association, or savings bank into a state bank, the~~ 6859
~~superintendent shall forward a certificate of the approval of~~ 6860
~~the conversion and the state bank's articles of incorporation to~~ 6861
~~the secretary of state, and shall issue to the new state bank a~~ 6862
~~certificate of authority to commence business as a state bank.~~ 6863

~~(b) (i) In the case of a state bank resulting from the~~ 6864
~~conversion of a savings association organized under Chapter~~ 6865

~~1151. of the Revised Code or a savings bank organized under~~ 6866
~~Chapter 1161. of the Revised Code, the secretary of state shall~~ 6867
~~file the certificate of the superintendent's approval of the~~ 6868
~~conversion and the state bank's articles of incorporation in a~~ 6869
~~manner reflecting the corporation is no longer doing business~~ 6870
~~under Chapter 1151. or 1161. of the Revised Code.~~ 6871

~~(ii) In the case of a state bank resulting from the~~ 6872
~~conversion of a national bank, a bank, savings association, or~~ 6873
~~savings bank doing business under authority granted by the~~ 6874
~~regulatory authority of another state, or a federal savings~~ 6875
~~association, the secretary of state shall file the certificate~~ 6876
~~of the superintendent's approval of the conversion and the state~~ 6877
~~bank's articles of incorporation in a manner reflecting the~~ 6878
~~state bank is newly authorized to do business under the laws of~~ 6879
~~this state.~~ 6880

~~(6) The conversion shall be effective on the date~~ 6881
~~indicated in the superintendent's approval. Without further act~~ 6882
~~or deed, the state bank resulting from the conversion shall have~~ 6883
~~all property, rights, interests, and powers of its predecessor~~ 6884
~~bank, savings association, or savings bank within the limits of~~ 6885
~~the charter of the resulting state bank, and all duties, trusts,~~ 6886
~~obligations, and liabilities of the predecessor bank, savings~~ 6887
~~association, or savings bank shall continue in the state bank~~ 6888
~~resulting from the conversion.~~ 6889

Sec. 1115.02. A national bank, a bank doing business under 6890
authority granted by the bank regulatory authority of another 6891
state, a savings association, a savings bank, or a state or 6892
federally chartered credit union may, with the approval of the 6893
superintendent of financial institutions, convert into a stock 6894
state bank or mutual state bank by submitting an application in 6895

accordance with rules adopted by the superintendent for this 6896
purpose. 6897

Sec. 1115.03. (A) (1) A mutual state bank may convert into 6898
a stock state bank if the conversion is approved by the 6899
superintendent of financial institutions, the affirmative vote 6900
of two-thirds of the mutual state bank's board of directors, and 6901
the affirmative vote of two-thirds of the total outstanding 6902
votes eligible to be cast at the meeting at which the plan of 6903
conversion is presented to the members for adoption. 6904

(2) A stock state bank may convert into a mutual state 6905
bank if the conversion is approved by both the superintendent 6906
and the affirmative vote or written consent of the holders of 6907
two-thirds, or such other proportion not less than a majority as 6908
the stock state bank's article of incorporation require, of the 6909
outstanding shares of each class of the bank's stock. 6910

(B) A conversion under this section shall be effective on 6911
the date indicated in the materials filed with the secretary of 6912
state by the converting bank. Without further act or deed, the 6913
bank resulting from the conversion shall have all the property, 6914
rights, interests, and powers of its predecessor bank within the 6915
limits of the charter of the resulting bank, and all duties, 6916
trusts, obligations, and liabilities of the predecessor bank 6917
shall continue in the bank resulting from the conversion. 6918

Sec. 1115.05. (A) As used in this section: 6919

(1) "Acquire" or "acquisition" means any of the following 6920
transactions or actions: 6921

(a) A merger or consolidation with, or purchase of assets 6922
from, a bank holding company that has acquired an Ohio bank; 6923

(b) The acquisition of the direct or indirect ownership or 6924

control of voting shares of an Ohio bank if, after the 6925
acquisition, the acquiring bank holding company will directly or 6926
indirectly own or control the Ohio bank, unless the 6927
superintendent of financial institutions determines, in the 6928
superintendent's discretion, due to the nature of the 6929
acquisition, it should not be subject to the limitations of this 6930
section; 6931

(c) The merger or consolidation of an Ohio bank with, or 6932
the transfer of assets from an Ohio bank to, another bank, 6933
whether previously existing or chartered for the purpose of the 6934
transaction; 6935

(d) Any other action that results in the direct or 6936
indirect control of an Ohio bank. 6937

(2) "Ohio bank" means a state bank or a national bank 6938
whose principal place of business is in this state. 6939

(B) Subject to ~~divisions~~ division (C) ~~and (D)~~ of this 6940
section, a bank or bank holding company whose principal place of 6941
business is in this state or any other state may charter or 6942
otherwise acquire an Ohio bank, and a bank may acquire banking 6943
offices in this state by merger or consolidation with or 6944
transfer of assets and liabilities from a bank, savings bank, or 6945
savings association that has offices in this state, if, upon 6946
consummation of the acquisition, both of the following will 6947
apply: 6948

(1) The acquiring bank with, or the acquiring bank holding 6949
company through, its affiliate banks, savings banks, and savings 6950
associations, does not control more than ten per cent of the 6951
total deposits of banks, savings banks, and savings associations 6952
in the United States, and either of the following applies: 6953

(a) The acquiring bank with, or the acquiring bank holding company through, its affiliate banks, savings banks, and savings associations, does not control more than thirty per cent of the total deposits of banks, savings banks, and savings associations in this state. 6954
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(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. 6959
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(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). 6967
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(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. 6974
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(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 6978
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section 1115.06 of the Revised Code and any rules adopted to 6984
implement that section. 6985

(3) If the proposed acquisition will be accomplished by 6986
means of a merger or consolidation with a state bank and the 6987
resulting bank of the merger or consolidation will be a state 6988
bank, the state bank shall comply with section 1115.11 of the 6989
Revised Code and any rules adopted to implement that section. 6990

(4) If the proposed acquisition will be accomplished by 6991
means of a transfer of assets and liabilities to a state bank, 6992
the state bank shall comply with section 1115.14 of the Revised 6993
Code and any rules adopted to implement that section. 6994

(5) If the proposed acquisition will be accomplished by 6995
forming a bank to which the bank to be acquired will transfer 6996
assets and liabilities, or with which the bank to be acquired 6997
will be merged or consolidated and the resulting bank will be a 6998
state bank, the acquiring bank holding company shall comply with 6999
section 1115.23 of the Revised Code and any rules adopted to 7000
implement that section. 7001

~~(D) (1) If the acquiring bank is a bank doing business 7002
under authority granted by the bank regulatory authority of 7003
another state and the acquisition will be accomplished by 7004
agreeing to assume all or substantially all of the deposit 7005
liabilities of an existing branch located in this state of a 7006
savings association doing business under authority granted by 7007
the superintendent pursuant to Chapter 1151. of the Revised 7008
Code, the acquisition shall be subject to the superintendent's 7009
approval, which shall include a determination that the laws of 7010
the state in which the acquiring bank has its principal place of 7011
business permit a bank with its principal place of business in 7012
ohio to acquire all or substantially all of the deposit 7013~~

~~liabilities of an existing branch of a savings association— 7014
located in that state on terms that are, on the whole,— 7015
substantially no more restrictive than those established under— 7016
section 1151.052 of the Revised Code. 7017~~

~~(2) If the acquiring bank is a bank doing business under 7018
authority granted by the bank regulatory authority of another 7019
state and the acquisition will be accomplished by agreeing to 7020
assume all or substantially all of the deposit liabilities of an 7021
existing branch located in this state of a savings bank doing 7022
business under authority granted by the superintendent pursuant 7023
to Chapter 1161. of the Revised Code, the acquisition shall be 7024
subject to the superintendent's approval, which shall include a 7025
determination that the laws of the state in which the acquiring 7026
bank has its principal place of business permit a bank with its 7027
principal place of business in Ohio to acquire all or 7028
substantially all of the deposit liabilities of an existing 7029
branch of a savings bank located in that state on terms that 7030
are, on the whole, substantially no more restrictive than those 7031
established under section 1161.07 of the Revised Code. 7032~~

Sec. 1115.06. (A) As used in this section: 7033

(1) "Control" of a state bank means either of the 7034
following: 7035

(a) Power, directly or indirectly, to direct the 7036
management or policies of a state bank; 7037

(b) Ownership or control of or power to vote twenty-five 7038
per cent or more of any class of voting securities of a state 7039
bank. 7040

(2) "State bank" includes any bank holding company that 7041
controls a state bank, and any other company that controls a 7042

state bank and is not a bank holding company. 7043

(B) (1) No person, acting directly or indirectly or through 7044
or in concert with one or more other persons, shall acquire 7045
control of a state bank through a purchase, assignment, 7046
transfer, pledge, or other disposition of voting securities of a 7047
state bank unless the superintendent of financial institutions 7048
has been given sixty days' prior written notice of the proposed 7049
acquisition and within that sixty days the superintendent has 7050
not done either of the following: 7051

(a) Disapproved the acquisition; 7052

(b) Extended the time during which the superintendent may 7053
disapprove the acquisition, as provided in division (B) (2) of 7054
this section. 7055

(2) The superintendent may extend the time during which 7056
the superintendent may disapprove a proposed acquisition of 7057
control, as follows: 7058

(a) For an additional thirty days in the discretion of the 7059
superintendent; 7060

(b) For two additional extensions of not more than forty- 7061
five days each, if any of the following applies: 7062

(i) The superintendent determines any acquiring party has 7063
not furnished all of the information required under division (C) 7064
of this section. 7065

(ii) In the superintendent's judgment, any material 7066
information submitted is substantially inaccurate. 7067

(iii) The superintendent has been unable to complete the 7068
investigation of an acquiring person under division (E) (1) of 7069
this section because of any delay caused by, or the inadequate 7070

cooperation of, that acquiring person. 7071

(iv) The superintendent determines additional time is 7072
needed to investigate and determine whether any acquiring person 7073
has a record of failing to comply with the requirements of 7074
subchapter II of chapter 53 of subtitle IV of Title 31 of the 7075
United States Code. 7076

(3) An acquisition may be made prior to the expiration of 7077
the disapproval period if the superintendent issues written 7078
notice of the superintendent's intent not to disapprove the 7079
acquisition of control. 7080

(C) ~~Except as the superintendent otherwise provides by~~ 7081
~~rule, a~~ A notice required under division (B) of this section 7082
shall contain ~~the following~~ such information: 7083

~~(1) The identity, personal history, and business~~ 7084
~~background and experience of each person by whom or on whose~~ 7085
~~behalf the acquisition is to be made, including each person's~~ 7086
~~material business activities and affiliations during the past~~ 7087
~~five years; a description of any material pending legal or~~ 7088
~~administrative proceedings in which each person is a party; and~~ 7089
~~any criminal indictment or conviction of each person by a state~~ 7090
~~or federal court.~~ 7091

~~(2) A statement of the assets and liabilities of each~~ 7092
~~person by whom or on whose behalf the acquisition is to be made,~~ 7093
~~as of the end of the fiscal year for each of the five years~~ 7094
~~immediately preceding the date of the notice, together with~~ 7095
~~related statements of income and source and application of funds~~ 7096
~~for each of the fiscal years then concluded, all prepared in~~ 7097
~~accordance with generally accepted accounting principles~~ 7098
~~consistently applied; and an interim statement of the assets and~~ 7099

~~liabilities for each person, together with related statements of~~ 7100
~~income and source and application of funds, as of a date not~~ 7101
~~more than ninety days prior to the date of the filing of the~~ 7102
~~notice.~~ 7103

~~(3) The terms and conditions of the proposed acquisition~~ 7104
~~and the manner in which the acquisition is to be made.~~ 7105

~~(4) The identity, source, and amount of the funds or other~~ 7106
~~consideration used or to be used in making the acquisition and,~~ 7107
~~if any part of these funds or other consideration has been or is~~ 7108
~~to be borrowed or otherwise obtained for the purpose of making~~ 7109
~~the acquisition, a description of the transaction, the names of~~ 7110
~~the parties, and any arrangements, agreements, or understandings~~ 7111
~~with the parties.~~ 7112

~~(5) Any plans or proposals any acquiring person may have~~ 7113
~~to liquidate the state bank, to sell its assets or merge it with~~ 7114
~~any company, or to make any other major change in its business~~ 7115
~~or corporate structure or management.~~ 7116

~~(6) The identification of any person employed, retained,~~ 7117
~~or to be compensated by an acquiring person, or by any person on~~ 7118
~~an acquiring person's behalf, to make solicitations or~~ 7119
~~recommendations to shareholders for the purpose of assisting in~~ 7120
~~the acquisition, and a brief description of the terms of the~~ 7121
~~employment, retainer, or arrangement for compensation.~~ 7122

~~(7) Copies of all invitations or tenders or advertisements~~ 7123
~~making a tender offer to stockholders for purchase of their~~ 7124
~~stock to be used in connection with the proposed acquisition.~~ 7125

~~(8) Any additional relevant information in the form as the~~ 7126
~~superintendent may require by rule or by specific request in~~ 7127
~~connection with any particular notice.~~ 7128

(D) Unless the superintendent determines an emergency 7129
exists or disclosure of a proposed acquisition of control would 7130
seriously threaten the safety or soundness of the state bank, 7131
each person who gives a notice required under division (B) of 7132
this section shall, within a reasonable time after receiving the 7133
superintendent's acceptance of the notice, do both of the 7134
following: 7135

(1) Publish the name of the state bank proposed to be 7136
acquired and the name of each person identified in the notice as 7137
a person by whom or for whom the acquisition is to be made; 7138

(2) Solicit public comment on the proposed acquisition, 7139
particularly from persons in the geographic area where the state 7140
bank proposed to be acquired is located, before final 7141
consideration of the notice by the superintendent. 7142

(E) Upon accepting a notice required under division (B) of 7143
this section, the superintendent shall do both of the following: 7144

(1) Conduct an investigation of the competence, 7145
experience, integrity, and financial ability of each person 7146
named in the notice as a person by whom or for whom the 7147
acquisition is to be made; 7148

(2) Make an independent determination of the accuracy and 7149
completeness of all information required to be in the notice. 7150

(F) The superintendent may disapprove any proposed 7151
acquisition of control if the superintendent finds any of the 7152
following: 7153

(1) The proposed acquisition of control would result in a 7154
monopoly or further any combination or conspiracy to monopolize 7155
or to attempt to monopolize the business of banking in any part 7156
of this state or any markets served by the state bank. 7157

(2) The effect of the proposed acquisition of control in any part of this state and any markets served by the state bank may be to substantially lessen competition, tend to create a monopoly, or in any other manner restrain trade, and the anticompetitive effects of the proposed acquisition of control are not clearly outweighed in the public interest by the probable effect of the acquisition in meeting the convenience and needs of the community to be served.

(3) The financial condition of any acquiring person might jeopardize the financial stability of the state bank or prejudice the interests of the depositors of the state bank.

(4) The competence, experience, or integrity of any acquiring person or of any of the proposed management personnel indicates that it would not be in the interest of the depositors of the state bank, or in the interest of the public, to permit the acquiring person to control the state bank.

(5) The acquiring person neglects, fails, or refuses to furnish to the superintendent all of the information required by the superintendent.

(6) The superintendent determines the proposed transaction would have an adverse effect on the ~~bank deposit insurance fund or the savings association insurance fund~~ administered by the federal deposit insurance corporation.

(G) Within three days after deciding to disapprove any proposed acquisition of control of a state bank, the superintendent shall notify the acquiring person in writing of the disapproval. The notice of disapproval shall provide a statement of the basis for the disapproval.

(H) Within ten days after receipt of a notice of the

disapproval, the acquiring person may, in accordance with 7187
Chapter 119. of the Revised Code, request a hearing conducted in 7188
accordance with that chapter on the proposed acquisition. 7189

(I) Whenever a change in control of a state bank occurs, 7190
the state bank shall promptly report to the superintendent any 7191
changes in or replacement of its chief executive officer or of 7192
any director that occurs in the next twelve-month period, and 7193
include in the report a statement of the past and current 7194
business and professional affiliations of the new chief 7195
executive officer or director. 7196

(J) (1) The superintendent may exercise any authority 7197
vested in the superintendent under Chapter 1121. of the Revised 7198
Code in the course of conducting any investigation under 7199
division (E) of this section or any other investigation the 7200
superintendent, in the superintendent's discretion, considers 7201
necessary to determine whether any person has filed inaccurate, 7202
incomplete, or misleading information under this section or 7203
otherwise is violating, has violated, or is about to violate any 7204
provision of this section or any rule implementing this section. 7205

(2) Whenever it appears to the superintendent any person 7206
is violating, has violated, or is about to violate any provision 7207
of this section or any rule implementing this section, the 7208
superintendent may, in the superintendent's discretion, apply to 7209
the court of common pleas of any county in which the state bank 7210
is doing business for either of the following: 7211

(a) A temporary or permanent injunction or restraining 7212
order enjoining the person from violating this section or any 7213
rule implementing this section; 7214

(b) Other equitable relief, including divestiture, that 7215

may be necessary to prevent violation of this section or of any 7216
rule implementing this section. 7217

(3) (a) The courts of this state have the same jurisdiction 7218
and power in connection with the exercise of any authority by 7219
the superintendent under this section as they have under Chapter 7220
1121. of the Revised Code. 7221

(b) The courts of this state have jurisdiction and power 7222
to issue any injunction or restraining order or grant any 7223
equitable relief described in division (J)(2) of this section. 7224
When a court finds it appropriate, the court may grant the 7225
injunction, order, or other equitable relief without requiring 7226
the posting of any bond. 7227

(K) The resignation, termination of employment or 7228
participation, divestiture of control, or separation of or by a 7229
regulated person, including a separation caused by the closing 7230
of a state bank, shall not affect the jurisdiction and authority 7231
of the superintendent to issue any notice and otherwise proceed 7232
under this section against the regulated person, if the notice 7233
is issued no later than six years after the date of the 7234
regulated person's resignation, termination of employment or 7235
participation, or separation from or divestiture of control of a 7236
state bank. 7237

For purposes of this division, "regulated person" has the 7238
same meaning as in section 1121.01 of the Revised Code. 7239

Sec. 1115.07. (A) As used in this section: 7240

(1) "Credit outstanding" means any loan, extension of 7241
credit, issuance of a guarantee, acceptance, or letter of 7242
credit, including an endorsement or standby letter of credit, or 7243
other transaction that extends financing to a person or group of 7244

persons. 7245

(2) "Financial institution" means a state bank, national 7246
bank, savings bank, savings association, or a bank doing 7247
business under authority granted by the bank regulatory 7248
authority of another state of the United States or another 7249
country. 7250

(3) "Group of persons" includes any number of persons the 7251
financial institution reasonably believes are either of the 7252
following: 7253

(a) Persons who are acting together, in concert, or with 7254
one another to acquire or control shares of the same stock state 7255
bank, including an acquisition of shares of the same stock state 7256
bank at approximately the same time under substantially the same 7257
terms. 7258

(b) Persons who have made, or have proposed to make, a 7259
joint filing under section 13 of Title I of the "Securities 7260
Exchange Act of 1934," 48 Stat. 881, 15 U.S.C.A. 78m, as 7261
amended, regarding ownership of the shares of the same stock 7262
state bank. 7263

(B) (1) Except as provided in division (D) of this section, 7264
any financial institution or any affiliate of a financial 7265
institution that has credit outstanding to any person or group 7266
of persons that is secured, directly or indirectly, by shares of 7267
a stock state bank shall file a consolidated report with the 7268
superintendent of financial institutions if the credits 7269
outstanding are, in the aggregate, secured, directly or 7270
indirectly, by twenty-five per cent or more of the outstanding 7271
shares of any class of the same stock state bank. 7272

(2) For purposes of division (B) (1) of this section, any 7273

shares of the stock state bank held by the financial institution 7274
or any of its affiliates as principal shall be included in the 7275
calculation of the number of shares in which the financial 7276
institution or its affiliates has a security interest. 7277

(C) The report required under division (B) (1) of this 7278
section shall be a consolidated report on behalf of the 7279
financial institution and all its affiliates, and shall be filed 7280
in writing within thirty days after the date on which the 7281
financial institution or any of its affiliates first believes 7282
the security for any outstanding credit consists of twenty-five 7283
per cent or more of the outstanding shares of any class of a 7284
stock state bank. 7285

The report shall indicate the number and percentage of 7286
shares securing each credit outstanding, the identity of the 7287
borrower, and the number of shares held as principal by the 7288
financial institution or any of its affiliates. It also shall 7289
contain all of the information required in a notice under 7290
section 1115.06 of the Revised Code, and any other relevant 7291
information the superintendent may require by rule or by 7292
specific request in connection with a particular report. 7293

(D) A financial institution and its affiliates shall not 7294
be required to report a transaction under this section if either 7295
of the following applies: 7296

(1) The person or group of persons to whom the credit is 7297
outstanding has disclosed to the superintendent the amount 7298
borrowed from the financial institution or its affiliate and the 7299
security interest of the financial institution or its affiliate 7300
in connection with a notice given under section 1115.06 of the 7301
Revised Code or with any other application filed with the 7302
superintendent, such as an application for an interim bank 7303

charter. 7304

(2) The transaction involves either of the following: 7305

(a) A person or group of persons that has been the owner 7306
of record of the shares for at least one year; 7307

(b) Shares issued by a newly chartered stock state bank 7308
before the ~~state~~ bank's opening. 7309

Sec. 1115.11. (A) A state bank may consolidate or merge 7310
with another state bank, a bank, savings bank, or savings 7311
association doing business under authority granted by the bank 7312
regulatory authority of another state, ~~or~~ a national bank, 7313
~~savings bank,~~ or a federal savings association, regardless of 7314
where it maintains its principal place of business, with the 7315
approval of all of the following: 7316

(1) The directors of both constituent corporations; 7317

(2) (a) The shareholders of each constituent state bank 7318
that is a stock state bank, by the affirmative vote or written 7319
consent of the holders of two-thirds, or such other proportion 7320
not less than a majority as the ~~state~~ bank's articles of 7321
incorporation or code of regulations provide, of the outstanding 7322
shares of each class of the ~~state~~ bank's stock; 7323

(b) The members of each constituent state bank that is a 7324
mutual state bank, by the affirmative vote of two-thirds, or 7325
such other proportion not less than a majority as the bank's 7326
articles of incorporation or code of regulations provide, of the 7327
voting members. 7328

(3) The shareholders or members of the other constituent 7329
bank, savings bank, or savings association as required by the 7330
applicable state or federal law, articles of incorporation, or 7331

code of regulations; 7332

(4) One of the following, as applicable: 7333

(a) If the resulting corporation will be a state bank, a ~~savings bank doing business under authority granted pursuant to Chapter 1161. of the Revised Code, or a savings and loan association doing business under authority granted pursuant to Chapter 1151. of the Revised Code,~~ the superintendent of financial institutions; 7334
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(b) If the resulting corporation will be a national bank or federal savings association, the office of the comptroller of the currency; 7340
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~~(c) If the resulting corporation will be a federal savings association, the director of the office of thrift supervision;~~ 7343
7344

~~(d)~~ If the resulting corporation will be a bank, savings bank, or savings association doing business under authority granted by the regulatory authority of another state, the state regulatory authority under which the bank, savings bank, or savings association is doing business. 7345
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(B) For a merger or consolidation in which the resulting or surviving corporation will be a state bank, the constituent corporations, in the case of a consolidation, and the constituent corporation that will be the surviving corporation, in the case of a merger, shall file with the superintendent an application for the superintendent's approval that includes ~~all of the following:~~ 7350
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~~(1) An officers' certification that the transaction has been approved by the directors and shareholders of each constituent corporation in accordance with the applicable state or federal law, articles of incorporation or association, code~~ 7357
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7360

~~of regulations, or bylaws;~~ 7361

~~(2) A a copy of the consolidation or merger agreement;~~ 7362

~~(3) Any and any other information the superintendent~~ 7363
requires. 7364

(C) The consolidation or merger agreement required under 7365
division (B) ~~(2)~~ of this section shall include all of the 7366
following: 7367

(1) The names of the constituent corporations; 7368

(2) The agreement that the named constituent corporations 7369
will consolidate into a new state bank or the other named 7370
constituent corporations will merge with or into one specified 7371
constituent corporation; 7372

(3) Subject to the limitations set forth in section 7373
1103.07 of the Revised Code, the name of the state bank 7374
resulting from the consolidation or surviving the merger; 7375

(4) The place in this state where the resulting or 7376
surviving bank's principal place of business is to be located; 7377

(5) In the case of a consolidation, the contents of the 7378
resulting bank's articles of incorporation, consistent with 7379
section ~~1103.06~~ 1113.04 of the Revised Code; 7380

(6) In the case of a merger, any amendment to the 7381
surviving bank's articles of incorporation; 7382

(7) The names and addresses of the directors of the 7383
resulting or surviving bank; 7384

(8) The terms of the consolidation or merger, how the 7385
consolidation or merger will be effected, and how ~~any~~ 7386
consideration provided for, if any, will be distributed to the 7387

shareholders or members of the constituent corporations. 7388

(D) Within ten business days after receiving an 7389
application required under division (B) of this section, the 7390
superintendent shall determine whether to accept the 7391
application. If the transaction is with a bank, savings bank, or 7392
savings association doing business under authority granted by a 7393
regulatory authority other than the superintendent, the 7394
superintendent shall notify the regulatory authority under which 7395
the bank, savings bank, or savings association is doing business 7396
of the application and solicit that regulatory authority's 7397
comments. Within ninety days after accepting an application 7398
required under division (B) of this section, the superintendent 7399
shall approve or disapprove the application. In making that 7400
determination, the superintendent shall consider all of the 7401
following: 7402

(1) Whether the transaction would result in a monopoly or 7403
would further any combination or conspiracy to monopolize or to 7404
attempt to monopolize the business of banking in any part of 7405
this state and any markets served by the resulting or surviving 7406
bank; 7407

(2) Whether the effect of the proposed transaction in any 7408
part of this state and any markets served by the resulting or 7409
surviving bank may be to substantially lessen competition, tend 7410
to create a monopoly, or in any other manner restrain trade, 7411
unless the superintendent finds the anticompetitive effects of 7412
the transaction would clearly be outweighed in the public 7413
interest by the probable effect of the transaction in meeting 7414
the 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 served; 7418
7419
- (5) Whether, upon completion of the transaction, the resulting or surviving state bank will meet the requirements of Chapters 1101. to 1127. of the Revised Code; 7420
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- (6) The comments of any regulatory authority notified in accordance with division (D) of this section. 7423
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- (E) The superintendent may condition approval of an application under division (D) of this section in any manner the superintendent considers appropriate. 7425
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- (F) Before consummating a consolidation or merger authorized under division (A) of this section, a state bank shall deliver to the superintendent a certificate of consolidation or merger that satisfies the requirements of section 1701.81 of the Revised Code. The superintendent shall file the certificate of consolidation or merger with the secretary of state and, if the resulting or surviving bank of the consolidation or merger is a state bank, shall file a certified copy of the superintendent's approval of the consolidation or merger with the certificate. 7428
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- (G) In the case of a consolidation or merger in which the resulting or surviving corporation is a state bank, the directors and other officers named in the agreement of consolidation or merger shall serve until the date fixed in the agreement or provided in the resulting or surviving bank's code of regulations or by statute for the next annual meeting. 7438
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- (H) (1) When a consolidation or merger becomes effective, ~~the both of the following apply:~~ 7444
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- (a) The existence of each of the constituent corporations 7446

ceases as a separate entity, but continues in the resulting or 7447
surviving corporation, within the limits of the charter of the 7448
resulting or surviving corporation and subject to section 7449
1115.20 of the Revised Code, without further act or deed ~~and~~ 7450
~~within.~~ 7451

(b) Within the limits of the charter of the resulting or 7452
surviving corporation, the resulting or surviving corporation 7453
has all assets and property, the rights, privileges, immunities, 7454
powers, franchises, and authority, and all obligations and 7455
~~trusts~~ fiduciary relationships of each party to the merger or 7456
consolidation and the duties and liabilities connected with 7457
them. ~~The~~ 7458

(2) The resulting or surviving corporation shall perform 7459
every ~~trust or relation~~ fiduciary relationship it has in the 7460
same manner as if it had itself originally assumed the ~~trust or~~ 7461
~~relation~~ fiduciary relationship and the obligations and 7462
liabilities connected with it. 7463

(I) Shareholders of the nonsurviving stock state bank 7464
shall have a right to dissent and shall be entitled to relief as 7465
dissenting shareholders under section 1701.85 of the Revised 7466
Code for those transactions requiring prior shareholder approval 7467
under division (A) (2) of this section. 7468

Sec. 1115.111. (A) Except as provided in division (C) of 7469
this section, no bank shall pay to any person, other than 7470
reasonable compensation for services provided in ~~his~~ the 7471
person's capacity as an employee, any management or consulting 7472
fee, including fees for legal, accounting, brokerage, or other 7473
similar professional services, not having a direct relationship 7474
to the value of actual services rendered, based on reasonable 7475
costs consistent with current market values for such services. 7476

(B) The records of the bank shall contain adequate information to permit a determination as to what services are being provided and on what basis they are being priced. At a minimum the records shall disclose a thorough review by the board of directors demonstrating all of the following:

(1) That such fees are paid for specific services provided, as detailed in a fee analysis presented to the board;

(2) The basis for the cost for each function or service;

(3) A conclusion by the board of directors that the fees are reasonable.

(C) This section does not prevent a bank from paying any of the following:

(1) Dividends to shareholders that have been properly declared by the bank;

(2) Reasonable compensation to officers and employees of the bank for services rendered to the bank in their capacities as officers or employees of the bank;

(3) Fees to directors for their attendance at meetings of the board of directors, the executive committee, or other committees established by the board.

Sec. 1115.14. (A) A state bank may transfer assets and liabilities to, and acquire assets and liabilities from, another state bank, a bank doing business under authority granted by the bank regulatory authority of another state, or a national bank, savings bank, or savings association, regardless of where it maintains its principal place of business, with the approval of all of the following:

(1) The directors of both constituent corporations;

(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 7534
each constituent corporation in accordance with the applicable 7535
state or federal law, articles of incorporation or association, 7536
code of regulations, or bylaws; 7537

(2) A copy of the transfer agreement; 7538

(3) Any other information the superintendent requires. 7539

(C) The transfer agreement required under division (B) (2) 7540
of this section shall include all of the following: 7541

(1) The names of the constituent corporations; 7542

(2) The agreement of the named constituent corporations 7543
that specified assets and liabilities of one will be transferred 7544
to the other in exchange for specified consideration; 7545

(3) Any changes to be made in the directors ~~of~~ or officers 7546
of the acquiring state bank; 7547

(4) Any amendments to the acquiring state bank's articles 7548
of incorporation; 7549

(5) The terms of the transfer, how the transfer will be 7550
effected, and how any consideration provided for will be 7551
distributed to the transferring corporation or its shareholders 7552
or members. 7553

(D) Within ten business days after receiving an 7554
application required under division (B) of this section, the 7555
superintendent shall determine whether to accept the 7556
application. If the transaction is with a bank, savings bank, or 7557
savings association doing business under authority granted by a 7558
regulatory authority other than the superintendent, the 7559
superintendent shall notify the regulatory authority that 7560
granted the authority under which the bank, savings bank, or 7561

savings association is doing business of the application and 7562
solicit that regulatory authority's comments. Within ninety days 7563
after accepting an application required under division (B) of 7564
this section, the superintendent shall approve or disapprove the 7565
application. In making that determination, the superintendent 7566
shall consider all of the following: 7567

(1) Whether the transaction would result in a monopoly or 7568
would further any combination or conspiracy to monopolize or to 7569
attempt to monopolize the business of banking in any part of 7570
this state and any markets served by the acquiring bank; 7571

(2) Whether the effect of the proposed transaction in any 7572
part of this state and any markets served by the acquiring bank 7573
may be to substantially lessen competition, tend to create a 7574
monopoly, or in any other manner restrain trade, unless the 7575
superintendent finds that the anticompetitive effects of the 7576
transaction would clearly be outweighed in the public interest 7577
by the probable effect of the transaction in meeting the 7578
convenience and needs of the community to be served; 7579

(3) The financial and managerial resources and future 7580
prospects of the banks involved; 7581

(4) The convenience and needs of the communities to be 7582
served; 7583

(5) Whether, upon completion of the transaction, the 7584
acquiring state bank will meet the requirements of Chapters 7585
1101. to 1127. of the Revised Code; 7586

(6) The comments of any regulatory authority notified in 7587
accordance with division (D) of this section. 7588

(E) The superintendent may condition approval of an 7589
application under division (D) of this section in any manner the 7590

superintendent considers appropriate. 7591

(F) In the case of a transfer of assets and liabilities 7592
involving a state bank that is not the acquiring corporation and 7593
that will not continue operations after the transaction, the 7594
state bank shall, immediately upon the transfer of assets and 7595
liabilities being effective, provide the superintendent with the 7596
necessary dissolution certificates and affidavits for the 7597
superintendent to file the dissolution with the secretary of 7598
state. 7599

(G) When a bank, savings bank, or savings association 7600
transfers its assets and liabilities to a state bank, the 7601
acquiring state bank shall be possessed of the rights, 7602
privileges, and powers of the transferor with respect to the 7603
transferred assets within the limits of the charter of the 7604
acquiring state bank. 7605

(H) Shareholders of a stock state bank whose assets have 7606
been transferred shall have a right to dissent and shall be 7607
entitled to relief as dissenting shareholders under section 7608
1701.85 of the Revised Code for those transactions requiring 7609
prior shareholder approval under division (A) (2) of this 7610
section. 7611

Sec. 1115.15. Whenever an emergency, as defined by the 7612
superintendent of financial institutions, exists with regard to 7613
a state bank, national bank, savings bank, or savings 7614
association that warrants, in the opinion of the superintendent 7615
and of a majority of the members of the respective boards of 7616
directors of the constituent corporations concerned, an 7617
immediate transfer of assets and liabilities, the board of 7618
directors of a state bank may, by majority vote, transfer the 7619
assets and liabilities of the state bank or acquire the assets 7620

and liabilities of another state bank or a national bank, 7621
savings bank, or savings association without the vote or 7622
approval of the shareholders of each constituent corporation 7623
involved in the proposed transfer. No transfer pursuant to this 7624
section involving a state bank shall be made without the written 7625
consent of the superintendent. Certified copies of all 7626
proceedings of its board of directors shall be filed with the 7627
superintendent by each constituent corporation involved in the 7628
transfer. A copy of the agreement between the constituent 7629
corporations shall accompany the copies of the proceedings of 7630
the boards of directors. 7631

Sec. 1115.20. (A) In any transfer, ~~consolidation, or~~ 7632
~~merger~~ under this chapter, the rights of creditors shall be 7633
preserved unimpaired, and, unless otherwise provided, the 7634
constituent corporations shall be deemed to continue their 7635
separate existence if the continuation is necessary to preserve 7636
any creditor's rights. 7637

(B) In any consolidation or merger under section 1115.11 7638
of the Revised Code, the rights and obligations of the surviving 7639
or new bank shall be governed by section 1701.82 of the Revised 7640
Code. 7641

Sec. 1115.23. (A) Any person, singly or jointly with 7642
others, may, with the approval of the superintendent of 7643
financial institutions, incorporate an interim bank for the 7644
purpose of facilitating the creation of a bank holding company, 7645
the acquisition of or transaction with an existing bank, savings 7646
association, or savings bank, or any other transaction the 7647
superintendent may approve. Prior to commencing business, an 7648
interim bank shall be a party to a reorganization with an 7649
existing bank, savings association, or savings bank pursuant to 7650

this chapter. 7651

(B) The person or persons proposing to incorporate an 7652
interim bank under this section shall make application for 7653
approval of the proposed interim bank in the manner and form 7654
prescribed by the superintendent, which shall include delivering 7655
to the division of financial institutions the items required in 7656
divisions (B) (1) and (2) of section ~~1113.01~~1113.02 of the 7657
Revised Code. 7658

(C) Approval of the interim bank pursuant to this section 7659
does not authorize the interim bank to commence business. 7660
Approval of the interim bank shall be specifically conditioned 7661
on approval of the subsequent reorganization. The approval of 7662
the interim bank becomes void, and the interim bank shall be 7663
dissolved, if the reorganization is not approved and consummated 7664
within one year after the approval of the interim bank, unless 7665
the superintendent grants one or more extensions in writing. If 7666
no extension is granted or upon the expiration of the last 7667
extension granted, the interim bank shall provide the 7668
superintendent with the necessary dissolution certificates and 7669
affidavits for the superintendent to file the dissolution with 7670
the secretary of state. 7671

(D) The superintendent shall not disapprove an interim 7672
bank charter solely because the interim bank's paid-in capital 7673
and surplus do not aggregate more than five hundred dollars. 7674

Sec. 1115.24. (A) As used in this section: 7675

(1) "Applicant" means the person or persons seeking a 7676
shelf charter under this section. 7677

(2) "Control" has the same meaning as in section 1115.06 7678
of the Revised Code and any rules adopted under that section. 7679

(3) "Shelf charter" means the preliminary conditional approval of a charter. 7680
7681

(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: 7682
7683
7684
7685

(1) Formation of an interim bank under this chapter to be used for the transactions contemplated by this section; 7686
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(2) Acquisition of control of a designated or undesignated state bank; 7688
7689

(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; 7690
7691
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(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; 7694
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(5) Formation of a de novo bank pursuant to Title XI of the Revised Code. 7700
7701

(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: 7702
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7704
7705
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- (1) The availability of adequate capital for the transaction; 7708
7709
- (2) The existence of acceptable business plans; 7710
- (3) Whether acceptable management, directors, and control persons are identified; 7711
7712
- (4) Whether all necessary approvals from state and federal agencies have been secured. 7713
7714
- (D) (1) A shelf charter granted under this section, and any final approval for a transaction described in division (B) of this section, shall be subject to such conditions and ongoing requirements as the superintendent considers appropriate. 7715
7716
7717
7718
- (2) An applicant granted a shelf charter under this section shall not exercise control over the bank or consummate the transaction authorized by the charter until the superintendent gives final approval of the transaction. 7719
7720
7721
7722
- (E) A shelf charter shall expire twenty-four months after the date it is granted, subject to the following: 7723
7724
- (1) The superintendent may extend the expiration date at any time sua sponte or upon approval by the superintendent of a written request for an extension submitted by the person or persons to whom the shelf charter was granted. 7725
7726
7727
7728
- (2) The person or persons to whom the shelf charter was granted may withdraw it at any time. 7729
7730
- (3) The superintendent may modify, suspend, or revoke any shelf charter granted under this section. 7731
7732
- (F) Pursuant to the authority granted under section 1121.03 of the Revised Code, the superintendent may adopt rules 7733
7734

and issue interpretive guidelines the superintendent considers 7735
necessary and appropriate for the implementation of this 7736
section. 7737

Sec. 1115.27. (A) A state bank may merge with any of its 7738
affiliates with the approval of all of the following: 7739

(1) The directors of all constituent corporations to the 7740
merger; 7741

(2) (a) The shareholders of each constituent stock state 7742
bank by the affirmative vote or written consent of the holders 7743
of two-thirds, or any other proportion not less than a majority 7744
as the bank's articles of incorporation or code of regulations 7745
provide, of the outstanding shares of each class of the bank's 7746
stock; 7747

(b) The members of each constituent mutual state bank, by 7748
the affirmative vote of two-thirds, or such other proportion not 7749
less than a majority as the bank's articles of incorporation or 7750
code of regulations provide, of the voting members. 7751

(3) The shareholders or members of each other constituent 7752
to the merger as required by the applicable state or federal 7753
law, the articles of incorporation, or the code of regulations; 7754

(4) The superintendent of financial institutions. 7755

(B) The bank that will be the surviving bank in the merger 7756
shall file with the superintendent an application for the 7757
superintendent's approval that includes ~~all of the following:~~ 7758

~~(1) An officers' certification that the transaction has~~ 7759
~~been approved by the directors and shareholders of each~~ 7760
~~constituent corporation in accordance with the applicable state~~ 7761
~~or federal law, articles of incorporation or association, code~~ 7762

~~of regulations, or bylaws;~~ 7763

~~(2) A a copy of the merger agreement;~~ 7764

~~(3) Any and any other information the superintendent~~ 7765
requires. 7766

(C) The merger agreement required under division (B) ~~(2)~~ of 7767
this section shall include all of the following: 7768

(1) The names of the constituent corporations; 7769

(2) The agreement of the other named constituent 7770
corporations to merge with or into one specified bank; 7771

(3) Subject to the limitations set forth in section 7772
1103.07 of the Revised Code, the name of the bank surviving from 7773
the merger. 7774

(4) The place in this state where the surviving bank's 7775
principal place of business is to be located; 7776

(5) Any amendment to the surviving bank's articles of 7777
incorporation; 7778

(6) The names and addresses of the directors of the 7779
surviving bank; 7780

(7) The terms of the merger, how it will be effected, and 7781
how ~~any~~ consideration, if any, provided for will be distributed 7782
to the shareholders or members of the constituent corporations. 7783

(D) Within ten business days after receiving an 7784
application required under division (B) of this section, the 7785
superintendent shall determine whether to accept the 7786
application. Within ninety days after accepting an application 7787
required under division (B) of this section, the superintendent 7788
shall approve or disapprove the application. In making that 7789

determination, the superintendent shall consider all of the 7790
following: 7791

(1) The financial and managerial resources and future 7792
prospects of the surviving bank; 7793

(2) The convenience and needs of the communities to be 7794
served; 7795

(3) Whether, upon completion of the merger, the surviving 7796
bank will meet the requirements of Chapters 1101. to 1127. of 7797
the Revised Code; 7798

(4) Whether any of the constituents to the merger are 7799
subject to limitations that are inconsistent with the merger. 7800

(E) The superintendent may condition approval of an 7801
application under division (D) of this section in any manner the 7802
superintendent considers appropriate. 7803

(F) Before consummating a merger authorized under division 7804
(A) of this section, the bank that is to be the surviving bank 7805
of the merger shall deliver to the superintendent a certificate 7806
of merger that satisfies the requirements of section 1701.81 of 7807
the Revised Code. The superintendent shall file the certificate 7808
of merger and a certified copy of the superintendent's approval 7809
of the merger with the secretary of state. 7810

(G) The directors and other officers named in the 7811
agreement of merger shall serve until the date fixed in the 7812
agreement or provided in the surviving bank's code of 7813
regulations or by statute for the next annual meeting. 7814

(H) When a merger authorized by division (A) of this 7815
section becomes effective, the existence of each of the 7816
constituent corporations ceases as a separate entity, but 7817

continues in the surviving bank, within the limits of the 7818
charter of the surviving bank and subject to section 1115.20 of 7819
the Revised Code. Without further act or deed and within the 7820
limits of the charter of the surviving bank, the surviving bank 7821
has all assets and property, the rights, privileges, immunities, 7822
powers, franchises, and authority, and all obligations and 7823
~~trusts~~fiduciary relationships of each party to the merger and 7824
the duties and liabilities connected with them. The surviving 7825
bank shall perform every ~~trust or relation~~fiduciary 7826
relationship it has in the same manner as if it had itself 7827
originally assumed the ~~trust or relation~~fiduciary relationship 7828
and the obligations and liabilities connected with it. 7829

Sec. 1116.01. As used in this chapter, unless the context 7830
requires otherwise: 7831

(A) "Acquiree mutual bank" means any state bank, savings 7832
association, or savings bank that meets both of the following 7833
conditions: 7834

(1) It is acquired by a mutual holding company as part of, 7835
and concurrently with, a mutual holding company reorganization. 7836

(2) It is in the mutual form immediately prior to the 7837
acquisition. 7838

(B) "Reorganization plan" means the plan to reorganize 7839
into a mutual holding company structure described in section 7840
1116.07 of the Revised Code. 7841

(C) "Reorganizing mutual state bank" means a mutual state 7842
bank that proposes to reorganize into a mutual holding company 7843
structure in accordance with this chapter. 7844

(D) "Resulting mutual holding company" means a bank 7845
holding company organized in mutual form under this chapter and, 7846

unless otherwise indicated, a subsidiary holding company 7847
controlled by a mutual holding company organized under this 7848
chapter. 7849

(E) "Resulting stock state bank" means a stock state bank 7850
that is organized as a subsidiary of a reorganizing mutual state 7851
bank to receive a substantial part of the assets and 7852
liabilities, including all deposit accounts, of the reorganizing 7853
mutual state bank upon consummation of the reorganization. 7854

(F) "Stock bank" means a bank that has an ownership 7855
structure in the form of shares of stock and is doing business 7856
under authority granted by the superintendent of financial 7857
institutions or the bank regulatory authority of another state 7858
or the United States. 7859

(G) "Subsidiary holding company" means a stock company 7860
that is controlled by a mutual holding company and that owns the 7861
stock of a stock state bank whose depositors have membership 7862
rights in the parent mutual holding company. 7863

Sec. 1116.02. (A) A mutual holding company and any 7864
subsidiary of a mutual holding company shall be created, 7865
organized, and governed, and its business shall be conducted, in 7866
all respects in the same manner as is provided under Chapter 7867
1701. of the Revised Code, for corporations generally, to the 7868
extent that it is not inconsistent with this chapter, Chapters 7869
1101. to 1115., and Chapters 1117. to 1127. of the Revised Code 7870
or the rules adopted under those chapters. 7871

(B) A mutual holding company and any subsidiary of a 7872
mutual holding company organized under this chapter is subject 7873
to all powers, remedies, and sanctions provided to the 7874
superintendent of financial institutions and the division of 7875

financial institutions by Chapters 1101. to 1127. of the Revised 7876
Code. 7877

(C) Notwithstanding division (A) of this section, a 7878
nonbank subsidiary of a mutual holding company may be organized 7879
under the general corporate laws of another state of the United 7880
States. 7881

Sec. 1116.05. (A) A mutual state bank may, with the 7882
approval of the superintendent of financial institutions, 7883
reorganize to become a mutual holding company, in one of the 7884
following manners: 7885

(1) By organizing one or more subsidiary stock state 7886
banks, one or more of which may be an interim stock state bank, 7887
the ownership of which shall be evidenced by shares of stock to 7888
be owned by the reorganizing mutual state bank and by 7889
transferring a substantial portion of its assets, all of its 7890
insured deposits, and part or all of its other liabilities to 7891
one or more subsidiary stock state banks; 7892

(2) By organizing a first tier subsidiary stock state 7893
bank, causing that subsidiary to organize a second tier 7894
subsidiary stock state bank, and transferring, by merger of the 7895
reorganizing mutual state bank with the second tier subsidiary, 7896
a substantial portion of its assets, all of its insured 7897
deposits, and part or all of its other liabilities to the 7898
resulting stock state bank at which time the first tier 7899
subsidiary stock state bank becomes a mutual holding company; 7900

(3) In any other manner approved by the superintendent. 7901

(B) As a part of its mutual holding company 7902
reorganization, a mutual state bank may organize as a subsidiary 7903
holding company of the mutual holding company, which subsidiary 7904

holding company shall own all of the outstanding voting stock of 7905
the resulting stock state bank. 7906

(C) Before reorganizing into a mutual holding company, a 7907
reorganizing mutual state bank shall do all of the following: 7908

(1) Obtain approval of a reorganization plan by a two- 7909
thirds vote of the board of directors of the reorganizing mutual 7910
state bank and any acquiree mutual bank; 7911

(2) Obtain approval of the reorganization plan by a two- 7912
thirds vote, or such other proportion not less than a majority 7913
as the reorganizing mutual state bank's or any acquiree mutual 7914
bank's articles of incorporation or code of regulations provide, 7915
of the members' votes cast in person or by proxy at the annual 7916
meeting or at a special meeting of members called by the board 7917
of directors for the purpose of approving the reorganization 7918
plan; 7919

(3) File a reorganization application in the form 7920
prescribed by the superintendent that includes all of the 7921
following: 7922

(a) An officers' certification that the reorganization 7923
plan has been approved by the directors and members in 7924
accordance with applicable state law, articles of incorporation, 7925
code of regulations, or bylaws; 7926

(b) A copy of the reorganization plan; 7927

(c) Any other information the superintendent requires. 7928

Sec. 1116.06. (A) Within ten business days after receipt 7929
of an application for a mutual holding company reorganization 7930
under division (C) (3) of section 1116.05 of the Revised Code, 7931
the superintendent of financial institutions shall do one of the 7932

- following: 7933
- (1) Accept the application for processing; 7934
 - (2) Request additional information to complete the application; 7935
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 - (3) Return the application if it is substantially incomplete. 7937
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- (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. 7939
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- (C) In approving or disapproving an application, the superintendent, after conducting an appropriate examination or investigation, shall consider whether: 7943
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- (1) The reorganizing mutual state bank and any acquiree mutual bank will operate in a safe, sound, and prudent manner. 7946
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 - (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. 7948
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 - (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; 7951
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 - (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; 7955
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 - (5) A stock issuance proposed in connection with the 7959

mutual holding company reorganization plan meets the standards 7960
established by the superintendent and any applicable state and 7961
federal securities laws; and 7962

(6) The reorganizing mutual state bank or any acquiree 7963
mutual bank has furnished all information required in the 7964
reorganization plan and any other information requested by the 7965
superintendent regarding the proposed reorganization. 7966

Sec. 1116.07. Each reorganization plan submitted with a 7967
mutual holding company reorganization application shall contain 7968
a description of all significant terms of the proposed 7969
reorganization and include all of the following: 7970

(A) Any proposed stock issuance plan; 7971

(B) An opinion of counsel, or a ruling from the United 7972
States internal revenue service and the Ohio department of 7973
taxation, as to the federal and state tax treatment of the 7974
proposed reorganization; 7975

(C) A copy of the articles of incorporation and code of 7976
regulations of the proposed mutual holding company, the 7977
resulting stock state bank, and any affiliate organizations in 7978
the holding company structure; 7979

(D) A description of the method of reorganization under 7980
this chapter; 7981

(E) A statement that, upon consummation of the 7982
reorganization, certain assets and liabilities, including all 7983
deposit accounts of the reorganizing mutual state bank, shall be 7984
transferred to the resulting stock state bank, which bank shall 7985
immediately become a stock state bank subsidiary of the mutual 7986
holding company or subsidiary holding company; 7987

(F) A summary of the expenses to be incurred in connection 7988
with the reorganization; 7989

(G) Any other information required by the superintendent 7990
of financial institutions. 7991

Sec. 1116.08. After approving a mutual holding company 7992
reorganization application, the superintendent of financial 7993
institutions shall, to effect the reorganization, forward the 7994
articles of incorporation to the secretary of state for filing. 7995

Sec. 1116.09. (A) A mutual holding company shall do all of 7996
the following: 7997

(1) Confer upon existing and future depositors of the 7998
resulting stock state bank the same membership rights in the 7999
mutual holding company as were conferred upon depositors by the 8000
articles of incorporation or code of regulations of the 8001
reorganizing mutual state bank in effect immediately prior to 8002
the reorganization; 8003

(2) Confer upon existing and future depositors of any 8004
acquiree mutual bank or any bank that is in the mutual form when 8005
acquired by the mutual holding company, the same membership 8006
rights in the mutual holding company as were conferred upon 8007
depositors by the articles of incorporation or code of 8008
regulations of the acquired mutual bank in effect immediately 8009
prior to the acquisition, provided that if the acquired mutual 8010
bank is merged into another subsidiary state bank from which the 8011
mutual holding company draws members, the depositors of the 8012
acquired mutual bank shall receive the same membership rights as 8013
the depositors of the subsidiary state bank into which the 8014
acquired mutual bank is merged; 8015

(3) Confer upon the borrowers of the resulting stock state 8016

bank who are borrowers at the time of reorganization the same 8017
membership rights in the mutual holding company as were 8018
conferred upon them by the articles of incorporation or code of 8019
regulations of the reorganizing mutual state bank in effect 8020
immediately prior to the reorganization, but not any membership 8021
rights in connection with any borrowings made after the 8022
reorganization; 8023

(4) Confer upon the borrowers of any acquiree mutual bank 8024
or any bank that is in the mutual form when acquired by the 8025
mutual holding company who are borrowers at the time of the 8026
acquisition, the same membership rights in the mutual holding 8027
company as were conferred on them by the articles of 8028
incorporation or code of regulations of the acquired mutual bank 8029
in effect immediately prior to the acquisition, but not any 8030
membership rights in connection with any borrowings made after 8031
the acquisition; provided, however, that if the acquired mutual 8032
bank is merged into another bank from which the mutual holding 8033
company draws members, the borrowers of the acquired mutual bank 8034
shall instead receive the same grandfathered membership rights 8035
as the borrowers of the subsidiary state bank into which the 8036
acquired mutual bank is merged. 8037

(B) A mutual holding company that acquires a bank in the 8038
stock form, other than a resulting stock state bank or an 8039
acquiree mutual bank, shall not confer any membership rights 8040
upon the depositors and borrowers of the stock bank, unless such 8041
stock bank is merged into a subsidiary stock state bank from 8042
which the mutual holding company draws its members, in which 8043
case the depositors of the stock bank shall receive the same 8044
membership rights as other depositors of the subsidiary stock 8045
state bank into which the stock bank is merged. 8046

Sec. 1116.10. (A) A mutual holding company and any subsidiary holding company shall be governed by a board of directors and in accordance with the articles of incorporation and code of regulations adopted in connection with the reorganization, or as amended in accordance with law or rule after the reorganization. 8047
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(B) The board of the mutual holding company and any subsidiary holding company shall have at least five members who, initially, shall consist of the board of directors of the reorganizing mutual state bank. Such members, after the formation of the mutual holding company and any subsidiary holding company, shall continue to serve as directors for the balance of the terms to which they were elected. 8053
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Sec. 1116.11. All assets, rights, obligations, and liabilities of a reorganizing mutual state bank that are not expressly retained by the mutual holding company shall be transferred to the resulting stock state bank. 8060
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Sec. 1116.12. Each person who holds a deposit account in a reorganizing mutual state bank or any acquiree mutual state bank immediately before the reorganization shall receive, upon consummation of the reorganization, without payment, an identical deposit account in the resulting stock state bank or acquiree mutual state bank. 8064
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Sec. 1116.13. The following apply to a reorganization plan adopted by the board of directors of the reorganizing mutual state bank or any acquiree mutual bank: 8070
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(A) It may be amended by those boards as a result of any regulator's comments before any solicitation of proxies from the members to vote on the reorganization plan or, with the written 8073
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consent of the superintendent of financial institutions, at any 8076
later time. 8077

(B) It may be terminated by either board at any time 8078
before the meeting at which the members vote on the 8079
reorganization plan or, with the written consent of the 8080
superintendent, at any later time. 8081

Sec. 1116.16. (A) A mutual holding company organized under 8082
the laws of another state or the United States may, with the 8083
approval of the superintendent of financial institutions, 8084
convert to a mutual holding company organized under this chapter 8085
by submitting an application in accordance with rules adopted by 8086
the superintendent under section 111.15 of the Revised Code. 8087

(B) State banks existing as of the effective date of this 8088
section that are affiliates of a mutual holding company 8089
organized under the laws of another state or the United States 8090
and that submit an application pursuant to division (A) of this 8091
section within one year after the effective date of this section 8092
shall be eligible for an expedited review process. 8093

Sec. 1116.18. Subject to all necessary regulatory notices 8094
or approvals, a mutual holding company organized under this 8095
chapter may do all of the following: 8096

(A) Acquire a bank organized in mutual or stock form by 8097
merger of such bank with the subsidiary stock state bank, 8098
interim subsidiary stock bank, or subsidiary stock holding 8099
company of the mutual holding company; 8100

(B) Merge with or acquire another holding company provided 8101
that such holding company has, as one of its subsidiaries, a 8102
subsidiary banking corporation; 8103

(C) Exercise any power of, or engage in any activity 8104

permitted for, a mutual state bank; 8105

(D) Engage directly or indirectly only in such activities 8106
as are permissible activities for bank holding companies under 8107
applicable state and federal law or regulations; 8108

(E) Invest in the stock of a bank; 8109

(F) Exercise any rights, waive any rights, or take or 8110
waive any other action with respect to any securities of any 8111
subsidiary stock state bank or subsidiary stock holding company 8112
that are held by the mutual holding company. 8113

Sec. 1116.19. (A) The board of directors of a mutual 8114
holding company may from time to time, by a majority vote of the 8115
directors, do both of the following: 8116

(1) Divide equitably any surplus that is in excess of the 8117
amount required for the operations of the mutual holding company 8118
or to maintain the safety and soundness of the mutual holding 8119
company; 8120

(2) Distribute that surplus to the respective depositors 8121
of its subsidiary stock state banks in accordance with their 8122
membership rights. 8123

(B) If the superintendent of financial institutions 8124
determines that the surplus held by a mutual holding company is 8125
excessive, the superintendent may order the board of directors 8126
of the mutual holding company to make the distribution described 8127
in division (A) of this section. 8128

Sec. 1116.20. (A) A mutual holding company may establish a 8129
subsidiary holding company as a direct subsidiary to hold one 8130
hundred per cent of the stock of its subsidiary stock state 8131
bank, provided the subsidiary holding company is not formed and 8132

operated as a means of evading or frustrating the purposes of 8133
this chapter. Subject to the approval of the superintendent of 8134
financial institutions, the subsidiary holding company may be 8135
established either at the time of the initial mutual holding 8136
company reorganization or at a subsequent date. 8137

(B) In addition to its powers under Chapters 1107. and 8138
1109. of the Revised Code, any subsidiary stock state bank or 8139
subsidiary holding company may, with the prior approval of the 8140
superintendent and subject to such rules as the superintendent 8141
may prescribe, issue one or more classes of securities, 8142
including one or more classes of common stock or preferred 8143
stock, and take any action in connection with such issuance or 8144
otherwise with respect to any such securities; provided, 8145
however, that in no event shall the mutual holding company hold 8146
less than twenty-five per cent of the combined voting power of 8147
all classes of securities of the subsidiary stock holding 8148
company or stock state bank that have voting power in the 8149
election of directors of such stock state bank. 8150

(C) Nothing in this section shall prohibit a subsidiary 8151
stock state bank or subsidiary stock holding company from 8152
issuing, in connection with an employee stock option or other 8153
employee benefit plan or with the mutual holding company 8154
reorganization or subsequent thereto, different classes of 8155
common stock to the mutual holding company and subsidiary stock 8156
state bank or subsidiary stock holding company. An issuance of 8157
securities may be made at the time of the mutual holding company 8158
reorganization or thereafter, and may be made in connection with 8159
the merger or acquisition of another bank whether organized in 8160
mutual or stock form. 8161

Sec. 1116.21. A mutual holding company organized under 8162

this chapter may, with the approval of the superintendent of 8163
financial institutions, convert to a stock holding company by 8164
submitting an application in accordance with rules adopted by 8165
the superintendent under section 1121.03 of the Revised Code. 8166

Sec. 1117.01. (A) Subject to section 1115.05 and Chapter 8167
1119. of the Revised Code, a bank, regardless of the location of 8168
its principal place of business, may establish or acquire and 8169
maintain a banking office in this state. 8170

(B) (1) With the prior written approval of the 8171
superintendent of financial institutions obtained in accordance 8172
with section 1117.02 of the Revised Code, a state bank ~~doing~~ 8173
~~business under authority granted by the superintendent~~ may 8174
establish or acquire a banking office at any of the following 8175
locations: 8176

(a) Any location in this state; 8177

(b) Any location in another state of the United States; 8178

(c) Any location outside the United States. 8179

(2) The superintendent may condition approval of a banking 8180
office at any location authorized by division (B) (1) (b) or (c) 8181
of this section on an agreement satisfactory to the 8182
superintendent providing for the times, method, and 8183
reimbursement of expenses for examining the banking office. 8184

Sec. 1117.02. (A) A bank with its principal place of 8185
business in this state proposing to establish a banking office 8186
shall submit an application to the superintendent of financial 8187
institutions. The superintendent shall determine whether to 8188
accept an application for processing within ten business days 8189
after receiving the application. The superintendent shall 8190
approve or disapprove the application within sixty days after 8191

accepting it unless approval is withheld under division (E) of 8192
this section. 8193

(B) If the superintendent accepts the application, the 8194
bank shall, within ten days after receipt of the 8195
superintendent's notice of acceptance, publish notice of its 8196
proposed banking office in a newspaper of general circulation in 8197
the county where the proposed banking office is to be located 8198
and in the county where the bank currently maintains its 8199
principal place of business. The notice shall state that 8200
comments on the proposed banking office must be delivered to the 8201
division of financial institutions within fourteen days after 8202
the date the notice is published, and shall provide the 8203
division's address. 8204

(C) If the superintendent determines any comment delivered 8205
to the division regarding a proposed banking office is relevant 8206
to the criteria set forth in this section for approval of a 8207
banking office, the superintendent shall investigate the comment 8208
in any manner the superintendent considers appropriate. 8209

(D) In determining whether to approve a proposed banking 8210
office, the superintendent shall consider all of the following: 8211

(1) The adequacy of the bank's management; 8212

(2) The adequacy of the bank's capital ~~and paid-in-~~ 8213
~~capital;~~ 8214

(3) The effect establishment of the banking office will 8215
have on the interests of the bank's depositors and shareholders 8216
or members; 8217

(4) The bank's lending record in helping to meet the 8218
credit needs of its entire community, including low- and 8219
moderate-income neighborhoods, consistent with both the safe and 8220

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 8251
be made available to any person upon request. 8252

(ii) Upon written complaint by any person, or upon the 8253
superintendent's own initiative, the superintendent may hold a 8254
public hearing. The superintendent may hold no more than one 8255
hearing every two years on each affirmative action lending 8256
program. 8257

(b) If the superintendent determines, as a result of 8258
findings made under division (E) (2) (a) of this section, that a 8259
bank is not in compliance with its affirmative action lending 8260
program, the superintendent shall order the bank to comply 8261
within a period of time determined by the superintendent. 8262
Failure to comply with that order shall be a violation of a 8263
condition imposed by the superintendent for purposes of sections 8264
1121.32, 1121.33, 1121.35, and 1121.41 of the Revised Code. 8265

(3) As used in division (E) of this section, "affirmative 8266
action lending program" means a program to remedy any deficiency 8267
of a bank in helping to meet the credit needs of its entire 8268
community. 8269

Sec. 1117.04. A bank proposing to relocate a banking 8270
office shall do the following: 8271

(A) If the banking office is to be relocated within a one- 8272
mile radius of the banking office's current ~~service area~~ 8273
location, the bank shall notify the superintendent of financial 8274
institutions and comply with the ~~service area~~ relocation 8275
procedures established by the superintendent. 8276

(B) If the banking office is to be relocated outside a 8277
one-mile radius of the banking office's current ~~service area~~ 8278
location, the bank shall obtain the superintendent's approval 8279

for the relocation in accordance with the procedures set forth 8280
in section 1117.02 of the Revised Code for establishing a 8281
banking office and comply with the banking office closing 8282
procedures established by the superintendent. 8283

Sec. 1117.05. (A) With the written approval of the 8284
superintendent of financial institutions, a bank may contract 8285
with one or more other banks, savings banks, and savings 8286
associations to provide services to the contracting bank's 8287
customers at any or all of the offices of the other banks, 8288
savings banks, and savings associations as if the offices of the 8289
other banks, savings banks, and savings associations were 8290
offices of the contracting bank. 8291

(B) The superintendent shall determine whether to accept a 8292
bank's application for approval of a contract authorized by 8293
division (A) of this section within ten business days after 8294
receiving a bank's application for the superintendent's approval 8295
of the contract. The superintendent shall approve or disapprove 8296
the contract within thirty days after accepting the bank's 8297
application. 8298

(C) In determining whether to approve or disapprove a 8299
contract authorized by division (A) of this section, the 8300
superintendent shall consider all of the following: 8301

(1) The adequacy of the management of both the contracting 8302
bank and the other banks, savings banks, and savings 8303
associations; 8304

(2) The adequacy of the capital ~~and paid-in capital~~ of 8305
both the contracting bank and the other banks, savings banks, 8306
and savings associations; 8307

(3) The adequacy of the operations and controls of both 8308

the contracting bank and the other banks, savings banks, and 8309
savings associations; 8310

(4) Whether the contract is being used to avoid 8311
application of the criteria for establishing a banking office 8312
under section 1117.02 of the Revised Code or any kind of 8313
business combination under Chapter 1115. of the Revised Code. 8314

(D) This section does not authorize a contracting bank to 8315
establish new deposit accounts, extend credit, or create new 8316
banking relationships through offices of the other banks, 8317
savings banks, and savings associations. 8318

Sec. ~~1103.21~~ 1117.07. (A) In the event of a power failure, 8319
fire, act of God, riot, strike, robbery or attempted robbery, 8320
epidemic, interruption of communication facilities, or any other 8321
reason the superintendent of financial institutions approves, or 8322
in the event of the declaration of the existence of an emergency 8323
by the governor or another person lawfully exercising the power 8324
and duties of the office of governor, an officer of a bank, 8325
designated by the board of directors of the officer's bank, in 8326
the reasonable and proper exercise of the designated officer's 8327
discretion may determine not to open one or more of the bank's 8328
banking offices on any business or banking day, or, if having 8329
opened, to close one or more of the bank's banking offices 8330
during the continuation of the occurrence or emergency. In no 8331
case shall any banking office remain closed for more than ~~forty-~~ 8332
~~eight~~ two consecutive ~~hours~~ days, excluding weekends and legal 8333
holidays, without obtaining the approval of the superintendent 8334
~~or, in the case of a national bank, the comptroller of the~~ 8335
~~currency~~. A designated officer closing a banking office pursuant 8336
to the authority granted under this section shall give as prompt 8337
notice of the action as conditions permit, and by any means 8338

available, to the superintendent ~~or the comptroller~~. 8339

(B) The designated officers of a bank may close any one or 8340
more or all of the bank's banking offices on any day designated, 8341
by proclamation of the president of the United States or the 8342
governor of this state, as a day of mourning, rejoicing, or 8343
other special observance. In such a case, the bank shall not be 8344
required to comply with any other provision of the Revised Code 8345
regarding the closing or reopening of banks or financial 8346
institutions. 8347

(C) Any act required or authorized to be performed at a 8348
banking office that has not been opened or that has been closed 8349
for any time pursuant to this section, may be performed on the 8350
next succeeding business day the banking office is reopened for 8351
business. Any other provision or rule of law notwithstanding, no 8352
liability or loss of rights of any kind on the part of any 8353
person, firm, or corporation, or of the bank, shall accrue or 8354
result because of any nonopening or closing authorized by this 8355
section. 8356

(D) The right of a bank not to open or to close under this 8357
section and the protections afforded with respect to that right 8358
shall be in addition to and not in lieu of any rights or 8359
protections granted under section 1304.07 of the Revised Code. 8360

Sec. 1119.11. (A) When a foreign bank engages in an 8361
activity or undertakes an action through an agency or branch 8362
licensed under this chapter, the foreign bank is subject to the 8363
same limitations on and requirements of engaging in the activity 8364
or taking the action that apply to a state bank ~~doing business~~ 8365
~~under authority granted by the superintendent of financial~~ 8366
~~institutions.~~ 8367

(B) (1) A foreign bank licensed to operate an agency shall 8368
not accept deposits from citizens or residents of the United 8369
States or exercise fiduciary powers. An account that carries a 8370
credit balance in connection with the distribution of loan 8371
proceeds is not a deposit for purposes of this section. 8372

(2) A foreign bank licensed to operate an agency may, in 8373
addition to conducting all of the permissible activities of a 8374
representative office set forth in division (B) of section 8375
1119.06 of the Revised Code, conduct limited banking activities 8376
at or through a licensed agency, including all of the following: 8377

(a) Lending money; 8378

(b) Maintaining credit balances that are incidental to or 8379
arise out of the distribution of loan proceeds; 8380

(c) Receiving funds as agent to be forwarded for deposit 8381
to an existing account at another office authorized to accept 8382
deposits. 8383

(C) A foreign bank licensed to operate a branch may, in 8384
addition to conducting all of the permissible activities of a 8385
representative office set forth in division (B) of section 8386
1119.06 of the Revised Code and all of the permissible 8387
activities of an agency set forth in division (B) (2) of this 8388
section, conduct the following activities at or through a 8389
licensed branch: 8390

(1) Accepting deposits, the acceptance of which does not 8391
constitute engaging in domestic retail deposit activities; 8392

(2) If qualified under Chapter 1111. of the Revised Code, 8393
exercising fiduciary powers; 8394

(3) Other activities authorized for state banks~~doing~~ 8395

~~business under authority granted by the superintendent.~~ 8396

(D) Each foreign bank licensed to operate an agency or 8397
branch shall, in the manner the superintendent of financial 8398
institutions prescribes, give notice to the agency's or branch's 8399
customers that deposits with that agency or branch are not 8400
insured by the federal deposit insurance corporation or 8401
otherwise. 8402

Sec. 1119.17. (A) Each foreign bank licensed under this 8403
chapter shall file with the superintendent of financial 8404
institutions any reports the superintendent may prescribe in the 8405
form and manner and containing the information the 8406
superintendent prescribes. 8407

(B) When the superintendent requires banks and trust 8408
companies to report their income and condition in accordance 8409
with ~~division (A) of~~ section 1121.21 of the Revised Code, the 8410
superintendent shall require each foreign bank licensed under 8411
this chapter to report the income and condition of its 8412
representative offices, agencies, and branches in this state. 8413

Sec. 1119.23. (A) If the superintendent of financial 8414
institutions determines, in accordance with division (A) of 8415
section 1119.22 of the Revised Code, any of the conditions set 8416
forth in that division exists, the superintendent, in addition 8417
to having the authority to revoke the foreign bank's license to 8418
operate a representative office, agency, or branch in accordance 8419
with section 1119.22 of the Revised Code, also may take 8420
possession of the foreign bank's business and property in this 8421
state and appoint a receiver for the liquidation of the foreign 8422
bank's business and property in this state. 8423

(B) The superintendent's taking possession of and 8424

appointing a receiver for a foreign bank's business and property 8425
in this state pursuant to division (A) of this section, and the 8426
liquidation of the foreign bank's business and property in this 8427
state, shall, except as provided in divisions (B)(1) and (2) of 8428
this section, be conducted in accordance with the procedures and 8429
is subject to the rights, powers, duties, requirements, and 8430
limitations provided in Chapter 1125. of the Revised Code for 8431
taking possession of the business and property and liquidation 8432
of a state bank. 8433

(1) After payment of the expenses of the liquidation and 8434
claims against the foreign bank arising from its doing business 8435
in this state in accordance with section 1125.24 of the Revised 8436
Code, any remaining funds from the liquidation of the foreign 8437
bank's business and property in this state shall be distributed 8438
in the following manner: 8439

(a) If the foreign bank's business and property is being 8440
liquidated in another state of the United States, the receiver 8441
shall distribute any remaining funds from the liquidation of the 8442
foreign bank's business and property in this state to the 8443
receiver in the other state for the payment of expenses of 8444
liquidation and claims against the foreign bank's business and 8445
property in the other state. 8446

(b) If the foreign bank's business and property is being 8447
liquidated in more than one other state of the United States, 8448
the receiver shall equitably distribute any remaining funds from 8449
the liquidation of the foreign bank's business and property in 8450
this state among the receivers in the other states for the 8451
payment of the expenses of liquidation and claims against the 8452
foreign bank's business and property in the other states. 8453

(c) If there is no liquidation of the business and 8454

property of the foreign bank occurring in any other state of the 8455
United States, the receiver shall pay any remaining funds from 8456
the liquidation of the business and property of the foreign bank 8457
in this state to the domiciliary receiver of the foreign bank 8458
or, if there is no domiciliary receiver, to the foreign bank. 8459

(2) (a) When the receiver has completed the liquidation of 8460
the foreign bank's business and property in this state, the 8461
receiver shall, with notice to the superintendent, file a 8462
petition with the court for an order declaring that the foreign 8463
bank's business in this state is properly wound up in the manner 8464
provided in section 1125.29 of the Revised Code. Upon the filing 8465
of a petition as provided in this division, the court shall 8466
proceed as provided in section 1125.29 of the Revised Code. 8467

(b) An order issued by the court pursuant to a petition 8468
filed in accordance with division (B) (2) (a) of this section 8469
shall do all things required by section 1125.29 of the Revised 8470
Code, but shall only declare that the foreign bank's business in 8471
this state has been properly wound up and shall not declare that 8472
the foreign bank is dissolved. The court may make whatever 8473
additional orders and grant whatever additional relief the court 8474
determines proper upon the evidence submitted. 8475

(c) Once the court issues the order declaring that the 8476
foreign bank's business in this state is properly wound up, the 8477
foreign bank shall cease doing business in this state except for 8478
any further winding up. 8479

(d) Once the court issues the order declaring the foreign 8480
bank's business in this state is properly wound up, the receiver 8481
shall promptly file a copy of the order, certified by the clerk 8482
of the court, with both the secretary of state and the 8483
superintendent. 8484

Sec. 1119.26. (A) A foreign bank may voluntarily liquidate 8485
and surrender its license to operate a representative office, 8486
agency, or branch licensed under this chapter only with the 8487
consent of the superintendent of financial institutions. 8488

(B) Prior to beginning any liquidation process, the 8489
foreign bank must file an application to voluntarily liquidate 8490
and surrender its license with the superintendent. The 8491
application shall include a plan of liquidation that includes 8492
all of the provisions required of a plan for voluntary 8493
liquidation of a state bank under division (C) of section 8494
1125.03 of the Revised Code, except that the plan of liquidation 8495
shall be limited in scope to the particular representative 8496
office, agency, or branch to be liquidated. 8497

(C) After conducting an examination, the superintendent 8498
may approve or deny a foreign bank's application to voluntarily 8499
liquidate and surrender its license based on the 8500
superintendent's evaluation of whether or not the interests of 8501
the representative office's, agency's, or branch's creditors or, 8502
where applicable, depositors, will suffer by the surrender. The 8503
superintendent's approval is subject to any condition the 8504
superintendent may determine appropriate under the 8505
circumstances. 8506

(D) If the superintendent approves the application to 8507
voluntarily liquidate and surrender a license, the foreign bank 8508
shall comply with the requirements of divisions (A) (1) and (2) 8509
of section 1125.04 of the Revised Code. 8510

(E) During the implementation of the plan of liquidation 8511
pursuant to this section, the superintendent retains the 8512
authority to supervise the representative office, agency, or 8513
branch and may conduct any examination relating to either the 8514

representative office, agency, or branch or the plan of 8515
liquidation the superintendent considers necessary or 8516
appropriate. 8517

(F) If the superintendent has reason to conclude the 8518
implementation of the plan of liquidation is not being safely or 8519
expeditiously conducted, the superintendent may do either of the 8520
following: 8521

(1) Begin revocation proceedings under section 1119.22 of 8522
the Revised Code; 8523

(2) Take possession of the business and property of the 8524
representative office, agency, or branch in the same manner, 8525
with the same effect, and subject to the same rights accorded 8526
the foreign bank under section 1119.23 of the Revised Code. 8527

(G) The superintendent shall cancel the foreign bank's 8528
license to operate a representative office, agency, or branch 8529
under this chapter if the superintendent has approved the 8530
voluntary liquidation and surrender of the license and both of 8531
the following conditions have been met: 8532

(1) The plan of liquidation has been completed. 8533

(2) The notifications required by division (D) of this 8534
section were properly given. 8535

Sec. 1121.01. As used in this chapter: 8536

(A) "Financial institution regulatory authority" includes 8537
a regulator of a business activity in which a bank or trust 8538
company is engaged, or has applied to engage in, to the extent 8539
that the regulator has jurisdiction over a bank or trust company 8540
engaged in that business activity. A bank or trust company is 8541
engaged in a business activity, and a regulator of that business 8542

activity has jurisdiction over the bank or trust company, 8543
whether the bank or trust company conducts the activity directly 8544
or a subsidiary or affiliate of the bank or trust company 8545
conducts the activity. 8546

(B) "Regulated person" means any of the following: 8547

(1) A director, officer, or employee of or agent for a 8548
bank or trust company or a ~~controlling shareholder of person who~~ 8549
controls a state bank, foreign bank, or trust company. For 8550
purposes of division (B)(1) of this section, "control" has the 8551
same meaning as in section 1115.06 of the Revised Code. 8552

(2) A person who is required to obtain, but has not yet 8553
obtained, the consent of the superintendent of financial 8554
institutions to acquire control of a state bank pursuant to 8555
section 1115.06 of the Revised Code; 8556

(3) A person participating in the conduct of the affairs 8557
of a state bank or trust company. 8558

(C) "Participating in the conduct of the affairs of a bank 8559
or trust company" means either making decisions or, directly or 8560
indirectly, taking actions that are management or policymaking 8561
in nature and generally within the scope of authority of the 8562
bank's or trust company's board of directors or executive 8563
officers. Whether a person is or was participating in the 8564
conduct of the affairs of a bank or trust company is an issue of 8565
fact, and not to be determined solely on the basis of the 8566
person's title, contract, or indicia of employment or 8567
independent contractor status. 8568

Sec. 1121.02. (A) The superintendent of financial 8569
institutions shall see that the laws and rules relating to ~~banks~~ 8570
institutions and businesses governed by Chapters 1101. to 1127. 8571

of the Revised Code are executed and enforced. 8572

(B) The deputy superintendent for banks shall be the 8573
principal supervisor of state banks and trust companies. In that 8574
position the deputy superintendent for banks shall, 8575
notwithstanding sections 1121.10 and 1121.11 of the Revised 8576
Code, be responsible for conducting examinations and preparing 8577
examination reports under those sections. In addition, the 8578
deputy superintendent for banks shall, notwithstanding division 8579
(A) of section 1121.03 and sections 1121.05 and 1121.06 of the 8580
Revised Code, have the authority to adopt rules and standards in 8581
accordance with those sections. In performing or exercising any 8582
of the examination, rule-making, or other regulatory functions, 8583
powers, or duties vested by this division in the deputy 8584
superintendent for banks, the deputy superintendent for banks 8585
shall be subject to the control of the superintendent of 8586
financial institutions. 8587

Sec. 1121.05. (A) Notwithstanding any provisions of the 8588
Revised Code, except as provided in division (E) of this 8589
section, the superintendent of financial institutions shall, by 8590
rule, grant state banks and trust companies doing business under 8591
authority granted by the superintendent any right, power, 8592
privilege, or benefit possessed, by virtue of statute, rule, 8593
regulation, interpretation, or judicial decision, by any of the 8594
following: 8595

(1) Banks and trust companies doing business under 8596
authority granted by the office of the comptroller of the 8597
currency or the bank regulatory authority of any other state of 8598
the United States; 8599

(2) Savings associations doing business under authority 8600
granted by the ~~superintendent of financial institutions, office~~ 8601

of ~~thrift supervision, the comptroller of the currency or the~~ 8602
savings and loan association regulatory authority of any other 8603
state of the United States; 8604

(3) Savings banks doing business under authority granted 8605
by the ~~superintendent of financial institutions or the savings~~ 8606
bank regulatory authority of any other state of the United 8607
States; 8608

(4) Credit unions doing business under authority granted 8609
by the superintendent of financial institutions, the national 8610
credit union administration, or the credit union regulatory 8611
authority of any other state of the United States; 8612

(5) Any other banks, savings associations, or credit 8613
unions with a principal place of business in the United States 8614
doing business under authority granted under laws of the United 8615
States; 8616

(6) Any other persons ~~having an office or other place of~~ 8617
~~business in this state and engaging in the business of banking,~~ 8618
offering financial products and services, soliciting or 8619
accepting deposits, lending money, or buying or selling bullion, 8620
bills of exchange, notes, bonds, stocks, or other evidences of 8621
indebtedness ~~with a view to profit~~ whether through an office or 8622
other place of business in this state or via the internet, 8623
advertising, or other form of solicitation; 8624

(7) Small business investment companies licensed under the 8625
"Small Business Investment Company Act of 1958," 72 Stat. 689, 8626
15 U.S.C. 661, as amended; 8627

(8) Persons chartered under the "Farm Credit Act of 1933," 8628
48 Stat. 257, 12 U.S.C. 1131(d), as amended. 8629

(B) The superintendent shall adopt rules authorized by 8630

division (A) of this section in accordance with section 111.15 8631
of the Revised Code. 8632

(C) A rule adopted by the superintendent pursuant to the 8633
authority of this section becomes effective on the later of the 8634
following dates: 8635

(1) The date the superintendent issues the rule; 8636

(2) The date the statute, rule, regulation, 8637
interpretation, or judicial decision the superintendent's rule 8638
is based on becomes effective. 8639

(D) (1) The superintendent may, upon thirty days' written 8640
notice, revoke any rule adopted under the authority of this 8641
section. A rule adopted under the authority of this section, and 8642
not revoked by the superintendent, enacted into law, or adopted 8643
in accordance with Chapter 119. of the Revised Code, lapses and 8644
has no further force and effect thirty months after its 8645
effective date; however, the superintendent may adopt the rule 8646
under section 111.15 of the Revised Code pursuant to this 8647
section for an additional thirty-month period. 8648

(2) The superintendent may require a state bank or trust 8649
company that has acted in reliance on a rule adopted and later 8650
revoked or lapsed under the authority of this section to bring 8651
its affected activities in compliance with the law. Unless the 8652
activities will or may result in harm to the bank or trust 8653
company as determined by the superintendent, the bank or trust 8654
company shall be granted a reasonable period of time of not less 8655
than one year nor more than two years from the date the rule is 8656
revoked or lapsed, to bring its affected activities in 8657
compliance with the law. The superintendent may, upon the 8658
written request of a state bank or trust company, grant the bank 8659

or trust company a longer period of time in which to bring its 8660
affected activities in compliance with the law. 8661

(E) The superintendent shall not adopt any rule dealing 8662
with interest rates charged under the authority of this section. 8663

Sec. 1121.06. (A) Notwithstanding any provision of the 8664
Revised Code, if any regulation, rule, interpretation, 8665
procedure, or guideline of the office of the comptroller of the 8666
currency, federal deposit insurance corporation, federal reserve 8667
board, consumer financial protection bureau, national credit 8668
union administration, or any other bank regulatory authority of 8669
the United States, or the bank regulatory authority of any other 8670
state of the United States, puts a bank or trust company doing 8671
business under authority granted by the superintendent of 8672
financial institutions at a disadvantage to ~~a national bank~~ any 8673
other type of financial institution, the superintendent may 8674
adopt a rule that reduces or eliminates the disadvantage to a 8675
bank or trust company doing business under authority granted by 8676
the superintendent. 8677

(B) The superintendent shall adopt rules authorized by 8678
division (A) of this section in accordance with section 111.15 8679
of the Revised Code. ~~Chapter 119. of the Revised Code does not~~ 8680
~~apply to rules adopted under the authority of this section.~~ 8681

(C) A rule adopted by the superintendent pursuant to the 8682
authority of this section is effective on the later of the 8683
following dates: 8684

(1) The date the superintendent issues the rule; 8685

(2) The date the regulation, rule, interpretation, 8686
procedure, or guideline the superintendent's rule is based on 8687
becomes effective. 8688

(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 of not less than one year nor more than two years from the date the rule is revoked or lapsed, to bring its affected activities in compliance with the law. The superintendent may, upon the written request of a bank or trust company, grant the bank or trust company a longer period of time in which 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) <u>Safety and soundness;</u>	8719
<u>(3)</u> Other matters the superintendent determines.	8720
(B) The superintendent may examine the records and affairs	8721
of any of the following as the superintendent considers	8722
necessary:	8723
(1) Any party to a proposed reorganization for which the	8724
superintendent's approval is required by section 1115.11 or	8725
1115.14 of the Revised Code;	8726
(2) Any bank, savings and loan association, or savings	8727
bank proposing to convert to a bank doing business under	8728
authority granted by the superintendent for which the	8729
superintendent's approval is required by section 1115.01 <u>1115.02</u>	8730
of the Revised Code;	8731
(3) Any person proposing to acquire control of a <u>state</u>	8732
bank for which the superintendent's approval is required by	8733
section 1115.06 of the Revised Code, or who acquired control of	8734
a <u>state</u> bank without the approval of the superintendent when	8735
that approval was required by section 1115.06 of the Revised	8736
Code, was with respect to the <u>state</u> bank of which control is to	8737
be, or was, acquired;	8738
(4) Any bank proposing to establish or acquire a branch	8739
for which the superintendent's approval is required by section	8740
1117.02 of the Revised Code;	8741
(5) Any foreign bank that maintains, or proposes to	8742
establish, one or more offices in this state;	8743
(6) Any trust company.	8744
(C) The board of directors or holders of a majority of the	8745
shares of a <u>state</u> bank or trust company may request the	8746

superintendent conduct a special examination of the records and 8747
affairs of the bank or trust company. The superintendent has 8748
sole discretion over the scope and timing of a special 8749
examination, and may impose restrictions and limitations on the 8750
use of the results of a special examination in addition to the 8751
restrictions and limitations otherwise imposed by law. The fee 8752
for a special examination shall be paid by the bank or trust 8753
company examined in accordance with section 1121.29 of the 8754
Revised Code. 8755

(D) The superintendent may conduct all aspects of an 8756
examination concurrently or may divide the examination into 8757
constituent parts and conduct them at various times. 8758

(E) The superintendent shall preserve the report of each 8759
examination, including related correspondence received and 8760
copies of related correspondence sent, for ~~twenty~~ ten years 8761
after the examination date. 8762

Sec. 1121.12. An examination of the records and affairs of 8763
a state bank under section 1121.10 of the Revised Code may 8764
include the examination of a ~~controlling shareholder of person~~ 8765
who, directly or indirectly, controls the bank that is a bank 8766
holding company registered with the federal reserve or a savings 8767
and loan holding company, but only to the extent explicitly 8768
permitted under this section. To examine the records and affairs 8769
of a ~~controlling shareholder person who, directly or indirectly,~~ 8770
controls a bank that is a bank holding company registered with 8771
the federal reserve or a savings and loan holding company, the 8772
superintendent of financial institutions may do one of the 8773
following: 8774

(A) Rely on an examination of the bank holding company or 8775
savings and loan holding company conducted by a financial 8776

institution regulatory authority of another state, the United States, or another country, as provided in division (A) (3) of section 1121.11 of the Revised Code;

(B) Participate with the financial institution regulatory authorities of other states, the United States, and other countries in a joint or coordinated examination of the bank holding company or savings and loan holding company, provided that both of the following apply:

(1) The examination of the bank holding company or savings and loan holding company is validly authorized by and conducted pursuant to the laws of this state and such other state, the United States, or other country.

(2) Participation of the examiners of the division of financial institutions will increase the efficiency in regulating financial institutions, and not increase the cost of examination to the bank holding company or savings and loan holding company.

(C) Examine the bank holding company or savings and loan holding company pursuant to an agreement with financial institution regulatory authorities of other states, the United States, or other countries, provided that both of the following apply:

(1) The examination of the bank holding company or savings and loan holding company is validly authorized by and conducted pursuant to the laws of this state and such other state, the United States, or other country.

(2) The other financial institution regulatory authority agrees to rely on the superintendent's examination in lieu of conducting its own examination.

(D) Examine the bank holding company or savings and loan holding company if both of the following apply: 8806
8807

(1) The superintendent has reasonable cause to believe 8808
that there is a significant risk of imminent material harm to 8809
the bank, or to any subsidiary or nonbank affiliate as its 8810
affairs relate to the bank, and the examination of the bank 8811
holding company or savings and loan holding company is necessary 8812
to fully determine the risk to the bank, or to determine how 8813
best to address the risk to the bank. 8814

(2) Either of the following occurs: 8815

(a) The superintendent, in writing, requests the federal 8816
reserve to examine the bank holding company, and within fifteen 8817
days the federal reserve does not commence an examination of the 8818
bank holding company and notifies the superintendent that the 8819
federal reserve does not object to the examination. 8820

(b) The banking commission concurs with the 8821
superintendent's determination of both of the following: 8822

(i) There is reasonable cause to believe that there ~~a~~ is a 8823
significant risk of imminent material harm to the bank. 8824

(ii) The examination of the bank holding company or 8825
savings and loan holding company is necessary to fully determine 8826
the risk to the bank, or to determine how best to address the 8827
risk to the bank. 8828

(E) For purposes of this section, a bank holding company 8829
includes not only the bank holding company, but also includes 8830
any nonbank affiliates of the bank holding company that are 8831
subject to examination by the federal reserve. 8832

Sec. 1121.13. An examination of the records and affairs of 8833

a state bank under section 1121.10 of the Revised Code may 8834
include the examination of a ~~controlling shareholder of person~~ 8835
who, directly or indirectly, controls the state bank that and is 8836
a corporation that is not a bank holding company registered with 8837
the federal reserve or a savings and loan holding company, as 8838
its affairs relate to the bank. 8839

Sec. 1121.15. (A) The superintendent of financial 8840
institutions may prescribe the manner and form of keeping the 8841
books and accounts of state banks, so the books and accounts may 8842
be as nearly uniform as circumstances permit. 8843

(B) Any person that, by contract or otherwise, performs 8844
services for a state bank or trust company or a representative 8845
office, agency, or branch licensed under Chapter 1119. of the 8846
Revised Code, whether on or off the premises of the bank, trust 8847
company, representative office, agency, or branch, is subject to 8848
examination by the superintendent as to the books and records of 8849
the bank, trust company, representative office, agency, or 8850
branch in the person's possession, to the same extent as if the 8851
services were being performed by the bank, trust company, 8852
representative office, agency, or branch itself. For the 8853
purposes of this division, "services" includes clerical, 8854
bookkeeping, accounting, statistical, and other services. A 8855
state bank, trust company, representative office, agency, or 8856
branch shall notify the superintendent in writing whenever 8857
another person is performing services of this kind for the bank, 8858
trust company, representative office, agency, or branch, or the 8859
bank, trust company, representative office, agency, or branch 8860
changes the person performing the services. 8861

Sec. 1121.16. (A) No state bank, trust company, or 8862
regulated person shall do any of the following: 8863

(1) Refuse to allow any examination authorized by section 1121.10 of the Revised Code; 8864
8865

(2) Refuse to give information required by the division of financial institutions in the course of or in relation to an examination authorized by section 1121.10 of the Revised Code; 8866
8867
8868

(3) Provide false or misleading information in the course of or in relation to an examination authorized by section 1121.10 of the Revised Code, knowing it to be false or misleading. 8869
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8871
8872

(B) If a state bank, trust company, or regulated person violates division (A) of this section, the superintendent may do any of the following: 8873
8874
8875

(1) Issue a cease and desist order pursuant to section 1121.32 of the Revised Code, issue a removal or prohibition order pursuant to section 1121.33 of the Revised Code, ~~or issue~~ a suspension or temporary prohibition order pursuant to section 1121.34 of the Revised Code, or assess a civil penalty pursuant to section 1121.35 of the Revised Code; 8876
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(2) Appoint a conservator for the state bank pursuant to section 1125.09 of the Revised Code; 8882
8883

(3) Initiate civil or criminal proceedings the superintendent considers appropriate. 8884
8885

Sec. 1121.17. (A) Accounts and other documents required by the superintendent of financial institutions may be signed and sworn to or affirmed on behalf of a state bank or trust company by any officer or director authorized to do so by the bank to do so bank's or trust company's board of directors. 8886
8887
8888
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8890

(B) When the superintendent requires, any officer, 8891

official, employee, or director of a state bank or trust company 8892
receiving any communication from the division of financial 8893
institutions relative to examination or investigation by the 8894
superintendent shall submit the communication to the bank's or 8895
trust company's executive committee or board of directors. 8896

Sec. 1121.18. (A) ~~Information leading to, arising from, or~~ 8897
The superintendent of financial institutions and the 8898
superintendent's agents and employees shall keep privileged and 8899
confidential all information obtained in the course by the 8900
superintendent or the superintendent's agents or employees as a 8901
result of or arising out of the examination or supervision of a 8902
bank or any examination conducted pursuant to the authority of 8903
section 1121.10 or 1121.11 of the Revised Code ~~is privileged and~~ 8904
~~confidential, from required reports, or because of their~~ 8905
official position. No person, including any person to whom the 8906
information is disclosed under the authority of this section, 8907
shall disclose the information leading to, arising from, or 8908
~~obtained in the course of an examination,~~ except as specifically 8909
provided in this section. 8910

(B) The superintendent of financial institutions and the 8911
superintendent's agents and employees may disclose the 8912
information ~~leading to, arising from, or obtained in the course~~ 8913
~~of an examination conducted pursuant to section 1121.10 or~~ 8914
~~1121.11 of the Revised Code~~ described in division (A) of this 8915
section only as follows: 8916

(1) To the governor, director of commerce, or deputy 8917
director of commerce to enable them to act in the interests of 8918
the public; 8919

(2) To the banking commission to enable the commission to 8920
effectively advise the superintendent and take action on any 8921

matter the superintendent presents to the commission; 8922

(3) To financial institution regulatory authorities of 8923
this and other states, the United States, and other countries to 8924
assist them in their regulatory duties; 8925

(4) To the directors, executive officers, agents, and 8926
parent company of the bank or other person examined to assist 8927
them in conducting the business of the bank or other person 8928
examined in a safe and sound manner and in compliance with law; 8929

(5) To auditors, attorneys, or similar professionals 8930
retained by the bank or trust company to assist in conducting 8931
the business of the bank or trust company, or other person 8932
examined, in a safe and sound manner and in compliance with the 8933
law; 8934

(6) To law enforcement authorities ~~conducting in~~ 8935
connection with criminal investigations or referrals made by the 8936
superintendent; 8937

(7) To other state and federal agencies or, in the case of 8938
a state bank, to the federal home loan bank to which the bank 8939
belongs, as the superintendent determines necessary and 8940
appropriate, but only under such conditions and limitations as 8941
the superintendent, in the superintendent's sole discretion, may 8942
require. 8943

(C) (1) ~~Information leading to, arising from, or obtained~~ 8944
~~in the course of an examination of a bank or other person~~ 8945
~~pursuant to section 1121.10 or 1121.11 of the Revised Code~~ The 8946
information described in division (A) of this section shall not 8947
be discoverable from any source, and shall not be introduced 8948
into evidence, except in the following circumstances: 8949

(a) In connection with criminal proceedings; 8950

(b) When, in the opinion of the superintendent, it is 8951
appropriate with regard to enforcement actions taken and 8952
decisions made by the superintendent under the authority of 8953
Chapters 1101. to 1127. of the Revised Code regarding a bank, 8954
trust company, or other person; 8955

(c) When litigation, penalties, or an enforcement action 8956
has been initiated by the superintendent in furtherance of the 8957
powers, duties, and obligations imposed upon the superintendent 8958
by Chapters 1101. to 1127. of the Revised Code; 8959

(d) When authorized by agreements between the 8960
superintendent and financial institution regulatory authorities 8961
of this and other states, the United States, and other countries 8962
authorized by section 1121.11 of the Revised Code; 8963

(e) When and in the manner authorized in section 1181.25 8964
of the Revised Code. 8965

(2) The discovery of information ~~leading to, arising from,~~ 8966
~~or obtained in the course of an examination~~ pursuant to division 8967
(C) (1) (b), (c), or (d) of this section shall be limited to 8968
information that directly relates to the bank, trust company, 8969
regulated person, or other person who is the subject of the 8970
enforcement action, decision, penalties, or litigation. 8971

(D) A report of an examination conducted pursuant to 8972
section 1121.10 or 1121.11 of the Revised Code is the property 8973
of the division of financial institutions. Under no 8974
circumstances may the bank or other person examined, its 8975
directors, officers, employees, agents, regulated persons, or 8976
contractors, or any person having knowledge or possession of a 8977
report of examination, or any of its contents, disclose or make 8978
public in any manner the report of examination or its contents. 8979

The authority provided in division (B) (4) of this section for use of examination information to assist in conducting the business of the bank or other person examined in a safe and sound manner and in compliance with law shall not be construed to authorize disclosure of a report of examination or any of its contents in conducting business with the examined bank's or person's customers, creditors, ~~or~~ shareholders, or members, or with other persons.

(E) The superintendent may, in accordance with Chapter 119. of the Revised Code, adopt rules to permit a bank, trust company, or other person to disclose the information described in division (A) of this section in limited circumstances other than those specified in this section.

(F) Whoever violates this section shall be removed from office, shall be liable, with the violator's bond in damages to the person injured by the disclosure of information, and is guilty of a felony of the fourth degree.

Sec. 1121.19. (A) As used in this section, a "self-assessment report" of a bank includes, but is not limited to, all of the following:

(1) An evaluation of the bank's loan underwriting standards, asset quality, financial reporting to federal or state regulatory agencies, and compliance with its policies and with federal or state statutory or regulatory requirements;

(2) Any communication related to the report, including electronic mails or telephone logs.

(B) A self-assessment report, any portion or contents of the report, and any documents, data, compilations, analyses, or other information and material generated, created, produced,

developed, or prepared as part of the self-assessment process, 9009
are privileged and not admissible or subject to discovery in any 9010
civil or administrative litigation, action, proceeding, or 9011
investigation. 9012

(C) The self-assessment privilege granted by this section 9013
to a bank and its affiliates applies regardless of whether a 9014
bank regulator or any other governmental authority in possession 9015
of a self-assessment report or any portion or contents of it 9016
subsequently discloses it or any portion or contents of it to a 9017
third party as required or permitted by any state or federal 9018
law. 9019

(D) Notwithstanding any applicable state or federal public 9020
records law, a bank regulator or any other governmental 9021
authority in possession of a self-assessment report or any 9022
portion or contents of it shall not disclose the report or any 9023
portion or contents of it to any person in response to a public 9024
records request. 9025

Sec. 1121.21. ~~(A) (1)~~—Each bank and trust company shall 9026
report its condition and income to the division of financial 9027
institutions at the times, in the form, and including the 9028
information the superintendent of financial institutions 9029
prescribes. 9030

~~(2) A bank or trust company shall maintain a summary of~~ 9031
~~its most recent report of condition and income, in the form~~ 9032
~~prescribed by the superintendent, in each of its banking or~~ 9033
~~trust service offices, post notice of the availability of the~~ 9034
~~summary in each office, and make the summary available to the~~ 9035
~~public without charge.~~ 9036

~~(B) Any bank or trust company that fails to comply with~~ 9037

~~division (A) (1) or (2) of this section is subject to a~~ 9038
~~forfeiture of one hundred dollars for each day the failure~~ 9039
~~continues unless the bank or trust company corrects the failure~~ 9040
~~within seven days after receiving the superintendent's notice of~~ 9041
~~the failure.~~ 9042

Sec. 1121.23. Whenever the approval of the superintendent 9043
of financial institutions is required under Chapters 1101. to 9044
1127. of the Revised Code, or under an order or supervisory 9045
action issued or taken under those chapters, for a person to 9046
serve as an organizer, incorporator, director, executive 9047
officer, or ~~controlling shareholder of person who, directly or~~ 9048
indirectly, controls a bank, or to otherwise have a substantial 9049
interest in or participate in the management of a bank, the 9050
superintendent shall request the superintendent of the bureau of 9051
criminal identification and investigation, or a vendor approved 9052
by the bureau, to conduct a criminal records check based on the 9053
person's fingerprints in accordance with section 109.572 of the 9054
Revised Code. The superintendent of financial institutions shall 9055
request that criminal record information from the federal bureau 9056
of investigation be obtained as part of the criminal records 9057
check. Any fee required under division (C) (3) of section 109.572 9058
of the Revised Code shall be paid by the person who is the 9059
subject of the request. 9060

Nothing in this section prohibits the superintendent of 9061
financial institutions from conditionally approving a person to 9062
serve as an organizer, incorporator, director, executive 9063
officer, or person who, directly or indirectly, controls a bank, 9064
or to otherwise have a substantial interest in or participate in 9065
the management of a bank, subject to receiving satisfactory 9066
results of the criminal records check. If the superintendent 9067
does not receive the results within ninety days after the 9068

criminal records check was requested, the superintendent may 9069
extend the conditional approval for not more than ninety days. 9070

Sec. 1121.24. (A) If, under Chapters 1101. to 1127. of the 9071
Revised Code, a proposed action or transaction is subject to the 9072
approval of the superintendent of financial institutions or an 9073
opportunity for the superintendent to disapprove, and if the 9074
person proposing the action or transaction is required to submit 9075
an application or notice to the superintendent, then the 9076
application or notice is not complete and the superintendent 9077
shall not accept it for processing until the person pays the fee 9078
established pursuant to division (C) of section 1121.29 of the 9079
Revised Code. 9080

(B)(1) If, under Chapters 1101. to 1127. of the Revised 9081
Code, a proposed action or transaction is subject to the 9082
approval of the superintendent or an opportunity for the 9083
superintendent to disapprove and the superintendent must make 9084
that determination within a certain time, and if the person 9085
proposing the action or transaction is required to submit an 9086
application or notice to the superintendent, then the time in 9087
which the superintendent must make the determination does not 9088
begin to run until the superintendent has determined the 9089
application or notice is complete and has accepted it for 9090
processing. 9091

(2) Division ~~(A)~~ (B)(1) of this section does not prohibit 9092
either of the following: 9093

(a) The superintendent from denying, or issuing a 9094
disapproval of, an application or notice, prior to the 9095
superintendent's acceptance of the application or notice for 9096
processing, on the basis that the person who submitted the 9097
application or notice failed to include all of the items and 9098

address all of the issues required for the application or 9099
notice, if both of the following apply: 9100

(i) The superintendent advised the person that the 9101
application or notice was incomplete. 9102

(ii) After being advised by the superintendent that the 9103
application or notice was incomplete, the person did not, within 9104
a reasonable period of time, complete the application or notice. 9105

(b) The superintendent from denying, or issuing a 9106
disapproval of, an application or notice on the basis that the 9107
person who submitted the application or notice failed to provide 9108
the information necessary for the superintendent to adequately 9109
consider the application or notice after the superintendent's 9110
acceptance of the application or notice for processing, if both 9111
of the following apply: 9112

(i) After having begun processing the application or 9113
notice, the superintendent determined and advised the person 9114
that additional information was necessary to adequately consider 9115
the application or notice. 9116

(ii) After being advised by the superintendent that 9117
additional information was necessary to adequately consider the 9118
application or notice, the person did not, within a reasonable 9119
period of time, provide that information. 9120

~~(B)~~(C) A determination by the superintendent that an 9121
application or notice is complete and is accepted for processing 9122
means only that the application or notice, on its face, appears 9123
to include all of the items and to address all of the matters 9124
that are required. A determination by the superintendent that an 9125
application or notice is complete and is accepted for processing 9126
is not an assessment of the substance of the application or 9127

notice, or of the sufficiency of the information provided. 9128

Sec. 1121.26. When considering the impact of a proposed 9129
action or transaction on the convenience and needs of the 9130
community to be served, both of the following shall apply: 9131

(A) The superintendent of ~~banks~~financial institutions 9132
shall assess whether the facts and circumstances relating to the 9133
proposed action or transaction reasonably indicate that the 9134
purpose for the proposed action or transaction is to engage in 9135
the banking business and provide banking services in the 9136
community to be served, rather than to raise funds for other 9137
purposes or otherwise serve a nonbanking purpose. 9138

(B) The superintendent shall not require the person 9139
proposing the action or transaction to prove any of the 9140
following: 9141

(1) There is substantial unmet need for banking services 9142
in the community. 9143

(2) The person will bring banking services or other 9144
particular advantages to the community that are not presently 9145
available there. 9146

(3) The action or transaction will not adversely affect an 9147
existing financial institution in the community. 9148

Sec. 1121.29. (A) (1) Each bank, savings and loan 9149
association, and savings bank subject to inspection and 9150
examination by the superintendent of financial institutions and 9151
transacting business on the thirty-first day of December, or 9152
their successors in interest, shall pay to the treasurer of 9153
state assessments as provided in this section. The 9154
superintendent shall make each assessment based on the total 9155
assets as shown on the books of the bank, savings and loan 9156

association, or savings bank as of the thirty-first day of 9157
December of the previous year. The superintendent shall collect 9158
the assessment on an annual or periodic basis, as provided by 9159
the superintendent. All assessments shall be paid within 9160
fourteen days after receiving an invoice for payment of the 9161
assessment. 9162

(2) After determining the budget of the division of 9163
financial institutions for examination and regulation of banks, 9164
savings and loan associations, and savings banks, but prior to 9165
establishing the schedule of assessments under this division 9166
necessary to fund that budget, the superintendent shall consider 9167
any necessary cash reserves and any amounts collected but not 9168
yet expended or encumbered by the superintendent in the previous 9169
fiscal year's budget and remaining in the banks fund pursuant to 9170
division (C) of section 1121.30 of the Revised Code. 9171

(3) The superintendent shall establish the actual schedule 9172
of assessments on an annual basis, present the schedule to the 9173
banking commission for confirmation, and forward copies of the 9174
current year's schedule to banks, savings and loan associations, 9175
and savings banks doing business under authority granted by the 9176
superintendent, or their successors in interest. 9177

If, during the period between the banking commission's 9178
confirmation of the schedule of assessments and the completion 9179
of the fiscal year in which those assessments will be collected, 9180
the banking commission determines additional money is required 9181
to adequately fund the operations of the division of financial 9182
institutions for that fiscal year, the banking commission may, 9183
by the affirmative vote of two-thirds of its members, increase 9184
the schedule of assessments for that fiscal year. The 9185
superintendent shall promptly notify each bank, savings and loan 9186

association, and savings bank of the increased assessment, and 9187
each bank, savings and loan association, and savings bank shall 9188
pay the increased assessment as made and invoiced by the 9189
superintendent. 9190

(4) A bank, savings and loan association, or savings bank 9191
authorized by the superintendent to commence business in the 9192
period between assessments shall pay the actual reasonable costs 9193
of the division's examinations and visitations. The bank, 9194
savings and loan association, or savings bank shall pay the 9195
costs within fourteen days after receiving an invoice for 9196
payment. 9197

(B) (1) Whenever in the judgment of the superintendent the 9198
condition or conduct of a bank renders it necessary to make 9199
additional examinations and follow-up visitations within the 9200
examination cycle beyond the minimum required by division (A) of 9201
section 1121.10 of the Revised Code, the superintendent shall 9202
charge the bank for the additional examinations and follow-up 9203
visitations as provided in division (C) of this section. The 9204
bank shall pay the fee charged within fourteen days after 9205
receiving an invoice for payment. 9206

(2) The superintendent shall charge a bank for any 9207
examination of the bank's operations as a trust company and data 9208
processing facility in accordance with division (C) of this 9209
section whether that examination is the only examination of the 9210
bank in the examination cycle or in addition to other 9211
examinations of the bank's operations. 9212

(C) The superintendent shall periodically establish a 9213
schedule of fees to be paid for examinations, applications, 9214
certifications, and notices considered necessary by the 9215
superintendent. 9216

(D) (1) The superintendent may waive any fees provided for 9217
in division (C) of this section to protect the interests of 9218
depositors and for other fair and reasonable purposes as 9219
determined by the superintendent. 9220

(2) The fees established by the superintendent pursuant to 9221
division (C) of this section for processing applications and 9222
notices and conducting and processing examinations shall be 9223
reasonable considering the direct and indirect costs to the 9224
division, as determined by the superintendent, of processing the 9225
applications and for conducting and processing the examinations. 9226

(E) The superintendent may determine and charge reasonable 9227
fees for furnishing and certifying copies of documents filed 9228
with the division and for any expenses incurred by the division 9229
in the publication or serving of required notices. 9230

(F) Assessments and examination and application fees 9231
charged and collected pursuant to this section are not 9232
refundable. Any fee charged pursuant to this section shall be 9233
paid within fourteen days after receiving an invoice for payment 9234
of the fee. 9235

(G) The superintendent shall pay all assessments and fees 9236
charged pursuant to this section and all forfeitures required to 9237
be paid to the superintendent into the state treasury to the 9238
credit of the banks fund. 9239

Sec. 1121.30. (A) All assessments, fees, charges, and 9240
forfeitures provided for in Chapters 1101. to 1127. and sections 9241
1315.01 to 1315.18 of the Revised Code, except civil penalties 9242
assessed pursuant to section 1121.35 or 1315.152 of the Revised 9243
Code, shall be paid to the superintendent of financial 9244
institutions, and the superintendent shall deposit them into the 9245

state treasury to the credit of the banks fund, which is hereby 9246
created. 9247

(B) The superintendent may expend or obligate the banks 9248
fund to defray the costs of the division of financial 9249
institutions in administering Chapters 1101. to 1127. and 9250
sections 1315.01 to 1315.18 of the Revised Code. The 9251
superintendent shall pay from the fund all actual and necessary 9252
expenses incurred by the superintendent, including for any 9253
services rendered by the department of commerce for the 9254
division's administration of Chapters 1101. to 1127. and 9255
sections 1315.01 to 1315.18 of the Revised Code. The fund shall 9256
be assessed a proportionate share of the administrative costs of 9257
the department and the division of financial institutions. The 9258
proportionate share of the administration costs of the division 9259
of financial institutions shall be determined in accordance with 9260
procedures prescribed by the superintendent and approved by the 9261
director of budget and management. The amount assessed for the 9262
fund's proportional share of the department's administrative 9263
costs and the division's administrative costs shall be paid from 9264
the banks fund to the division of administration fund and the 9265
division of financial institutions fund respectively. 9266

(C) Any money deposited into the state treasury to the 9267
credit of the banks fund, but not expended or encumbered by the 9268
superintendent to defray the costs of administering Chapters 9269
1101. to 1127. and sections 1315.01 to 1315.18 of the Revised 9270
Code, shall remain in the banks fund for expenditures by the 9271
superintendent in subsequent years and shall not be used for any 9272
purpose other than as set forth in this section. 9273

Sec. 1121.33. (A) The superintendent of financial 9274
institutions may issue and serve a notice of charges and intent 9275

to remove a regulated person from office or prohibit a regulated 9276
person from further participation in the conduct of the affairs 9277
of a bank or trust company, or both, if, in the opinion of the 9278
superintendent, all of the following apply: 9279

(1) The regulated person has, directly or indirectly, done 9280
any of the following: 9281

(a) Violated any of the following: 9282

(i) A law or rule; 9283

(ii) A final cease and desist order; 9284

(iii) A condition imposed in writing by the superintendent 9285
in connection with granting an application or notice that is 9286
subject to the superintendent's approval or an opportunity for 9287
the superintendent to disapprove or other request by a bank, 9288
trust company, or regulated person; 9289

(iv) A written agreement between a bank or trust company 9290
and the superintendent, or between the regulated person and the 9291
superintendent. 9292

(b) Engaged or participated in an unsafe or unsound 9293
practice in connection with a bank, trust company, or other 9294
business institution; 9295

(c) Committed or engaged in an act, omission, or practice 9296
constituting a breach of the regulated person's fiduciary duty 9297
as a regulated person. 9298

(2) The violation, practice, or breach results in any of 9299
the following: 9300

(a) A bank, trust company, or other business institution 9301
has suffered or will probably suffer substantial financial loss 9302

or other damage; 9303

(b) The interests of a bank's depositors or shareholders 9304
or trust company's beneficiaries or shareholders have been or 9305
could be prejudiced; 9306

(c) The regulated person has received or will receive 9307
financial gain or other benefit. 9308

(3) The violation, practice, or breach does either of the 9309
following: 9310

(a) Involves personal dishonesty on the part of the 9311
regulated person; 9312

(b) Demonstrates willful or continuing disregard by the 9313
regulated person for the safety and soundness of a bank, trust 9314
company, or business institution. 9315

(B) The notice of charges and intent to remove a regulated 9316
person from office or prohibit a regulated person from further 9317
participation in the conduct of the affairs of a bank or trust 9318
company shall include all of the following: 9319

(1) A statement of the violation or violations, unsafe or 9320
unsound practice or practices, or breach or breaches alleged; 9321

(2) A statement of the facts constituting the grounds for 9322
the proposed removal or prohibition order; 9323

(3) Notice that the regulated person is entitled to a 9324
hearing, in accordance with section 1121.38 of the Revised Code, 9325
to determine whether an order removing the regulated person from 9326
office, prohibiting the regulated person from further 9327
participation in the conduct of the affairs of a bank or trust 9328
company, or both, should be issued against the regulated person 9329
if the regulated person requests the hearing within thirty days 9330

after service of the notice; 9331

(4) Notice that, if the regulated person makes a timely 9332
request for a hearing, the regulated person may appear at the 9333
hearing in person, by attorney, or by presenting positions, 9334
arguments, and contentions in writing, and at the hearing may 9335
present evidence and examine witnesses for and against the 9336
regulated person. 9337

(5) Notice that failure of the regulated person to timely 9338
request a hearing to determine whether an order removing the 9339
regulated person from office, prohibiting the regulated person 9340
from further participation in the conduct of the affairs of a 9341
bank or trust company, or both, should be issued or to appear at 9342
the hearing, in person, by attorney, or by writing, is consent 9343
by the regulated person to the issuance of the order. 9344

(C) The superintendent may issue an order removing the 9345
regulated person from office or prohibiting the regulated person 9346
from further participation in the conduct of the affairs of a 9347
bank or trust company, or both, if either of the following 9348
applies: 9349

(1) The regulated person consents to the issuance of the 9350
order; 9351

(2) Upon the record of the hearing the superintendent 9352
finds the grounds for the order have been established. 9353

(D) A regulated person who has been removed from office or 9354
prohibited from further participation in the conduct of the 9355
affairs of a bank or trust company pursuant to this section or 9356
by order of the bank regulatory authority of another state or 9357
the United States shall not, while the removal or prohibition 9358
order is in effect, continue or commence to hold any office of 9359

or participate in any manner in the conduct of the affairs of 9360
any bank or trust company in this state, except as specifically 9361
permitted by the superintendent or by the bank regulatory 9362
authority of another state or the United States pursuant to 9363
modification of the order. Participation in the conduct of the 9364
affairs of a bank or trust company includes doing any of the 9365
following: 9366

(1) Soliciting, procuring, transferring, attempting to 9367
transfer, voting, or attempting to vote any proxy, consent, or 9368
authorization with respect to any voting rights in any bank or 9369
trust company; 9370

(2) Violating any voting agreement previously approved by 9371
the superintendent; 9372

(3) Voting for a director of any bank or trust company. 9373

(E) An order issued by the superintendent pursuant to this 9374
section is effective at the time specified in the order, which, 9375
in the case of an order issued pursuant to division (C) (2) of 9376
this section, shall be not less than thirty days after service 9377
of the order on the regulated person. 9378

(F) An order issued by the superintendent pursuant to this 9379
section shall remain enforceable and effective as provided in 9380
the order except to the extent it is stayed, modified, 9381
terminated, or set aside by action of the superintendent or a 9382
reviewing court. 9383

(G) The superintendent shall serve a certified copy of a 9384
removal or prohibition order issued pursuant to this section on 9385
any bank or trust company in relation to which the object of the 9386
removal or prohibition order is a regulated person. 9387

Sec. 1121.34. (A) (1) The superintendent of financial 9388

institutions may issue an order suspending a regulated person 9389
from office or temporarily prohibiting a regulated person from 9390
further participation in the conduct of the affairs of a bank or 9391
trust company, or both, if both of the following apply: 9392

(a) The superintendent serves, or has served, the 9393
regulated person with a notice of charges and intent to remove 9394
the regulated person or prohibit the regulated person from 9395
further participation in the conduct of the affairs of a bank or 9396
trust company pursuant to section 1121.33 of the Revised Code. 9397

(b) The superintendent determines the suspension or 9398
temporary prohibition is necessary for the protection of a bank 9399
or trust company or the interests of a bank's depositors or a 9400
trust company's beneficiaries. 9401

(2) An order issued pursuant to division (A)(1) of this 9402
section is effective immediately upon service on the regulated 9403
person, and remains effective and enforceable as provided in the 9404
order except to the extent it is stayed, modified, terminated, 9405
or set aside by action of the superintendent or a reviewing 9406
court. If, upon the record of a hearing, the superintendent 9407
determines not to issue an order removing a regulated person 9408
from office or prohibiting a regulated person's further 9409
participation in the conduct of the affairs of a bank or trust 9410
company pursuant to section 1121.33 of the Revised Code, the 9411
order issued pursuant to division (A)(1) of this section is 9412
terminated. 9413

(3) Within ten days after being served a suspension or 9414
temporary prohibition order pursuant to division (A)(1) of this 9415
section, a regulated person may apply to the court of common 9416
pleas of the county in which the residence of the regulated 9417
person is located, or the court of common pleas of Franklin 9418

county, for an injunction setting aside, limiting, or suspending 9419
the enforcement, operation, or effectiveness of the suspension 9420
or temporary prohibition order pending completion of the hearing 9421
on the notice of charges served on the regulated person pursuant 9422
to section 1121.33 of the Revised Code, and the court has 9423
jurisdiction to issue the injunction. 9424

(B) (1) Whenever a regulated person is charged in any 9425
information, indictment, or complaint, authorized by a 9426
prosecuting attorney or a United States attorney, with the 9427
commission of or participation in a felony or a crime involving 9428
an act of fraud, dishonesty ~~or~~ breach of trust, theft, or money 9429
laundering involving a depository institution, the 9430
superintendent may suspend the regulated person from office or 9431
temporarily prohibit the regulated person's further 9432
participation in the conduct of the affairs of a bank or trust 9433
company, or both. A suspension or temporary prohibition order 9434
issued pursuant to division (B) (1) of this section is effective 9435
immediately upon service on the regulated person, and remains 9436
effective and enforceable until the information, indictment, or 9437
complaint is finally disposed of or the superintendent 9438
terminates the order. 9439

(2) If a judgment of conviction or an agreement to enter a 9440
pretrial diversion or other similar program is entered against a 9441
regulated person with respect to the information, indictment, or 9442
complaint and, in the case of a judgment of conviction, is not 9443
subject to further appellate review, the superintendent may 9444
remove the regulated person from office, prohibit the regulated 9445
person from further participation in the conduct of the affairs 9446
of a bank or trust company, or both. A removal or prohibition 9447
order issued pursuant to division (B) (2) of this section is 9448
effective immediately upon service on the regulated person, and 9449

remains effective and enforceable as provided in the removal or 9450
prohibition order except to the extent it is stayed, modified, 9451
terminated, or set aside by action of the superintendent. 9452

(3) A finding of not guilty or other disposition of the 9453
information, indictment, or complaint does not preclude the 9454
superintendent from subsequently instituting proceedings 9455
pursuant to section 1121.33 of the Revised Code to remove the 9456
regulated person from office or to prohibit the regulated person 9457
from further participation in the conduct of the affairs of a 9458
bank or trust company, or both. 9459

(C) The superintendent shall serve a certified copy of a 9460
suspension or temporary prohibition order issued pursuant to 9461
division (A) or (B) (1) of this section or a removal or 9462
prohibition order issued pursuant to division (B) (2) of this 9463
section on any bank or trust company in relation to which the 9464
object of the suspension, removal, or prohibition order is a 9465
regulated person. 9466

(D) A regulated person who has been suspended, removed 9467
from office, or temporarily or otherwise prohibited from further 9468
participation in the conduct of the affairs of a bank or trust 9469
company pursuant to this section or by order of the bank 9470
regulatory authority of another state or the United States shall 9471
not, while the suspension, removal, or prohibition order is in 9472
effect, continue or commence to hold any office of or 9473
participate in any manner in the conduct of the affairs of a 9474
bank or trust company in this state, except as specifically 9475
permitted by the superintendent or by the bank regulatory 9476
authority of another state or the United States pursuant to 9477
modification of the suspension, removal, or prohibition order. 9478
Participation in the conduct of the affairs of a bank or trust 9479

company includes doing any of the following: 9480

(1) Soliciting, procuring, transferring, attempting to 9481
transfer, voting, or attempting to vote any proxy, consent, or 9482
authorization with respect to any voting rights in any bank or 9483
trust company; 9484

(2) Violating any voting agreement previously approved by 9485
the superintendent; 9486

(3) Voting for a director of any bank or trust company. 9487

(E) If at any time, because of the suspension of one or 9488
more directors pursuant to this section, there are on the board 9489
of directors of a bank less than a quorum of directors not 9490
suspended, all powers and functions vested in or exercisable by 9491
the board shall be vested in and be exercisable by the director 9492
or directors on the board not suspended, until the time there is 9493
a quorum of the board of directors. If all the directors of a 9494
bank are suspended pursuant to this section, the superintendent 9495
shall appoint persons to serve temporarily as directors in their 9496
place, pending termination of the suspensions or until those who 9497
have been suspended cease to be directors of the bank and their 9498
successors take office. 9499

Sec. 1121.38. (A) (1) An administrative hearing provided 9500
for in section 1121.32, 1121.33, 1121.35, or 1121.41 of the 9501
Revised Code shall be held in the county in which the principal 9502
place of business of the bank or trust company or residence of 9503
the regulated person is located, unless the bank, trust company, 9504
or regulated person requesting the hearing consents to another 9505
place. Within ninety days after the hearing, the superintendent 9506
of financial institutions shall render a decision, which shall 9507
include findings of fact upon which the decision is predicated, 9508

and shall issue and serve on the bank, trust company, or 9509
regulated person the decision and an order consistent with the 9510
decision. Judicial review of the order is exclusively as 9511
provided in division (B) of this section. Unless a notice of 9512
appeal is filed in a court of common pleas within thirty days 9513
after service of the superintendent's order as provided in 9514
division (B) of this section, and until the record of the 9515
administrative hearing has been filed, the superintendent may, 9516
at anytime, upon the notice and in the manner the superintendent 9517
considers proper, modify, terminate, or set aside the 9518
superintendent's order. After filing the record, the 9519
superintendent may modify, terminate, or set aside the 9520
superintendent's order with permission of the court. 9521

(a) A hearing provided for in section 1121.32, 1121.35, or 9522
1121.41 of the Revised Code shall be confidential, unless the 9523
superintendent determines that holding an open hearing would be 9524
in the public interest. Within twenty days after service of the 9525
notice of a hearing, a respondent may file a written request for 9526
a public hearing with the superintendent. A respondent's failure 9527
to file such a request constitutes a waiver of any objections to 9528
a confidential hearing. 9529

(b) A hearing provided for in section 1121.33 of the 9530
Revised Code shall be an open hearing. Within twenty days after 9531
service of the notice of a hearing, a respondent may file a 9532
written request for a confidential hearing with the 9533
superintendent. If such a request is received by the 9534
superintendent, the hearing shall be confidential unless the 9535
superintendent determines that holding an open hearing would be 9536
in the public interest. 9537

(2) In the course of, or in connection with, an 9538

administrative hearing governed by this section, the 9539
superintendent, or a person designated by the superintendent to 9540
conduct the hearing, may administer oaths and affirmations, take 9541
or cause depositions to be taken, and issue, revoke, quash, or 9542
modify subpoenas and subpoenas duces tecum. At any 9543
administrative hearing required by section 1121.32, 1121.33, 9544
1121.35, or 1121.41 of the Revised Code, the record of which may 9545
be the basis of an appeal to court, a stenographic record of the 9546
testimony and other evidence submitted shall be taken at the 9547
expense of the division of financial institutions. The record 9548
shall include all of the testimony and other evidence, and any 9549
rulings on the admissibility thereof, presented at the hearing. 9550
The superintendent may adopt rules regarding these hearings. The 9551
attendance of witnesses and the production of documents provided 9552
for in this section may be required from any place within or 9553
outside the state. A party to a hearing governed by this section 9554
may apply to the court of common pleas of Franklin county, or 9555
the court of common pleas of the county in which the hearing is 9556
being conducted or the witness resides or carries on business, 9557
for enforcement of a subpoena or subpoena duces tecum issued 9558
pursuant to this section, and the courts have jurisdiction and 9559
power to order and require compliance with the subpoena. 9560
Witnesses subpoenaed under this section shall be paid the fees 9561
and mileage provided for under section 119.094 of the Revised 9562
Code. 9563

(B) (1) A bank, trust company, or regulated person against 9564
whom the superintendent issues an order upon the record of a 9565
hearing under the authority of section 1121.32, 1121.33, 9566
1121.35, or 1121.41 of the Revised Code may obtain a review of 9567
the order by filing a notice of appeal in the court of common 9568
pleas in the county in which the principal place of business of 9569

the bank, trust company, or regulated person, or residence of 9570
the regulated person, is located, or in the court of common 9571
pleas of Franklin county, within thirty days after the date of 9572
service of the superintendent's order. The clerk of the court 9573
shall promptly transmit a copy of the notice of appeal to the 9574
superintendent,~~and~~. Within thirty days after receiving the 9575
notice of appeal, the superintendent shall file a certified copy 9576
of the record of the administrative hearing with the clerk of 9577
the court. In the event of a private hearing, the record of the 9578
administrative hearing shall be filed under seal with the clerk 9579
of the court. Upon the filing of the notice of appeal, the court 9580
has jurisdiction, which upon the filing of the record of the 9581
administrative hearing is exclusive, to affirm, modify, 9582
terminate, or set aside, in whole or in part, the 9583
superintendent's order. 9584

(2) The commencement of proceedings for judicial review 9585
pursuant to division (B) of this section does not, unless 9586
specifically ordered by the court, operate as a stay of any 9587
order issued by the superintendent. If it appears to the court 9588
an unusual hardship to the appellant bank, trust company, or 9589
regulated person will result from the execution of the 9590
superintendent's order pending determination of the appeal, and 9591
the interests of depositors and the public will not be 9592
threatened by a stay of the order, the court may grant a stay 9593
and fix its terms. 9594

(C) The superintendent may, in the sole discretion of the 9595
superintendent, apply to the court of common pleas of the county 9596
in which the principal place of business of the bank, trust 9597
company, or regulated person, or residence of the regulated 9598
person, is located, or the court of common pleas of Franklin 9599
county, for the enforcement of an effective and outstanding 9600

superintendent's order issued under section 1121.32, 1121.33, 9601
1121.34, 1121.35, or 1121.41 of the Revised Code, and the court 9602
has jurisdiction and power to order and require compliance with 9603
the superintendent's order. In an action by the superintendent 9604
pursuant to this division to enforce an order assessing a civil 9605
penalty issued under section 1121.35 of the Revised Code, the 9606
validity and appropriateness of the civil penalty is not subject 9607
to review. 9608

(D) No court has jurisdiction to affect, by injunction or 9609
otherwise, the issuance or enforcement of an order issued under 9610
section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the 9611
Revised Code or to review, modify, suspend, terminate, or set 9612
aside an order issued under section 1121.32, 1121.33, 1121.34, 9613
1121.35, or 1121.41 of the Revised Code, except as provided in 9614
this section, in division (G) of section 1121.32 of the Revised 9615
Code for an order issued pursuant to division (C) (3) or (4) of 9616
section 1121.32 of the Revised Code, or in division (A) (3) of 9617
section 1121.34 of the Revised Code for an order issued pursuant 9618
to division (A) (1) of section 1121.34 of the Revised Code. 9619

(E) Nothing in this section or in any other section of the 9620
Revised Code or rules implementing this or any other section of 9621
the Revised Code shall prohibit or limit the superintendent from 9622
doing any of the following: 9623

(1) Issuing orders pursuant to section 1121.32, 1121.33, 9624
1121.34, 1121.35, or 1121.41 of the Revised Code; 9625

(2) Individually or contemporaneously taking any other 9626
action provided by law or rule with respect to a bank, trust 9627
company, or regulated person; 9628

(3) Taking any action provided by law or rule with respect 9629

to a bank, trust company, or regulated person, whether alone or 9630
in conjunction with another regulatory agency or authority. 9631

Sec. 1121.41. (A) The superintendent of financial 9632
institutions may issue and serve a notice of charges and intent 9633
to issue an order placing a bank or trust company under 9634
supervision and appointing a supervisor for the bank or trust 9635
company, if, in the opinion of the superintendent, any of the 9636
following applies: 9637

(1) In the case of a bank, any of the conditions listed in 9638
section 1125.09 of the Revised Code for appointing a conservator 9639
or in section 1125.18 of the Revised Code for taking possession 9640
of a bank and appointing a receiver, exists. 9641

(2) In the case of a trust company, any of the conditions 9642
listed in section 1111.32 of the Revised Code for revoking a 9643
license to do trust business, exists. 9644

(3) The bank or trust company is in such condition that 9645
the further transaction of business would be hazardous, 9646
financially or otherwise, to its shareholders, depositors, its 9647
creditors, or the public. 9648

(B) The notice of charges and intent to issue an order 9649
placing a bank or trust company under supervision and appointing 9650
a supervisor shall include all of the following: 9651

(1) A statement of the alleged basis for the 9652
superintendent's placing the bank or trust company under 9653
supervision and appointing a supervisor and the period for 9654
supervision; 9655

(2) A statement of the facts supporting the 9656
superintendent's placing the bank or trust company under 9657
supervision and appointing a supervisor; 9658

(3) A statement of the requirements to abate the 9659
superintendent's placing the bank or trust company under 9660
supervision and appointing a supervisor; 9661

(4) A statement, in accordance with division (D) of this 9662
section, of actions the bank or trust company would be 9663
prohibited from undertaking during the period of supervision 9664
without the prior approval of the superintendent or the 9665
supervisor appointed by the superintendent; 9666

(5) Notice of both of the following: 9667

(a) The bank or trust company is entitled to a hearing, 9668
conducted in accordance with section 1121.38 of the Revised 9669
Code, to determine whether the superintendent should issue an 9670
order placing the bank or trust company under supervision and 9671
appointing a supervisor, if the bank or trust company requests 9672
the hearing within thirty days after service of the 9673
superintendent's notice of charges and intent to issue an order 9674
placing the bank or trust company under supervision and 9675
appointing a supervisor; 9676

(b) Failure to request the hearing in the time allowed, or 9677
failure to appear at a hearing timely requested, is consent to 9678
the issuance of the order placing the bank or trust company 9679
under supervision and appointing a supervisor. 9680

(6) Notice that if the bank or trust company makes a 9681
timely request for a hearing, all of the following apply: 9682

(a) The bank or trust company may appear at the hearing in 9683
person, by attorney, or by presenting positions, arguments, and 9684
contentions in writing. 9685

(b) At the hearing the bank or trust company may present 9686
evidence and examine witnesses for and against the bank or trust 9687

company. 9688

(c) The hearing will be set for a date within ten days 9689
after the superintendent's receipt of the request for the 9690
hearing or a later date mutually agreed to by the bank or trust 9691
company and the superintendent. 9692

(C) The superintendent may issue an order placing the bank 9693
or trust company under supervision and appointing a supervisor, 9694
if either of the following applies: 9695

(1) The bank or trust company consents to the issuance of 9696
the order; 9697

(2) Upon the record of the hearing the superintendent 9698
finds any of the following: 9699

(a) In the case of a bank, any of the conditions listed in 9700
section 1125.09 of the Revised Code for appointing a conservator 9701
or in section 1125.18 of the Revised Code for taking possession 9702
of a bank and appointing a receiver, exists. 9703

(b) In the case of a trust company, any of the conditions 9704
listed in section 1111.32 of the Revised Code for revoking a 9705
license to do trust business, exists. 9706

(c) The bank or trust company is in such condition that 9707
further transaction of business would be hazardous to its 9708
shareholders, its depositors, its creditors, or the public. 9709

(D) An order placing a bank or trust company under 9710
supervision and appointing a supervisor may prohibit the bank or 9711
trust company from doing any of the following during the period 9712
of supervision without the prior approval of either the 9713
superintendent or the supervisor appointed by the 9714
superintendent: 9715

(1) Disposing of, conveying, or encumbering any of its assets;	9716 9717
(2) Withdrawing any of its bank accounts;	9718
(3) Lending any of its funds;	9719
(4) Investing any of its funds;	9720
(5) Transferring any of its property;	9721
(6) Incurring any debt, obligation, or liability;	9722
<u>(7) Taking any other action specified in the order.</u>	9723
(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.	9724 9725 9726 9727 9728 9729
(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.	9730 9731 9732 9733 9734
(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.	9735 9736 9737 9738
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:	9739 9740 9741 9742

(1) Any written agreement or other writing for which a violation may be enforced by the superintendent; 9743
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(2) Any final order issued pursuant to section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code; 9745
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(3) Any modification or termination of an agreement, other writing, or order made available to the public pursuant to this section. 9747
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(B) (1) If, in the superintendent's discretion, the superintendent determines that ~~publishing-making~~ a written agreement or other writing ~~and making it~~ available to the public pursuant to division (A) (1) of this section would be contrary to the public interest, the superintendent shall not ~~publish the written agreement or other writing or~~ make it available to the public. 9750
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(2) If the superintendent determines that ~~publishing-making~~ a final order ~~and making it~~ available to the public pursuant to division (A) (2) of this section would seriously threaten the safety and soundness of a state bank or trust company, the superintendent may delay ~~the publication-making it~~ available for a reasonable time. 9757
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Sec. 1121.45. (A) The superintendent of financial institutions may call and convene a meeting with the regulated persons the superintendent determines to be appropriate at a location within this state and at a date and time established by the superintendent upon notice served in accordance with section 1121.37 of the Revised Code. The regulated persons notified of the meeting shall attend the meeting unless excused by the superintendent for reasonable cause at the superintendent's sole discretion. Failure of a regulated person to attend a meeting 9763
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called and convened in accordance with this division, unless 9772
excused by the superintendent, is grounds for suspending or 9773
removing the regulated person from office or imposing civil 9774
penalties against the regulated person. 9775

(B) If a quorum of the board of directors of a bank or an 9776
affiliate of a bank attends a meeting called and convened by the 9777
superintendent pursuant to division (A) of this section, they 9778
may convene a meeting of the board of directors to address 9779
matters related to the superintendent's meeting, notwithstanding 9780
any contrary provision of the bank's articles of incorporation, 9781
code of regulations, or bylaws related to notice of a board of 9782
directors meeting. 9783

(C) The records of any meeting called and convened in 9784
accordance with division (A) of this section and the 9785
discussions, information, and documentation presented at the 9786
meeting are, in the possession of any person, confidential and 9787
privileged information and shall not be disclosed except as 9788
provided in section 1121.18 of the Revised Code. 9789

Sec. 1121.47. (A) The superintendent of financial 9790
institutions may do both of the following: 9791

(1) Summon and compel, by order or subpoena, witnesses to 9792
appear before the superintendent, deputy superintendent, 9793
examiner, ~~or attorney-examiner~~, or such other person designated 9794
by the superintendent and testify under oath regarding the 9795
affairs of a bank or trust company or, in relation to matters 9796
concerning a state bank, foreign bank, or trust company, a 9797
regulated person; 9798

(2) Compel, by order or subpoena, the production of any 9799
record, book, paper, document, item, or other thing pertaining 9800

to a bank or trust company or, in relation to matters concerning 9801
a state bank, foreign bank, or trust company, a regulated 9802
person. 9803

(B) The superintendent shall serve an order or subpoena 9804
issued pursuant to division (A) of this section in any manner 9805
provided by section 1121.37 of the Revised Code. 9806

(C) If a person fails to comply with an order or subpoena 9807
of the superintendent or refuses to testify to any matter 9808
regarding which the person is lawfully interrogated before the 9809
division of financial institutions, on application of the 9810
superintendent, the court of common pleas of the county in which 9811
the person resides or in which the principal place of business 9812
of the person is located, or a judge of the court, shall compel 9813
compliance by attachment proceedings as for contempt in the case 9814
of noncompliance with a subpoena issued from the court or 9815
refusal to testify in the court. Failure of a regulated person 9816
to comply fully with an order or subpoena issued under the 9817
authority of this section shall be grounds for removing the 9818
regulated person from office, prohibiting the regulated person 9819
from participating directly or indirectly in the affairs of a 9820
bank or trust company, or imposing civil penalties against the 9821
regulated person. 9822

Sec. 1121.48. (A) All suits and court proceedings brought 9823
by the superintendent of financial institutions shall be brought 9824
in the name of the state upon the superintendent's relation, and 9825
shall be conducted by the attorney general or a designee of the 9826
attorney general. 9827

(B) A suit or court proceeding brought by the 9828
superintendent may be prosecuted in the court of common pleas of 9829
Franklin county, or of any other county in which the defendant 9830

or any of the defendants resides or may be found. 9831

(C) In all suits or court proceedings brought by the 9832
superintendent, the writ may be sent by regular mail to the 9833
sheriff of any county, and the sheriff may return the writ by 9834
regular mail. The sheriff shall be allowed the same mileage and 9835
fees for the service as would be allowed if the writ had been 9836
issued from and made returnable to the court of common pleas of 9837
the sheriff's county. 9838

Sec. 1121.50. (A) As used in this section, "independent 9839
auditor" means an external, unaffiliated auditor who has a 9840
certified public accounting designation that qualifies the 9841
person to provide an auditor's report. 9842

(B) The superintendent of financial institutions may, when 9843
circumstances warrant, require a bank or trust company to have 9844
an independent auditor conduct agreed upon procedures prescribed 9845
by the superintendent. The independent auditor shall be 9846
retained, and the expense of the agreed upon procedures shall be 9847
paid, by the bank or trust company. The agreed upon procedures 9848
shall be conducted in accordance with standards established by 9849
the American institute of certified public accountants. 9850

~~(B)~~ (C) The board of directors of the bank or trust 9851
company shall, within sixty days after receipt of the report 9852
prepared by the independent auditor for the agreed upon 9853
procedures conducted pursuant to this section, prepare a 9854
response to the report and file the report and the board's 9855
response with the superintendent. A report and response filed 9856
with the superintendent pursuant to this section may be 9857
disclosed only as provided in section 1121.18 of the Revised 9858
Code. 9859

Sec. 1121.52. (A) If a state bank is undercapitalized, the 9860
superintendent of financial institutions shall notify the bank 9861
of the fact of the undercapitalization. The superintendent may 9862
require the bank to submit a written capital restoration plan to 9863
the superintendent within forty-five days after the bank 9864
receives that notice, unless the superintendent authorizes in 9865
writing a longer period of time. 9866

(B) A capital restoration plan required under this section 9867
shall specify all of the following: 9868

(1) The steps the state bank will take to become 9869
adequately capitalized; 9870

(2) The levels of capital to be attained during the time 9871
frame in which the plan will be in effect; 9872

(3) The types and levels of activities in which the bank 9873
will engage; 9874

(4) Any other information the superintendent may require. 9875

(C) The superintendent shall approve a capital restoration 9876
plan submitted under this section if the superintendent 9877
determines that the plan meets both of the following conditions: 9878

(1) It is based on realistic assumptions and is likely to 9879
succeed in restoring the bank's capital. 9880

(2) It would not appreciably increase the risk, including 9881
credit risk and interest rate risk, to which the bank is 9882
exposed. 9883

(D) If the superintendent fails to approve a state bank's 9884
capital restoration plan, the superintendent shall notify the 9885
bank and require it to submit a revised plan within a time 9886
period specified by the superintendent. Upon serving that 9887

notice, the superintendent may immediately appoint a conservator 9888
for the bank or take any other action authorized under section 9889
1121.32, 1121.33, 1121.34, 1121.35, 1121.41, or 1121.46 of the 9890
Revised Code or any other law or rule. 9891

(E) Both of the following apply to any state bank that has 9892
submitted and is operating under a capital restoration plan 9893
approved under this section: 9894

(1) The bank shall not be be required to submit an 9895
additional capital restoration plan based on a revised 9896
calculation of its capital measures unless specifically required 9897
to do so by the superintendent. A state bank that is notified 9898
that it must submit a new or revised plan shall file a written 9899
plan with the superintendent within thirty days after the bank 9900
receives the notice, unless the superintendent authorizes in 9901
writing a different period of time. 9902

(2) The bank may, after prior written notice to and 9903
approval by the superintendent, amend its capital restoration 9904
plan to reflect a change in circumstance. Until such time as a 9905
proposed amendment is approved by the superintendent, the bank 9906
shall implement the plan in its current form. 9907

(F) (1) If an undercapitalized bank fails to submit a 9908
capital restoration plan required under this section within the 9909
designated period of time, upon expiration of that period, the 9910
superintendent may immediately appoint a conservator for the 9911
bank or take any other action authorized under section 1121.32, 9912
1121.33, 1121.34, 1121.35, 1121.41, or 1121.46 of the Revised 9913
Code or any other law or rule. 9914

(2) If an undercapitalized bank fails, in any material 9915
respect, to implement a capital restoration plan required under 9916

this section, the superintendent may immediately appoint a 9917
conservator for the bank or take any other action authorized 9918
under section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of 9919
the Revised Code or any other law or rule. 9920

(G) Nothing in this section prohibits the superintendent 9921
from requiring a state bank to submit a capital restoration plan 9922
at any other time the superintendent considers necessary. 9923

Sec. 1121.56. Neither the superintendent of financial 9924
institutions ~~nor~~, any employee, agent, or contractor of the 9925
division of financial institutions, or any supervisor appointed 9926
by the superintendent under this chapter is liable in any civil, 9927
criminal, or administrative proceeding for any mistake of 9928
judgment or discretion in any action taken, or any omission 9929
made, in good faith within the scope of the person's official 9930
capacity as assigned by the superintendent. 9931

Sec. 1123.01. (A) There is hereby created in the division 9932
of financial institutions a banking commission which shall 9933
consist of ~~seven~~ nine members. The deputy superintendent for 9934
banks shall be a member of the commission and its chairperson. 9935
The governor, with the advice and consent of the senate, shall 9936
appoint the remaining ~~six~~ eight members. 9937

(B) After the second Monday in January of each year, the 9938
governor shall appoint two members. Terms of office shall be for 9939
~~three~~ four years commencing on the first day of February and 9940
ending on the thirty-first day of January. Each member shall 9941
hold office from the date appointed until the end of the term 9942
for which appointed. In the case of a vacancy in the office of 9943
any member, the governor shall appoint a successor who shall 9944
hold office for the remainder of the term for which the 9945
successor's predecessor was appointed. Any member shall continue 9946

in office subsequent to the expiration date of the member's term 9947
until the member's successor is appointed, or until sixty days 9948
have elapsed, whichever occurs first. 9949

(C) No person appointed as a member of the commission may 9950
serve more than two consecutive full terms. However, a member 9951
may serve two consecutive full terms following the remainder of 9952
a term for which the member was appointed to fill a vacancy. 9953

(D) (1) At least ~~three~~ six of the ~~six~~ eight members 9954
appointed to the commission shall be, at the time of 9955
appointment, executive officers of state banks ~~transacting~~ 9956
~~business under authority granted by the superintendent of~~ 9957
~~financial institutions,~~ and ~~four~~ all of the ~~six~~ members 9958
appointed to the commission shall have banking experience as a 9959
director or officer of a bank, savings bank, or savings 9960
association insured by the federal deposit insurance 9961
corporation, a bank holding company, or a savings and loan 9962
holding company. The membership of the commission shall be 9963
representative of the banking industry as a whole, including 9964
representatives of banks of various asset sizes and ownership 9965
structures, as determined by the governor after consultation 9966
with the superintendent of financial institutions ~~from time to~~ 9967
~~time.~~ 9968

(2) No person who has been convicted of, or has pleaded 9969
guilty to, a felony involving an act of fraud, dishonesty ~~or,~~ 9970
breach of trust, theft, or money laundering shall take or hold 9971
office as a member of the banking commission. 9972

(E) The members of the commission shall receive no salary, 9973
but their expenses incurred in the performance of their duties 9974
shall be paid from funds appropriated for that purpose. 9975

(F) The governor may remove any of the ~~six~~eight members 9976
appointed to the commission whenever in the governor's judgment 9977
the public interest requires removal. Upon removing a member of 9978
the commission, the governor shall file with the superintendent 9979
a statement of the cause for the removal. 9980

Sec. 1123.02. (A) The banking commission shall hold 9981
regular meetings at the times and places it fixes, and shall 9982
meet at any time on call of the deputy superintendent for banks 9983
upon two days' notice unless the commission by resolution 9984
provides for a shorter notice. 9985

(B) (1) A majority of the full commission constitutes a 9986
quorum, and action taken by a majority of those present at a 9987
meeting at which there is a quorum constitutes the action of the 9988
commission. 9989

(2) Notwithstanding division (B) (1) of this section, a 9990
meeting of the commission may be held by teleconference if 9991
provisions are made for public attendance at a specific location 9992
connected with the teleconference. 9993

(C) No member shall participate before the commission in a 9994
proceeding involving any bank of which the member is, or was at 9995
any time in the preceding twelve months, a member of the board 9996
of directors, an officer, an employee, or a shareholder. A 9997
member may refrain from participating in a proceeding before the 9998
commission for any other cause the member considers sufficient. 9999

(D) The commission may, by a majority vote of those 10000
present at a meeting at which there is a quorum, adopt and amend 10001
bylaws and rules the commission, in its judgment, considers 10002
necessary and proper. The commission shall select one of its 10003
members as secretary, who shall keep a record of all its 10004

proceedings.	10005
Sec. 1123.03. The banking commission shall do all of the	10006
following:	10007
(A) Make recommendations to the deputy superintendent for	10008
banks and the superintendent of financial institutions on the	10009
business of banking;	10010
(B) Consider and make recommendations on any matter the	10011
superintendent or deputy superintendent submits to the	10012
commission for that purpose;	10013
(C) Pass upon and determine any matter the superintendent	10014
or deputy superintendent submits to the commission for	10015
determination;	10016
(D) <u>Consider and determine whether to confirm the annual</u>	10017
<u>schedule of assessments proposed by the superintendent in</u>	10018
<u>accordance with section 1121.29 of the Revised Code;</u>	10019
(E) <u>Determine whether to increase the schedule of</u>	10020
<u>assessments as provided in division (A)(3) of section 1121.29 of</u>	10021
<u>the Revised Code;</u>	10022
(F) <u>Determine, as provided in division (D) of section</u>	10023
<u>1121.12 of the Revised Code, both of the following:</u>	10024
(1) Whether there is reasonable cause to believe that	10025
there is a significant risk of imminent material harm to the	10026
bank;	10027
(2) Whether the examination of the bank holding company is	10028
necessary to fully determine the risk to the bank, or to	10029
determine how best to address the risk to the bank.	10030
Sec. 1125.01. (A) As used in this chapter, "court" means	10031

the court of common pleas of the county in which the principal 10032
place of business of a state bank, as set forth in its articles 10033
of incorporation, is located or of any other county determined 10034
by the superintendent of financial institutions to be 10035
appropriate under the circumstances. 10036

(B) The court shall have exclusive original jurisdiction 10037
of any action or proceeding relating to or arising out of the 10038
taking of possession of the property and business of a state 10039
bank under this chapter, whether before or after the bank is 10040
wound up and dissolved, as well as any action or other 10041
proceeding brought under this chapter. 10042

(C) Whenever the approval of the court is required for any 10043
act under this chapter, that approval may be given with or 10044
without a hearing held upon whatever notice, if any, the court 10045
may direct, unless otherwise provided in this chapter. At a 10046
hearing, the court, by order, may approve the actions 10047
petitioned. 10048

Sec. 1125.03. (A) A state bank may proceed with a 10049
voluntary liquidation and be closed only with both the consent 10050
of the superintendent of financial institutions and the prior 10051
approval of the shareholders or members of the bank by a vote as 10052
provided for in its articles of incorporation, if not less than 10053
a majority. 10054

(B) Prior to instituting a voluntary liquidation, a state 10055
bank shall submit to the superintendent an application for 10056
approval of its plan of voluntary liquidation and evidence 10057
satisfactory to the superintendent that the plan has been 10058
properly adopted by the bank and approved by its shareholders or 10059
members. 10060

(C) A state bank's plan of voluntary liquidation shall 10061
include provisions for all of the following: 10062

(1) The settlement of all debts and liabilities, including 10063
the claims of account holders, owed by the bank; 10064

(2) The distribution of the bank's assets that remain 10065
after the settlement of debts and liabilities to all persons 10066
entitled to them; 10067

(3) The disposition or maintenance of any remaining or 10068
unclaimed funds, real or personal property, either tangible or 10069
intangible, or other assets, whether in trust or otherwise, 10070
including the contents of safe deposit boxes or vaults; 10071

(4) The retention of the bank's records in accordance with 10072
section 1109.69 of the Revised Code; 10073

(5) The date upon which the bank shall cease doing any 10074
banking business and surrender its banking license to the 10075
superintendent. 10076

(D) Upon receipt of a plan of voluntary liquidation, the 10077
superintendent shall make an examination of the bank and shall 10078
consent to or deny an application for approval of a plan based 10079
upon the superintendent's evaluation of whether or not the 10080
interests of the bank's depositors and creditors will suffer by 10081
the liquidation. 10082

(E) The superintendent's consent to an application for 10083
approval of a plan of voluntary liquidation may be subject to 10084
any condition the superintendent determines appropriate under 10085
the circumstances. 10086

Sec. 1125.04. (A) If the superintendent of financial 10087
institutions consents to a voluntary liquidation, the 10088

superintendent shall cause a certified copy of the consent to be filed in the office of the secretary of state, and the state bank to be liquidated shall do both of the following:

(1) Publish a notice of the voluntary liquidation once a week for four consecutive weeks in a newspaper of general circulation in the county in which the bank's principal place of business is located;

(2) Give written notice of the voluntary liquidation, either personally or by mail, to all known creditors of and all known claimants against the bank.

(B) Compliance with the notice and publication requirements of division (A) of this section satisfies any duplicate or similar notice and publication requirements of Chapter 1701. of the Revised Code.

Sec. 1125.05. (A) A voluntary liquidation of a state bank shall be conducted only with the continued supervision of the superintendent of financial institutions. The superintendent may conduct any additional examinations of the bank the superintendent considers necessary or appropriate.

(B) If the superintendent has reason to conclude the liquidation of a state bank is not being safely or expeditiously conducted, the superintendent may take possession of the business and property of the bank in the same manner, with the same effect, and subject to the same rights accorded the bank as if the superintendent had taken possession under the receivership provisions of this chapter. The superintendent may proceed to liquidate the affairs of the bank in the same manner as otherwise provided in this chapter.

Sec. 1125.06. Upon completion of a voluntary liquidation,

the liquidated state bank shall submit to the superintendent of 10118
financial institutions all documents required under Chapter 10119
1701. of the Revised Code for a dissolution. The superintendent 10120
shall consent to the dissolution, and shall cause a certified 10121
copy of the consent to be filed, along with the bank's 10122
dissolution documents, in the office of the secretary of state. 10123

Sec. 1125.09. The superintendent of financial institutions 10124
may appoint a conservator to take possession of the property and 10125
business of a state bank and to retain possession until the bank 10126
resumes business or a receiver is appointed, as provided for in 10127
this chapter, if the superintendent finds any one or more of the 10128
following conditions: 10129

(A) The bank is in an unsafe or unsound condition to 10130
continue the business of banking. 10131

(B) The bank is insolvent, in that it has ceased to pay 10132
its debts in the ordinary course of business, it is incapable of 10133
paying its debts as they mature, or it has liabilities in excess 10134
of its assets. 10135

(C) The bank has committed a violation of law that has 10136
caused or that threatens substantial injury to any of the 10137
public, the banking industry, or the bank's depositors or other 10138
creditors. 10139

(D) The bank has refused to submit its records of account, 10140
papers, or affairs to the inspection or examination of any 10141
federal agency or the superintendent. 10142

(E) The bank has failed to pay its deposits or obligations 10143
in accordance with the terms under which the deposits were taken 10144
or the obligations were incurred. 10145

(F) A majority of the board of directors of the bank or a 10146

majority of its shareholders or members has requested the 10147
superintendent to appoint a conservator to take possession of 10148
the bank. 10149

(G) Either all positions on the board of directors of the 10150
bank are vacant or all of the directors then in office are 10151
incapacitated or otherwise unable to perform their 10152
responsibilities. 10153

(H) The bank has violated any court order, statute, rule, 10154
or regulation, or its articles of incorporation, and the 10155
superintendent determines the continued control of its own 10156
affairs threatens injury to any of the public, the banking 10157
industry, or the bank's depositors or other creditors. 10158

(I) The bank's status as an insured institution has been 10159
terminated by the federal deposit insurance corporation. 10160

Sec. 1125.10. (A) If it appears to the superintendent of 10161
financial institutions that any one or more of the conditions 10162
set forth in section 1125.09 of the Revised Code exists as to 10163
any state bank, the superintendent may appoint a conservator, 10164
which appointment may include the superintendent, and thereafter 10165
may dismiss or replace the conservator as the superintendent 10166
determines necessary or advisable. The superintendent may fix 10167
the compensation to be paid the conservator and the amount of 10168
the bond or other security, if any, to be required. 10169

(B) The superintendent may, from time to time, appoint one 10170
or more special deputy superintendents as agent or agents to 10171
assist in the duties of conservatorship. 10172

(C) The superintendent, any special deputy 10173
superintendents, or a conservator may employ and procure 10174
whatever assistance or advice is necessary in the 10175

conservatorship of the bank, and, for that purpose, may retain 10176
officers or employees of the bank as needed. 10177

(D) The superintendent may terminate the conservatorship 10178
at any time, and may appoint a receiver for liquidation of the 10179
bank on any of the grounds provided in this chapter for 10180
appointment of a receiver. 10181

(E) All expenses of a conservatorship shall be paid out of 10182
the assets of the bank, and shall be a lien on the bank's 10183
assets, which lien shall be prior to any other lien. 10184

Sec. 1125.11. (A) Upon the appointment of a conservator, 10185
the superintendent of financial institutions shall file a 10186
certified copy of the certificate of appointment in the office 10187
of the secretary of state, and thereafter no person shall obtain 10188
a lien or charge upon any assets of the state bank for any 10189
payment, advance, clearance, or liability thereafter made or 10190
incurred, nor shall the directors, officers, or agents of the 10191
bank thereafter have authority to act on behalf of the bank or 10192
to convey, transfer, assign, pledge, mortgage, or encumber any 10193
of the bank's assets. 10194

(B) The filing of the certificate of appointment in 10195
accordance with this section shall not be a condition to either 10196
the superintendent's taking possession of the property and 10197
business of a state bank or appointing a conservator for a state 10198
bank. 10199

Sec. 1125.12. (A) A conservator, under the supervision of 10200
the superintendent of financial institutions and subject to any 10201
limitations imposed by the superintendent, shall have all of the 10202
following powers: 10203

(1) To take possession of all books, records of account, 10204

- and assets of the state bank; 10205
- (2) To have and exercise, in the name and on behalf of the 10206
bank, all the rights, powers, and authority of the officers and 10207
directors of the bank and all voting rights of its shareholders 10208
or members; 10209
- (3) To collect all debts, claims, and judgments belonging 10210
to the bank and to take any other action, including the lending 10211
of money, necessary to the operation of the bank during the 10212
conservatorship; 10213
- (4) To execute in the name of the bank any instrument 10214
necessary or proper to effectuate the conservator's powers or 10215
perform its duties as conservator; 10216
- (5) To initiate, pursue, compromise, and defend litigation 10217
involving any right, claim, interest, or liability of the bank; 10218
- (6) To exercise all fiduciary functions of the bank as of 10219
the date of appointment as conservator; 10220
- (7) To borrow money as necessary in the operation of the 10221
bank, and to secure those borrowings by the pledge or mortgage 10222
of the assets of the bank; 10223
- (8) To abandon or convey title to any holder of a deed of 10224
trust, mortgage, or similar lien against property in which the 10225
bank has an interest, whenever the conservator determines that 10226
continuing to claim that interest is burdensome and of no 10227
advantage to the bank or its account holders, creditors, ~~or~~ 10228
shareholders, or members; 10229
- (9) If done in good faith within the ordinary course of 10230
business or financial affairs of the bank and according to 10231
ordinary business terms, to sell any and all assets, to 10232

compromise any debt, claim, obligation, or judgment due to the 10233
bank, to discontinue any pending action or other proceeding, and 10234
to implement a restructuring of the bank in accordance with this 10235
chapter. 10236

(B) Title to any assets of the bank does not vest in the 10237
conservator. 10238

Sec. 1125.13. During the period of the conservatorship, 10239
all of the following apply: 10240

(A) The conservator may permit the state bank to continue 10241
to conduct its usual business, including the acceptance of 10242
deposits. 10243

(B) The obligations of the state bank shall continue to 10244
bear interest at the rate contracted. 10245

(C) The conservator shall make whatever reports to the 10246
superintendent of financial institutions the superintendent may 10247
from time to time require. 10248

Sec. 1125.14. (A) The conservator shall evaluate the 10249
business and assets of the state bank and, after conducting 10250
whatever investigations the circumstances may require, shall 10251
recommend to the superintendent of financial institutions that 10252
either the conservatorship of the bank be terminated or the 10253
superintendent appoint a receiver and the bank be liquidated as 10254
otherwise provided in this chapter. The conservator shall 10255
consult with the board of directors of the bank before making 10256
the recommendation. 10257

(B) The conservator of the bank may submit a plan to the 10258
superintendent for approval to restructure the bank in a manner 10259
designed to return the bank to the control of its shareholders 10260
or members. As part of the plan, the conservator may take any 10261

steps the superintendent approves regarding the management, 10262
operations, or assets of the bank, including the sale of some or 10263
all of the bank's assets. The conservator shall consult with the 10264
board of directors of the bank regarding any proposed sale of 10265
all or substantially all of the bank's assets. 10266

(C) The superintendent may require the conservator to 10267
submit the plan to the shareholders or members of the bank as 10268
provided in division (D) of this section or to submit a new or 10269
revised plan for consideration by the superintendent. 10270

(D) If the conservator's plan is submitted to the 10271
shareholders or members pursuant to division (C) of this 10272
section, the superintendent shall designate the contents of 10273
notice of the vote that is to be forwarded from the conservator 10274
to the shareholders or members and shall designate the date upon 10275
which notice is to be forwarded. The date of the shareholder or 10276
member vote shall be determined by the superintendent, but shall 10277
not occur earlier than seven days or later than forty-five days 10278
after the date of the notice. 10279

If the majority of the shareholders or members do not 10280
approve the plan, the superintendent may request submission of a 10281
new plan or proceed to appoint a receiver without regard to the 10282
grounds for appointment of a receiver as otherwise provided in 10283
this chapter. If the majority of the shareholders or members 10284
approve the plan, the superintendent may terminate the 10285
conservatorship, and the shareholders or members shall elect 10286
directors to manage the bank. 10287

(E) The superintendent, at any time, including after the 10288
date notice of a vote is provided to shareholders or members of 10289
the bank under division (D) of this section, may revoke a 10290
previously approved plan of the conservator and either provide 10291

for, or request submission of, a new plan or proceed with 10292
receivership under this chapter. 10293

Sec. 1125.17. This chapter provides the full and exclusive 10294
powers and procedures for the liquidation of state banks under 10295
the laws of this state, and no receiver or other liquidating 10296
agent shall be appointed for that purpose except as expressly 10297
provided in this chapter. 10298

Sec. 1125.18. The superintendent of financial institutions 10299
may take possession of the property and business of a state bank 10300
if the superintendent finds any one or more of the following 10301
conditions: 10302

(A) The bank is in an unsafe or unsound condition to 10303
continue the business of banking. 10304

(B) The bank is insolvent, in that it has ceased to pay 10305
its debts in the ordinary course of business, it is incapable of 10306
paying its debts as they mature, or it has liabilities in excess 10307
of its assets. 10308

(C) The bank has refused to submit its records or affairs 10309
to the inspection or examination of any federal bank regulatory 10310
agency or the superintendent. 10311

(D) The bank has failed to pay its deposits or obligations 10312
in accordance with the terms under which the deposits were taken 10313
or the obligations were incurred. 10314

(E) A majority of the board of directors of the bank has 10315
requested the superintendent to appoint a receiver to take 10316
possession of the bank for the benefit of account holders, 10317
creditors, ~~or~~ shareholders, or members. 10318

(F) The bank has violated any order of a court or of the 10319

superintendent, any statute, rule, or regulation, or its 10320
articles of incorporation, and the superintendent determines the 10321
continued control of its own affairs threatens injury to any of 10322
the public, the banking industry, or the bank's depositors or 10323
other creditors. 10324

(G) The bank's status as an insured institution has been 10325
terminated by the federal deposit insurance corporation. 10326

(H) ~~The~~ (1) In the case of a stock state bank, the bank 10327
has an impairment of paid-in capital. 10328

(2) In the case of a mutual state bank, the bank has an 10329
impairment of retained earnings. 10330

Sec. 1125.19. (A) Upon issuing a written finding that any 10331
one or more of the conditions set forth in section 1125.18 of 10332
the Revised Code for taking possession of a state bank exists 10333
and taking possession of the state bank, the superintendent of 10334
financial institutions shall file a certified copy of the 10335
finding and the notice of possession with the court. 10336

(B) Upon the appointment of a receiver, the superintendent 10337
shall file a certified copy of the certificate of appointment in 10338
the office of the secretary of state and with the court. 10339

(C) After the superintendent files the finding of the 10340
superintendent or the certificate of appointment of the 10341
receiver, whichever occurs first, no person shall obtain a lien 10342
or charge upon any assets of the bank for any payment, advance, 10343
clearance, or liability thereafter incurred, nor shall the 10344
directors, officers, or agents of the bank have authority to act 10345
on behalf of the bank or to convey, transfer, assign, pledge, 10346
mortgage, or encumber any assets of the bank. 10347

(D) Upon taking possession of the bank, the superintendent 10348

shall post or cause to be posted an appropriate notice of 10349
closing at the main entrance of each of the bank's banking 10350
offices. 10351

(E) Neither filing nor posting of notice in accordance 10352
with this section shall be a condition to either the 10353
superintendent's taking possession of the property and business 10354
of a state bank or appointing a receiver for a state bank. 10355

Sec. 1125.20. (A) If it appears to the superintendent of 10356
financial institutions that any one or more of the conditions 10357
set forth in section 1125.18 of the Revised Code exists as to 10358
any state bank, the superintendent shall tender appointment as 10359
receiver to the federal deposit insurance corporation if any 10360
deposits in the state bank are insured by the federal deposit 10361
insurance corporation, and may tender appointment as receiver to 10362
the federal deposit insurance corporation in any other case. 10363
Upon acceptance of the appointment as receiver, the federal 10364
deposit insurance corporation shall not be required to post a 10365
bond. In addition to the powers of a receiver set forth in this 10366
chapter, the federal deposit insurance corporation, as receiver, 10367
may exercise any other liquidation or receivership powers 10368
authorized by state or federal law for a receiver of a bank. 10369

(B) If the federal deposit insurance corporation declines 10370
to accept the tendered appointment or if the superintendent is 10371
not required to tender appointment as receiver to the federal 10372
deposit insurance corporation, the superintendent may appoint, 10373
and thereafter dismiss or replace, any other receiver, including 10374
the superintendent, the superintendent determines to be 10375
necessary or advisable. The superintendent may fix the 10376
compensation to be paid the receiver and the amount of the bond 10377
or other security, if any, to be required. 10378

(C) The superintendent may, from time to time, appoint one 10379
or more special deputy superintendents as agent or agents to 10380
assist in the duties of receivership or of liquidation and 10381
distribution. No agent so appointed shall be subject to section 10382
1181.05 of the Revised Code. 10383

(D) The superintendent, any special deputy 10384
superintendents, or a receiver may employ and procure whatever 10385
assistance or advice is necessary in the receivership or 10386
liquidation and distribution of the assets of the bank, and, for 10387
that purpose, may retain officers or employees of the bank as 10388
needed. 10389

(E) All expenses of a receivership and liquidation shall 10390
be paid out of the assets of the bank, and shall be a lien on 10391
the bank's assets, which lien shall be prior to any other lien. 10392

Sec. 1125.21. Upon the superintendent of financial 10393
institutions' appointment of a receiver, title to all of the 10394
state bank's assets shall vest in the receiver without the 10395
execution of any instrument of conveyance, assignment, transfer, 10396
or endorsement. 10397

Sec. 1125.22. (A) A receiver shall have all of the 10398
following powers: 10399

(1) To take possession of all books, records of account, 10400
and assets of the state bank; 10401

(2) To collect all debts, claims, and judgments belonging 10402
to the bank and to take any other action, including the lending 10403
of money, necessary to preserve and liquidate the assets of the 10404
bank; 10405

(3) To execute in the name of the bank any instrument 10406
necessary or proper to effectuate the receiver's powers or 10407

perform its duties as receiver; 10408

(4) To initiate, pursue, compromise, and defend litigation 10409
involving any right, claim, interest, or liability of the bank; 10410

(5) To exercise all fiduciary functions of the bank as of 10411
the date of appointment as receiver; 10412

(6) To borrow money as necessary in the liquidation of the 10413
bank, and to secure those borrowings by the pledge or mortgage 10414
of assets of the bank; 10415

(7) To abandon or convey title to any holder of a deed of 10416
trust, mortgage, or similar lien against property in which the 10417
bank has an interest, whenever the receiver determines that 10418
continuing to claim that interest is burdensome and of no 10419
advantage to the bank or its account holders, creditors, ~~or~~ 10420
shareholders, or members; 10421

(8) To sell any and all assets, to compromise any debt, 10422
claim, obligation, or judgment due to the bank, to discontinue 10423
any pending action or other proceeding, and to sell or otherwise 10424
transfer all or a substantial portion of the assets or 10425
liabilities of the bank; 10426

(9) To establish ancillary receiverships in any 10427
jurisdiction the receiver determines necessary; 10428

(10) To distribute assets in accordance with this chapter; 10429

(11) To take any other action incident to the powers set 10430
forth in division (A) of this section. 10431

(B) Unless specifically indicated to the contrary, the 10432
powers conferred upon a receiver under this section may be 10433
exercised without court approval. However, nothing in this 10434
section shall be construed to prevent a receiver from obtaining 10435

court approval when the receiver determines approval is 10436
appropriate under the circumstances. 10437

Sec. 1125.23. (A) The receiver shall promptly cause notice 10438
of the claims procedure to be published once a month for two 10439
consecutive months in a local newspaper of general circulation 10440
and to be mailed to each person whose name appears as a creditor 10441
upon the books of the state bank, at the last address of record. 10442

(B) (1) All parties having claims of any kind against the 10443
bank, including prior judgments and claims of security, 10444
preference, priority, and offset, shall present their claims 10445
substantiated by legal proof to the receiver within one hundred 10446
eighty days after the date of the first publication of notice of 10447
the claims procedure or after actual receipt of notice of the 10448
claims procedure, whichever occurs first. 10449

(2) Within one hundred eighty days after receipt of a 10450
claim, the receiver shall notify the claimant in writing whether 10451
the claim has been allowed or disallowed. The receiver may 10452
reject any claim in whole or in part, or may reject any claim of 10453
security, preference, priority, or offset against the bank. Any 10454
claimant whose claim has been rejected by the receiver shall 10455
petition the court for a hearing on the claim within sixty days 10456
after the date the notice was mailed or be forever barred from 10457
asserting the rejected claim. 10458

(C) Any claims filed after the claim period and 10459
subsequently accepted by the receiver or allowed by the court, 10460
shall be entitled to share in the distribution of assets only to 10461
the extent of the undistributed assets in the hands of the 10462
receiver on the date the claims are accepted or allowed. 10463

Sec. 1125.24. (A) All claims against the state bank's 10464

estate and expenses, proved to the receiver's satisfaction or 10465
approved by the court, shall be paid in the following order: 10466

(1) Expenses of liquidation and receivership, including 10467
money borrowed under authority of division (A) (6) of section 10468
1125.22 or division (A) (7) of section 1125.12 of the Revised 10469
Code and interest on it, and claims for fees and assessments due 10470
the superintendent of financial institutions; 10471

(2) Claims given priorities under other provisions of 10472
state or federal law; 10473

(3) Wages and salaries, or commissions, including 10474
vacation, severance, and sick leave pay, of officers and 10475
employees earned during the one-month period preceding the date 10476
of the bank's closing in an amount, before applicable taxes and 10477
other withholdings, that does not exceed one thousand dollars 10478
for any one person; 10479

(4) Deposit obligations; 10480

(5) Other general liabilities; 10481

(6) Obligations subordinated to deposits and other general 10482
liabilities. 10483

(B) Interest shall be given the same priority as the claim 10484
on which it is based, but no interest shall be paid on any claim 10485
until the principal of all claims within the same class has been 10486
paid or provided for in full. 10487

(C) Any funds remaining after satisfying the requirements 10488
of divisions (A) and (B) of this section shall be paid to the 10489
shareholders or members. 10490

(D) Payment on claims shall be made pro rata among claims 10491
of the kind specified in each class set forth in division (A) of 10492

this section. 10493

(E) Subject to the approval of the court, the receiver may 10494
designate a separate class of claims consisting only of every 10495
unsecured claim that is less than, or reduced to, an amount the 10496
court approves for payment as reasonable and necessary for 10497
administrative convenience. 10498

(F) Subject to the approval of the court, the receiver may 10499
make periodic and interim liquidating dividends or payments. 10500

Sec. 1125.25. (A) Within one hundred days after the date 10501
of the closing of a state bank, a receiver may reject any 10502
executory contract to which the bank is a party without any 10503
further liability on the part of the bank or the receiver. The 10504
receiver's election to reject an executory contract creates no 10505
claim for compensation other than compensation accrued to the 10506
date of termination or for actual damages. 10507

(B) A receiver may ratify and assign any executory 10508
contract to which the bank is a party notwithstanding the 10509
existence of a provision in the contract permitting the 10510
termination of the executory contract, or prohibiting, 10511
conditioning, or requiring consent to any assignment of the 10512
executory contract, upon the insolvency of the bank or the 10513
appointment of a receiver. 10514

Sec. 1125.26. Whenever the federal deposit insurance 10515
corporation pays or makes available for payment the insured 10516
deposit liabilities of a state bank, the federal deposit 10517
insurance corporation, whether or not it acts as receiver, shall 10518
be subrogated to the extent of the payments to all rights of 10519
depositors against the bank. 10520

Sec. 1125.27. (A) The receiver may appoint a successor to 10521

all rights, obligations, assets, deposits, agreements, and 10522
trusts held by the closed state bank as trustee, administrator, 10523
executor, guardian, agent, or in any other fiduciary or 10524
representative capacity. The successor's duties and obligations 10525
commence upon appointment to the same extent they are binding 10526
upon the former bank and as though the successor had originally 10527
assumed the duties and obligations. Specifically, the successor 10528
shall succeed to and be entitled to administer all trusteeships, 10529
administrations, executorships, guardianships, agencies, and all 10530
other fiduciary or representative proceedings to which the 10531
closed bank is named or appointed in wills, whenever probated, 10532
or to which it is appointed by any other instrument, court 10533
order, or operation of law. 10534

(B) Within sixty days after appointment, the successor 10535
shall give written notice, insofar as practicable, to all 10536
interested parties named in the books and records of the bank or 10537
in trust documents held by it, that the successor has been 10538
appointed in accordance with state law. 10539

(C) Nothing in this section shall be construed to impair 10540
any right of the grantor or beneficiaries of trust assets to 10541
secure the appointment of a substituted trustee or manager. 10542

Sec. 1125.28. (A) The filing with the court of the finding 10543
of the superintendent of financial institutions or the 10544
certificate of appointment of the receiver, whichever occurs 10545
first, operates as an automatic stay from the date of the 10546
filing, subject to the court granting a motion for relief from 10547
the stay, applicable to all ~~entities~~ persons, of both of the 10548
following: 10549

(1) The commencement or continuation, including the 10550
issuance or employment of process, of a judicial, 10551

administrative, or other action or proceeding against the state 10552
bank that was or could have been commenced before the filing; 10553

(2) The enforcement against the bank of a judgment or 10554
other claim obtained before the filing, including claims of 10555
security, preference, priority, and offset. 10556

(B) Upon the filing with the court of the finding of the 10557
superintendent or the certificate of appointment of the 10558
receiver, whichever occurs first, any other pending judicial, 10559
administrative, or other action or proceeding against the bank 10560
shall, upon motion of the receiver, be consolidated into one 10561
action or transferred as a separate matter before the presiding 10562
judge of the court having jurisdiction of the receivership, 10563
subject, however, to the automatic stay provided in division (A) 10564
of this section. Subject to the receiver's option to have an 10565
action later consolidated or transferred, any action commenced 10566
after the superintendent's filing shall be filed as a separate 10567
matter before the presiding judge in the court having 10568
jurisdiction over the receivership. 10569

(C) The superintendent, prior to the appointment of a 10570
receiver, or the receiver, after its appointment, shall be the 10571
only party named in an action involving a state bank subject to 10572
this chapter. 10573

(D) Any action seeking to enjoin the superintendent's 10574
order appointing a receiver of a state bank shall be brought 10575
prior to the date the receiver sells all or substantially all of 10576
the assets of the bank, prior to the date the receiver transfers 10577
all or substantially all of the insured deposits to an assuming 10578
institution, or within ten days after the issuance of the order, 10579
whichever is earliest. 10580

Sec. 1125.29. (A) When a receiver has completed the 10581
liquidation of a state bank, the receiver shall, with notice to 10582
the superintendent of financial institutions, petition the court 10583
for an order declaring the bank properly wound up and dissolved. 10584

(B) After whatever notice and hearing, if any, the court 10585
may direct, the court may make an order declaring the bank 10586
properly wound up and dissolved. The order shall do both of the 10587
following, to the extent applicable: 10588

(1) Declare all of the following: 10589

(a) The bank has been properly wound up. 10590

(b) All known assets of the bank have been distributed 10591
according to the distribution priorities set forth in this 10592
chapter. 10593

(c) The bank is dissolved. 10594

(2) If there are known debts or liabilities, describe the 10595
provision made for their payment, setting forth whatever 10596
information may be necessary to enable the creditor or other 10597
person to whom payment is to be made to appear and claim payment 10598
of the debt or liability. 10599

(C) The order shall confirm a plan by the receiver for the 10600
disposition or maintenance of any remaining real or personal 10601
property or other assets, whether held in trust or otherwise and 10602
including the contents of safe deposit boxes or vaults, held by 10603
the bank for its account holders, creditors, lessees, ~~or~~ 10604
shareholders, or members. The plan shall include written notice 10605
to all known owners or beneficiaries of the assets, to be sent 10606
by first class mail to each individual's address as shown on the 10607
records of the bank. 10608

(D) The court may make whatever additional orders and 10609
grant whatever further relief it determines proper upon the 10610
evidence submitted. 10611

(E) Once the order is made declaring the bank dissolved, 10612
the corporate existence of the bank shall cease, except for 10613
purposes of any necessary additional winding up. 10614

(F) Once the order is made declaring the bank dissolved, 10615
the receiver shall promptly file a copy of the order, certified 10616
by the clerk of the court, with both the secretary of state and 10617
the superintendent. 10618

Sec. 1125.30. Subject to the approval of the court, the 10619
receiver may destroy the records of the state bank in accordance 10620
with section 1109.69 of the Revised Code after the receiver 10621
determines there is no further need for them. However, the 10622
receiver shall not destroy the records earlier than six months 10623
after the date the bank is declared dissolved by the court. 10624

Sec. 1125.33. (A) No damages may be awarded in a 10625
proceeding brought pursuant to this chapter challenging any 10626
action by the superintendent of financial institutions, special 10627
deputy superintendent, receiver, or conservator, or any employee 10628
of any of them, or any person retained for services under this 10629
chapter. Any action for damages shall be brought in the court as 10630
a separate action. 10631

(B) The superintendent, special deputy superintendent, 10632
receiver, conservator, or any employee of any of them, or any 10633
person retained for services under this chapter, is not subject 10634
to any civil liability or penalty, or to any criminal 10635
prosecution, for any error in judgment or discretion made in 10636
good faith in any action taken or omitted in an official 10637

capacity under this chapter. 10638

(C) The superintendent, special deputy superintendent, 10639
receiver, conservator, or any employee of any of them, or any 10640
person retained for services under this chapter, is not liable 10641
in damages for any action or failure to act unless it is proved 10642
by clear and convincing evidence in court that the action or 10643
failure to act involved an act or omission undertaken with 10644
deliberate intent to cause injury to any of the state bank, its 10645
shareholders, its members, its depositors, or its creditors, or 10646
undertaken with reckless disregard for the best interests of any 10647
of the bank, its shareholders, its members, its depositors, its 10648
creditors, or the public. 10649

Sec. 1181.01. The superintendent of financial institutions 10650
shall be the chief executive officer of the division of 10651
financial institutions. 10652

(A) The superintendent shall have at least five years of 10653
experience in the financial services industry or in the 10654
examination or regulation of financial institutions. 10655

(B) The superintendent shall appoint a deputy 10656
superintendent for banks, ~~a deputy superintendent for savings~~ 10657
~~and loan associations and savings banks, and a deputy~~ 10658
~~superintendent for credit unions.~~ Each deputy superintendent who 10659
shall have possess at least one of the following qualifications 10660
prior to the deputy superintendent's appointment: 10661

(1) Not less than five years of experience in that 10662
~~particular industry or at least five years of experience in the~~ 10663
~~examination or regulation of banks, savings and loan~~ 10664
~~associations, savings banks, or credit unions as a senior level~~ 10665
officer in a bank, savings and loan association, or savings 10666

bank, a bank holding company, or a savings and loan holding company or as a senior level manager or senior professional with a primary business of, or professional focus on, auditing or providing professional advice to such institutions; 10667
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(2) Not less than five years of experience as a senior level supervisor in the examination or regulation of banks, savings and loan associations, or savings banks; 10671
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(3) Not less than a total of five years of experience in any combination of the positions described in divisions (B) (1) and (2) of this section. 10674
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(C) The superintendent shall appoint a deputy superintendent for credit unions, who shall possess at least one of the following qualifications prior to the deputy superintendent's appointment: 10677
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(1) Not less than five years of experience as a senior level officer in a credit union or as a senior level manager or senior professional with a primary business of, or professional focus on, auditing or providing professional advice to credit unions; 10681
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(2) Not less than five years of experience as a senior level supervisor in the examination or regulation of credit unions; 10686
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(3) Not less than a total of five years of experience in any combination of the positions described in divisions (C) (1) and (2) of this section. 10689
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(D) The superintendent shall ~~also~~ appoint a deputy superintendent for consumer finance, who shall ~~have possess~~ at least one of the following qualifications prior to the deputy superintendent's appointment: 10692
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(1) Not less than five years of experience in as an owner, officer, or senior level manager of one or more of the consumer finance companies regulated by the division or in the examination or regulation of banks, savings and loan associations, savings banks, credit unions, or consumer finance companies, as a senior level manager of a mortgage banking affiliate of a bank, savings and loan association, savings bank, bank holding company, or savings and loan holding company, or as a senior level manager or senior professional with a primary business of, or professional focus on, auditing or providing professional advice to consumer finance companies; 10696
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(2) Not less than five years of experience as a senior level supervisor in the examination or regulation of consumer finance companies; 10707
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(3) Not less than a total of five years of experience in any combination of the positions described in divisions (D) (1) and (2) of this section. 10710
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(E) The deputy superintendents appointed by the superintendent of financial institutions pursuant to this section shall serve in the unclassified civil service. 10713
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Sec. 1181.02. The superintendent of financial institutions may appoint and employ such assistants, clerks, examiners, and other employees, and such professionals and agents, as the prompt execution of the duties of the superintendent's office requires, and may employ attorney examiners if the superintendent considers such assistants necessary. 10716
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Sec. 1181.03. (A) Before entering upon the discharge of the duties of the office of the superintendent of financial institutions, the superintendent shall give bond to the state in 10722
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the sum of one million dollars with sureties approved by the 10725
governor and conditioned on the faithful discharge of the 10726
official duties of the office. The bond, with the approval of 10727
the governor and with the superintendent's oath of office 10728
endorsed on it, shall be filed with the office of the secretary 10729
of state. 10730

(B) Before entering upon the discharge of the duties of 10731
their respective offices, the deputy superintendent for banks, 10732
~~the deputy superintendent for savings and loan associations and~~ 10733
~~savings banks,~~ the deputy superintendent for credit unions, and 10734
the deputy superintendent for consumer finance shall each give 10735
bond to the state in the sum of five hundred thousand dollars 10736
with sureties approved by the superintendent and conditioned on 10737
the faithful performance of their respective duties. The bonds 10738
shall be filed with the office of the secretary of state. 10739

(C) The superintendent shall require of each other 10740
employee and each agent of the division of financial 10741
institutions a bond, conditioned on the faithful performance of 10742
each employee's and agent's respective duties, in an amount not 10743
less than five thousand dollars that the superintendent 10744
determines to be acceptable. The bonds may, in the discretion of 10745
the superintendent, be individual, schedule, or blanket bonds. 10746
The bonds shall be filed with the office of the secretary of 10747
state. 10748

(D) The division shall pay the cost or premium of the 10749
bonds required by this section from funds appropriated to the 10750
division for that purpose. 10751

Sec. 1181.04. Neither the superintendent of financial 10752
institutions nor any employee, agent, or contractor of the 10753
division of financial institutions shall be liable in any civil, 10754

criminal, or administrative proceeding for any mistake of 10755
judgment or discretion in any action taken, or any omission made 10756
by the superintendent ~~or~~, employee, agent, or contractor if 10757
done in good faith within the scope of the person's official 10758
capacity as assigned by the superintendent. 10759

Sec. 1181.05. (A) As used in this section, "consumer 10760
finance company" means any person ~~required to be~~ licensed or 10761
registered under Chapter 1321., 1322., 4712., 4727., or 4728. or 10762
sections 1315.21 to 1315.30 of the Revised Code. 10763

(B) Neither the superintendent of financial institutions 10764
nor any other employee of the division of financial institutions 10765
shall do any of the following: ~~be interested have a business or~~ 10766
investment interest, directly or indirectly, in any state bank, 10767
~~savings and loan association, savings bank trust company,~~ credit 10768
union, or consumer finance company, that is under the 10769
supervision of the superintendent of financial institutions or 10770
in any affiliate of any such financial institution or company; 10771
directly or indirectly borrow money from any such financial 10772
institution or company; serve as a director or officer of or be 10773
employed by any such financial institution or company; or own an 10774
equity interest in any such financial institution or company or 10775
in any of its affiliates. For purposes of this section, an 10776
equity interest does not include the ownership of an account in 10777
a mutual savings and loan association or in a savings bank that 10778
does not have permanent stock or the ownership of a share 10779
account in a credit union. 10780

(C) Subject to division (G) of this section, an employee 10781
of the division of financial institutions may retain any 10782
extension of credit that otherwise would be prohibited by 10783
division (B) of this section if both of the following apply: 10784

(1) The employee obtained the extension of credit prior to 10785
October 29, 1995, or the commencement of the employee's 10786
employment with the division, or as a result of a change in the 10787
employee's marital status, the consummation of a merger, 10788
acquisition, transfer of assets, or other change in corporate 10789
ownership beyond the employee's control, or the sale of the 10790
extension of credit in the secondary market or other business 10791
transaction beyond the employee's control. 10792

(2) The employee liquidates the extension of credit under 10793
its original terms and without renegotiation. 10794

If the employee chooses to retain the extension of credit, 10795
the employee shall immediately provide written notice of the 10796
retention to the employee's supervisor. Thereafter, the employee 10797
shall be disqualified from participating in any decision, 10798
examination, audit, or other action that may affect that 10799
particular creditor. 10800

(D) Subject to division (G) of this section, an employee 10801
of the division of financial institutions may retain any 10802
ownership of or beneficial interest in the securities of a 10803
financial institution or consumer finance company that is under 10804
the supervision of the division of financial institutions, or of 10805
a holding company or subsidiary of such a financial institution 10806
or company, which ownership or beneficial interest otherwise 10807
would be prohibited by division (B) of this section, if the 10808
ownership or beneficial interest is acquired by the employee 10809
through inheritance or gift, prior to October 29, 1995, or the 10810
commencement of the employee's employment with the division, or 10811
as a result of a change in the employee's marital status or the 10812
consummation of a merger, acquisition, transfer of assets, or 10813
other change in ~~corporate~~ ownership beyond the employee's 10814

control. 10815

If the employee chooses to retain the ownership or 10816
beneficial interest, the employee shall immediately provide 10817
written notice of the retention to the employee's supervisor. 10818
Thereafter, the employee shall be disqualified from 10819
participating in any decision, examination, audit, or other 10820
action that may affect the issuer of the securities. However, if 10821
the ownership of or beneficial interest in the securities and 10822
the subsequent disqualification required by this division impair 10823
the employee's ability to perform the employee's duties, the 10824
employee may be ordered to divest self of the ownership of or 10825
beneficial interest in the securities or to resign. 10826

(E) Notwithstanding division (B) of this section, an 10827
employee of the division of financial institutions may have an 10828
indirect interest in the securities of a financial institution 10829
or consumer finance company that is under the supervision of the 10830
division of financial institutions, which interest arises 10831
through ownership of or beneficial interest in the securities of 10832
a publicly held mutual fund or investment trust, if the employee 10833
owns or has a beneficial interest in less than five per cent of 10834
the securities of the mutual fund or investment trust, and the 10835
mutual fund or investment trust is not advised or sponsored by a 10836
financial institution or consumer finance company that is under 10837
the supervision of the division of financial institutions. If 10838
the mutual fund or investment trust is subsequently advised or 10839
sponsored by a financial institution or consumer finance company 10840
that is under the supervision of the division of financial 10841
institutions, the employee shall immediately provide written 10842
notice of the ownership of or beneficial interest in the 10843
securities to the employee's supervisor. Thereafter, the 10844
employee shall be disqualified from participating in any 10845

decision, examination, audit, or other action that may affect 10846
the financial institution or consumer finance company. However, 10847
if the ownership of or beneficial interest in the securities and 10848
the subsequent disqualification required by this division impair 10849
the employee's ability to perform the employee's duties, the 10850
employee may be ordered to divest self of the ownership of or 10851
beneficial interest in the securities or to resign. 10852

(F) (1) For purposes of this section, the interests of an 10853
employee's spouse or dependent child arising through the 10854
ownership or control of securities shall be considered the 10855
interests of the employee, unless the employee can demonstrate 10856
to the satisfaction of the superintendent that the interests are 10857
solely the financial interest and responsibility of the spouse 10858
or dependent child, the interests are not in any way derived 10859
from the income, assets, or activity of the employee, and any 10860
financial or economic benefit from the interests is for the 10861
personal use of the spouse or dependent child. 10862

(2) If an employee's spouse or dependent child obtains 10863
interests arising through the ownership or control of securities 10864
and, pursuant to division (F) (1) of this section, the interests 10865
are not considered the interests of the employee, the employee 10866
shall immediately provide written notice of the interests to the 10867
employee's supervisor. Thereafter, the employee shall be 10868
disqualified from participating in any decision, examination, 10869
audit, or other action that may affect the issuer of the 10870
securities. 10871

(G) For purposes of divisions (C) and (D) of this section, 10872
both of the following apply: 10873

(1) With respect to any employee of the former division of 10874
consumer finance who, on the first day of the first pay period 10875

commencing after the effective date of this section, becomes an 10876
employee of the division of financial institutions, the 10877
employee's employment with the division of financial 10878
institutions is deemed to commence on the first day of the first 10879
pay period commencing after the effective date of this section. 10880

(2) With respect to any employee who, on October 29, 1995, 10881
became an employee of the division of financial institutions, 10882
the employee may, notwithstanding divisions (C) and (D) of this 10883
section, retain any extension of credit by a consumer finance 10884
company that was obtained at any time prior to the first day of 10885
the first pay period commencing after the effective date of this 10886
section, or retain any ownership of or beneficial interest in 10887
the securities of a consumer finance company, or of a holding 10888
company or subsidiary of such a company, that was acquired at 10889
any time prior to the first day of the first pay period 10890
commencing after the effective date of this section. If the 10891
employee chooses to retain the extension of credit or the 10892
ownership or beneficial interest, the employee shall comply with 10893
divisions (C) and (D) of this section. 10894

Sec. 1181.06. There is hereby created in the state 10895
treasury the financial institutions fund. The fund shall receive 10896
assessments on the banks fund established under section 1121.30 10897
of the Revised Code, ~~the savings institutions fund established~~ 10898
~~under section 1181.18 of the Revised Code,~~ the credit unions 10899
fund established under section 1733.321 of the Revised Code, and 10900
the consumer finance fund established under section 1321.21 of 10901
the Revised Code in accordance with procedures prescribed by the 10902
superintendent of financial institutions and approved by the 10903
director of budget and management. Such assessments shall be in 10904
addition to any assessments on these funds required under 10905
division (G) of section 121.08 of the Revised Code. All 10906

operating expenses of the division of financial institutions 10907
shall be paid from the financial institutions fund. Money in the 10908
fund shall be used only for that purpose. 10909

Sec. 1181.07. The state shall furnish the superintendent 10910
of financial institutions suitable facilities for conducting the 10911
business of the superintendent's office at the seat of 10912
government and in any other ~~city of~~ location within the state 10913
where it is necessary to keep a resident examiner. 10914

Sec. 1181.10. The seal of the superintendent of financial 10915
institutions shall be ~~one and three-fourths inches in diameter~~ 10916
~~and shall be surrounded by the words:~~ "The superintendent of 10917
financial institutions of the state of Ohio." 10918

The seal shall have engraved on it the coat of arms of the 10919
state, as described in section 5.04 of the Revised Code, and 10920
shall contain the words and devices mentioned in this section 10921
and no other. 10922

Sec. 1181.11. Copies of all certificates, records, and 10923
papers in the office of the superintendent of financial 10924
institutions, including the records of the banking commission, 10925
the former savings and loan associations and savings banks 10926
board, and the credit union council, duly certified by the 10927
superintendent or, in the absence of the superintendent, a 10928
deputy superintendent having jurisdiction over the records, and 10929
authenticated by the superintendent's seal of office, shall be 10930
evidence, in all courts of this state, of every matter which 10931
could be proved by the production of the original. 10932

Sec. 1181.21. (A) As used in this section, "consumer 10933
finance company" has the same meaning as in section 1181.05 of 10934
the Revised Code. 10935

(B) The superintendent of financial institutions shall see 10936
that the laws relating to consumer finance companies are 10937
executed and enforced. 10938

(C) The deputy superintendent for consumer finance shall 10939
be the principal supervisor of consumer finance companies. In 10940
that position the deputy superintendent for consumer finance 10941
shall, notwithstanding section 1321.421, division (A) of section 10942
1321.76, and sections 1321.07, 1321.55, 1322.06, 4727.05, and 10943
4728.05 of the Revised Code, be responsible for conducting 10944
examinations and preparing examination reports under those 10945
sections and under Chapter 4712. of the Revised Code. In 10946
addition, the deputy superintendent for consumer finance shall, 10947
notwithstanding sections 1315.27, 1321.10, 1321.43, 1321.54, 10948
1321.77, 1322.12, 4712.14, 4727.13, and 4728.10 of the Revised 10949
Code, have the authority to adopt rules and standards in 10950
accordance with those sections. In performing or exercising any 10951
of the examination, rule-making, or other regulatory functions, 10952
powers, or duties vested by this division in the deputy 10953
superintendent for consumer finance, the deputy superintendent 10954
for consumer finance shall be subject to the control of the 10955
superintendent of financial institutions and the director of 10956
commerce. 10957

Sec. 1181.25. ~~The (A) Notwithstanding sections 1121.18, 10958~~
~~1315.122, 1321.09, 1321.48, 1321.55, 1321.76, 1322.06, 1322.061, 10959~~
~~1733.32, 1733.327, and 4727.18 of the Revised Code, the 10960~~
~~superintendent of financial institutions may, in the 10961~~
~~superintendent's discretion, introduce into evidence or 10962~~
~~disclose, or authorize to be introduced into evidence or 10963~~
~~disclosed, information that, under sections 1121.18, 1155.16, 10964~~
~~1163.20, 1315.122, 1321.09, 1321.48, 1321.55, 1321.76, 1322.06, 10965~~
~~1322.061, 1733.32, 1733.327, and 4727.18 of the Revised Code, is 10966~~

privileged, confidential, or otherwise not ~~public information or~~ 10967
a public record, ~~provided that the superintendent acts only as~~ 10968
~~provided in these sections or~~ in the following circumstances: 10969

~~(A) When in the opinion of~~ (1) In connection with any 10970
civil, criminal, or administrative investigation or examination 10971
conducted by the superintendent, it is appropriate with regard 10972
to any enforcement actions taken and decisions made by the 10973
~~superintendent~~ under Chapters 1315., 1321., 1322., 1733., 4712., 10974
4727., and 4728. of the Revised Code or Title XI of the Revised 10975
Code or by any other financial institution regulatory authority, 10976
any state or federal attorney general or prosecuting attorney, 10977
or any local, state, or federal law enforcement agency; 10978

~~(B) When~~ (2) In connection with any civil or criminal 10979
litigation has been or administrative enforcement action 10980
initiated or to be initiated by the superintendent in 10981
furtherance of the powers, duties, and obligations imposed upon 10982
the superintendent by Chapters 1315., 1321., 1322., 1733., 10983
4712., 4727., and 4728. of the Revised Code or Title XI of the 10984
Revised Code; 10985

~~(C) When in the opinion of the superintendent, it is~~ 10986
~~appropriate with regard to enforcement actions taken or~~ 10987
~~decisions made by other financial institution regulatory~~ 10988
~~authorities to whom the superintendent has provided the~~ 10989
~~information pursuant to authority in~~ (3) To administer licensing 10990
and registration under Chapters 1315., 1321., 1322., 1733., 10991
4712., 4727., and 4728. of the Revised Code or Title XI of the 10992
Revised Code through the nationwide mortgage licensing system 10993
and registry as defined in section 1322.01 of the Revised Code. 10994

(B) If the superintendent has reason to believe that any 10995
privileged, confidential, or other nonpublic information 10996

provided pursuant to this section may be disclosed by the 10997
intended recipient, the superintendent shall seek a protective 10998
order or enter into an agreement to protect that information. 10999

(C) All reports and other information made available under 11000
this chapter remain the property of the superintendent. Except 11001
as otherwise provided in this section, no person, agency, or 11002
other authority to whom the information is made available, or 11003
any officer, director, or employee thereof, shall disclose such 11004
information except in published statistical material that does 11005
not disclose, either directly or when used in conjunction with 11006
publicly available information, the affairs of any individual or 11007
entity. 11008

(D) The superintendent shall not be considered to have 11009
waived any privilege applicable to any information by 11010
transferring that information to, or permitting that information 11011
to be used by, any federal or state agency or any other person 11012
as permitted under this chapter or Chapter 1121. of the Revised 11013
Code. 11014

Sec. 1349.16. (A) As used in this section, "financial 11015
institution" includes every bank as defined in section 1101.01 11016
of the Revised Code, ~~savings and loan association as defined in~~ 11017
~~section 1151.01 of the Revised Code, savings bank as defined in~~ 11018
~~section 1161.01 of the Revised Code,~~ and credit union organized 11019
or qualified as such under sections 1733.01 to 1733.45 of the 11020
Revised Code or the "Federal Credit Union Act," 84 Stat. 994 11021
(1970), 12 U.S.C.A. 1752, as amended. 11022

(B) Before opening or authorizing signatory power over a 11023
checking account intended for personal, family, or household 11024
purposes, a financial institution: 11025

(1) Shall require the applicant to provide ~~his~~ the applicant's current address and a valid driver's or commercial driver's license or identification card issued by the registrar of motor vehicles or a deputy registrar under section 4507.50 of the Revised Code. If the applicant does not have a valid driver's or commercial driver's license or identification card, the applicant may provide an identification document that includes ~~his~~ the applicant's full name, birthdate, and signature. 11026
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(2) May require the applicant to provide relevant information in addition to the information specified in division (B)(1) of this section. 11035
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(C) Every person that issues or prints checks, bills of exchange, or other drafts for use with a checking account intended for personal, family, or household purposes opened on or after October 16, 1990 shall print the date on which the checking account was opened on the face of each check, bill of exchange, or other draft. 11038
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(D) This section does not apply to temporary checks furnished at the time a checking account is opened. 11044
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(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. 11046
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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 11052
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liability insurance coverage from a company authorized to do 11055
business in this state in an amount of not less than one million 11056
dollars bodily injury coverage and property damage coverage to 11057
pay damages for injury to persons or damage to property caused 11058
by the drilling, operation, or plugging of all the owner's wells 11059
in this state. However, if any well is located within an 11060
urbanized area, the owner shall obtain liability insurance 11061
coverage in an amount of not less than three million dollars for 11062
bodily injury coverage and property damage coverage to pay 11063
damages for injury to persons or damage to property caused by 11064
the drilling, operation, or plugging of all of the owner's wells 11065
in this state. 11066

(2) An owner of a horizontal well shall obtain liability 11067
insurance coverage from an insurer authorized to write such 11068
insurance in this state or from an insurer approved to write 11069
such insurance in this state under section 3905.33 of the 11070
Revised Code in an amount of not less than five million dollars 11071
bodily injury coverage and property damage coverage to pay 11072
damages for injury to persons or damage to property caused by 11073
the production operations of all the owner's wells in this 11074
state. The insurance policy shall include a reasonable level of 11075
coverage available for an environmental endorsement. 11076

(3) An owner shall maintain the coverage required under 11077
division (A) (1) or (2) of this section until all the owner's 11078
wells are plugged and abandoned or are transferred to an owner 11079
who has obtained insurance as required under this section and 11080
who is not under a notice of material and substantial violation 11081
or under a suspension order. The owner shall provide proof of 11082
liability insurance coverage to the chief of the division of oil 11083
and gas resources management upon request. Upon failure of the 11084
owner to provide that proof when requested, the chief may order 11085

the suspension of any outstanding permits and operations of the 11086
owner until the owner provides proof of the required insurance 11087
coverage. 11088

(B) (1) Except as otherwise provided in this section, an 11089
owner of any well, before being issued a permit under section 11090
1509.06 of the Revised Code or before operating or producing 11091
from a well, shall execute and file with the division of oil and 11092
gas resources management a surety bond conditioned on compliance 11093
with the restoration requirements of section 1509.072, the 11094
plugging requirements of section 1509.12, the permit provisions 11095
of section 1509.13 of the Revised Code, and all rules and orders 11096
of the chief relating thereto, in an amount set by rule of the 11097
chief. 11098

(2) The owner may deposit with the chief, instead of a 11099
surety bond, cash in an amount equal to the surety bond as 11100
prescribed pursuant to this section or negotiable certificates 11101
of deposit or irrevocable letters of credit, issued by any bank 11102
organized or transacting business in this state ~~or by any~~ 11103
~~savings and loan association as defined in section 1151.01 of~~ 11104
~~the Revised Code~~, having a cash value equal to or greater than 11105
the amount of the surety bond as prescribed pursuant to this 11106
section. Cash or certificates of deposit shall be deposited upon 11107
the same terms as those upon which surety bonds may be 11108
deposited. If certificates of deposit are deposited with the 11109
chief instead of a surety bond, the chief shall require the bank 11110
~~or savings and loan association~~ that issued any such certificate 11111
to pledge securities of a cash value equal to the amount of the 11112
certificate that is in excess of the amount insured by any of 11113
the agencies and instrumentalities created under the "Federal 11114
Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as 11115
amended, and regulations adopted under it, including at least 11116

the federal deposit insurance corporation, ~~bank insurance fund,~~ 11117
~~and savings association insurance fund.~~ The securities shall be 11118
security for the repayment of the certificate of deposit. 11119

Immediately upon a deposit of cash, certificates of 11120
deposit, or letters of credit with the chief, the chief shall 11121
deliver them to the treasurer of state who shall hold them in 11122
trust for the purposes for which they have been deposited. 11123

(3) Instead of a surety bond, the chief may accept proof 11124
of financial responsibility consisting of a sworn financial 11125
statement showing a net financial worth within this state equal 11126
to twice the amount of the bond for which it substitutes and, as 11127
may be required by the chief, a list of producing properties of 11128
the owner within this state or other evidence showing ability 11129
and intent to comply with the law and rules concerning 11130
restoration and plugging that may be required by rule of the 11131
chief. The owner of an exempt Mississippian well is not required 11132
to file scheduled updates of the financial documents, but shall 11133
file updates of those documents if requested to do so by the 11134
chief. The owner of a nonexempt Mississippian well shall file 11135
updates of the financial documents in accordance with a schedule 11136
established by rule of the chief. The chief, upon determining 11137
that an owner for whom the chief has accepted proof of financial 11138
responsibility instead of bond cannot demonstrate financial 11139
responsibility, shall order that the owner execute and file a 11140
bond or deposit cash, certificates of deposit, or irrevocable 11141
letters of credit as required by this section for the wells 11142
specified in the order within ten days of receipt of the order. 11143
If the order is not complied with, all wells of the owner that 11144
are specified in the order and for which no bond is filed or 11145
cash, certificates of deposit, or letters of credit are 11146
deposited shall be plugged. No owner shall fail or refuse to 11147

plug such a well. Each day on which such a well remains 11148
unplugged thereafter constitutes a separate offense. 11149

(4) The surety bond provided for in this section shall be 11150
executed by a surety company authorized to do business in this 11151
state. 11152

The chief shall not approve any bond until it is 11153
personally signed and acknowledged by both principal and surety, 11154
or as to either by the principal's or surety's attorney in fact, 11155
with a certified copy of the power of attorney attached thereto. 11156
The chief shall not approve a bond unless there is attached a 11157
certificate of the superintendent of insurance that the company 11158
is authorized to transact a fidelity and surety business in this 11159
state. 11160

All bonds shall be given in a form to be prescribed by the 11161
chief and shall run to the state as obligee. 11162

(5) An owner of an exempt Mississippian well or an exempt 11163
domestic well, in lieu of filing a surety bond, cash in an 11164
amount equal to the surety bond, certificates of deposit, 11165
irrevocable letters of credit, or a sworn financial statement, 11166
may file a one-time fee of fifty dollars, which shall be 11167
deposited in the oil and gas well plugging fund created in 11168
section 1509.071 of the Revised Code. 11169

(C) An owner, operator, producer, or other person shall 11170
not operate a well or produce from a well at any time if the 11171
owner, operator, producer, or other person has not satisfied the 11172
requirements established in this section. 11173

Sec. 1509.225. (A) Before being issued a registration 11174
certificate under section 1509.222 of the Revised Code, an 11175
applicant shall execute and file with the division of oil and 11176

gas resources management a surety bond for fifteen thousand 11177
dollars to provide compensation for damage and injury resulting 11178
from transporters' violations of sections 1509.22, 1509.222, and 11179
1509.223 of the Revised Code, all rules and orders of the chief 11180
of the division of oil and gas resources management relating 11181
thereto, and all terms and conditions of the registration 11182
certificate imposed thereunder. The applicant may deposit with 11183
the chief, in lieu of a surety bond, cash in an amount equal to 11184
the surety bond as prescribed in this section, or negotiable 11185
certificates of deposit issued by any bank organized or 11186
transacting business in this state, ~~or certificates of deposit~~ 11187
~~issued by any building and loan association as defined in~~ 11188
~~section 1151.01 of the Revised Code,~~ having a cash value equal 11189
to or greater than the amount of the surety bond as prescribed 11190
in this section. Cash or certificates of deposit shall be 11191
deposited upon the same terms as those upon which surety bonds 11192
may be deposited. If certificates of deposit are deposited with 11193
the chief in lieu of a surety bond, the chief shall require the 11194
bank ~~or building and loan association~~ that issued any such 11195
certificate to pledge securities of a cash value equal to the 11196
amount of the certificate that is in excess of the amount 11197
insured by any of the agencies and instrumentalities created 11198
under the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 11199
12 U.S.C. 1811, as amended, and regulations adopted under it, 11200
including at least the federal deposit insurance corporation, ~~—~~ 11201
~~bank insurance fund, and savings association insurance fund.~~ 11202

Such securities shall be security for the repayment of the 11203
certificate of deposit. Immediately upon a deposit of cash or 11204
certificates with the chief, the chief shall deliver it to the 11205
treasurer of state who shall hold it in trust for the purposes 11206
for which it has been deposited. 11207

(B) The surety bond provided for in this section shall be 11208
executed by a surety company authorized to do business in this 11209
state. The chief shall not approve any bond until it is 11210
personally signed and acknowledged by both principal and surety, 11211
or as to either by an attorney in fact, with a certified copy of 11212
the power of attorney attached thereto. The chief shall not 11213
approve the bond unless there is attached a certificate of the 11214
superintendent of insurance that the company is authorized to 11215
transact a fidelity and surety business in this state. All bonds 11216
shall be given in a form to be prescribed by the chief. 11217

(C) If a registered transporter is found liable for a 11218
violation of section 1509.22, 1509.222, or 1509.223 of the 11219
Revised Code or a rule, order, or term or condition of a 11220
certificate involving, in any case, damage or injury to persons 11221
or property, or both, the court may order the forfeiture of any 11222
portion of the bond, cash, or other securities required by this 11223
section in full or partial payment of damages to the person to 11224
whom the damages are due. The treasurer of state and the chief 11225
shall deliver the bond or any cash or other securities deposited 11226
in lieu of bond, as specified in the court's order, to the 11227
person to whom the damages are due; however, execution against 11228
the bond, cash, or other securities, if necessary, is the 11229
responsibility of the person to whom the damages are due. The 11230
chief shall not release the bond, cash, or securities required 11231
by this section except by court order or until the registration 11232
is terminated. 11233

Sec. 1510.09. (A) There is hereby established a fund for 11234
any marketing program that is established by the technical 11235
advisory council under this chapter. The fund shall be in the 11236
custody of the treasurer of state, but shall not be part of the 11237
state treasury. Except as authorized in division (B) of this 11238

section, all moneys collected pursuant to section 1510.08 of the 11239
Revised Code for the marketing program shall be paid into the 11240
fund for the marketing program and shall be disbursed only 11241
pursuant to a voucher signed by the chairperson of the council 11242
for use in defraying the costs of administration of the 11243
marketing program and for carrying out sections 1510.02, 11244
1510.03, and 1510.11 of the Revised Code. 11245

(B) In lieu of deposits in the fund established under 11246
division (A) of this section, the operating committee of a 11247
marketing program established under this chapter may deposit all 11248
moneys collected pursuant to section 1510.08 of the Revised Code 11249
with a bank ~~or a savings and loan association~~ as defined in 11250
~~sections section 1101.01 and 1151.01~~ of the Revised Code. All 11251
moneys collected pursuant to section 1510.08 of the Revised Code 11252
for the marketing program and deposited pursuant to this 11253
division also shall be used only in defraying the costs of 11254
administration of the marketing program and for carrying out 11255
sections 1510.02, 1510.03, and 1510.11 of the Revised Code. 11256

(C) An operating committee shall establish a fiscal year 11257
for its marketing program, shall publish an activity and 11258
financial report within sixty days of the end of each fiscal 11259
year, and shall make the report available to each independent 11260
producer who pays an assessment or otherwise contributes to the 11261
marketing program that the committee administers and to other 11262
interested persons. 11263

(D) In addition to the report required by division (C) of 11264
this section, an operating committee that deposits moneys in 11265
accordance with division (B) of this section shall submit to the 11266
council both of the following: 11267

(1) Annually, a financial statement prepared by a 11268

certified public accountant holding valid certification from the 11269
Ohio board of accountancy issued pursuant to Chapter 4701. of 11270
the Revised Code. The operating committee shall file the 11271
financial statement with the council not more than sixty days 11272
after the end of each fiscal year. 11273

(2) Monthly, an unaudited financial statement. 11274

Sec. 1514.04. (A) Upon receipt of notification from the 11275
chief of the division of mineral resources management of the 11276
chief's intent to issue an order granting a surface or in-stream 11277
mining permit to the applicant, the applicant shall file a 11278
surety bond, cash, an irrevocable letter of credit, or 11279
certificates of deposit in the amount, unless otherwise provided 11280
by rule, of ten thousand dollars. If the amount of land to be 11281
affected is more than twenty acres, the applicant also shall 11282
file a surety bond, cash, an irrevocable letter of credit, or 11283
certificates of deposit in the amount of five hundred dollars 11284
per acre of land to be affected that exceeds twenty acres. Upon 11285
receipt of notification from the chief of the chief's intent to 11286
issue an order granting an amendment to a surface or in-stream 11287
mining permit, the applicant shall file a surety bond, cash, an 11288
irrevocable letter of credit, or certificates of deposit in the 11289
amount required in this division. 11290

In the case of a surface mining permit, the bond shall be 11291
filed based on the number of acres estimated to be affected 11292
during the first year of operation under the permit. In the case 11293
of an amendment to a surface mining permit, the bond shall be 11294
filed based on the number of acres estimated to be affected 11295
during the balance of the period until the next anniversary date 11296
of the permit. 11297

In the case of an in-stream mining permit, the bond shall 11298

be filed based on the number of acres of land within the limits 11299
of the in-stream mining permit for the entire permit period. In 11300
the case of an amendment to an in-stream mining permit, the bond 11301
shall be filed based on the number of any additional acres of 11302
land to be affected within the limits of the in-stream mining 11303
permit. 11304

(B) A surety bond filed pursuant to this section and 11305
sections 1514.02 and 1514.03 of the Revised Code shall be upon 11306
the form that the chief prescribes and provides and shall be 11307
signed by the operator as principal and by a surety company 11308
authorized to transact business in the state as surety. The bond 11309
shall be payable to the state and shall be conditioned upon the 11310
faithful performance by the operator of all things to be done 11311
and performed by the operator as provided in this chapter and 11312
the rules and orders of the chief adopted or issued pursuant 11313
thereto. 11314

The operator may deposit with the chief, in lieu of a 11315
surety bond, cash in an amount equal to the surety bond as 11316
prescribed in this section, or an irrevocable letter of credit 11317
or negotiable certificates of deposit issued by any bank 11318
organized or transacting business in this state, ~~or an~~ 11319
~~irrevocable letter of credit or certificates of deposit issued~~ 11320
~~by any savings and loan association as defined in section~~ 11321
~~1151.01 of the Revised Code,~~ having a cash value equal to or 11322
greater than the amount of the surety bond as prescribed in this 11323
section. Cash or certificates of deposit shall be deposited upon 11324
the same terms as the terms upon which surety bonds may be 11325
deposited. If one or more certificates of deposit are deposited 11326
with the chief in lieu of a surety bond, the chief shall require 11327
the bank ~~or savings and loan association~~ that issued any such 11328
certificate to pledge securities of a cash value equal to the 11329

amount of the certificate, or certificates, that is in excess of 11330
the amount insured by the federal deposit insurance corporation. 11331
The securities shall be security for the repayment of the 11332
certificate of deposit. 11333

(C) Immediately upon a deposit of cash, a letter of 11334
credit, or certificates with the chief, the chief shall deliver 11335
it to the treasurer of state who shall hold it in trust for the 11336
purposes for which it has been deposited. The treasurer of state 11337
shall be responsible for the safekeeping of such deposits. An 11338
operator making a deposit of cash, a letter of credit, or 11339
certificates of deposit may withdraw and receive from the 11340
treasurer of state, on the written order of the chief, all or 11341
any part of the cash, letter of credit, or certificates in the 11342
possession of the treasurer of state, upon depositing with the 11343
treasurer of state cash, or an irrevocable letter of credit, or 11344
negotiable certificates of deposit issued by any bank organized 11345
or transacting business in this state, ~~or an irrevocable letter~~ 11346
~~of credit or certificates of deposit issued by any savings and~~ 11347
~~loan association,~~ equal in value to the value of the cash, 11348
letter of credit, or certificates withdrawn. An operator may 11349
demand and receive from the treasurer of state all interest or 11350
other income from any certificates as it becomes due. If 11351
certificates deposited with and in the possession of the 11352
treasurer of state mature or are called for payment by the 11353
issuer thereof, the treasurer of state, at the request of the 11354
operator who deposited them, shall convert the proceeds of the 11355
redemption or payment of the certificates into such other 11356
negotiable certificates of deposit issued by any bank organized 11357
or transacting business in this state, ~~such other certificates~~ 11358
~~of deposit issued by any savings and loan association,~~ or cash, 11359
as may be designated by the operator. 11360

(D) A governmental agency, as defined in division (A) of section 1514.022 of the Revised Code, or a board or commission that derives its authority from a governmental agency shall not require a surface or in-stream mining operator to file a surety bond or any other form of financial assurance for the reclamation of land to be affected by a surface or in-stream mining operation authorized under this chapter.

Sec. 1707.03. (A) As used in this section, "exempt" means that, except in the case of securities the right to buy, sell, or deal in which has been suspended or revoked under an existing order of the division of securities under section 1707.13 of the Revised Code or under a cease and desist order under division (G) of section 1707.23 of the Revised Code, transactions in securities may be carried on and completed without compliance with sections 1707.08 to 1707.11 of the Revised Code.

(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, 11391
any court of competent jurisdiction or are otherwise authorized 11392
and lawfully made by such fiduciary. 11393

(D) A sale to the issuer, to a dealer, or to an 11394
institutional investor is exempt. 11395

(E) A sale in good faith, and not for the purpose of 11396
avoiding this chapter, by a pledgee of a security pledged for a 11397
bona fide debt is exempt. 11398

(F) The sale at public auction by a corporation of shares 11399
of its stock because of delinquency in payment for the shares is 11400
exempt. 11401

(G) (1) The giving of any conversion right with, or on 11402
account of the purchase of, any security that is exempt, is the 11403
subject matter of an exempt transaction, has been registered by 11404
description, by coordination, or by qualification, or is the 11405
subject matter of a transaction that has been registered by 11406
description is exempt. 11407

(2) The giving of any subscription right, warrant, or 11408
option to purchase a security or right to receive a security 11409
upon exchange, which security is exempt at the time the right, 11410
warrant, or option to purchase or right to receive is given, is 11411
the subject matter of an exempt transaction, is registered by 11412
description, by coordination, or by qualification, or is the 11413
subject matter of a transaction that has been registered by 11414
description is exempt. 11415

(3) The giving of any subscription right or any warrant or 11416
option to purchase a security, which right, warrant, or option 11417
expressly provides that it shall not be exercisable except for a 11418
security that at the time of the exercise is exempt, is the 11419

subject matter of an exempt transaction, is registered by 11420
description, by coordination, or by qualification, or at such 11421
time is the subject matter of a transaction that has been 11422
registered by description is exempt. 11423

(H) The sale of notes, bonds, or other evidences of 11424
indebtedness that are secured by a mortgage lien upon real 11425
estate, leasehold estate other than oil, gas, or mining 11426
leasehold, or tangible personal property, or which evidence of 11427
indebtedness is due under or based upon a conditional-sale 11428
contract, if all such notes, bonds, or other evidences of 11429
indebtedness are sold to a single purchaser at a single sale, is 11430
exempt. 11431

(I) The delivery of securities by the issuer on the 11432
exercise of conversion rights, the sale of securities by the 11433
issuer on exercise of subscription rights or of warrants or 11434
options to purchase securities, the delivery of voting-trust 11435
certificates for securities deposited under a voting-trust 11436
agreement, the delivery of deposited securities on surrender of 11437
voting-trust certificates, and the delivery of final 11438
certificates on surrender of interim certificates are exempt; 11439
but the sale of securities on exercise of subscription rights, 11440
warrants, or options is not an exempt transaction unless those 11441
rights, warrants, or options when granted were the subject 11442
matter of an exempt transaction under division (G) of this 11443
section or were registered by description, by coordination, or 11444
by qualification. 11445

(J) The sale of securities by a bank, savings and loan 11446
association, savings bank, or credit union organized under the 11447
laws of the United States or of this state is exempt if at a 11448
profit to that seller of not more than two per cent of the total 11449

sale price of the securities. 11450

(K) (1) The distribution by a corporation of its securities 11451
to its security holders as a share dividend or other 11452
distribution out of earnings or surplus is exempt. 11453

(2) The exchange or distribution by the issuer of any of 11454
its securities or of the securities of any of the issuer's 11455
wholly owned subsidiaries exclusively with or to its existing 11456
security holders, if no commission or other remuneration is 11457
given directly or indirectly for soliciting the exchange, is 11458
exempt. 11459

(3) The sale of preorganization subscriptions for shares 11460
of stock of a corporation prior to the incorporation of the 11461
corporation is exempt, when the sale is evidenced by a written 11462
agreement, no remuneration is given, or promised, directly or 11463
indirectly, for or in connection with the sale of those 11464
securities, and no consideration is received, directly or 11465
indirectly, by any person from the purchasers of those 11466
securities until registration by qualification, by coordination, 11467
or by description of those securities is made under this 11468
chapter. 11469

(L) The issuance of securities in exchange for one or more 11470
bona fide outstanding securities, claims, or property interests, 11471
not including securities sold for a consideration payable in 11472
whole or in part in cash, under a plan of reorganization, 11473
recapitalization, or refinancing approved by a court pursuant to 11474
the Bankruptcy Act of the United States or to any other federal 11475
act giving any federal court jurisdiction over such plan of 11476
reorganization, or under a plan of reorganization approved by a 11477
court of competent jurisdiction of any state of the United 11478
States is exempt. As used in this division, "reorganization," 11479

"recapitalization," and "refinancing" have the same meanings as 11480
in section 1707.04 of the Revised Code. 11481

(M) A sale by a licensed dealer, acting either as 11482
principal or as agent, of securities issued and outstanding 11483
before the sale is exempt, unless the sale is of one or more of 11484
the following: 11485

(1) Securities constituting the whole or a part of an 11486
unsold allotment to or subscription by a dealer as an 11487
underwriter or other participant in the distribution of those 11488
securities by the issuer, whether that distribution is direct or 11489
through an underwriter, provided that, if the issuer is such by 11490
reason of owning one-fourth or more of those securities, the 11491
dealer has knowledge of this fact or reasonable cause to believe 11492
this fact; 11493

(2) Any class of shares issued by a corporation when the 11494
number of beneficial owners of that class is less than twenty- 11495
five, with the record owner of securities being deemed the 11496
beneficial owner for this purpose, in the absence of actual 11497
knowledge to the contrary; 11498

(3) Securities that within one year were purchased outside 11499
this state or within one year were transported into this state, 11500
if the dealer has knowledge or reasonable cause to believe, 11501
before the sale of those securities, that within one year they 11502
were purchased outside this state or within one year were 11503
transported into this state; but such a sale of those securities 11504
is exempt if any of the following occurs: 11505

(a) A recognized securities manual contains the names of 11506
the issuer's officers and directors, a balance sheet of the 11507
issuer as of a date within eighteen months, and a profit and 11508

loss statement for either the fiscal year preceding that date or 11509
the most recent year of operations; 11510

(b) Those securities, or securities of the same class, 11511
within one year were registered or qualified under section 11512
1707.09 or 1707.091 of the Revised Code, and that registration 11513
or qualification is in full force and effect; 11514

(c) The sale is made by a licensed dealer on behalf of the 11515
bona fide owner of those securities in accordance with division 11516
(B) of this section; 11517

(d) Those securities were transported into Ohio in a 11518
transaction of the type described in division (L), (K), or (I) 11519
of this section, or in a transaction registered under division 11520
(A) of section 1707.06 of the Revised Code. 11521

(N) For the purpose of this division and division (M) of 11522
this section, "underwriter" means any person who has purchased 11523
from an issuer with a view to, or sells for an issuer in 11524
connection with, the distribution of any security, or who 11525
participates directly or indirectly in any such undertaking or 11526
in the underwriting thereof, but "underwriter" does not include 11527
a person whose interest is limited to a discount, commission, or 11528
profit from the underwriter or from a dealer that is not in 11529
excess of the customary distributors' or sellers' discount, 11530
commission, or profit; and "issuer" includes any person or any 11531
group of persons acting in concert in the sale of such 11532
securities, owning beneficially one-fourth or more of the 11533
outstanding securities of the class involved in the transactions 11534
in question, with the record owner of securities being deemed 11535
the beneficial owner for this purpose, in the absence of actual 11536
knowledge to the contrary. 11537

(O) (1) The sale of any equity security is exempt if all 11538
the following conditions are satisfied: 11539

(a) The sale is by the issuer of the security. 11540

(b) The total number of purchasers in this state of all 11541
securities issued or sold by the issuer in reliance upon this 11542
exemption during the period of one year ending with the date of 11543
the sale does not exceed ten. A sale of securities registered 11544
under this chapter or sold pursuant to an exemption under this 11545
chapter other than this exemption shall not be integrated with a 11546
sale pursuant to this exemption in computing the number of 11547
purchasers under this exemption. 11548

(c) No advertisement, article, notice, or other 11549
communication published in any newspaper, magazine, or similar 11550
medium or broadcast over television or radio is used in 11551
connection with the sale, but the use of an offering circular or 11552
other communication delivered by the issuer to selected 11553
individuals does not destroy this exemption. 11554

(d) The issuer reasonably believes after reasonable 11555
investigation that the purchaser is purchasing for investment. 11556

(e) The aggregate commission, discount, and other 11557
remuneration, excluding legal, accounting, and printing fees, 11558
paid or given directly or indirectly does not exceed ten per 11559
cent of the initial offering price. 11560

(f) Any such commission, discount, or other remuneration 11561
for sales in this state is paid or given only to dealers or 11562
salespersons registered pursuant to this chapter. 11563

(2) For the purposes of division (O) (1) of this section, 11564
each of the following is deemed to be a single purchaser of a 11565
security: husband and wife, a child and its parent or guardian 11566

when the parent or guardian holds the security for the benefit 11567
of the child, a corporation, a limited liability company, a 11568
partnership, an association or other unincorporated entity, a 11569
joint-stock company, or a trust, but only if the corporation, 11570
limited liability company, partnership, association, entity, 11571
joint-stock company, or trust was not formed for the purpose of 11572
purchasing the security. 11573

(3) As used in division (O) (1) of this section, "equity 11574
security" means any stock or similar security of a corporation 11575
or any membership interest in a limited liability company; or 11576
any security convertible, with or without consideration, into 11577
such a security, or carrying any warrant or right to subscribe 11578
to or purchase such a security; or any such warrant or right; or 11579
any other security that the division considers necessary or 11580
appropriate, by such rules as it may prescribe in the public 11581
interest or for the protection of investors, to treat as an 11582
equity security. 11583

(P) The sale of securities representing interests in or 11584
under profit-sharing or participation agreements relating to oil 11585
or gas wells located in this state, or representing interests in 11586
or under oil or gas leases of real estate situated in this 11587
state, is exempt if the securities are issued by an individual, 11588
partnership, limited partnership, partnership association, 11589
syndicate, pool, trust or trust fund, or other unincorporated 11590
association and if each of the following conditions is complied 11591
with: 11592

(1) The beneficial owners of the securities do not, and 11593
will not after the sale, exceed five natural persons; 11594

(2) The securities constitute or represent interests in 11595
not more than one oil or gas well; 11596

(3) A certificate or other instrument in writing is 11597
furnished to each purchaser of the securities at or before the 11598
consummation of the sale, disclosing the maximum commission, 11599
compensation for services, cost of lease, and expenses with 11600
respect to the sale of such interests and with respect to the 11601
promotion, development, and management of the oil or gas well, 11602
and the total of that commission, compensation, costs, and 11603
expenses does not exceed twenty-five per cent of the aggregate 11604
interests in the oil or gas well, exclusive of any landowner's 11605
rental or royalty; 11606

(4) The sale is made in good faith and not for the purpose 11607
of avoiding this chapter. 11608

(Q) The sale of any security is exempt if all of the 11609
following conditions are satisfied: 11610

(1) The provisions of section 5 of the Securities Act of 11611
1933 do not apply to the sale by reason of an exemption under 11612
section 4 (2) of that act. 11613

(2) The aggregate commission, discount, and other 11614
remuneration, excluding legal, accounting, and printing fees, 11615
paid or given directly or indirectly does not exceed ten per 11616
cent of the initial offering price. 11617

(3) Any such commission, discount, or other remuneration 11618
for sales in this state is paid or given only to dealers or 11619
salespersons registered under this chapter. 11620

(4) The issuer or dealer files with the division of 11621
securities, not later than sixty days after the sale, a report 11622
setting forth the name and address of the issuer, the total 11623
amount of the securities sold under this division, the number of 11624
persons to whom the securities were sold, the price at which the 11625

securities were sold, and the commissions or discounts paid or 11626
given. 11627

(5) The issuer pays a filing fee of one hundred dollars 11628
for the first filing and fifty dollars for every subsequent 11629
filing during each calendar year. 11630

(R) A sale of a money order, travelers' check, or other 11631
instrument for the transmission of money by a person qualified 11632
to engage in such business under ~~section 1109.60~~ or Chapter 11633
1315. of the Revised Code is exempt. 11634

(S) A sale by a licensed dealer of securities that are in 11635
the process of registration under the Securities Act of 1933, 11636
unless exempt under that act, and that are in the process of 11637
registration, if registration is required under this chapter, is 11638
exempt, provided that no sale of that nature shall be 11639
consummated prior to the registration by description or 11640
qualification of the securities. 11641

(T) The execution by a licensed dealer of orders for the 11642
purchase of any security is exempt, provided that the dealer 11643
acts only as agent for the purchaser, has made no solicitation 11644
of the order to purchase the security, has no interest in the 11645
distribution of the security, and delivers to the purchaser 11646
written confirmation of the transaction that clearly itemizes 11647
the dealer's commission. "Solicitation," as used in this 11648
division, means solicitation of the order for the specific 11649
security purchased and does not include general solicitations or 11650
advertisements of any kind. 11651

(U) The sale insofar as the security holders of a person 11652
are concerned, where, pursuant to statutory provisions of the 11653
jurisdiction under which that person is organized or pursuant to 11654

provisions contained in its articles of incorporation, 11655
certificate of incorporation, partnership agreement, declaration 11656
of trust, trust indenture, or similar controlling instrument, 11657
there is submitted to the security holders, for their vote or 11658
consent, (1) a plan or agreement for a reclassification of 11659
securities of that person that involves the substitution of a 11660
security of that person for another security of that person, (2) 11661
a plan or agreement of merger or consolidation or a similar plan 11662
or agreement of acquisition in which the securities of that 11663
person held by the security holders will become or be exchanged 11664
for securities of any other person, or (3) a plan or agreement 11665
for a combination as defined in division (Q) of section 1701.01 11666
of the Revised Code or a similar plan or agreement for the 11667
transfer of assets of that person to another person in 11668
consideration of the issuance of securities of any person, is 11669
exempt if, with respect to any of the foregoing transactions, 11670
either of the following conditions is satisfied: 11671

(a) The securities to be issued to the security holders 11672
are effectively registered under sections 6 to 8 of the 11673
Securities Act of 1933 and offered and sold in compliance with 11674
section 5 of that act; 11675

(b) At least twenty days prior to the date on which a 11676
meeting of the security holders is held or the earliest date on 11677
which corporate action may be taken when no meeting is held, 11678
there is submitted to the security holders, by that person, or 11679
by the person whose securities are to be issued in the 11680
transaction, information substantially equivalent to the 11681
information that would be required to be included in a proxy 11682
statement or information statement prepared by or on behalf of 11683
the management of an issuer subject to section 14(a) or 14(c) of 11684
the Securities Exchange Act of 1934. 11685

(V) The sale of any security is exempt if the division by 11686
rule finds that registration is not necessary or appropriate in 11687
the public interest or for the protection of investors. 11688

(W) Any offer or sale of securities made in reliance on 11689
the exemptions provided by Rule 505 of Regulation D made 11690
pursuant to the Securities Act of 1933 and the conditions and 11691
definitions provided by Rules 501 to 503 thereunder is exempt if 11692
the offer or sale satisfies all of the following conditions: 11693

(1) No commission or other remuneration is given, directly 11694
or indirectly, to any person for soliciting or selling to any 11695
person in this state in reliance on the exemption under this 11696
division, except to dealers licensed in this state. 11697

(2) (a) Unless the cause for disqualification is waived 11698
under division (W) (2) (b) of this section, no exemption under 11699
this section is available for the securities of an issuer unless 11700
the issuer did not know and in the exercise of reasonable care 11701
could not have known that any of the following applies to any of 11702
the persons described in Rule 262(a) to (c) of Regulation A 11703
under the Securities Act of 1933: 11704

(i) The person has filed an application for registration 11705
or qualification that is the subject of an effective order 11706
entered against the issuer, its officers, directors, general 11707
partners, controlling persons or affiliates thereof, pursuant to 11708
the law of any state within five years before the filing of a 11709
notice required under division (W) (3) of this section denying 11710
effectiveness to, or suspending or revoking the effectiveness 11711
of, the registration statement. 11712

(ii) The person has been convicted of any offense in 11713
connection with the offer, sale, or purchase of any security or 11714

franchise, or any felony involving fraud or deceit, including, 11715
but not limited to, forgery, embezzlement, fraud, theft, or 11716
conspiracy to defraud. 11717

(iii) The person is subject to an effective administrative 11718
order or judgment that was entered by a state securities 11719
administrator within five years before the filing of a notice 11720
required under division (W) (3) of this section and that 11721
prohibits, denies, or revokes the use of any exemption from 11722
securities registration, prohibits the transaction of business 11723
by the person as a dealer, or is based on fraud, deceit, an 11724
untrue statement of a material fact, or an omission to state a 11725
material fact. 11726

(iv) The person is subject to any order, judgment, or 11727
decree of any court entered within five years before the filing 11728
of a notice required under division (W) (3) of this section, 11729
temporarily, preliminarily, or permanently restraining or 11730
enjoining the person from engaging in or continuing any conduct 11731
or practice in connection with the offer, sale, or purchase of 11732
any security, or the making of any false filing with any state. 11733

(b) (i) Any disqualification under this division involving 11734
a dealer may be waived if the dealer is or continues to be 11735
licensed in this state as a dealer after notifying the 11736
commissioner of the act or event causing disqualification. 11737

(ii) The commissioner may waive any disqualification under 11738
this paragraph upon a showing of good cause that it is not 11739
necessary under the circumstances that use of the exemption be 11740
denied. 11741

(3) Not later than five business days before the earlier 11742
of the date on which the first use of an offering document or 11743

the first sale is made in this state in reliance on the 11744
exemption under this division, there is filed with the 11745
commissioner a notice comprised of offering material in 11746
compliance with the requirements of Rule 502 of Regulation D 11747
under the Securities Act of 1933 and a fee of one hundred 11748
dollars. Material amendments to the offering document shall be 11749
filed with the commissioner not later than the date of their 11750
first use in this state. 11751

(4) The aggregate commission, discount, and other 11752
remuneration paid or given, directly or indirectly, does not 11753
exceed twelve per cent of the initial offering price, excluding 11754
legal, accounting, and printing fees. 11755

(X) Any offer or sale of securities made in reliance on 11756
the exemption provided in Rule 506 of Regulation D under the 11757
Securities Act of 1933, and in accordance with Rules 501 to 503 11758
of Regulation D under the Securities Act of 1933, is exempt 11759
provided that all of the following apply: 11760

(1) The issuer makes a notice filing with the division on 11761
form D of the securities and exchange commission within fifteen 11762
days of the first sale in this state; 11763

(2) Any commission, discount, or other remuneration for 11764
sales of securities in this state is paid or given only to 11765
dealers or salespersons licensed under this chapter; 11766

(3) The issuer pays a filing fee of one hundred dollars to 11767
the division; however, no filing fee shall be required to file 11768
amendments to the form D of the securities and exchange 11769
commission. 11770

(Y) The offer or sale of securities by an issuer is exempt 11771
provided that all of the following apply: 11772

(1) The sale of securities is made only to persons who 11773
are, or who the issuer reasonably believes are, accredited 11774
investors as defined in Rule 501 of Regulation D under the 11775
Securities Act of 1933. 11776

(2) The issuer reasonably believes that all purchasers are 11777
purchasing for investment and not with a view to or for sale in 11778
connection with a distribution of the security. Any resale of a 11779
security sold in reliance on this exemption within twelve months 11780
of sale shall be presumed to be with a view to distribution and 11781
not for investment, except a resale to which any of the 11782
following applies: 11783

(a) The resale is pursuant to a registration statement 11784
effective under section 1707.09 or 1707.091 of the Revised Code. 11785

(b) The resale is to an accredited investor, as defined in 11786
Rule 501 of Regulation D under the Securities Act of 1933. 11787

(c) The resale is to an institutional investor pursuant to 11788
the exemptions under division (B) or (D) of this section. 11789

(3) The exemption under this division is not available to 11790
an issuer that is in the development stage and that either has 11791
no specific business plan or purpose or has indicated that its 11792
business plan is to engage in a merger or acquisition with an 11793
unidentified company or companies, or other entities or persons. 11794

(4) The exemption under this division is not available to 11795
an issuer, if the issuer, any of the issuer's predecessors, any 11796
affiliated issuer, any of the issuer's directors, officers, 11797
general partners, or beneficial owners of ten per cent or more 11798
of any class of its equity securities, any of the issuer's 11799
promoters presently connected with the issuer in any capacity, 11800
any underwriter of the securities to be offered, or any partner, 11801

director, or officer of such underwriter: 11802

(a) Within the past five years, has filed a registration 11803
statement that is the subject of a currently effective 11804
registration stop order entered by any state securities 11805
administrator or the securities and exchange commission; 11806

(b) Within the past five years, has been convicted of any 11807
criminal offense in connection with the offer, purchase, or sale 11808
of any security, or involving fraud or deceit; 11809

(c) Is currently subject to any state or federal 11810
administrative enforcement order or judgment, entered within the 11811
past five years, finding fraud or deceit in connection with the 11812
purchase or sale of any security; 11813

(d) Is currently subject to any order, judgment, or decree 11814
of any court of competent jurisdiction, entered within the past 11815
five years, that temporarily, preliminarily, or permanently 11816
restrains or enjoins the party from engaging in or continuing to 11817
engage in any conduct or practice involving fraud or deceit in 11818
connection with the purchase or sale of any security. 11819

(5) Division (Y) (4) of this section is inapplicable if any 11820
of the following applies: 11821

(a) The party subject to the disqualification is licensed 11822
or registered to conduct securities business in the state in 11823
which the order, judgment, or decree creating the 11824
disqualification was entered against the party described in 11825
division (Y) (4) of this section. 11826

(b) Before the first offer is made under this exemption, 11827
the state securities administrator, or the court or regulatory 11828
authority that entered the order, judgment, or decree, waives 11829
the disqualification. 11830

(c) The issuer did not know and, in the exercise of reasonable care based on reasonable investigation, could not have known that a disqualification from the exemption existed under division (Y) (4) of this section. 11831
11832
11833
11834

(6) A general announcement of the proposed offering may be made by any means; however, the general announcement shall include only the following information, unless additional information is specifically permitted by the division by rule: 11835
11836
11837
11838

(a) The name, address, and telephone number of the issuer of the securities; 11839
11840

(b) The name, a brief description, and price of any security to be issued; 11841
11842

(c) A brief description of the business of the issuer; 11843

(d) The type, number, and aggregate amount of securities being offered; 11844
11845

(e) The name, address, and telephone number of the person to contact for additional information; and 11846
11847

(f) A statement indicating all of the following: 11848

(i) Sales will only be made to accredited investors as defined in Rule 501 of Regulation D under the Securities Act of 1933; 11849
11850
11851

(ii) No money or other consideration is being solicited or will be accepted by way of this general announcement; 11852
11853

(iii) The securities have not been registered with or approved by any state securities administrator or the securities and exchange commission and are being offered and sold pursuant to an exemption from registration. 11854
11855
11856
11857

(7) The issuer, in connection with an offer, may provide 11858
information in addition to the general announcement described in 11859
division (Y)(6) of this section, provided that either of the 11860
following applies: 11861

(a) The information is delivered through an electronic 11862
database that is restricted to persons that are accredited 11863
investors as defined in Rule 501 of Regulation D under the 11864
Securities Act of 1933. 11865

(b) The information is delivered after the issuer 11866
reasonably believes that the prospective purchaser is an 11867
accredited investor as defined in Rule 501 of Regulation D under 11868
the Securities Act of 1933. 11869

(8) No telephone solicitation shall be done, unless prior 11870
to placing the telephone call, the issuer reasonably believes 11871
that the prospective purchaser to be solicited is an accredited 11872
investor as defined in Rule 501 of Regulation D under the 11873
Securities Act of 1933. 11874

(9) Dissemination of the general announcement described in 11875
division (Y)(6) of this section to persons that are not 11876
accredited investors, as defined in Rule 501 of Regulation D 11877
under the Securities Act of 1933, does not disqualify the issuer 11878
from claiming an exemption under this division. 11879

(10) The issuer shall file with the division notice of the 11880
offering of securities within fifteen days after notice of the 11881
offering is made or a general announcement is made in this 11882
state. The filing shall be on forms adopted by the division and 11883
shall include a copy of the general announcement, if one is made 11884
regarding the proposed offering, and copies of any offering 11885
materials, circulars, or prospectuses. A filing fee of one 11886

hundred dollars also shall be included. 11887

Sec. 1901.31. The clerk and deputy clerks of a municipal 11888
court shall be selected, be compensated, give bond, and have 11889
powers and duties as follows: 11890

(A) There shall be a clerk of the court who is appointed 11891
or elected as follows: 11892

(1) (a) Except in the Akron, Barberton, Toledo, Hamilton 11893
county, Miami county, Montgomery county, Portage county, and 11894
Wayne county municipal courts and through December 31, 2008, the 11895
Cuyahoga Falls municipal court, if the population of the 11896
territory equals or exceeds one hundred thousand at the regular 11897
municipal election immediately preceding the expiration of the 11898
term of the present clerk, the clerk shall be nominated and 11899
elected by the qualified electors of the territory in the manner 11900
that is provided for the nomination and election of judges in 11901
section 1901.07 of the Revised Code. 11902

The clerk so elected shall hold office for a term of six 11903
years, which term shall commence on the first day of January 11904
following the clerk's election and continue until the clerk's 11905
successor is elected and qualified. 11906

(b) In the Hamilton county municipal court, the clerk of 11907
courts of Hamilton county shall be the clerk of the municipal 11908
court and may appoint an assistant clerk who shall receive the 11909
compensation, payable out of the treasury of Hamilton county in 11910
semimonthly installments, that the board of county commissioners 11911
prescribes. The clerk of courts of Hamilton county, acting as 11912
the clerk of the Hamilton county municipal court and assuming 11913
the duties of that office, shall receive compensation at one- 11914
fourth the rate that is prescribed for the clerks of courts of 11915

common pleas as determined in accordance with the population of 11916
the county and the rates set forth in sections 325.08 and 325.18 11917
of the Revised Code. This compensation shall be paid from the 11918
county treasury in semimonthly installments and is in addition 11919
to the annual compensation that is received for the performance 11920
of the duties of the clerk of courts of Hamilton county, as 11921
provided in sections 325.08 and 325.18 of the Revised Code. 11922

(c) In the Portage county and Wayne county municipal 11923
courts, the clerks of courts of Portage county and Wayne county 11924
shall be the clerks, respectively, of the Portage county and 11925
Wayne county municipal courts and may appoint a chief deputy 11926
clerk for each branch that is established pursuant to section 11927
1901.311 of the Revised Code and assistant clerks as the judges 11928
of the municipal court determine are necessary, all of whom 11929
shall receive the compensation that the legislative authority 11930
prescribes. The clerks of courts of Portage county and Wayne 11931
county, acting as the clerks of the Portage county and Wayne 11932
county municipal courts and assuming the duties of these 11933
offices, shall receive compensation payable from the county 11934
treasury in semimonthly installments at one-fourth the rate that 11935
is prescribed for the clerks of courts of common pleas as 11936
determined in accordance with the population of the county and 11937
the rates set forth in sections 325.08 and 325.18 of the Revised 11938
Code. 11939

(d) In the Montgomery county and Miami county municipal 11940
courts, the clerks of courts of Montgomery county and Miami 11941
county shall be the clerks, respectively, of the Montgomery 11942
county and Miami county municipal courts. The clerks of courts 11943
of Montgomery county and Miami county, acting as the clerks of 11944
the Montgomery county and Miami county municipal courts and 11945
assuming the duties of these offices, shall receive compensation 11946

at one-fourth the rate that is prescribed for the clerks of 11947
courts of common pleas as determined in accordance with the 11948
population of the county and the rates set forth in sections 11949
325.08 and 325.18 of the Revised Code. This compensation shall 11950
be paid from the county treasury in semimonthly installments and 11951
is in addition to the annual compensation that is received for 11952
the performance of the duties of the clerks of courts of 11953
Montgomery county and Miami county, as provided in sections 11954
325.08 and 325.18 of the Revised Code. 11955

(e) Except as otherwise provided in division (A) (1) (e) of 11956
this section, in the Akron municipal court, candidates for 11957
election to the office of clerk of the court shall be nominated 11958
by primary election. The primary election shall be held on the 11959
day specified in the charter of the city of Akron for the 11960
nomination of municipal officers. Notwithstanding any contrary 11961
provision of section 3513.05 or 3513.257 of the Revised Code, 11962
the declarations of candidacy and petitions of partisan 11963
candidates and the nominating petitions of independent 11964
candidates for the office of clerk of the Akron municipal court 11965
shall be signed by at least fifty qualified electors of the 11966
territory of the court. 11967

The candidates shall file a declaration of candidacy and 11968
petition, or a nominating petition, whichever is applicable, not 11969
later than four p.m. of the ninetieth day before the day of the 11970
primary election, in the form prescribed by section 3513.07 or 11971
3513.261 of the Revised Code. The declaration of candidacy and 11972
petition, or the nominating petition, shall conform to the 11973
applicable requirements of section 3513.05 or 3513.257 of the 11974
Revised Code. 11975

If no valid declaration of candidacy and petition is filed 11976

by any person for nomination as a candidate of a particular 11977
political party for election to the office of clerk of the Akron 11978
municipal court, a primary election shall not be held for the 11979
purpose of nominating a candidate of that party for election to 11980
that office. If only one person files a valid declaration of 11981
candidacy and petition for nomination as a candidate of a 11982
particular political party for election to that office, a 11983
primary election shall not be held for the purpose of nominating 11984
a candidate of that party for election to that office, and the 11985
candidate shall be issued a certificate of nomination in the 11986
manner set forth in section 3513.02 of the Revised Code. 11987

Declarations of candidacy and petitions, nominating 11988
petitions, and certificates of nomination for the office of 11989
clerk of the Akron municipal court shall contain a designation 11990
of the term for which the candidate seeks election. At the 11991
following regular municipal election, all candidates for the 11992
office shall be submitted to the qualified electors of the 11993
territory of the court in the manner that is provided in section 11994
1901.07 of the Revised Code for the election of the judges of 11995
the court. The clerk so elected shall hold office for a term of 11996
six years, which term shall commence on the first day of January 11997
following the clerk's election and continue until the clerk's 11998
successor is elected and qualified. 11999

(f) Except as otherwise provided in division (A) (1) (f) of 12000
this section, in the Barberton municipal court, candidates for 12001
election to the office of clerk of the court shall be nominated 12002
by primary election. The primary election shall be held on the 12003
day specified in the charter of the city of Barberton for the 12004
nomination of municipal officers. Notwithstanding any contrary 12005
provision of section 3513.05 or 3513.257 of the Revised Code, 12006
the declarations of candidacy and petitions of partisan 12007

candidates and the nominating petitions of independent 12008
candidates for the office of clerk of the Barberton municipal 12009
court shall be signed by at least fifty qualified electors of 12010
the territory of the court. 12011

The candidates shall file a declaration of candidacy and 12012
petition, or a nominating petition, whichever is applicable, not 12013
later than four p.m. of the ninetieth day before the day of the 12014
primary election, in the form prescribed by section 3513.07 or 12015
3513.261 of the Revised Code. The declaration of candidacy and 12016
petition, or the nominating petition, shall conform to the 12017
applicable requirements of section 3513.05 or 3513.257 of the 12018
Revised Code. 12019

If no valid declaration of candidacy and petition is filed 12020
by any person for nomination as a candidate of a particular 12021
political party for election to the office of clerk of the 12022
Barberton municipal court, a primary election shall not be held 12023
for the purpose of nominating a candidate of that party for 12024
election to that office. If only one person files a valid 12025
declaration of candidacy and petition for nomination as a 12026
candidate of a particular political party for election to that 12027
office, a primary election shall not be held for the purpose of 12028
nominating a candidate of that party for election to that 12029
office, and the candidate shall be issued a certificate of 12030
nomination in the manner set forth in section 3513.02 of the 12031
Revised Code. 12032

Declarations of candidacy and petitions, nominating 12033
petitions, and certificates of nomination for the office of 12034
clerk of the Barberton municipal court shall contain a 12035
designation of the term for which the candidate seeks election. 12036
At the following regular municipal election, all candidates for 12037

the office shall be submitted to the qualified electors of the 12038
territory of the court in the manner that is provided in section 12039
1901.07 of the Revised Code for the election of the judges of 12040
the court. The clerk so elected shall hold office for a term of 12041
six years, which term shall commence on the first day of January 12042
following the clerk's election and continue until the clerk's 12043
successor is elected and qualified. 12044

(g) (i) Through December 31, 2008, except as otherwise 12045
provided in division (A) (1) (g) (i) of this section, in the 12046
Cuyahoga Falls municipal court, candidates for election to the 12047
office of clerk of the court shall be nominated by primary 12048
election. The primary election shall be held on the day 12049
specified in the charter of the city of Cuyahoga Falls for the 12050
nomination of municipal officers. Notwithstanding any contrary 12051
provision of section 3513.05 or 3513.257 of the Revised Code, 12052
the declarations of candidacy and petitions of partisan 12053
candidates and the nominating petitions of independent 12054
candidates for the office of clerk of the Cuyahoga Falls 12055
municipal court shall be signed by at least fifty qualified 12056
electors of the territory of the court. 12057

The candidates shall file a declaration of candidacy and 12058
petition, or a nominating petition, whichever is applicable, not 12059
later than four p.m. of the ninetieth day before the day of the 12060
primary election, in the form prescribed by section 3513.07 or 12061
3513.261 of the Revised Code. The declaration of candidacy and 12062
petition, or the nominating petition, shall conform to the 12063
applicable requirements of section 3513.05 or 3513.257 of the 12064
Revised Code. 12065

If no valid declaration of candidacy and petition is filed 12066
by any person for nomination as a candidate of a particular 12067

political party for election to the office of clerk of the 12068
Cuyahoga Falls municipal court, a primary election shall not be 12069
held for the purpose of nominating a candidate of that party for 12070
election to that office. If only one person files a valid 12071
declaration of candidacy and petition for nomination as a 12072
candidate of a particular political party for election to that 12073
office, a primary election shall not be held for the purpose of 12074
nominating a candidate of that party for election to that 12075
office, and the candidate shall be issued a certificate of 12076
nomination in the manner set forth in section 3513.02 of the 12077
Revised Code. 12078

Declarations of candidacy and petitions, nominating 12079
petitions, and certificates of nomination for the office of 12080
clerk of the Cuyahoga Falls municipal court shall contain a 12081
designation of the term for which the candidate seeks election. 12082
At the following regular municipal election, all candidates for 12083
the office shall be submitted to the qualified electors of the 12084
territory of the court in the manner that is provided in section 12085
1901.07 of the Revised Code for the election of the judges of 12086
the court. The clerk so elected shall hold office for a term of 12087
six years, which term shall commence on the first day of January 12088
following the clerk's election and continue until the clerk's 12089
successor is elected and qualified. 12090

(ii) Division (A) (1) (g) (i) of this section shall have no 12091
effect after December 31, 2008. 12092

(h) Except as otherwise provided in division (A) (1) (h) of 12093
this section, in the Toledo municipal court, candidates for 12094
election to the office of clerk of the court shall be nominated 12095
by primary election. The primary election shall be held on the 12096
day specified in the charter of the city of Toledo for the 12097

nomination of municipal officers. Notwithstanding any contrary 12098
provision of section 3513.05 or 3513.257 of the Revised Code, 12099
the declarations of candidacy and petitions of partisan 12100
candidates and the nominating petitions of independent 12101
candidates for the office of clerk of the Toledo municipal court 12102
shall be signed by at least fifty qualified electors of the 12103
territory of the court. 12104

The candidates shall file a declaration of candidacy and 12105
petition, or a nominating petition, whichever is applicable, not 12106
later than four p.m. of the ninetieth day before the day of the 12107
primary election, in the form prescribed by section 3513.07 or 12108
3513.261 of the Revised Code. The declaration of candidacy and 12109
petition, or the nominating petition, shall conform to the 12110
applicable requirements of section 3513.05 or 3513.257 of the 12111
Revised Code. 12112

If no valid declaration of candidacy and petition is filed 12113
by any person for nomination as a candidate of a particular 12114
political party for election to the office of clerk of the 12115
Toledo municipal court, a primary election shall not be held for 12116
the purpose of nominating a candidate of that party for election 12117
to that office. If only one person files a valid declaration of 12118
candidacy and petition for nomination as a candidate of a 12119
particular political party for election to that office, a 12120
primary election shall not be held for the purpose of nominating 12121
a candidate of that party for election to that office, and the 12122
candidate shall be issued a certificate of nomination in the 12123
manner set forth in section 3513.02 of the Revised Code. 12124

Declarations of candidacy and petitions, nominating 12125
petitions, and certificates of nomination for the office of 12126
clerk of the Toledo municipal court shall contain a designation 12127

of the term for which the candidate seeks election. At the 12128
following regular municipal election, all candidates for the 12129
office shall be submitted to the qualified electors of the 12130
territory of the court in the manner that is provided in section 12131
1901.07 of the Revised Code for the election of the judges of 12132
the court. The clerk so elected shall hold office for a term of 12133
six years, which term shall commence on the first day of January 12134
following the clerk's election and continue until the clerk's 12135
successor is elected and qualified. 12136

(2) (a) Except for the Alliance, Auglaize county, Brown 12137
county, Columbiana county, Holmes county, Putnam county, 12138
Sandusky county, Lorain, Massillon, and Youngstown municipal 12139
courts, in a municipal court for which the population of the 12140
territory is less than one hundred thousand, the clerk shall be 12141
appointed by the court, and the clerk shall hold office until 12142
the clerk's successor is appointed and qualified. 12143

(b) In the Alliance, Lorain, Massillon, and Youngstown 12144
municipal courts, the clerk shall be elected for a term of 12145
office as described in division (A) (1) (a) of this section. 12146

(c) In the Auglaize county, Brown county, Holmes county, 12147
Putnam county, and Sandusky county municipal courts, the clerks 12148
of courts of Auglaize county, Brown county, Holmes county, 12149
Putnam county, and Sandusky county shall be the clerks, 12150
respectively, of the Auglaize county, Brown county, Holmes 12151
county, Putnam county, and Sandusky county municipal courts and 12152
may appoint a chief deputy clerk for each branch office that is 12153
established pursuant to section 1901.311 of the Revised Code, 12154
and assistant clerks as the judge of the court determines are 12155
necessary, all of whom shall receive the compensation that the 12156
legislative authority prescribes. The clerks of courts of 12157

Auglaize county, Brown county, Holmes county, Putnam county, and 12158
Sandusky county, acting as the clerks of the Auglaize county, 12159
Brown county, Holmes county, Putnam county, and Sandusky county 12160
municipal courts and assuming the duties of these offices, shall 12161
receive compensation payable from the county treasury in 12162
semimonthly installments at one-fourth the rate that is 12163
prescribed for the clerks of courts of common pleas as 12164
determined in accordance with the population of the county and 12165
the rates set forth in sections 325.08 and 325.18 of the Revised 12166
Code. 12167

(d) In the Columbiana county municipal court, the clerk of 12168
courts of Columbiana county shall be the clerk of the municipal 12169
court, may appoint a chief deputy clerk for each branch office 12170
that is established pursuant to section 1901.311 of the Revised 12171
Code, and may appoint any assistant clerks that the judges of 12172
the court determine are necessary. All of the chief deputy 12173
clerks and assistant clerks shall receive the compensation that 12174
the legislative authority prescribes. The clerk of courts of 12175
Columbiana county, acting as the clerk of the Columbiana county 12176
municipal court and assuming the duties of that office, shall 12177
receive in either biweekly installments or semimonthly 12178
installments, as determined by the payroll administrator, 12179
compensation payable from the county treasury at one-fourth the 12180
rate that is prescribed for the clerks of courts of common pleas 12181
as determined in accordance with the population of the county 12182
and the rates set forth in sections 325.08 and 325.18 of the 12183
Revised Code. 12184

(3) During the temporary absence of the clerk due to 12185
illness, vacation, or other proper cause, the court may appoint 12186
a temporary clerk, who shall be paid the same compensation, have 12187
the same authority, and perform the same duties as the clerk. 12188

(B) Except in the Hamilton county, Montgomery county, 12189
Miami county, Portage county, and Wayne county municipal courts, 12190
if a vacancy occurs in the office of the clerk of the Alliance, 12191
Lorain, Massillon, or Youngstown municipal court or occurs in 12192
the office of the clerk of a municipal court for which the 12193
population of the territory equals or exceeds one hundred 12194
thousand because the clerk ceases to hold the office before the 12195
end of the clerk's term or because a clerk-elect fails to take 12196
office, the vacancy shall be filled, until a successor is 12197
elected and qualified, by a person chosen by the residents of 12198
the territory of the court who are members of the county central 12199
committee of the political party by which the last occupant of 12200
that office or the clerk-elect was nominated. Not less than five 12201
nor more than fifteen days after a vacancy occurs, those members 12202
of that county central committee shall meet to make an 12203
appointment to fill the vacancy. At least four days before the 12204
date of the meeting, the chairperson or a secretary of the 12205
county central committee shall notify each such member of that 12206
county central committee by first class mail of the date, time, 12207
and place of the meeting and its purpose. A majority of all such 12208
members of that county central committee constitutes a quorum, 12209
and a majority of the quorum is required to make the 12210
appointment. If the office so vacated was occupied or was to be 12211
occupied by a person not nominated at a primary election, or if 12212
the appointment was not made by the committee members in 12213
accordance with this division, the court shall make an 12214
appointment to fill the vacancy. A successor shall be elected to 12215
fill the office for the unexpired term at the first municipal 12216
election that is held more than one hundred thirty-five days 12217
after the vacancy occurred. 12218

(C) (1) In a municipal court, other than the Auglaize 12219

county, the Brown county, the Columbiana county, the Holmes 12220
county, the Putnam county, the Sandusky county, and the Lorain 12221
municipal courts, for which the population of the territory is 12222
less than one hundred thousand, the clerk of the municipal court 12223
shall receive the annual compensation that the presiding judge 12224
of the court prescribes, if the revenue of the court for the 12225
preceding calendar year, as certified by the auditor or chief 12226
fiscal officer of the municipal corporation in which the court 12227
is located or, in the case of a county-operated municipal court, 12228
the county auditor, is equal to or greater than the 12229
expenditures, including any debt charges, for the operation of 12230
the court payable under this chapter from the city treasury or, 12231
in the case of a county-operated municipal court, the county 12232
treasury for that calendar year, as also certified by the 12233
auditor or chief fiscal officer. If the revenue of a municipal 12234
court, other than the Auglaize county, the Brown county, the 12235
Columbiana county, the Putnam county, the Sandusky county, and 12236
the Lorain municipal courts, for which the population of the 12237
territory is less than one hundred thousand for the preceding 12238
calendar year as so certified is not equal to or greater than 12239
those expenditures for the operation of the court for that 12240
calendar year as so certified, the clerk of a municipal court 12241
shall receive the annual compensation that the legislative 12242
authority prescribes. As used in this division, "revenue" means 12243
the total of all costs and fees that are collected and paid to 12244
the city treasury or, in a county-operated municipal court, the 12245
county treasury by the clerk of the municipal court under 12246
division (F) of this section and all interest received and paid 12247
to the city treasury or, in a county-operated municipal court, 12248
the county treasury in relation to the costs and fees under 12249
division (G) of this section. 12250

(2) In a municipal court, other than the Hamilton county, 12251
Montgomery county, Miami county, Portage county, and Wayne 12252
county municipal courts, for which the population of the 12253
territory is one hundred thousand or more, and in the Lorain 12254
municipal court, the clerk of the municipal court shall receive 12255
annual compensation in a sum equal to eighty-five per cent of 12256
the salary of a judge of the court. 12257

(3) The compensation of a clerk described in division (C) 12258
(1) or (2) of this section and of the clerk of the Columbiana 12259
county municipal court is payable in either semimonthly 12260
installments or biweekly installments, as determined by the 12261
payroll administrator, from the same sources and in the same 12262
manner as provided in section 1901.11 of the Revised Code, 12263
except that the compensation of the clerk of the Carroll county 12264
municipal court is payable in biweekly installments. 12265

(D) Before entering upon the duties of the clerk's office, 12266
the clerk of a municipal court shall give bond of not less than 12267
six thousand dollars to be determined by the judges of the 12268
court, conditioned upon the faithful performance of the clerk's 12269
duties. 12270

(E) The clerk of a municipal court may do all of the 12271
following: administer oaths, take affidavits, and issue 12272
executions upon any judgment rendered in the court, including a 12273
judgment for unpaid costs; issue, sign, and attach the seal of 12274
the court to all writs, process, subpoenas, and papers issuing 12275
out of the court; and approve all bonds, sureties, 12276
recognizances, and undertakings fixed by any judge of the court 12277
or by law. The clerk may refuse to accept for filing any 12278
pleading or paper submitted for filing by a person who has been 12279
found to be a vexatious litigator under section 2323.52 of the 12280

Revised Code and who has failed to obtain leave to proceed under 12281
that section. The clerk shall do all of the following: file and 12282
safely keep all journals, records, books, and papers belonging 12283
or appertaining to the court; record the proceedings of the 12284
court; perform all other duties that the judges of the court may 12285
prescribe; and keep a book showing all receipts and 12286
disbursements, which book shall be open for public inspection at 12287
all times. 12288

The clerk shall prepare and maintain a general index, a 12289
docket, and other records that the court, by rule, requires, all 12290
of which shall be the public records of the court. In the 12291
docket, the clerk shall enter, at the time of the commencement 12292
of an action, the names of the parties in full, the names of the 12293
counsel, and the nature of the proceedings. Under proper dates, 12294
the clerk shall note the filing of the complaint, issuing of 12295
summons or other process, returns, and any subsequent pleadings. 12296
The clerk also shall enter all reports, verdicts, orders, 12297
judgments, and proceedings of the court, clearly specifying the 12298
relief granted or orders made in each action. The court may 12299
order an extended record of any of the above to be made and 12300
entered, under the proper action heading, upon the docket at the 12301
request of any party to the case, the expense of which record 12302
may be taxed as costs in the case or may be required to be 12303
prepaid by the party demanding the record, upon order of the 12304
court. 12305

(F) The clerk of a municipal court shall receive, collect, 12306
and issue receipts for all costs, fees, fines, bail, and other 12307
moneys payable to the office or to any officer of the court. The 12308
clerk shall on or before the twentieth day of the month 12309
following the month in which they are collected disburse to the 12310
proper persons or officers, and take receipts for, all costs, 12311

fees, fines, bail, and other moneys that the clerk collects. 12312

Subject to sections 307.515 and 4511.193 of the Revised Code and 12313

to any other section of the Revised Code that requires a 12314

specific manner of disbursement of any moneys received by a 12315

municipal court and except for the Hamilton county, Lawrence 12316

county, and Ottawa county municipal courts, the clerk shall pay 12317

all fines received for violation of municipal ordinances into 12318

the treasury of the municipal corporation the ordinance of which 12319

was violated and shall pay all fines received for violation of 12320

township resolutions adopted pursuant to section 503.52 or 12321

503.53 or Chapter 504. of the Revised Code into the treasury of 12322

the township the resolution of which was violated. Subject to 12323

sections 1901.024 and 4511.193 of the Revised Code, in the 12324

Hamilton county, Lawrence county, and Ottawa county municipal 12325

courts, the clerk shall pay fifty per cent of the fines received 12326

for violation of municipal ordinances and fifty per cent of the 12327

fines received for violation of township resolutions adopted 12328

pursuant to section 503.52 or 503.53 or Chapter 504. of the 12329

Revised Code into the treasury of the county. Subject to 12330

sections 307.515, 4511.19, and 5503.04 of the Revised Code and 12331

to any other section of the Revised Code that requires a 12332

specific manner of disbursement of any moneys received by a 12333

municipal court, the clerk shall pay all fines collected for the 12334

violation of state laws into the county treasury. Except in a 12335

county-operated municipal court, the clerk shall pay all costs 12336

and fees the disbursement of which is not otherwise provided for 12337

in the Revised Code into the city treasury. The clerk of a 12338

county-operated municipal court shall pay the costs and fees the 12339

disbursement of which is not otherwise provided for in the 12340

Revised Code into the county treasury. Moneys deposited as 12341

security for costs shall be retained pending the litigation. The 12342

clerk shall keep a separate account of all receipts and 12343

disbursements in civil and criminal cases, which shall be a 12344
permanent public record of the office. On the expiration of the 12345
term of the clerk, the clerk shall deliver the records to the 12346
clerk's successor. The clerk shall have other powers and duties 12347
as are prescribed by rule or order of the court. 12348

(G) All moneys paid into a municipal court shall be noted 12349
on the record of the case in which they are paid and shall be 12350
deposited in a state or national bank, ~~or a domestic savings and~~ 12351
~~loan association,~~ as defined in section ~~1151.01~~ 1101.01 of the 12352
Revised Code, that is selected by the clerk. Any interest 12353
received upon the deposits shall be paid into the city treasury, 12354
except that, in a county-operated municipal court, the interest 12355
shall be paid into the treasury of the county in which the court 12356
is located. 12357

On the first Monday in January of each year, the clerk 12358
shall make a list of the titles of all cases in the court that 12359
were finally determined more than one year past in which there 12360
remains unclaimed in the possession of the clerk any funds, or 12361
any part of a deposit for security of costs not consumed by the 12362
costs in the case. The clerk shall give notice of the moneys to 12363
the parties who are entitled to the moneys or to their attorneys 12364
of record. All the moneys remaining unclaimed on the first day 12365
of April of each year shall be paid by the clerk to the city 12366
treasurer, except that, in a county-operated municipal court, 12367
the moneys shall be paid to the treasurer of the county in which 12368
the court is located. The treasurer shall pay any part of the 12369
moneys at any time to the person who has the right to the moneys 12370
upon proper certification of the clerk. 12371

(H) Deputy clerks of a municipal court other than the 12372
Carroll county municipal court may be appointed by the clerk and 12373

shall receive the compensation, payable in either biweekly 12374
installments or semimonthly installments, as determined by the 12375
payroll administrator, out of the city treasury, that the clerk 12376
may prescribe, except that the compensation of any deputy clerk 12377
of a county-operated municipal court shall be paid out of the 12378
treasury of the county in which the court is located. The judge 12379
of the Carroll county municipal court may appoint deputy clerks 12380
for the court, and the deputy clerks shall receive the 12381
compensation, payable in biweekly installments out of the county 12382
treasury, that the judge may prescribe. Each deputy clerk shall 12383
take an oath of office before entering upon the duties of the 12384
deputy clerk's office and, when so qualified, may perform the 12385
duties appertaining to the office of the clerk. The clerk may 12386
require any of the deputy clerks to give bond of not less than 12387
three thousand dollars, conditioned for the faithful performance 12388
of the deputy clerk's duties. 12389

(I) For the purposes of this section, whenever the 12390
population of the territory of a municipal court falls below one 12391
hundred thousand but not below ninety thousand, and the 12392
population of the territory prior to the most recent regular 12393
federal census exceeded one hundred thousand, the legislative 12394
authority of the municipal corporation may declare, by 12395
resolution, that the territory shall be considered to have a 12396
population of at least one hundred thousand. 12397

(J) The clerk or a deputy clerk shall be in attendance at 12398
all sessions of the municipal court, although not necessarily in 12399
the courtroom, and may administer oaths to witnesses and jurors 12400
and receive verdicts. 12401

Sec. 2335.25. Each clerk of a court of record, the 12402
sheriff, and the prosecuting attorney shall enter in a journal 12403

or cashbook, provided at the expense of the county, an accurate 12404
account of all moneys collected or received in ~~his~~ the clerk's, 12405
sheriff's, or prosecuting attorney's official capacity, on the 12406
days of the receipt, and in the order of time so received, with 12407
a minute of the date and suit, or other matter, on account of 12408
which the money was received. The cashbook shall be a public 12409
record of the office, and shall, on the expiration of the term 12410
of each such officer, be delivered to ~~his~~ the officer's 12411
successor ~~in office~~. The clerk shall be the receiver of all 12412
moneys payable into ~~his~~ the clerk's office, whether collected by 12413
public officers of court or tendered by other persons, and, on 12414
request, shall pay the moneys to the persons entitled to receive 12415
them. 12416

The clerk of the court of common pleas or of the county 12417
court may deposit moneys payable into ~~his~~ the clerk's office in 12418
a bank ~~or a building and loan association~~, as defined in section 12419
~~1151.01-1101.01~~ of the Revised Code, subject to section 131.11 12420
of the Revised Code. Any interest received upon the deposits 12421
shall be paid into the treasury of the county for which the 12422
clerk performs ~~his~~ official duties. 12423

Sec. 3351.07. (A) For the purposes of this chapter, 12424
"approved lender" means any bank as defined in section 1101.01 12425
of the Revised Code, ~~any domestic savings and loan association~~ 12426
~~as defined in section 1151.01 of the Revised Code,~~ any credit 12427
union as defined in section 1733.01 of the Revised Code, any 12428
federal credit union established pursuant to federal law, any 12429
insurance company organized or authorized to do business in this 12430
state, any pension fund eligible under the "Higher Education 12431
Amendments of 1968," 82 Stat. 1026, 20 U.S.C.A. 1085, as 12432
amended, the secondary market operation designated under 12433
division (B) of this section, or any secondary market operation 12434

established pursuant to the "Education Amendments of 1972," 86 Stat. 261, 20 U.S.C.A. 1071, as amended, or under the laws of any state.

(B) The governor may designate one nonprofit corporation secondary market operation to be the single nonprofit private agency designated by the state under the "Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d)(1)(D), as amended. A designation in effect on ~~the effective date of this amendment~~ October 16, 2009, expires December 31, 2009. Each designation ~~after the effective date of this amendment~~ October 16, 2009, shall be made by competitive selection and shall be valid for one year. The controlling board shall not waive the competitive selection requirement.

(C) The nonprofit corporation designated by the governor under division (B) of this section as the private agency secondary market operation shall be considered to be an agency of the state, in accordance with section 435(d)(1)(F) of the "Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d)(1)(F), as amended, exclusively for the purpose of functioning as a secondary student loan market. The corporation shall be considered a state agency only for the purposes of this division and no other division or section of the Revised Code regarding state agencies shall apply to the corporation. No liability or obligation incurred by the corporation shall be considered to be a liability or debt of the state, nor shall the state be construed to act as guarantor of any debt of the corporation.

(D) The nonprofit corporation designated under division (B) of this section shall designate a separate nonprofit corporation to operate exclusively for charitable and

educational purposes, complementing and supplementing the 12465
designating corporation's secondary market operation for student 12466
loans authorized under the "Higher Education Act of 1965," 101 12467
Stat. 347, 20 U.S.C.A. 1085, as amended, and promoting the 12468
general health and welfare of the state, the public interest, 12469
and a public purpose through improving student assistance 12470
programs by expanding access to higher education financing 12471
programs for students and families in need of student financial 12472
aid. In furtherance of such purposes, the separate nonprofit 12473
corporation may do all of the following: 12474

(1) Assist educational institutions in establishing 12475
financial aid programs to help students obtain an economical 12476
education; 12477

(2) Encourage financial institutions to increase 12478
educational opportunities by making funds available to both 12479
students and educational institutions; 12480

(3) Make available financial aid that supplements the 12481
financial assistance provided by eligible and approved lenders 12482
under state and federal programs; 12483

(4) Develop and administer programs that do all of the 12484
following: 12485

(a) Provide financial aid and incidental student financial 12486
aid information to students and their parents or other persons 12487
responsible for paying educational costs of those students at 12488
educational institutions; 12489

(b) Provide financial aid and information relating to it 12490
to and through educational institutions, enabling those 12491
institutions to assist students financially in obtaining an 12492
education and fully expanding their intellectual capacity and 12493

skills; 12494

(c) Better enable financial institutions to participate in 12495
student loan programs and other forms of financial aid, 12496
assisting students and educational institutions to increase 12497
education excellence and accessibility. 12498

(E) The nonprofit corporation designated under authority 12499
of division (D) of this section shall do both of the following: 12500

(1) Establish the criteria, standards, terms, and 12501
conditions for participation by students, parents, educational 12502
institutions, and financial institutions in that corporation's 12503
programs; 12504

(2) Provide the governor a report of its programs and a 12505
copy of its audited financial statements not later than one 12506
hundred eighty days after the end of each fiscal year of the 12507
corporation. 12508

No liability, obligation, or debt incurred by the 12509
corporation designated under authority of division (D) of this 12510
section or by any person under that corporation's programs shall 12511
be, or be considered to be, a liability, obligation, or debt of, 12512
or a pledge of the faith and credit of, the state, any political 12513
subdivision of the state, or any state-supported or state- 12514
assisted institution of higher education, nor shall the state or 12515
any political subdivision of the state or any state-supported or 12516
state-assisted institution of higher education be or be 12517
construed to act as an obligor under or guarantor of any 12518
liability, obligation, or debt of that corporation or of any 12519
person under that corporation's programs or incur or be 12520
construed to have incurred any other liability, obligation, or 12521
debt as a result of any acts of the corporation. 12522

(F) The nonprofit corporation designated under authority 12523
of division (D) of this section shall not be deemed to qualify 12524
by reason of the designation as a guarantor or an eligible 12525
lender under sections 435(d) and (j) of the "Higher Education 12526
Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d) and (j), as 12527
amended. 12528

Sec. 3767.41. (A) As used in this section: 12529

(1) "Building" means, except as otherwise provided in this 12530
division, any building or structure that is used or intended to 12531
be used for residential purposes. "Building" includes, but is 12532
not limited to, a building or structure in which any floor is 12533
used for retail stores, shops, salesrooms, markets, or similar 12534
commercial uses, or for offices, banks, civic administration 12535
activities, professional services, or similar business or civic 12536
uses, and in which the other floors are used, or designed and 12537
intended to be used, for residential purposes. "Building" does 12538
not include any building or structure that is occupied by its 12539
owner and that contains three or fewer residential units. 12540

(2) (a) "Public nuisance" means a building that is a menace 12541
to the public health, welfare, or safety; that is structurally 12542
unsafe, unsanitary, or not provided with adequate safe egress; 12543
that constitutes a fire hazard, is otherwise dangerous to human 12544
life, or is otherwise no longer fit and habitable; or that, in 12545
relation to its existing use, constitutes a hazard to the public 12546
health, welfare, or safety by reason of inadequate maintenance, 12547
dilapidation, obsolescence, or abandonment. 12548

(b) "Public nuisance" as it applies to subsidized housing 12549
means subsidized housing that fails to meet the following 12550
standards as specified in the federal rules governing each 12551
standard: 12552

(i) Each building on the site is structurally sound, 12553
secure, habitable, and in good repair, as defined in 24 C.F.R. 12554
5.703(b); 12555

(ii) Each building's domestic water, electrical system, 12556
elevators, emergency power, fire protection, HVAC, and sanitary 12557
system is free of health and safety hazards, functionally 12558
adequate, operable, and in good repair, as defined in 24 C.F.R. 12559
5.703(c); 12560

(iii) Each dwelling unit within the building is 12561
structurally sound, habitable, and in good repair, and all areas 12562
and aspects of the dwelling unit are free of health and safety 12563
hazards, functionally adequate, operable, and in good repair, as 12564
defined in 24 C.F.R. 5.703(d) (1); 12565

(iv) Where applicable, the dwelling unit has hot and cold 12566
running water, including an adequate source of potable water, as 12567
defined in 24 C.F.R. 5.703(d) (2); 12568

(v) If the dwelling unit includes its own sanitary 12569
facility, it is in proper operating condition, usable in 12570
privacy, and adequate for personal hygiene, and the disposal of 12571
human waste, as defined in 24 C.F.R. 5.703(d) (3); 12572

(vi) The common areas are structurally sound, secure, and 12573
functionally adequate for the purposes intended. The basement, 12574
garage, carport, restrooms, closets, utility, mechanical, 12575
community rooms, daycare, halls, corridors, stairs, kitchens, 12576
laundry rooms, office, porch, patio, balcony, and trash 12577
collection areas are free of health and safety hazards, 12578
operable, and in good repair. All common area ceilings, doors, 12579
floors, HVAC, lighting, smoke detectors, stairs, walls, and 12580
windows, to the extent applicable, are free of health and safety 12581

hazards, operable, and in good repair, as defined in 24 C.F.R. 12582
5.703(e); 12583

(vii) All areas and components of the housing are free of 12584
health and safety hazards. These areas include, but are not 12585
limited to, air quality, electrical hazards, elevators, 12586
emergency/fire exits, flammable materials, garbage and debris, 12587
handrail hazards, infestation, and lead-based paint, as defined 12588
in 24 C.F.R. 5.703(f). 12589

(3) "Abate" or "abatement" in connection with any building 12590
means the removal or correction of any conditions that 12591
constitute a public nuisance and the making of any other 12592
improvements that are needed to effect a rehabilitation of the 12593
building that is consistent with maintaining safe and habitable 12594
conditions over its remaining useful life. "Abatement" does not 12595
include the closing or boarding up of any building that is found 12596
to be a public nuisance. 12597

(4) "Interested party" means any owner, mortgagee, 12598
lienholder, tenant, or person that possesses an interest of 12599
record in any property that becomes subject to the jurisdiction 12600
of a court pursuant to this section, and any applicant for the 12601
appointment of a receiver pursuant to this section. 12602

(5) "Neighbor" means any owner of property, including, but 12603
not limited to, any person who is purchasing property by land 12604
installment contract or under a duly executed purchase contract, 12605
that is located within five hundred feet of any property that 12606
becomes subject to the jurisdiction of a court pursuant to this 12607
section, and any occupant of a building that is so located. 12608

(6) "Tenant" has the same meaning as in section 5321.01 of 12609
the Revised Code. 12610

(7) "Subsidized housing" means a property consisting of 12611
more than four dwelling units that, in whole or in part, 12612
receives project-based assistance pursuant to a contract under 12613
any of the following federal housing programs: 12614

(a) The new construction or substantial rehabilitation 12615
program under section 8(b)(2) of the "United States Housing Act 12616
of 1937," Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f(b) 12617
(2) as that program was in effect immediately before the first 12618
day of October, 1983; 12619

(b) The moderate rehabilitation program under section 8(e) 12620
(2) of the "United States Housing Act of 1937," Pub. L. No. 75- 12621
412, 50 Stat. 888, 42 U.S.C. 1437f(e)(2); 12622

(c) The loan management assistance program under section 8 12623
of the "United States Housing Act of 1937," Pub. L. No. 75-412, 12624
50 Stat. 888, 42 U.S.C. 1437f; 12625

(d) The rent supplement program under section 101 of the 12626
"Housing and Urban Development Act of 1965," Pub. L. No. 89-174, 12627
79 Stat. 667, 12 U.S.C. 1701s; 12628

(e) Section 8 of the "United States Housing Act of 1937," 12629
Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f, following 12630
conversion from assistance under section 101 of the "Housing and 12631
Urban Development Act of 1965," Pub. L. No. 89-174, 79 Stat. 12632
667, 12 U.S.C. 1701s; 12633

(f) The program of supportive housing for the elderly 12634
under section 202 of the "Housing Act of 1959," Pub. L. No. 86- 12635
372, 73 Stat. 654, 12 U.S.C. 1701q; 12636

(g) The program of supportive housing for persons with 12637
disabilities under section 811 of the "National Affordable 12638
Housing Act of 1990," Pub. L. No. 101-625, 104 Stat. 4313, 42 12639

U.S.C. 8013; 12640

(h) The rental assistance program under section 521 of the 12641
"United States Housing Act of 1949," Pub. L. No. 90-448, 82 12642
Stat. 551, as amended by Pub. L. No. 93-383, 88 Stat. 696, 42 12643
U.S.C. 1490a. 12644

(8) "Project-based assistance" means the assistance is 12645
attached to the property and provides rental assistance only on 12646
behalf of tenants who reside in that property. 12647

(9) "Landlord" has the same meaning as in section 5321.01 12648
of the Revised Code. 12649

(B) (1) (a) In any civil action to enforce any local 12650
building, housing, air pollution, sanitation, health, fire, 12651
zoning, or safety code, ordinance, resolution, or regulation 12652
applicable to buildings, that is commenced in a court of common 12653
pleas, municipal court, housing or environmental division of a 12654
municipal court, or county court, or in any civil action for 12655
abatement commenced in a court of common pleas, municipal court, 12656
housing or environmental division of a municipal court, or 12657
county court, by a municipal corporation or township in which 12658
the building involved is located, by any neighbor, tenant, or by 12659
a nonprofit corporation that is duly organized and has as one of 12660
its goals the improvement of housing conditions in the county or 12661
municipal corporation in which the building involved is located, 12662
if a building is alleged to be a public nuisance, the municipal 12663
corporation, township, neighbor, tenant, or nonprofit 12664
corporation may apply in its complaint for an injunction or 12665
other order as described in division (C) (1) of this section, or 12666
for the relief described in division (C) (2) of this section, 12667
including, if necessary, the appointment of a receiver as 12668
described in divisions (C) (2) and (3) of this section, or for 12669

both such an injunction or other order and such relief. The 12670
municipal corporation, township, neighbor, tenant, or nonprofit 12671
corporation commencing the action is not liable for the costs, 12672
expenses, and fees of any receiver appointed pursuant to 12673
divisions (C) (2) and (3) of this section. 12674

(b) Prior to commencing a civil action for abatement when 12675
the property alleged to be a public nuisance is subsidized 12676
housing, the municipal corporation, township, neighbor, tenant, 12677
or nonprofit corporation commencing the action shall provide the 12678
landlord of that property with written notice that specifies one 12679
or more defective conditions that constitute a public nuisance 12680
as that term applies to subsidized housing and states that if 12681
the landlord fails to remedy the condition within sixty days of 12682
the service of the notice, a claim pursuant to this section may 12683
be brought on the basis that the property constitutes a public 12684
nuisance in subsidized housing. Any party authorized to bring an 12685
action against the landlord shall make reasonable attempts to 12686
serve the notice in the manner prescribed in the Rules of Civil 12687
Procedure to the landlord or the landlord's agent for the 12688
property at the property's management office, or at the place 12689
where the tenants normally pay or send rent. If the landlord is 12690
not the owner of record, the party bringing the action shall 12691
make a reasonable attempt to serve the owner. If the owner does 12692
not receive service the person bringing the action shall certify 12693
the attempts to serve the owner. 12694

(2) (a) In a civil action described in division (B) (1) of 12695
this section, a copy of the complaint and a notice of the date 12696
and time of a hearing on the complaint shall be served upon the 12697
owner of the building and all other interested parties in 12698
accordance with the Rules of Civil Procedure. If certified mail 12699
service, personal service, or residence service of the complaint 12700

and notice is refused or certified mail service of the complaint 12701
and notice is not claimed, and if the municipal corporation, 12702
township, neighbor, tenant, or nonprofit corporation commencing 12703
the action makes a written request for ordinary mail service of 12704
the complaint and notice, or uses publication service, in 12705
accordance with the Rules of Civil Procedure, then a copy of the 12706
complaint and notice shall be posted in a conspicuous place on 12707
the building. 12708

(b) The judge in a civil action described in division (B) 12709
(1) of this section shall conduct a hearing at least twenty- 12710
eight days after the owner of the building and the other 12711
interested parties have been served with a copy of the complaint 12712
and the notice of the date and time of the hearing in accordance 12713
with division (B) (2) (a) of this section. 12714

(c) In considering whether subsidized housing is a public 12715
nuisance, the judge shall construe the standards set forth in 12716
division (A) (2) (b) of this section in a manner consistent with 12717
department of housing and urban development and judicial 12718
interpretations of those standards. The judge shall deem that 12719
the property is not a public nuisance if during the twelve 12720
months prior to the service of the notice that division (B) (1) 12721
(b) of this section requires, the department of housing and 12722
urban development's real estate assessment center issued a score 12723
of seventy-five or higher out of a possible one hundred points 12724
pursuant to its regulations governing the physical condition of 12725
multifamily properties pursuant to 24 C.F.R. part 200, subpart 12726
P, and since the most recent inspection, there has been no 12727
significant change in the property's conditions that would 12728
create a serious threat to the health, safety, or welfare of the 12729
property's tenants. 12730

(C) (1) If the judge in a civil action described in 12731
division (B) (1) of this section finds at the hearing required by 12732
division (B) (2) of this section that the building involved is a 12733
public nuisance, if the judge additionally determines that the 12734
owner of the building previously has not been afforded a 12735
reasonable opportunity to abate the public nuisance or has been 12736
afforded such an opportunity and has not refused or failed to 12737
abate the public nuisance, and if the complaint of the municipal 12738
corporation, township, neighbor, tenant, or nonprofit 12739
corporation commencing the action requested the issuance of an 12740
injunction as described in this division, then the judge may 12741
issue an injunction requiring the owner of the building to abate 12742
the public nuisance or issue any other order that the judge 12743
considers necessary or appropriate to cause the abatement of the 12744
public nuisance. If an injunction is issued pursuant to this 12745
division, the owner of the building involved shall be given no 12746
more than thirty days from the date of the entry of the judge's 12747
order to comply with the injunction, unless the judge, for good 12748
cause shown, extends the time for compliance. 12749

(2) If the judge in a civil action described in division 12750
(B) (1) of this section finds at the hearing required by division 12751
(B) (2) of this section that the building involved is a public 12752
nuisance, if the judge additionally determines that the owner of 12753
the building previously has been afforded a reasonable 12754
opportunity to abate the public nuisance and has refused or 12755
failed to do so, and if the complaint of the municipal 12756
corporation, township, neighbor, tenant, or nonprofit 12757
corporation commencing the action requested relief as described 12758
in this division, then the judge shall offer any mortgagee, 12759
lienholder, or other interested party associated with the 12760
property on which the building is located, in the order of the 12761

priority of interest in title, the opportunity to undertake the 12762
work and to furnish the materials necessary to abate the public 12763
nuisance. Prior to selecting any interested party, the judge 12764
shall require the interested party to demonstrate the ability to 12765
promptly undertake the work and furnish the materials required, 12766
to provide the judge with a viable financial and construction 12767
plan for the rehabilitation of the building as described in 12768
division (D) of this section, and to post security for the 12769
performance of the work and the furnishing of the materials. 12770

If the judge determines, at the hearing, that no 12771
interested party is willing or able to undertake the work and to 12772
furnish the materials necessary to abate the public nuisance, or 12773
if the judge determines, at any time after the hearing, that any 12774
party who is undertaking corrective work pursuant to this 12775
division cannot or will not proceed, or has not proceeded with 12776
due diligence, the judge may appoint a receiver pursuant to 12777
division (C) (3) of this section to take possession and control 12778
of the building. 12779

(3) (a) The judge in a civil action described in division 12780
(B) (1) of this section shall not appoint any person as a 12781
receiver unless the person first has provided the judge with a 12782
viable financial and construction plan for the rehabilitation of 12783
the building involved as described in division (D) of this 12784
section and has demonstrated the capacity and expertise to 12785
perform the required work and to furnish the required materials 12786
in a satisfactory manner. An appointed receiver may be a 12787
financial institution that possesses an interest of record in 12788
the building or the property on which it is located, a nonprofit 12789
corporation as described in divisions (B) (1) and (C) (3) (b) of 12790
this section, including, but not limited to, a nonprofit 12791
corporation that commenced the action described in division (B) 12792

(1) of this section, or any other qualified property manager. 12793

(b) To be eligible for appointment as a receiver, no part 12794
of the net earnings of a nonprofit corporation shall inure to 12795
the benefit of any private shareholder or individual. Membership 12796
on the board of trustees of a nonprofit corporation appointed as 12797
a receiver does not constitute the holding of a public office or 12798
employment within the meaning of sections 731.02 and 731.12 or 12799
any other section of the Revised Code and does not constitute a 12800
direct or indirect interest in a contract or expenditure of 12801
money by any municipal corporation. A member of a board of 12802
trustees of a nonprofit corporation appointed as a receiver 12803
shall not be disqualified from holding any public office or 12804
employment, and shall not forfeit any public office or 12805
employment, by reason of membership on the board of trustees, 12806
notwithstanding any law to the contrary. 12807

(D) Prior to ordering any work to be undertaken, or the 12808
furnishing of any materials, to abate a public nuisance under 12809
this section, the judge in a civil action described in division 12810
(B) (1) of this section shall review the submitted financial and 12811
construction plan for the rehabilitation of the building 12812
involved and, if it specifies all of the following, shall 12813
approve that plan: 12814

(1) The estimated cost of the labor, materials, and any 12815
other development costs that are required to abate the public 12816
nuisance; 12817

(2) The estimated income and expenses of the building and 12818
the property on which it is located after the furnishing of the 12819
materials and the completion of the repairs and improvements; 12820

(3) The terms, conditions, and availability of any 12821

financing that is necessary to perform the work and to furnish 12822
the materials; 12823

(4) If repair and rehabilitation of the building are found 12824
not to be feasible, the cost of demolition of the building or of 12825
the portions of the building that constitute the public 12826
nuisance. 12827

(E) Upon the written request of any of the interested 12828
parties to have a building, or portions of a building, that 12829
constitute a public nuisance demolished because repair and 12830
rehabilitation of the building are found not to be feasible, the 12831
judge may order the demolition. However, the demolition shall 12832
not be ordered unless the requesting interested parties have 12833
paid the costs of demolition and, if any, of the receivership, 12834
and, if any, all notes, certificates, mortgages, and fees of the 12835
receivership. 12836

(F) Before proceeding with the duties of receiver, any 12837
receiver appointed by the judge in a civil action described in 12838
division (B)(1) of this section may be required by the judge to 12839
post a bond in an amount fixed by the judge, but not exceeding 12840
the value of the building involved as determined by the judge. 12841

The judge may empower the receiver to do any or all of the 12842
following: 12843

(1) Take possession and control of the building and the 12844
property on which it is located, operate and manage the building 12845
and the property, establish and collect rents and income, lease 12846
and rent the building and the property, and evict tenants; 12847

(2) Pay all expenses of operating and conserving the 12848
building and the property, including, but not limited to, the 12849
cost of electricity, gas, water, sewerage, heating fuel, repairs 12850

and supplies, custodian services, taxes and assessments, and 12851
insurance premiums, and hire and pay reasonable compensation to 12852
a managing agent; 12853

(3) Pay pre-receivership mortgages or installments of them 12854
and other liens; 12855

(4) Perform or enter into contracts for the performance of 12856
all work and the furnishing of materials necessary to abate, and 12857
obtain financing for the abatement of, the public nuisance; 12858

(5) Pursuant to court order, remove and dispose of any 12859
personal property abandoned, stored, or otherwise located in or 12860
on the building and the property that creates a dangerous or 12861
unsafe condition or that constitutes a violation of any local 12862
building, housing, air pollution, sanitation, health, fire, 12863
zoning, or safety code, ordinance, or regulation; 12864

(6) Obtain mortgage insurance for any receiver's mortgage 12865
from any agency of the federal government; 12866

(7) Enter into any agreement and do those things necessary 12867
to maintain and preserve the building and the property and 12868
comply with all local building, housing, air pollution, 12869
sanitation, health, fire, zoning, or safety codes, ordinances, 12870
resolutions, and regulations; 12871

(8) Give the custody of the building and the property, and 12872
the opportunity to abate the nuisance and operate the property, 12873
to its owner or any mortgagee or lienholder of record; 12874

(9) Issue notes and secure them by a mortgage bearing 12875
interest, and upon terms and conditions, that the judge 12876
approves. When sold or transferred by the receiver in return for 12877
valuable consideration in money, material, labor, or services, 12878
the notes or certificates shall be freely transferable. Any 12879

mortgages granted by the receiver shall be superior to any 12880
claims of the receiver. Priority among the receiver's mortgages 12881
shall be determined by the order in which they are recorded. 12882

(G) A receiver appointed pursuant to this section is not 12883
personally liable except for misfeasance, malfeasance, or 12884
nonfeasance in the performance of the functions of the office of 12885
receiver. 12886

(H) (1) The judge in a civil action described in division 12887
(B) (1) of this section may assess as court costs, the expenses 12888
described in division (F) (2) of this section, and may approve 12889
receiver's fees to the extent that they are not covered by the 12890
income from the property. Subject to that limitation, a receiver 12891
appointed pursuant to divisions (C) (2) and (3) of this section 12892
is entitled to receive fees in the same manner and to the same 12893
extent as receivers appointed in actions to foreclose mortgages. 12894

(2) (a) Pursuant to the police powers vested in the state, 12895
all expenditures of a mortgagee, lienholder, or other interested 12896
party that has been selected pursuant to division (C) (2) of this 12897
section to undertake the work and to furnish the materials 12898
necessary to abate a public nuisance, and any expenditures in 12899
connection with the foreclosure of the lien created by this 12900
division, is a first lien upon the building involved and the 12901
property on which it is located and is superior to all prior and 12902
subsequent liens or other encumbrances associated with the 12903
building or the property, including, but not limited to, those 12904
for taxes and assessments, upon the occurrence of both of the 12905
following: 12906

(i) The prior approval of the expenditures by, and the 12907
entry of a judgment to that effect by, the judge in the civil 12908
action described in division (B) (1) of this section; 12909

(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. 12910
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(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 located and are 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: 12915
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(i) The approval of the expenses, amounts, or fees 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; or the approval of the mortgages in accordance with division (F) (9) of this section by, and the entry of a judgment to that effect by, that judge; 12931
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(ii) The recordation of a certified copy of the judgment entry and a sufficient description of the property on which the building is located, or, in the case of a mortgage, the 12937
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recordation of the mortgage, a certified copy of the judgment 12940
entry, and such a description, with the county recorder of the 12941
county in which the property is located within sixty days after 12942
the date of the entry of the judgment. 12943

(c) Priority among the liens described in divisions (H) (2) 12944
(a) and (b) of this section shall be determined as described in 12945
division (I) of this section. Additionally, the creation 12946
pursuant to this section of a mortgage lien that is prior to or 12947
superior to any mortgage of record at the time the mortgage lien 12948
is so created, does not disqualify the mortgage of record as a 12949
legal investment under Chapter 1107. or ~~1151.~~ or any other 12950
chapter of the Revised Code. 12951

(I) (1) If a receiver appointed pursuant to divisions (C) 12952
(2) and (3) of this section files with the judge in the civil 12953
action described in division (B) (1) of this section a report 12954
indicating that the public nuisance has been abated, if the 12955
judge confirms that the receiver has abated the public nuisance, 12956
and if the receiver or any interested party requests the judge 12957
to enter an order directing the receiver to sell the building 12958
and the property on which it is located, the judge may enter 12959
that order after holding a hearing as described in division (I) 12960
(2) of this section and otherwise complying with that division. 12961

(2) (a) The receiver or interested party requesting an 12962
order as described in division (I) (1) of this section shall 12963
cause a notice of the date and time of a hearing on the request 12964
to be served on the owner of the building involved and all other 12965
interested parties in accordance with division (B) (2) (a) of this 12966
section. The judge in the civil action described in division (B) 12967
(1) of this section shall conduct the scheduled hearing. At the 12968
hearing, if the owner or any interested party objects to the 12969

sale of the building and the property, the burden of proof shall 12970
be upon the objecting person to establish, by a preponderance of 12971
the evidence, that the benefits of not selling the building and 12972
the property outweigh the benefits of selling them. If the judge 12973
determines that there is no objecting person, or if the judge 12974
determines that there is one or more objecting persons but no 12975
objecting person has sustained the burden of proof specified in 12976
this division, the judge may enter an order directing the 12977
receiver to offer the building and the property for sale upon 12978
terms and conditions that the judge shall specify. 12979

(b) In any sale of subsidized housing that is ordered 12980
pursuant to this section, the judge shall specify that the 12981
subsidized housing not be conveyed unless that conveyance 12982
complies with applicable federal law and applicable program 12983
contracts for that housing. Any such conveyance shall be subject 12984
to the condition that the purchaser enter into a contract with 12985
the department of housing and urban development or the rural 12986
housing service of the federal department of agriculture under 12987
which the property continues to be subsidized housing and the 12988
owner continues to operate that property as subsidized housing 12989
unless the secretary of housing and urban development or the 12990
administrator of the rural housing service terminates that 12991
property's contract prior to or upon the conveyance of the 12992
property. 12993

(3) If a sale of a building and the property on which it 12994
is located is ordered pursuant to divisions (I)(1) and (2) of 12995
this section and if the sale occurs in accordance with the terms 12996
and conditions specified by the judge in the judge's order of 12997
sale, then the receiver shall distribute the proceeds of the 12998
sale and the balance of any funds that the receiver may possess, 12999
after the payment of the costs of the sale, in the following 13000

order of priority and in the described manner: 13001

(a) First, in satisfaction of any notes issued by the receiver pursuant to division (F) of this section, in their order of priority; 13002
13003
13004

(b) Second, any unreimbursed expenses and other amounts paid in accordance with division (F) of this section by the receiver, and the fees of the receiver approved pursuant to division (H) (1) of this section; 13005
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13007
13008

(c) Third, 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, provided that the expenditures were approved as described in division (H) (2) (a) of this section and provided that, if any such interested party subsequently became the receiver, its expenditures shall be paid prior to the expenditures of any of the other interested parties so selected; 13009
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(d) Fourth, the amount due for delinquent taxes, assessments, charges, penalties, and interest owed to this state or a political subdivision of this state, provided that, if the amount available for distribution pursuant to division (I) (3) (d) of this section is insufficient to pay the entire amount of those taxes, assessments, charges, penalties, and interest, the proceeds and remaining funds shall be paid to each claimant in proportion to the amount of those taxes, assessments, charges, penalties, and interest that each is due. 13018
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(e) The amount of any pre-receivership mortgages, liens, or other encumbrances, in their order of priority. 13027
13028

(4) Following a distribution in accordance with division 13029

(I) (3) of this section, the receiver shall request the judge in 13030
the civil action described in division (B) (1) of this section to 13031
enter an order terminating the receivership. If the judge 13032
determines that the sale of the building and the property on 13033
which it is located occurred in accordance with the terms and 13034
conditions specified by the judge in the judge's order of sale 13035
under division (I) (2) of this section and that the receiver 13036
distributed the proceeds of the sale and the balance of any 13037
funds that the receiver possessed, after the payment of the 13038
costs of the sale, in accordance with division (I) (3) of this 13039
section, and if the judge approves any final accounting required 13040
of the receiver, the judge may terminate the receivership. 13041

(J) (1) A receiver appointed pursuant to divisions (C) (2) 13042
and (3) of this section may be discharged at any time in the 13043
discretion of the judge in the civil action described in 13044
division (B) (1) of this section. The receiver shall be 13045
discharged by the judge as provided in division (I) (4) of this 13046
section, or when all of the following have occurred: 13047

(a) The public nuisance has been abated; 13048

(b) All costs, expenses, and approved fees of the 13049
receivership have been paid; 13050

(c) Either all receiver's notes issued and mortgages 13051
granted pursuant to this section have been paid, or all the 13052
holders of the notes and mortgages request that the receiver be 13053
discharged. 13054

(2) If a judge in a civil action described in division (B) 13055
(1) of this section determines that, and enters of record a 13056
declaration that, a public nuisance has been abated by a 13057
receiver, and if, within three days after the entry of the 13058

declaration, all costs, expenses, and approved fees of the 13059
receivership have not been paid in full, then, in addition to 13060
the circumstances specified in division (I) of this section for 13061
the entry of such an order, the judge may enter an order 13062
directing the receiver to sell the building involved and the 13063
property on which it is located. Any such order shall be 13064
entered, and the sale shall occur, only in compliance with 13065
division (I) of this section. 13066

(K) The title in any building, and in the property on 13067
which it is located, that is sold at a sale ordered under 13068
division (I) or (J) (2) of this section shall be incontestable in 13069
the purchaser and shall be free and clear of all liens for 13070
delinquent taxes, assessments, charges, penalties, and interest 13071
owed to this state or any political subdivision of this state, 13072
that could not be satisfied from the proceeds of the sale and 13073
the remaining funds in the receiver's possession pursuant to the 13074
distribution under division (I) (3) of this section. All other 13075
liens and encumbrances with respect to the building and the 13076
property shall survive the sale, including, but not limited to, 13077
a federal tax lien notice properly filed in accordance with 13078
section 317.09 of the Revised Code prior to the time of the 13079
sale, and the easements and covenants of record running with the 13080
property that were created prior to the time of the sale. 13081

(L) (1) Nothing in this section shall be construed as a 13082
limitation upon the powers granted to a court of common pleas, a 13083
municipal court or a housing or environmental division of a 13084
municipal court under Chapter 1901. of the Revised Code, or a 13085
county court under Chapter 1907. of the Revised Code. 13086

(2) The monetary and other limitations specified in 13087
Chapters 1901. and 1907. of the Revised Code upon the 13088

jurisdiction of municipal and county courts, and of housing or 13089
environmental divisions of municipal courts, in civil actions do 13090
not operate as limitations upon any of the following: 13091

(a) Expenditures of a mortgagee, lienholder, or other 13092
interested party that has been selected pursuant to division (C) 13093
(2) of this section to undertake the work and to furnish the 13094
materials necessary to abate a public nuisance; 13095

(b) Any notes issued by a receiver pursuant to division 13096
(F) of this section; 13097

(c) Any mortgage granted by a receiver in accordance with 13098
division (F) of this section; 13099

(d) Expenditures in connection with the foreclosure of a 13100
mortgage granted by a receiver in accordance with division (F) 13101
of this section; 13102

(e) The enforcement of an order of a judge entered 13103
pursuant to this section; 13104

(f) The actions that may be taken pursuant to this section 13105
by a receiver or a mortgagee, lienholder, or other interested 13106
party that has been selected pursuant to division (C) (2) of this 13107
section to undertake the work and to furnish the materials 13108
necessary to abate a public nuisance. 13109

(3) A judge in a civil action described in division (B) (1) 13110
of this section, or the judge's successor in office, has 13111
continuing jurisdiction to review the condition of any building 13112
that was determined to be a public nuisance pursuant to this 13113
section. 13114

(4) Nothing in this section shall be construed to limit or 13115
prohibit a municipal corporation or township that has filed with 13116

the superintendent of insurance a certified copy of an adopted 13117
resolution, ordinance, or regulation authorizing the procedures 13118
described in divisions (C) and (D) of section 3929.86 of the 13119
Revised Code from receiving insurance proceeds under section 13120
3929.86 of the Revised Code. 13121

Sec. 4303.293. (A) Any person making application 13122
concerning a permit to conduct a business for which a permit is 13123
required under this chapter shall list on the application the 13124
name and address of each person having a legal or beneficial 13125
interest in the ownership of the business, including contracts 13126
for purchase on an installment basis. If any person is a 13127
corporation or limited liability company, the applicant shall 13128
list the names of each officer of the corporation; the names of 13129
each officer of the limited liability company, if the limited 13130
liability company has officers, and the names of the managing 13131
members of the company or the managers of the company, if the 13132
management of the company is not reserved to its members; the 13133
names of each person owning or controlling five per cent or more 13134
of the capital stock of the corporation; and the names of each 13135
person owning or controlling five per cent or more of either the 13136
voting interests or membership interests in the limited 13137
liability company. If any person is a partnership or 13138
association, the applicant shall list the names of each partner 13139
or member of the association. Any person having a legal or 13140
beneficial interest in the ownership of the business, other than 13141
a bank as defined in section 1101.01 of the Revised Code ~~or a~~ 13142
~~building and loan association as defined in section 1151.01 of~~ 13143
~~the Revised Code,~~ shall notify the division of liquor control of 13144
the interest, including contracts for purchase on an installment 13145
basis, occurring after the application for, or the issuance of, 13146
the permit. The notification shall be given within fifteen days 13147

of the change. Whenever the person to whom a permit has been 13148
issued is a corporation or limited liability company and any 13149
transfer of that corporation's stock or that limited liability 13150
company's membership interests is proposed such that, following 13151
the transfer, the owner of the majority or plurality of shares 13152
of stock in the corporation would change or the owner of the 13153
majority or plurality of the limited liability company's 13154
membership interests would change, the proposed transfer of 13155
stock or membership interests shall be considered a proposed 13156
transfer of ownership of the permit, and application shall be 13157
made to the division of liquor control for a transfer of 13158
ownership. The application shall be subject to the notice and 13159
hearing requirements of section 4303.26 of the Revised Code and 13160
to the restrictions imposed by section 4303.29 and division (A) 13161
(1) of section 4303.292 of the Revised Code. 13162

(B) Whoever violates this section is guilty of a 13163
misdemeanor of the first degree. 13164

Sec. 5814.01. As used in sections 5814.01 to 5814.10 of 13165
the Revised Code, unless the context otherwise requires: 13166

(A) "Benefit plan" means any plan of an employer for the 13167
benefit of any employee, any plan for the benefit of any 13168
partner, or any plan for the benefit of a proprietor, and 13169
includes, but is not limited to, any pension, retirement, death 13170
benefit, deferred compensation, employment agency, stock bonus, 13171
option, or profit-sharing contract, plan, system, account, or 13172
trust. 13173

(B) "Broker" means a person that is lawfully engaged in 13174
the business of effecting transactions in securities for the 13175
account of others. A "broker" includes a financial institution 13176
that effects such transactions and a person who is lawfully 13177

engaged in buying and selling securities for the person's own 13178
account, through a broker or otherwise, as a part of a regular 13179
business. 13180

(C) "Court" means the probate court. 13181

(D) "The custodial property" includes: 13182

(1) All securities, money, life or endowment insurance 13183
policies, annuity contracts, benefit plans, real estate, 13184
tangible and intangible personal property, proceeds of a life or 13185
endowment insurance policy, an annuity contract, or a benefit 13186
plan, and other types of property under the supervision of the 13187
same custodian for the same minor as a consequence of a transfer 13188
or transfers made to the minor, a gift or gifts made to the 13189
minor, or a purchase made by the custodian for the minor, in a 13190
manner prescribed in sections 5814.01 to 5814.10 of the Revised 13191
Code; 13192

(2) The income from the custodial property; 13193

(3) The proceeds, immediate and remote, from the sale, 13194
exchange, conversion, investment, reinvestment, or other 13195
disposition of the securities, money, life or endowment 13196
insurance policies, annuity contracts, benefit plans, real 13197
estate, tangible and intangible personal property, proceeds of a 13198
life or endowment insurance policy, an annuity contract, or a 13199
benefit plan, other types of property, and income. 13200

(E) "Custodian" or "successor custodian" means a person so 13201
designated in a manner prescribed in sections 5814.01 to 5814.10 13202
of the Revised Code. 13203

(F) "Financial institution" means any bank, as defined in 13204
section 1101.01, ~~any building and loan association, as defined~~ 13205
~~in section 1151.01~~ of the Revised Code, any credit union as 13206

defined in section 1733.01 of the Revised Code, and any federal 13207
credit union, as defined in the "Federal Credit Union Act," 73 13208
Stat. 628 (1959), 12 U.S.C.A. 1752, as amended. 13209

(G) "Guardian of the minor" includes the general guardian, 13210
guardian, tutor, or curator of the property, estate, or person 13211
of a minor. 13212

(H) "Issuer" means a person who places or authorizes the 13213
placing of the person's name on a security, other than as a 13214
transfer agent, to evidence that it represents a share, 13215
participation, or other interest in the person's property or in 13216
an enterprise, or to evidence the person's duty or undertaking 13217
to perform an obligation that is evidenced by the security, or 13218
who becomes responsible for or in place of any such person. 13219

(I) "Legal representative" of a person means the executor, 13220
administrator, general guardian, guardian, committee, 13221
conservator, tutor, or curator of the person's property or 13222
estate. 13223

(J) "Member of the minor's family" means a parent, 13224
stepparent, spouse, grandparent, brother, sister, uncle, or aunt 13225
of the minor, whether of the whole or half blood, or by 13226
adoption. 13227

(K) (1) Except as provided in division (K) (2) of this 13228
section, "minor" means an individual who has not attained the 13229
age of twenty-one years. 13230

(2) When used with reference to the beneficiary for whose 13231
benefit custodial property is held or is to be held, "minor" 13232
means an individual who has not attained the age at which the 13233
custodian is required under section 5814.09 of the Revised Code 13234
to transfer the custodial property to the beneficiary. 13235

(L) "Security" includes any note, stock, treasury stock, 13236
common trust fund, bond, debenture, evidence of indebtedness, 13237
certificate of interest or participation in an oil, gas, or 13238
mining title or lease or in payments out of production under an 13239
oil, gas, or mining title or lease, collateral trust 13240
certificate, transferable share, voting trust certificate, or, 13241
in general, any interest or instrument commonly known as a 13242
security, or any certificate of interest or participation in, 13243
any temporary or interim certificate, receipt or certificate of 13244
deposit for, or any warrant or right to subscribe to or 13245
purchase, any of the foregoing. A "security" does not include a 13246
security of which the donor or transferor is the issuer. A 13247
security is in "registered form" when it specifies a person who 13248
is entitled to it or to the rights that it evidences and its 13249
transfer may be registered upon books maintained for that 13250
purpose by or on behalf of the issuer. 13251

(M) "Transfer" means a disposition, other than a gift, by 13252
a person who is eighteen years of age or older that creates 13253
custodial property under sections 5814.01 to 5814.10 of the 13254
Revised Code. 13255

(N) "Transfer agent" means a person who acts as 13256
authenticating trustee, transfer agent, registrar, or other 13257
agent for an issuer in the registration of transfers of its 13258
securities, in the issue of new securities, or in the 13259
cancellation of surrendered securities. 13260

(O) "Transferor" means a person who is eighteen years of 13261
age or older, who makes a transfer. 13262

(P) "Trust company" means a financial institution that is 13263
authorized to exercise trust powers. 13264

(Q) "Administrator" includes an "administrator with the will annexed." 13265
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1165.21, 1165.22, 1165.23, 1165.24, 1165.25, 1165.26, 1165.27, 13343
1165.28, 1165.29, 1165.30, 1165.33, 1181.16, 1181.17, and 13344
1181.18 of the Revised Code are hereby repealed. 13345

Section 3. Notwithstanding section 1123.01 of the Revised 13346
Code, as amended by this act, both of the following apply: 13347

(A) The appointed members who are serving on the Banking 13348
Commission as of the effective date of this section shall serve 13349
until the end of the term for which the member was appointed. 13350
The terms of office set forth in division (B) of that section 13351
and the qualifications for membership set forth in division (D) 13352
of that section shall first apply to the members appointed on or 13353
after the effective date of this section. 13354

(B) The Banking Commission shall, on the effective date of 13355
this section, additionally consist of the six members appointed 13356
to the Savings and Loan Associations and Savings Banks Board 13357

under section 1181.16 of the Revised Code. Each such member 13358
shall serve until the end of the term for which the member was 13359
appointed. 13360

Section 4. CASH TRANSFER FROM SAVINGS INSTITUTIONS FUND 13361

On the effective date of this section, or as soon as 13362
possible thereafter, the Director of Budget and Management, upon 13363
the written request of the Director of Commerce, may transfer 13364
the cash balance in the Savings Institutions Fund (Fund 5450) to 13365
the Banks Fund (Fund 5440). Upon completion of the transfer, 13366
Fund 5450 is hereby abolished. 13367

Section 5. Sections 1, 2, 3, and 4 of this act, except for 13368
sections 135.182, 1121.24, 1121.29, 1121.30, and 1123.03 of the 13369
Revised Code, shall take effect January 1, 2018. Sections 13370
135.182, 1121.24, 1121.29, 1121.30, and 1123.03 of the Revised 13371
Code, as amended or enacted by this act, shall take effect at 13372
the earliest time permitted by law. 13373

Section 6. Section 1121.02 of the Revised Code is 13374
presented in this act as a composite of the section as amended 13375
by both Am. Sub. H.B. 538 and Am. Sub. S.B. 293 of the 121st 13376
General Assembly. The General Assembly, applying the principle 13377
stated in division (B) of section 1.52 of the Revised Code that 13378
amendments are to be harmonized if reasonably capable of 13379
simultaneous operation, finds that the composite is the 13380
resulting version of the section in effect prior to the 13381
effective date of the section as presented in this act. 13382