

**As Passed by the Senate**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**Sub. S. B. No. 29**

**Senators Coley, Oelslager**

**Cosponsors: Senators Gardner, Beagle, Eklund, Hottinger, Terhar, Hackett, Balderson, Brown, Dolan, Hite, Hoagland, Jordan, Kunze, LaRose, Lehner, Manning, Obhof, Peterson, Schiavoni, Sykes, Tavares, Thomas, Uecker, Wilson**

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**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  
902.01, 924.10, 924.26, 924.45, 1101.01, 5  
1101.02, 1101.03, 1101.15, 1101.16, 1103.01, 6  
1103.02, 1103.03, 1103.06, 1103.07, 1103.08, 7  
1103.09, 1103.11, 1103.13, 1103.14, 1103.15, 8  
1103.16, 1103.18, 1103.19, 1103.20, 1103.21, 9  
1105.01, 1105.02, 1105.03, 1105.04, 1105.08, 10  
1105.10, 1105.11, 1107.03, 1107.05, 1107.07, 11  
1107.09, 1107.11, 1107.13, 1107.15, 1109.01, 12  
1109.02, 1109.03, 1109.05, 1109.08, 1109.10, 13  
1109.15, 1109.16, 1109.17, 1109.22, 1109.23, 14  
1109.24, 1109.25, 1109.26, 1109.31, 1109.32, 15  
1109.33, 1109.34, 1109.35, 1109.36, 1109.39, 16  
1109.40, 1109.43, 1109.44, 1109.45, 1109.47, 17  
1109.48, 1109.49, 1109.53, 1109.54, 1109.55, 18  
1109.59, 1109.61, 1109.63, 1109.64, 1109.65, 19  
1109.69, 1111.01, 1111.02, 1111.03, 1111.04, 20  
1111.06, 1111.07, 1111.08, 1111.09, 1113.01, 21  
1113.03, 1113.05, 1113.06, 1113.08, 1113.09, 22

1115.01, 1115.05, 1115.06, 1115.07, 1115.11,	23
1115.111, 1115.14, 1115.15, 1115.20, 1115.23,	24
1115.27, 1117.01, 1117.02, 1117.04, 1117.05,	25
1119.11, 1119.17, 1119.23, 1119.26, 1121.01,	26
1121.02, 1121.05, 1121.06, 1121.10, 1121.12,	27
1121.13, 1121.15, 1121.16, 1121.17, 1121.18,	28
1121.21, 1121.23, 1121.24, 1121.26, 1121.30,	29
1121.33, 1121.34, 1121.38, 1121.41, 1121.43,	30
1121.45, 1121.47, 1121.48, 1121.50, 1121.56,	31
1123.01, 1123.02, 1123.03, 1125.01, 1125.03,	32
1125.04, 1125.05, 1125.06, 1125.09, 1125.10,	33
1125.11, 1125.12, 1125.13, 1125.14, 1125.17,	34
1125.18, 1125.19, 1125.20, 1125.21, 1125.22,	35
1125.23, 1125.24, 1125.25, 1125.26, 1125.27,	36
1125.28, 1125.29, 1125.30, 1125.33, 1181.01,	37
1181.02, 1181.03, 1181.04, 1181.05, 1181.06,	38
1181.07, 1181.10, 1181.11, 1181.21, 1181.25,	39
1349.16, 1509.07, 1509.225, 1510.09, 1514.04,	40
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
1103.99, 1109.021, 1109.04, 1109.151, 1109.441,	50
1109.62, 1114.01, 1114.02, 1114.03, 1114.04,	51
1114.05, 1114.06, 1114.07, 1114.08, 1114.09,	52
1114.10, 1114.11, 1114.12, 1114.16, 1115.02,	53
1115.03, 1115.24, 1116.01, 1116.02, 1116.05,	54

1116.06, 1116.07, 1116.08, 1116.09, 1116.10,	55
1116.11, 1116.12, 1116.13, 1116.16, 1116.18,	56
1116.19, 1116.20, 1116.21, 1121.19, and 1121.29,	57
and to repeal sections 1105.06, 1107.01,	58
1109.60, 1115.18, 1115.19, 1115.25, 1121.52,	59
1133.01, 1133.02, 1133.03, 1133.04, 1133.05,	60
1133.06, 1133.07, 1133.08, 1133.09, 1133.10,	61
1133.11, 1133.12, 1133.13, 1133.14, 1133.15,	62
1133.16, 1151.01, 1151.02, 1151.03, 1151.04,	63
1151.05, 1151.051, 1151.052, 1151.053, 1151.06,	64
1151.07, 1151.08, 1151.081, 1151.09, 1151.091,	65
1151.10, 1151.11, 1151.12, 1151.13, 1151.14,	66
1151.15, 1151.16, 1151.17, 1151.18, 1151.19,	67
1151.191, 1151.192, 1151.20, 1151.201, 1151.21,	68
1151.22, 1151.23, 1151.231, 1151.24, 1151.25,	69
1151.26, 1151.27, 1151.28, 1151.29, 1151.291,	70
1151.292, 1151.293, 1151.294, 1151.295,	71
1151.296, 1151.297, 1151.298, 1151.299,	72
1151.2910, 1151.2911, 1151.30, 1151.31,	73
1151.311, 1151.312, 1151.32, 1151.321, 1151.323,	74
1151.33, 1151.34, 1151.341, 1151.342, 1151.343,	75
1151.344, 1151.345, 1151.346, 1151.347,	76
1151.348, 1151.349, 1151.35, 1151.36, 1151.361,	77
1151.37, 1151.38, 1151.39, 1151.40, 1151.41,	78
1151.411, 1151.42, 1151.44, 1151.45, 1151.46,	79
1151.47, 1151.471, 1151.48, 1151.49, 1151.51,	80
1151.52, 1151.53, 1151.54, 1151.55, 1151.60,	81
1151.61, 1151.62, 1151.63, 1151.64, 1151.66,	82
1151.71, 1151.72, 1151.99, 1153.03, 1153.05,	83
1153.06, 1153.07, 1153.99, 1155.01, 1155.011,	84
1155.02, 1155.021, 1155.03, 1155.05, 1155.07,	85
1155.071, 1155.08, 1155.09, 1155.091, 1155.10,	86

1155.11, 1155.12, 1155.15, 1155.16, 1155.17,	87
1155.18, 1155.20, 1155.21, 1155.23, 1155.24,	88
1155.25, 1155.26, 1155.27, 1155.28, 1155.31,	89
1155.35, 1155.37, 1155.41, 1155.42, 1155.43,	90
1155.44, 1155.45, 1155.46, 1155.47, 1157.01,	91
1157.03, 1157.04, 1157.05, 1157.06, 1157.09,	92
1157.10, 1157.11, 1157.12, 1157.13, 1157.14,	93
1157.17, 1157.18, 1157.19, 1157.20, 1157.21,	94
1157.22, 1157.23, 1157.24, 1157.25, 1157.26,	95
1157.27, 1157.28, 1157.29, 1157.30, 1157.33,	96
1161.01, 1161.02, 1161.03, 1161.04, 1161.05,	97
1161.06, 1161.07, 1161.071, 1161.08, 1161.09,	98
1161.10, 1161.11, 1161.111, 1161.12, 1161.13,	99
1161.14, 1161.15, 1161.16, 1161.17, 1161.18,	100
1161.19, 1161.20, 1161.21, 1161.22, 1161.23,	101
1161.24, 1161.25, 1161.26, 1161.27, 1161.28,	102
1161.29, 1161.30, 1161.31, 1161.32, 1161.33,	103
1161.34, 1161.35, 1161.36, 1161.37, 1161.38,	104
1161.39, 1161.40, 1161.41, 1161.42, 1161.43,	105
1161.44, 1161.441, 1161.45, 1161.46, 1161.47,	106
1161.48, 1161.49, 1161.50, 1161.51, 1161.52,	107
1161.53, 1161.54, 1161.55, 1161.56, 1161.57,	108
1161.58, 1161.59, 1161.60, 1161.601, 1161.61,	109
1161.62, 1161.63, 1161.631, 1161.64, 1161.65,	110
1161.66, 1161.67, 1161.68, 1161.69, 1161.70,	111
1161.71, 1161.72, 1161.73, 1161.74, 1161.75,	112
1161.76, 1161.77, 1161.78, 1161.79, 1161.80,	113
1161.81, 1163.01, 1163.02, 1163.03, 1163.04,	114
1163.05, 1163.07, 1163.09, 1163.10, 1163.11,	115
1163.12, 1163.121, 1163.13, 1163.14, 1163.15,	116
1163.19, 1163.20, 1163.21, 1163.22, 1163.24,	117
1163.25, 1163.26, 1163.27, 1165.01, 1165.03,	118

1165.04, 1165.05, 1165.06, 1165.09, 1165.10,	119
1165.11, 1165.12, 1165.13, 1165.14, 1165.17,	120
1165.18, 1165.19, 1165.20, 1165.21, 1165.22,	121
1165.23, 1165.24, 1165.25, 1165.26, 1165.27,	122
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:**

<b>Section 1.</b> 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
755.141, 902.01, 924.10, 924.26, 924.45, 1101.01, 1101.02,	130
1101.03, 1101.15, 1101.16, 1103.01, 1103.02, 1103.03, 1103.06,	131
1103.07, 1103.08, 1103.09, 1103.11, 1103.13, 1103.14, 1103.15,	132
1103.16, 1103.18, 1103.19, 1103.20, 1103.21, 1105.01, 1105.02,	133
1105.03, 1105.04, 1105.08, 1105.10, 1105.11, 1107.01, 1107.03,	134
1107.05, 1107.07, 1107.09, 1107.11, 1107.13, 1107.15, 1109.01,	135
1109.02, 1109.03, 1109.05, 1109.08, 1109.10, 1109.15, 1109.16,	136
1109.17, 1109.22, 1109.23, 1109.24, 1109.25, 1109.26, 1109.31,	137
1109.32, 1109.33, 1109.34, 1109.35, 1109.36, 1109.39, 1109.40,	138
1109.43, 1109.44, 1109.45, 1109.47, 1109.48, 1109.49, 1109.53,	139
1109.54, 1109.55, 1109.59, 1109.61, 1109.63, 1109.64, 1109.65,	140
1109.69, 1111.01, 1111.02, 1111.03, 1111.04, 1111.06, 1111.07,	141
1111.08, 1111.09, 1113.01, 1113.03, 1113.05, 1113.06, 1113.08,	142
1113.09, 1115.01, 1115.05, 1115.06, 1115.07, 1115.11, 1115.111,	143
1115.14, 1115.15, 1115.20, 1115.23, 1115.27, 1117.01, 1117.02,	144
1117.04, 1117.05, 1119.11, 1119.17, 1119.23, 1119.26, 1121.01,	145

1121.02, 1121.05, 1121.06, 1121.10, 1121.12, 1121.13, 1121.15, 146  
1121.16, 1121.17, 1121.18, 1121.21, 1121.23, 1121.24, 1121.26, 147  
1121.30, 1121.33, 1121.34, 1121.38, 1121.41, 1121.43, 1121.45, 148  
1121.47, 1121.48, 1121.50, 1121.56, 1123.01, 1123.02, 1123.03, 149  
1125.01, 1125.03, 1125.04, 1125.05, 1125.06, 1125.09, 1125.10, 150  
1125.11, 1125.12, 1125.13, 1125.14, 1125.17, 1125.18, 1125.19, 151  
1125.20, 1125.21, 1125.22, 1125.23, 1125.24, 1125.25, 1125.26, 152  
1125.27, 1125.28, 1125.29, 1125.30, 1125.33, 1181.01, 1181.02, 153  
1181.03, 1181.04, 1181.05, 1181.06, 1181.07, 1181.10, 1181.11, 154  
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  
1114.16, 1115.02, 1115.03, 1115.24, 1116.01, 1116.02, 1116.05, 166  
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  
431  
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  
435

(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  
437  
438  
439  
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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  
444  
445

(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  
447  
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  
451  
452

(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
<del>1155.18, 1163.22,</del> 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 1624  
value of any securities deposited with the trustee by a public 1625  
depository. This applies in all situations including, but not 1626  
limited to, a substitution or exchange of securities, but 1627  
excluding those situations effectuated by division (I) of this 1628  
section in which the trustee is required to determine face and 1629  
market value. 1630

(I) The qualified trustee shall enter into a custodial 1631  
agreement with the treasurer of state and public depository in 1632  
which the trustee agrees to comply with entitlement orders 1633  
originated by the treasurer of state without further consent by 1634  
the public depository or, in the case of collateral held by the 1635  
public depository in an account at a federal reserve bank, the 1636  
treasurer of state shall have the treasurer's security interest 1637  
marked on the books of the federal reserve bank where the 1638  
account for the collateral is maintained. If the public 1639  
depository fails to pay over any part of the public deposits 1640  
made therein as provided by law and secured pursuant to division 1641  
(B) of this section, the treasurer of state shall give written 1642  
notice of this failure to the qualified trustee holding the pool 1643  
of securities pledged against the public deposits, and at the 1644  
same time shall send a copy of this notice to the public 1645  
depository. Upon receipt of this notice, the trustee shall 1646  
transfer to the treasurer of state for sale, the pooled 1647  
securities that are necessary to produce an amount equal to the 1648  
public deposits made by the public depositor and not paid over, 1649  
less the portion of the deposits covered by any federal deposit 1650  
insurance, plus any accrued interest due on the deposits. The 1651  
treasurer of state shall sell any of the bonds or other 1652  
securities so transferred. When a sale of bonds or other 1653  
securities has been so made and upon payment to the public 1654

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
<b>Sec. 513.17.</b> (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

<del>(2)</del> <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
<del>(3)</del> <u>(c)</u> Undivided profits; and	2800
<del>(4)</del> <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
<del>(F)</del> <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
<del>(G)</del> <del>"Controlling shareholder" means a person who, directly or indirectly, controls a bank.</del>	2814 2815
<del>(H)</del> <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
<del>(I)</del> <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  
2940  
2941  
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 with the reserve requirements of the "Federal Reserve Act of 1913," as amended.

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

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

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

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

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

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

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

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 3751  
receptacles; 3752

(2) The safes, vaults, and other secure receptacles of 3753  
another bank or of a safekeeping agent or custodian that is 3754  
qualified under rules adopted by the superintendent of financial 3755  
institutions; 3756

(3) The bank's own safekeeping system or the safekeeping 3757  
system of another bank or of a safekeeping agent or custodian 3758  
that is qualified under rules adopted by the superintendent; 3759

(4) A recognized title or registration system, on the 3760  
terms and conditions the bank prescribes. 3761

(C) Unless agreed to in writing by the bank, nothing in 3762  
this section creates a bailment between a customer and the bank. 3763

**Sec. 1109.10.** If any claim not clearly consistent with the 3764  
terms of any applicable authority on file with a bank is made to 3765  
any deposit, safe deposit box, property held in safekeeping, 3766  
security, obligation, or other property in the bank's possession 3767  
or control, in whole or in part, by any person, including any 3768  
depositor, individual, or group of individuals, whether or not 3769  
authorized to draw on or exercise any right or control with 3770  
respect to the property, the bank is not required to recognize 3771  
the claim without one of the following: 3772

(A) A court order, issued by a court of competent 3773  
jurisdiction and served on the bank, enjoining or restraining 3774  
the bank from taking any action with respect to the property or 3775  
instructing the bank to pay some or all of the balance of the 3776  
account, provide access to the safe deposit box, or deliver the 3777  
property as provided in the order; 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 goods;	3893 3894
(c) Secured at the time of acceptance by a warehouse receipt or other documentation conveying or securing title covering readily marketable staples.	3895 3896 3897
(2) (a) Except as provided in division (B) (2) (b) of this section, no <u>state bank</u> shall accept drafts or bills of exchange, or be obligated for a participation share for drafts or bills of exchange under division (B) (1) of this section, in an amount equal at any time in the aggregate to more than one hundred fifty per cent of the bank's capital.	3898 3899 3900 3901 3902 3903
(b) The superintendent of financial institutions, under conditions the superintendent may prescribe, may authorize a <u>state bank</u> to accept or be obligated for a participation share in drafts or bills of exchange under division (B) (1) of this section, in an amount not exceeding at any time in the aggregate two hundred per cent of the bank's capital.	3904 3905 3906 3907 3908 3909
(3) Notwithstanding division (B) (2) of this section, a <u>state bank's</u> aggregate acceptances of drafts or bills of exchange, including obligations for a participation share in drafts or bills of exchange, under division (B) (1) of this section, that arise from domestic transactions shall not exceed fifty per cent of the aggregate of all acceptances of drafts or bills of exchange, including obligations for a participation share in drafts or bills of exchange, the bank is permitted under division (B) of this section.	3910 3911 3912 3913 3914 3915 3916 3917 3918
(4) No <u>state bank</u> shall accept drafts or bills of exchange or be obligated for a participation share in drafts or bills of	3919 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 4352  
bank the power to hold the real estate for a longer time. 4353

(2) The superintendent may, at any time, require a state 4354  
bank to obtain an independent qualified appraisal of real estate 4355  
the bank owns or holds in accordance with division (A) (1) of 4356  
this section. 4357

(3) Real estate sold on contract, but with title remaining 4358  
in the name of the state bank, shall not be considered real 4359  
estate held by the bank for the purpose of divisions (A) (1) and 4360  
(2) of this section. 4361

(B) (1) A state bank may own or hold for not more than five 4362  
years ~~stock shares~~ of companies either acquired in securing 4363  
satisfaction of a debt previously contracted in good faith or 4364  
taken on a refinancing plan involving an investment that was 4365  
legal at the time it was made. The superintendent may, upon 4366  
application by a state bank, grant the bank the power to hold 4367  
the ~~stock shares~~ for a longer time. 4368

(2) The superintendent may, at any time, require a state 4369  
bank to obtain an independent qualified appraisal of the ~~stock~~ 4370  
~~shares~~ the bank owns or holds in accordance with ~~this~~ division 4371  
(B) of this section. 4372

(C) The limitations set forth in this section shall not 4373  
apply to real estate or shares owned or held by a state bank 4374  
affiliate, except for a company that is a subsidiary of the 4375  
state bank. 4376

**Sec. 1109.31.** (A) A state bank may purchase, acquire by 4377  
lease, or otherwise invest in the real estate and interests in 4378  
real estate the board of directors considers necessary or 4379  
convenient for transaction of the bank's business, including by 4380

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.~~

(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:

(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;

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

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

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

(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;

(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
<b>Sec. 1109.39.</b> 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
<b>Sec. 1109.40.</b> (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
<b>Sec. 1109.43.</b> (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 <del>and</del>	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 4756  
a state bank, unless a determination is made under division (A) 4757  
(1)(g) of this section not to exclude the subsidiary company 4758  
from the definition of affiliate; 4759

(b) A company engaged solely in holding the premises of 4760  
the state bank; 4761

(c) A company engaged solely in conducting a safe-deposit 4762  
business; 4763

(d) A company engaged solely in holding obligations of the 4764  
United States or its agencies or instrumentalities or 4765  
obligations fully guaranteed as to principal and interest by the 4766  
United States or its agencies or instrumentalities; 4767

(e) A company where control results from the exercise of 4768  
rights arising out of a bona fide debt previously contracted, 4769  
but only for a period of two years from the date the rights are 4770  
exercised, subject to extensions granted by the superintendent 4771  
of not more than one year at a time nor three years in the 4772  
aggregate. 4773

(B) "Aggregate covered transactions" means the amount of 4774  
the covered transactions about to be engaged in added to the 4775  
current amount of all outstanding covered transactions. 4776

(C) "Company" means a corporation, limited liability 4777  
company, partnership, business, trust, association, or similar 4778  
organization and, unless specifically excluded by this section 4779  
or section 1109.54, 1109.55, or 1109.56 of the Revised Code, a 4780  
bank. 4781

(D) (1) "Covered transaction" means, with respect to an 4782  
affiliate of a state bank, any of the following: 4783

(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:
- (i) Obligations of the United States or its agencies or  
instrumentalities;
- (ii) Obligations fully guaranteed as to principal and  
interest by the United States or its agencies or  
instrumentalities;
- (iii) A segregated, earmarked deposit account with the  
state bank.
- (e) Purchasing securities issued by a company engaged  
solely in one or more of the following activities:
- (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;
- (ii) Conducting a safe-deposit business;
- (iii) Furnishing services to or performing services for a  
company that controls the state bank or its subsidiaries;
- (iv) Liquidating assets acquired from a company that  
controls the state bank or its banking subsidiaries.
- (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;
- (g) Purchasing from an affiliate a loan or extension of  
credit that was originated by the state bank and sold to the

affiliate subject to a repurchase agreement or with recourse. 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~~ 5232  
~~authorized by section 1161.24 of the Revised Code;~~ 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~~ 5249  
~~chapter until July 1, 1997:~~ 5250

~~(1) Any person, other than a person described in division~~ 5251  
~~(A) or (B) of this section, that is serving as a fiduciary under~~ 5252  
~~a trust instrument, will, or other document executed before July~~ 5253  
~~1, 1997;~~ 5254

~~(2) Any person, other than a person described in division~~ 5255  
~~(A) or (B) of this section, that is named as a fiduciary in, or~~ 5256  
~~is nominated as a fiduciary under, a trust instrument, will, or~~ 5257  
~~other document executed before July 1, 1997.~~ 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  
superintendent of financial institutions prior to establishing,  
relocating, or closing a trust service office in this state.

(2) A trust company that is a state bank ~~doing business~~  
~~under authority granted by the superintendent~~ also shall give  
notice in writing to the superintendent prior to establishing,  
relocating, or closing a trust service office outside this  
state.

**Sec. ~~1103.01~~ 1113.01.** A stock state banking corporation  
shall be created, organized, and governed, and its business  
shall be conducted, and its directors shall be chosen, in all  
respects in the same manner as is provided by Chapters 1701. and  
1704. of the Revised Code, for corporations generally, to the  
extent that is not inconsistent with this chapter, ~~Chapter~~  
Chapters 1101. to 1111., and Chapters ~~1105. 1114.~~ to 1127. of  
the Revised Code.

**Sec. ~~1113.01~~ 1113.02.** (A) Five or more natural persons, at  
least one of whom is a resident of this state, may, with the  
approval of the superintendent of financial institutions,  
incorporate a stock state bank.

(B) The persons proposing to incorporate a stock state  
bank shall apply for approval of the proposed bank by submitting  
the application prescribed by the superintendent, which  
application shall include all of the following:

(1) The proposed articles of incorporation and code of  
regulations;

(2) An application for reservation of a name in accordance  
with section 1103.07 of the Revised Code, if reservation is  
desired by the incorporators and has not been previously filed;

(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  
shareholders;~~ 5870  
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~~(9) The manner in and conditions upon which a certificated  
security, and the conditions upon which an uncertificated  
security, and the shares represented by a certificated or  
uncertificated security, may be transferred, restrictions on the  
right to transfer the shares, and reservations of liens on the  
shares.~~ 5872  
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~~(F) Unless either a bank's articles of incorporation or  
code of regulations provides otherwise, if the code of  
regulations is to be amended or a new code of regulations is  
proposed for adoption without a meeting of the shareholders, at  
least ten days prior to the last day a shareholder may consent  
to or deny consent to the proposed amendments or new code of  
regulations, the secretary of the bank shall mail a copy of the  
proposed amendments or new code of regulations to each  
shareholder who would be entitled, as of the date of the  
mailing, to vote on the amendment or adoption.~~ 5878  
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~~(G) If the code of regulations is amended or a new code of  
regulations is adopted without a meeting of the shareholders,  
the secretary of the bank shall mail a copy of the amendment or  
the new code of regulations, or notice of the adoption of the  
amendment or new code of regulations, to each shareholder who  
would have been entitled to vote on the amendment or adoption.~~ 5888  
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~~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 any amendment to a stock state bank's articles of incorporation or amended articles of incorporation, the bank shall send to the superintendent of financial institutions a copy of the proposed amendment or amended articles of incorporation for review and approval prior to adoption by the board. 6103  
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(2) Upon receiving a proposed amendment or amended articles of incorporation, the superintendent shall conduct whatever examination the superintendent considers necessary to determine if both of the following conditions are satisfied: 6109  
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(a) The proposed amendment or amended articles of incorporation comply with the requirements of the Revised Code. 6113  
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(b) The proposed amendment or amended articles of incorporation will not adversely affect the interests of the bank's depositors and creditors. 6115  
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(3) Within forty-five days after receiving the proposed amendment or amended articles of incorporation, the superintendent shall notify the bank of the superintendent's approval or disapproval unless the superintendent determines additional information is required. In that event, the superintendent shall request the information in writing within twenty days after the date the proposed amendment or amended articles of incorporation were received. The bank shall have thirty days to submit the information to the superintendent. The superintendent shall notify the bank of the superintendent's approval or disapproval of the proposed amendment or amended articles of incorporation within forty-five days after the date the additional information is received. If the proposed amendment or amended articles of incorporation are disapproved by the superintendent, the superintendent shall notify the bank 6118  
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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 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 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.

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(2) Upon receiving a proposed amendment or proposed amended articles of incorporation or code of regulations, the superintendent shall conduct whatever examination the superintendent considers necessary to determine if both of the following conditions are satisfied:

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(a) The proposed amendment or amended articles of incorporation or code of regulations comply with the requirements of the Revised Code.

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(b) The proposed amendment or amended articles of incorporation or code of regulations will not adversely affect the interests of the bank's depositors and creditors.

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(3) Within forty-five days after receiving the proposed amendment, or the proposed amended articles of incorporation or code of regulations, the superintendent shall notify the bank of the approval or disapproval unless the superintendent determines that additional information is required. In that event, the superintendent shall request the information in writing within twenty days after the date the proposed amendment, or the proposed amended articles of incorporation or code of regulations, was received. The bank shall have thirty days to submit the information to the superintendent. The superintendent shall notify the bank of the superintendent's approval or disapproval of the proposed amendment, or the proposed amended articles of incorporation or code of regulations, within forty-five days after the date the additional information is received. If the proposed amendment or proposed amended articles of incorporation or code of regulations are disapproved by the superintendent, the superintendent shall notify the bank of the reasons for the disapproval.

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(4) If the superintendent fails to approve or disapprove the proposed amendment or proposed amended articles of incorporation or code of regulations within the time period required under division (D)(3) of this section, the proposed amendment or proposed amended articles of incorporation or code of regulations shall be considered approved. 6660  
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(5) If the proposed amendment or amended articles of incorporation are approved, in no event shall that approval be construed or represented as an affirmative endorsement of the amendment or amended articles of incorporation by the superintendent. 6666  
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(E)(1) Upon adoption by the members of any approved amendment to a mutual state bank's articles of incorporation or code of regulations, or approved amended articles of incorporation or code of regulations, the bank shall send to the superintendent a certificate containing a copy of the members' resolution adopting the amendment or amended articles of incorporation or code of regulations and a statement of the manner of and basis for its adoption. If the board of directors proposed the amendment or the amended articles of incorporation or code of regulations, the certificate shall include a copy of the resolution adopted by the directors to propose the amendment or amended articles of incorporation or code of regulations to the members. The certificate shall be signed by the bank's authorized representatives in accordance with section 1103.19 of the Revised Code. 6671  
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(2) Upon adoption by the board of directors of any approved amendment to a mutual state bank's articles of incorporation or code of regulations, or approved amended articles of incorporation or code of regulations, the bank shall 6686  
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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

~~(c) 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.~~

~~(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:~~

~~(a) A plan of conversion;~~

~~(b) The proposed articles of incorporation and code of regulations of the proposed state bank;~~

~~(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;~~

~~(d) Any other information the superintendent requires.~~

~~(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~~

~~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 Chapter 1161. of the Revised Code, the secretary of state shall file the certificate of the superintendent's approval of the conversion and the state bank's articles of incorporation in a manner reflecting the corporation is no longer doing business under Chapter 1151. or 1161. of the Revised Code.~~

~~(ii) In the case of a state bank resulting from the conversion of a national bank, a bank, savings association, or savings bank doing business under authority granted by the regulatory authority of another state, or a federal savings association, the secretary of state shall file the certificate of the superintendent's approval of the conversion and the state bank's articles of incorporation in a manner reflecting the state bank is newly authorized to do business under the laws of this state.~~

~~(6) The conversion shall be effective on the date indicated in the superintendent's approval. Without further act or deed, the state bank resulting from the conversion shall have all property, rights, interests, and powers of its predecessor bank, savings association, or savings bank within the limits of the charter of the resulting state bank, and all duties, trusts, obligations, and liabilities of the predecessor bank, savings association, or savings bank shall continue in the state bank resulting from the conversion.~~

Sec. 1115.02. A national bank, a bank doing business under authority granted by the bank regulatory authority of another state, a savings association, a savings bank, or a state or federally chartered credit union may, with the approval of the superintendent of financial institutions, convert into a stock state bank or mutual state bank by submitting an application in

accordance with rules adopted by the superintendent for this 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  
income and source and application of funds, as of a date not  
more than ninety days prior to the date of the filing of the  
notice.~~ 7100  
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~~(3) The terms and conditions of the proposed acquisition  
and the manner in which the acquisition is to be made.~~ 7104  
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~~(4) The identity, source, and amount of the funds or other  
consideration used or to be used in making the acquisition and,  
if any part of these funds or other consideration has been or is  
to be borrowed or otherwise obtained for the purpose of making  
the acquisition, a description of the transaction, the names of  
the parties, and any arrangements, agreements, or understandings  
with the parties.~~ 7106  
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~~(5) Any plans or proposals any acquiring person may have  
to liquidate the state bank, to sell its assets or merge it with  
any company, or to make any other major change in its business  
or corporate structure or management.~~ 7113  
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~~(6) The identification of any person employed, retained,  
or to be compensated by an acquiring person, or by any person on  
an acquiring person's behalf, to make solicitations or  
recommendations to shareholders for the purpose of assisting in  
the acquisition, and a brief description of the terms of the  
employment, retainer, or arrangement for compensation.~~ 7117  
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~~(7) Copies of all invitations or tenders or advertisements  
making a tender offer to stockholders for purchase of their  
stock to be used in connection with the proposed acquisition.~~ 7123  
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~~(8) Any additional relevant information in the form as the  
superintendent may require by rule ~~or by specific request in~~  
connection with any particular notice.~~ 7126  
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(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  
7358  
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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  
7421  
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(6) The comments of any regulatory authority notified in accordance with division (D) of this section. 7423  
7424

(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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7427

(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  
7445

(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  
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7684  
7685

(1) Formation of an interim bank under this chapter to be used for the transactions contemplated by this section; 7686  
7687

(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  
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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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<u>(1) The availability of adequate capital for the</u>	7708
<u>transaction;</u>	7709
<u>(2) The existence of acceptable business plans;</u>	7710
<u>(3) Whether acceptable management, directors, and control</u>	7711
<u>persons are identified;</u>	7712
<u>(4) Whether all necessary approvals from state and federal</u>	7713
<u>agencies have been secured.</u>	7714
<u>(D) (1) A shelf charter granted under this section, and any</u>	7715
<u>final approval for a transaction described in division (B) of</u>	7716
<u>this section, shall be subject to such conditions and ongoing</u>	7717
<u>requirements as the superintendent considers appropriate.</u>	7718
<u>(2) An applicant granted a shelf charter under this</u>	7719
<u>section shall not exercise control over the bank or consummate</u>	7720
<u>the transaction authorized by the charter until the</u>	7721
<u>superintendent gives final approval of the transaction.</u>	7722
<u>(E) A shelf charter shall expire twenty-four months after</u>	7723
<u>the date it is granted, subject to the following:</u>	7724
<u>(1) The superintendent may extend the expiration date at</u>	7725
<u>any time sua sponte or upon approval by the superintendent of a</u>	7726
<u>written request for an extension submitted by the person or</u>	7727
<u>persons to whom the shelf charter was granted.</u>	7728
<u>(2) The person or persons to whom the shelf charter was</u>	7729
<u>granted may withdraw it at any time.</u>	7730
<u>(3) The superintendent may modify, suspend, or revoke any</u>	7731
<u>shelf charter granted under this section.</u>	7732
<u>(F) Pursuant to the authority granted under section</u>	7733
<u>1121.03 of the Revised Code, the superintendent may adopt rules</u>	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



<u>following:</u>	7933
<u>(1) Accept the application for processing;</u>	7934
<u>(2) Request additional information to complete the application;</u>	7935 7936
<u>(3) Return the application if it is substantially incomplete.</u>	7937 7938
<u>(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.</u>	7939 7940 7941 7942
<u>(C) In approving or disapproving an application, the superintendent, after conducting an appropriate examination or investigation, shall consider whether:</u>	7943 7944 7945
<u>(1) The reorganizing mutual state bank and any acquiree mutual bank will operate in a safe, sound, and prudent manner.</u>	7946 7947
<u>(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.</u>	7948 7949 7950
<u>(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;</u>	7951 7952 7953 7954
<u>(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;</u>	7955 7956 7957 7958
<u>(5) A stock issuance proposed in connection with the</u>	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 8047  
subsidiary holding company shall be governed by a board of 8048  
directors and in accordance with the articles of incorporation 8049  
and code of regulations adopted in connection with the 8050  
reorganization, or as amended in accordance with law or rule 8051  
after the reorganization. 8052

(B) The board of the mutual holding company and any 8053  
subsidiary holding company shall have at least five members who, 8054  
initially, shall consist of the board of directors of the 8055  
reorganizing mutual state bank. Such members, after the 8056  
formation of the mutual holding company and any subsidiary 8057  
holding company, shall continue to serve as directors for the 8058  
balance of the terms to which they were elected. 8059

Sec. 1116.11. All assets, rights, obligations, and 8060  
liabilities of a reorganizing mutual state bank that are not 8061  
expressly retained by the mutual holding company shall be 8062  
transferred to the resulting stock state bank. 8063

Sec. 1116.12. Each person who holds a deposit account in a 8064  
reorganizing mutual state bank or any acquiree mutual state bank 8065  
immediately before the reorganization shall receive, upon 8066  
consummation of the reorganization, without payment, an 8067  
identical deposit account in the resulting stock state bank or 8068  
acquiree mutual state bank. 8069

Sec. 1116.13. The following apply to a reorganization plan 8070  
adopted by the board of directors of the reorganizing mutual 8071  
state bank or any acquiree mutual bank: 8072

(A) It may be amended by those boards as a result of any 8073  
regulator's comments before any solicitation of proxies from the 8074  
members to vote on the reorganization plan or, with the written 8075

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) Safety and soundness; 8719
- (3) 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~~1115.02 8730  
of the Revised Code; 8731
- (3) Any person proposing to acquire control of a state 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 state 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~~ state 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 state 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, or, knowing it to be false or misleading. 8869  
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- (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  
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- (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  
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- (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  
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8888  
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- (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
<b>Sec. 1121.43.</b> (A) Except as provided in division (B) of this section, the superintendent of financial institutions shall <del>publish and</del> 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 9743  
violation may be enforced by the superintendent; 9744

(2) Any final order issued pursuant to section 1121.32, 9745  
1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code; 9746

(3) Any modification or termination of an agreement, other 9747  
writing, or order made available to the public pursuant to this 9748  
section. 9749

(B) (1) If, in the superintendent's discretion, the 9750  
superintendent determines that ~~publishing-making~~ a written 9751  
agreement or other writing ~~and making it~~ available to the public 9752  
pursuant to division (A) (1) of this section would be contrary to 9753  
the public interest, the superintendent shall not ~~publish the~~ 9754  
~~written agreement or other writing or~~ make it available to the 9755  
public. 9756

(2) If the superintendent determines that ~~publishing-~~ 9757  
~~making~~ a final order ~~and making it~~ available to the public 9758  
pursuant to division (A) (2) of this section would seriously 9759  
threaten the safety and soundness of a state bank or trust 9760  
company, the superintendent may delay ~~the publication-making it~~ 9761  
available for a reasonable time. 9762

**Sec. 1121.45.** (A) The superintendent of financial 9763  
institutions may call and convene a meeting with the regulated 9764  
persons the superintendent determines to be appropriate at a 9765  
location within this state and at a date and time established by 9766  
the superintendent upon notice served in accordance with section 9767  
1121.37 of the Revised Code. The regulated persons notified of 9768  
the meeting shall attend the meeting unless excused by the 9769  
superintendent for reasonable cause at the superintendent's sole 9770  
discretion. Failure of a regulated person to attend a meeting 9771

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
<b>Sec. 1123.03.</b> 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
<b>Sec. 1125.01.</b> (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 bank, to discontinue any pending action or other proceeding, and to implement a restructuring of the bank in accordance with this chapter.

(B) Title to any assets of the bank does not vest in the conservator.

**Sec. 1125.13.** During the period of the conservatorship, all of the following apply:

(A) The conservator may permit the state bank to continue to conduct its usual business, including the acceptance of deposits.

(B) The obligations of the state bank shall continue to bear interest at the rate contracted.

(C) The conservator shall make whatever reports to the superintendent of financial institutions the superintendent may from time to time require.

**Sec. 1125.14.** (A) The conservator shall evaluate the business and assets of the state bank and, after conducting whatever investigations the circumstances may require, shall recommend to the superintendent of financial institutions that either the conservatorship of the bank be terminated or the superintendent appoint a receiver and the bank be liquidated as otherwise provided in this chapter. The conservator shall consult with the board of directors of the bank before making the recommendation.

(B) The conservator of the bank may submit a plan to the superintendent for approval to restructure the bank in a manner designed to return the bank to the control of its shareholders or members. As part of the plan, the conservator may take any



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 involving any right, claim, interest, or liability of the bank;	10409 10410
(5) To exercise all fiduciary functions of the bank as of the date of appointment as receiver;	10411 10412
(6) To borrow money as necessary in the liquidation of the bank, and to secure those borrowings by the pledge or mortgage of assets of the bank;	10413 10414 10415
(7) To abandon or convey title to any holder of a deed of trust, mortgage, or similar lien against property in which the bank has an interest, whenever the receiver determines that continuing to claim that interest is burdensome and of no advantage to the bank or its account holders, creditors, <del>or</del> shareholders, <u>or members</u> ;	10416 10417 10418 10419 10420 10421
(8) To sell any and all assets, to compromise any debt, claim, obligation, or judgment due to the bank, to discontinue any pending action or other proceeding, and to sell or otherwise transfer all or a substantial portion of the assets or liabilities of the bank;	10422 10423 10424 10425 10426
(9) To establish ancillary receiverships in any jurisdiction the receiver determines necessary;	10427 10428
(10) To distribute assets in accordance with this chapter;	10429
(11) To take any other action incident to the powers set forth in division (A) of this section.	10430 10431
(B) Unless specifically indicated to the contrary, the powers conferred upon a receiver under this section may be exercised without court approval. However, nothing in this section shall be construed to prevent a receiver from obtaining	10432 10433 10434 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~~7~~ 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 110997  
intended recipient, the superintendent shall seek a protective 110998  
order or enter into an agreement to protect that information. 110999

(C) All reports and other information made available under 111000  
this chapter remain the property of the superintendent. Except 111001  
as otherwise provided in this section, no person, agency, or 111002  
other authority to whom the information is made available, or 111003  
any officer, director, or employee thereof, shall disclose such 111004  
information except in published statistical material that does 111005  
not disclose, either directly or when used in conjunction with 111006  
publicly available information, the affairs of any individual or 111007  
entity. 111008

(D) The superintendent shall not be considered to have 111009  
waived any privilege applicable to any information by 111010  
transferring that information to, or permitting that information 111011  
to be used by, any federal or state agency or any other person 111012  
as permitted under this chapter or Chapter 1121. of the Revised 111013  
Code. 111014

**Sec. 1349.16.** (A) As used in this section, "financial 111015  
institution" includes every bank as defined in section 1101.01 111016  
of the Revised Code, ~~savings and loan association as defined in~~ 111017  
~~section 1151.01 of the Revised Code, savings bank as defined in~~ 111018  
~~section 1161.01 of the Revised Code,~~ and credit union organized 111019  
or qualified as such under sections 1733.01 to 1733.45 of the 111020  
Revised Code or the "Federal Credit Union Act," 84 Stat. 994 111021  
(1970), 12 U.S.C.A. 1752, as amended. 111022

(B) Before opening or authorizing signatory power over a 111023  
checking account intended for personal, family, or household 111024  
purposes, a financial institution: 111025

(1) Shall require the applicant to provide ~~his~~ the 11026  
applicant's current address and a valid driver's or commercial 11027  
driver's license or identification card issued by the registrar 11028  
of motor vehicles or a deputy registrar under section 4507.50 of 11029  
the Revised Code. If the applicant does not have a valid 11030  
driver's or commercial driver's license or identification card, 11031  
the applicant may provide an identification document that 11032  
includes ~~his~~ the applicant's full name, birthdate, and 11033  
signature. 11034

(2) May require the applicant to provide relevant 11035  
information in addition to the information specified in division 11036  
(B)(1) of this section. 11037

(C) Every person that issues or prints checks, bills of 11038  
exchange, or other drafts for use with a checking account 11039  
intended for personal, family, or household purposes opened on 11040  
or after October 16, 1990 shall print the date on which the 11041  
checking account was opened on the face of each check, bill of 11042  
exchange, or other draft. 11043

(D) This section does not apply to temporary checks 11044  
furnished at the time a checking account is opened. 11045

(E) This section does not create any civil cause of action 11046  
against a financial institution, its directors, trustees, 11047  
officers, employees, agents, representatives, or other persons 11048  
acting on its behalf, or against any person that issues or 11049  
prints checks, bills of exchange, or other drafts, for failure 11050  
to comply with this section. 11051

**Sec. 1509.07.** (A)(1) Except as provided in division (A)(2) 11052  
of this section, an owner of any well, except an exempt 11053  
Mississippian well or an exempt domestic well, shall obtain 11054

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 Revised Code for the marketing program shall be paid into the fund for the marketing program and shall be disbursed only pursuant to a voucher signed by the chairperson of the council for use in defraying the costs of administration of the marketing program and for carrying out sections 1510.02, 1510.03, and 1510.11 of the Revised Code.

(B) In lieu of deposits in the fund established under division (A) of this section, the operating committee of a marketing program established under this chapter may deposit all moneys collected pursuant to section 1510.08 of the Revised Code with a bank ~~or a savings and loan association~~ as defined in ~~sections section 1101.01 and 1151.01~~ of the Revised Code. All moneys collected pursuant to section 1510.08 of the Revised Code for the marketing program and deposited pursuant to this division also shall be used only in defraying the costs of administration of the marketing program and for carrying out sections 1510.02, 1510.03, and 1510.11 of the Revised Code.

(C) An operating committee shall establish a fiscal year for its marketing program, shall publish an activity and financial report within sixty days of the end of each fiscal year, and shall make the report available to each independent producer who pays an assessment or otherwise contributes to the marketing program that the committee administers and to other interested persons.

(D) In addition to the report required by division (C) of this section, an operating committee that deposits moneys in accordance with division (B) of this section shall submit to the council both of the following:

(1) Annually, a financial statement prepared by a

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

(0) (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 (0) (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.

(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:

(a) The name, address, and telephone number of the issuer of the securities;

(b) The name, a brief description, and price of any security to be issued;

(c) A brief description of the business of the issuer;

(d) The type, number, and aggregate amount of securities being offered;

(e) The name, address, and telephone number of the person to contact for additional information; and

(f) A statement indicating all of the following:

(i) Sales will only be made to accredited investors as defined in Rule 501 of Regulation D under the Securities Act of 1933;

(ii) No money or other consideration is being solicited or will be accepted by way of this general announcement;

(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.

(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 student loan programs and other forms of financial aid, assisting students and educational institutions to increase education excellence and accessibility.	12495 12496 12497 12498
(E) The nonprofit corporation designated under authority of division (D) of this section shall do both of the following:	12499 12500
(1) Establish the criteria, standards, terms, and conditions for participation by students, parents, educational institutions, and financial institutions in that corporation's programs;	12501 12502 12503 12504
(2) Provide the governor a report of its programs and a copy of its audited financial statements not later than one hundred eighty days after the end of each fiscal year of the corporation.	12505 12506 12507 12508
No liability, obligation, or debt incurred by the corporation designated under authority of division (D) of this section or by any person under that corporation's programs shall be, or be considered to be, a liability, obligation, or debt of, or a pledge of the faith and credit of, the state, any political subdivision of the state, or any state-supported or state-assisted institution of higher education, nor shall the state or any political subdivision of the state or any state-supported or state-assisted institution of higher education be or be construed to act as an obligor under or guarantor of any liability, obligation, or debt of that corporation or of any person under that corporation's programs or incur or be construed to have incurred any other liability, obligation, or debt as a result of any acts of the corporation.	12509 12510 12511 12512 12513 12514 12515 12516 12517 12518 12519 12520 12521 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  
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(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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(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  
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(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  
13266

**Section 2.** That existing sections 102.02, 109.572, 111.15, 13267  
119.01, 121.07, 131.11, 135.03, 135.032, 135.182, 135.32, 13268  
135.321, 135.51, 135.52, 135.53, 323.134, 339.06, 513.17, 13269  
749.081, 755.141, 902.01, 924.10, 924.26, 924.45, 1101.01, 13270  
1101.02, 1101.03, 1101.15, 1101.16, 1103.01, 1103.02, 1103.03, 13271  
1103.06, 1103.07, 1103.08, 1103.09, 1103.11, 1103.13, 1103.14, 13272  
1103.15, 1103.16, 1103.18, 1103.19, 1103.20, 1103.21, 1105.01, 13273  
1105.02, 1105.03, 1105.04, 1105.08, 1105.10, 1105.11, 1107.03, 13274  
1107.05, 1107.07, 1107.09, 1107.11, 1107.13, 1107.15, 1109.01, 13275  
1109.02, 1109.03, 1109.05, 1109.08, 1109.10, 1109.15, 1109.16, 13276  
1109.17, 1109.22, 1109.23, 1109.24, 1109.25, 1109.26, 1109.31, 13277  
1109.32, 1109.33, 1109.34, 1109.35, 1109.36, 1109.39, 1109.40, 13278  
1109.43, 1109.44, 1109.45, 1109.47, 1109.48, 1109.49, 1109.53, 13279  
1109.54, 1109.55, 1109.59, 1109.61, 1109.63, 1109.64, 1109.65, 13280  
1109.69, 1111.01, 1111.02, 1111.03, 1111.04, 1111.06, 1111.07, 13281  
1111.08, 1111.09, 1113.01, 1113.03, 1113.05, 1113.06, 1113.08, 13282  
1113.09, 1115.01, 1115.05, 1115.06, 1115.07, 1115.11, 1115.111, 13283  
1115.14, 1115.15, 1115.20, 1115.23, 1115.27, 1117.01, 1117.02, 13284  
1117.04, 1117.05, 1119.11, 1119.17, 1119.23, 1119.26, 1121.01, 13285  
1121.02, 1121.05, 1121.06, 1121.10, 1121.12, 1121.13, 1121.15, 13286  
1121.16, 1121.17, 1121.18, 1121.21, 1121.23, 1121.24, 1121.26, 13287  
1121.30, 1121.33, 1121.34, 1121.38, 1121.41, 1121.43, 1121.45, 13288  
1121.47, 1121.48, 1121.50, 1121.56, 1123.01, 1123.02, 1123.03, 13289  
1125.01, 1125.03, 1125.04, 1125.05, 1125.06, 1125.09, 1125.10, 13290  
1125.11, 1125.12, 1125.13, 1125.14, 1125.17, 1125.18, 1125.19, 13291  
1125.20, 1125.21, 1125.22, 1125.23, 1125.24, 1125.25, 1125.26, 13292  
1125.27, 1125.28, 1125.29, 1125.30, 1125.33, 1181.01, 1181.02, 13293  
1181.03, 1181.04, 1181.05, 1181.06, 1181.07, 1181.10, 1181.11, 13294  
1181.21, 1181.25, 1349.16, 1509.07, 1509.225, 1510.09, 1514.04, 13295

1707.03, 1901.31, 2335.25, 3351.07, 3767.41, 4303.293, and	13296
5814.01 and sections 1105.06, 1107.01, 1109.60, 1115.18,	13297
1115.19, 1115.25, 1121.52, 1133.01, 1133.02, 1133.03, 1133.04,	13298
1133.05, 1133.06, 1133.07, 1133.08, 1133.09, 1133.10, 1133.11,	13299
1133.12, 1133.13, 1133.14, 1133.15, 1133.16, 1151.01, 1151.02,	13300
1151.03, 1151.04, 1151.05, 1151.051, 1151.052, 1151.053,	13301
1151.06, 1151.07, 1151.08, 1151.081, 1151.09, 1151.091, 1151.10,	13302
1151.11, 1151.12, 1151.13, 1151.14, 1151.15, 1151.16, 1151.17,	13303
1151.18, 1151.19, 1151.191, 1151.192, 1151.20, 1151.201,	13304
1151.21, 1151.22, 1151.23, 1151.231, 1151.24, 1151.25, 1151.26,	13305
1151.27, 1151.28, 1151.29, 1151.291, 1151.292, 1151.293,	13306
1151.294, 1151.295, 1151.296, 1151.297, 1151.298, 1151.299,	13307
1151.2910, 1151.2911, 1151.30, 1151.31, 1151.311, 1151.312,	13308
1151.32, 1151.321, 1151.323, 1151.33, 1151.34, 1151.341,	13309
1151.342, 1151.343, 1151.344, 1151.345, 1151.346, 1151.347,	13310
1151.348, 1151.349, 1151.35, 1151.36, 1151.361, 1151.37,	13311
1151.38, 1151.39, 1151.40, 1151.41, 1151.411, 1151.42, 1151.44,	13312
1151.45, 1151.46, 1151.47, 1151.471, 1151.48, 1151.49, 1151.51,	13313
1151.52, 1151.53, 1151.54, 1151.55, 1151.60, 1151.61, 1151.62,	13314
1151.63, 1151.64, 1151.66, 1151.71, 1151.72, 1151.99, 1153.03,	13315
1153.05, 1153.06, 1153.07, 1153.99, 1155.01, 1155.011, 1155.02,	13316
1155.021, 1155.03, 1155.05, 1155.07, 1155.071, 1155.08, 1155.09,	13317
1155.091, 1155.10, 1155.11, 1155.12, 1155.15, 1155.16, 1155.17,	13318
1155.18, 1155.20, 1155.21, 1155.23, 1155.24, 1155.25, 1155.26,	13319
1155.27, 1155.28, 1155.31, 1155.35, 1155.37, 1155.41, 1155.42,	13320
1155.43, 1155.44, 1155.45, 1155.46, 1155.47, 1157.01, 1157.03,	13321
1157.04, 1157.05, 1157.06, 1157.09, 1157.10, 1157.11, 1157.12,	13322
1157.13, 1157.14, 1157.17, 1157.18, 1157.19, 1157.20, 1157.21,	13323
1157.22, 1157.23, 1157.24, 1157.25, 1157.26, 1157.27, 1157.28,	13324
1157.29, 1157.30, 1157.33, 1161.01, 1161.02, 1161.03, 1161.04,	13325
1161.05, 1161.06, 1161.07, 1161.071, 1161.08, 1161.09, 1161.10,	13326
1161.11, 1161.111, 1161.12, 1161.13, 1161.14, 1161.15, 1161.16,	13327

1161.17, 1161.18, 1161.19, 1161.20, 1161.21, 1161.22, 1161.23, 13328  
1161.24, 1161.25, 1161.26, 1161.27, 1161.28, 1161.29, 1161.30, 13329  
1161.31, 1161.32, 1161.33, 1161.34, 1161.35, 1161.36, 1161.37, 13330  
1161.38, 1161.39, 1161.40, 1161.41, 1161.42, 1161.43, 1161.44, 13331  
1161.441, 1161.45, 1161.46, 1161.47, 1161.48, 1161.49, 1161.50, 13332  
1161.51, 1161.52, 1161.53, 1161.54, 1161.55, 1161.56, 1161.57, 13333  
1161.58, 1161.59, 1161.60, 1161.601, 1161.61, 1161.62, 1161.63, 13334  
1161.631, 1161.64, 1161.65, 1161.66, 1161.67, 1161.68, 1161.69, 13335  
1161.70, 1161.71, 1161.72, 1161.73, 1161.74, 1161.75, 1161.76, 13336  
1161.77, 1161.78, 1161.79, 1161.80, 1161.81, 1163.01, 1163.02, 13337  
1163.03, 1163.04, 1163.05, 1163.07, 1163.09, 1163.10, 1163.11, 13338  
1163.12, 1163.121, 1163.13, 1163.14, 1163.15, 1163.19, 1163.20, 13339  
1163.21, 1163.22, 1163.24, 1163.25, 1163.26, 1163.27, 1165.01, 13340  
1165.03, 1165.04, 1165.05, 1165.06, 1165.09, 1165.10, 1165.11, 13341  
1165.12, 1165.13, 1165.14, 1165.17, 1165.18, 1165.19, 1165.20, 13342  
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 Code, as amended by this act, both of the following apply: 13346  
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(A) The appointed members who are serving on the Banking Commission as of the effective date of this section shall serve until the end of the term for which the member was appointed. The terms of office set forth in division (B) of that section and the qualifications for membership set forth in division (D) of that section shall first apply to the members appointed on or after the effective date of this section. 13348  
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(B) The Banking Commission shall, on the effective date of this section, additionally consist of the six members appointed to the Savings and Loan Associations and Savings Banks Board 13355  
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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