

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 35**

**Representative Hughes**

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

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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, 135.32, 2  
135.321, 135.51, 135.52, 135.53, 323.134, 3  
339.06, 513.17, 749.081, 755.141, 902.01, 4  
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1111.07, 1111.08, 1111.09, 1113.01, 1113.03, 21  
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1514.04, 1707.03, 1901.31, 2335.25, 3351.07,	40
3767.41, 4303.293, and 5814.01; to amend, for	41
the purpose of adopting new section numbers as	42
indicated in parentheses, sections 1103.01	43
(1113.01), 1103.06 (1113.04), 1103.08 (1113.12),	44
1103.09 (1113.13), 1103.11 (1113.11), 1103.13	45
(1113.14), 1103.14 (1113.15), 1103.15 (1113.16),	46
1103.16 (1113.17), 1103.21 (1117.07), and	47
1113.01 (1113.02) and to enact new section	48
1121.52 and sections 1101.05, 1103.99, 1109.021,	49
1109.04, 1109.151, 1109.441, 1109.62, 1114.01,	50
1114.02, 1114.03, 1114.04, 1114.05, 1114.06,	51
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1116.13, 1116.16, 1116.18, 1116.19, 1116.20,	56
1116.21, and 1121.19, and to repeal sections	57
1105.06, 1107.01, 1109.60, 1115.18, 1115.19,	58
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1165.22, 1165.23, 1165.24, 1165.25, 1165.26,	121
1165.27, 1165.28, 1165.29, 1165.30, 1165.33,	122
1181.16, 1181.17, and 1181.18 of the Revised	123
Code for the purpose of enacting a new banking	124
law for the State of Ohio.	125

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

<b>Section 1.</b> That sections 102.02, 109.572, 111.15, 119.01,	126
121.07, 131.11, 135.03, 135.032, 135.32, 135.321, 135.51,	127
135.52, 135.53, 323.134, 339.06, 513.17, 749.081, 755.141,	128
902.01, 924.10, 924.26, 924.45, 1101.01, 1101.02, 1101.03,	129
1101.15, 1101.16, 1103.01, 1103.02, 1103.03, 1103.06, 1103.07,	130
1103.08, 1103.09, 1103.11, 1103.13, 1103.14, 1103.15, 1103.16,	131
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1109.55, 1109.59, 1109.61, 1109.63, 1109.64, 1109.65, 1109.69,	139
1111.01, 1111.02, 1111.03, 1111.04, 1111.06, 1111.07, 1111.08,	140
1111.09, 1113.01, 1113.03, 1113.05, 1113.06, 1113.08, 1113.09,	141
1115.01, 1115.05, 1115.06, 1115.07, 1115.11, 1115.111, 1115.14,	142
1115.15, 1115.20, 1115.23, 1115.27, 1117.01, 1117.02, 1117.04,	143
1117.05, 1119.11, 1119.17, 1119.23, 1119.26, 1121.01, 1121.02,	144
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1121.17, 1121.18, 1121.21, 1121.23, 1121.26, 1121.30, 1121.33, 146  
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1181.07, 1181.10, 1181.11, 1181.21, 1181.25, 1349.16, 1509.07, 153  
1509.225, 1510.09, 1514.04, 1707.03, 1901.31, 2335.25, 3351.07, 154  
3767.41, 4303.293, and 5814.01 be amended; sections 1103.06 155  
(1113.04), 1103.08 (1113.12), 1103.09 (1113.13), 1103.11 156  
(1113.11), 1103.13 (1113.14), 1103.14 (1113.15), 1103.15 157  
(1113.16), 1103.16 (1113.17), 1103.01 (1113.01), 1113.01 158  
(1113.02), and 1103.21 (1117.07) be amended for the purpose of 159  
adopting new section numbers as shown in parentheses; and new 160  
section 1121.52 and sections 1101.05, 1103.99, 1109.021, 161  
1109.04, 1109.151, 1109.441, 1109.62, 1114.01, 1114.02, 1114.03, 162  
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1116.11, 1116.12, 1116.13, 1116.16, 1116.18, 1116.19, 1116.20, 166  
1116.21, and 1121.19 of the Revised Code be enacted to read as 167  
follows: 168

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

527  
For state office, except member of the 528

state board of education \$95 529

For office of member of general assembly \$40 530

For county office \$60 531

For city office \$35 532

For office of member of the state board 533

of education \$35 534

For office of member of a city, local, 535

exempted village, or cooperative 536

education board of 537

education or educational service 538

center governing board \$30 539

For position of business manager, 540

treasurer, or superintendent of a 541

city, local, exempted village, joint 542

vocational, or cooperative education 543

school district or 544  
educational service center \$30 545

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

substantially equivalent to such an offense. 909

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

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

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

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

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

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

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

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

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

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

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

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

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

sealed under section 2953.32 of the Revised Code; 999

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

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

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

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

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

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

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

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

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

or in both tangible and electronic formats. 1059

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

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

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

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

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

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

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

(G) As used in this section: 1108

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

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

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

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

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

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

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

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

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

operations within an agency. 1147

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

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

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

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

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

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

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

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

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

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

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

and procedures: 1206

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) Services rendered by the hospital. 1771

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

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

1101.01 of the Revised Code. 1774

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Moving expenses for new employees;

(f) Discounts on hospital supplies and services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

original appointments. 2057

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

persons. 2443

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

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

(2) Monthly, an unaudited financial statement. 2454

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

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

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

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

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

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

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

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

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

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

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

marketing agreement. 2501

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Retained earnings; 2642

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

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

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

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

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

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

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

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

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

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

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

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

~~superintendent of financial institutions pursuant to Chapter 1151. of the Revised Code, a savings and loan association doing business under authority granted by the regulatory authority of another state, or a federal savings association. "Savings association" also includes a state bank that elects to operate as a savings and loan association under section 1109.021 of the Revised Code.~~ 2699  
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~~(O)-(W) "Savings bank" means a savings bank doing business under authority granted by the superintendent of financial institutions pursuant to Chapter 1161. of the Revised Code or a savings bank doing business under authority granted by the regulatory authority of another state.~~ 2706  
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~~(P)-(X) "Shares" means any equity interest, including a limited partnership interest and any other equity interest in which liability is limited to the amount of the investment. "Shares" does not include a general partnership interest or any other interest involving general liability.~~ 2711  
2712  
2713  
2714  
2715

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

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

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

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

undivided profits, less amounts transferred to stated capital. 2728

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Represent itself as a bank. 2830

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

extends the reservation; 2989

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

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

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

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

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

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

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

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

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

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

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

is not authorized or effective. 3077

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

be less than quarterly. 3164

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

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

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

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

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

review at each meeting of the board of directors. 3193

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

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

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

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

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

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

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

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

(b) If the shareholders or members have the right to vote 3217  
cumulatively in the election of directors of the bank, unless 3218  
all the directors or all the directors of a particular class are 3219  
removed, the vote of shareholders or members does not remove an 3220

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(D) Both common shares and preferred shares of a bank shall be assessable, on a pro rata basis, for restoration of the bank's paid-in capital.~~ 3334  
3335  
3336

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

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

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

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

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

(1) Treasury shares; 3370

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

subdivisions of this state and other states of the United States, the United States, agencies of the United States, foreign nations, political subdivisions of foreign nations, multinational organizations, and subdivisions of multinational organizations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

following: 3623

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

repayable from specific property pledged by or on behalf of the 3793  
person; 3794

(b) To the extent specified by the superintendent of 3795  
financial institutions, any liability of a bank to advance funds 3796  
to or on behalf of a person pursuant to a contractual 3797  
commitment; 3798

(c) Any credit exposure to a person arising from a 3799  
derivative transaction between the person and a bank. 3800

(3) "Person" includes an individual; sole proprietorship; 3801  
partnership; joint venture; association; trust; estate; business 3802  
trust; corporation; government; agency, instrumentality, or 3803  
political subdivision of a government; limited liability 3804  
company; or any similar entity or organization. 3805

(B) Except as provided in divisions (C), (D), (E), and (F) 3806  
of this section: 3807

(1) The total loans and extensions of credit by a state 3808  
bank to a person outstanding at any one time and not fully 3809  
secured, as determined in a manner consistent with division (B) 3810  
(2) of this section, by collateral having a market value at 3811  
least equal to the amount of the loans and extensions of credit 3812  
to that person that are outstanding shall not exceed fifteen per 3813  
cent of the unimpaired capital of the bank. 3814

(2) The total loans and extensions of credit by a state 3815  
bank to a person outstanding at one time and fully secured by 3816  
readily marketable collateral having a market value, as 3817  
determined by reliable and continuously available price 3818  
quotations, at least equal to the amount of the loans and 3819  
extensions of credit to that person that are outstanding shall 3820  
not exceed ten per cent of the unimpaired capital of the bank. 3821

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) (1) A state bank may extend credit to any of its 3937  
executive officers, directors, or principal shareholders, or to 3938  
any of their related interests, only if all of the following 3939  
apply to the extension of credit: 3940

(a) The extension of credit is made on substantially the 3941  
same terms, including interest rates and collateral, as those 3942  
terms prevailing at the time for comparable transactions by the 3943  
bank with persons who are not executive officers, directors, 3944  
principal shareholders, or employees of the bank. 3945

(b) The extension of credit does not involve more than the 3946  
normal risk of repayment or present other unfavorable features. 3947

(c) The bank follows credit underwriting procedures that 3948  
are not less stringent than those applicable to comparable 3949  
transactions by the bank with persons who are not executive 3950  
officers, directors, principal shareholders, or employees of the 3951  
bank. 3952

(2) Nothing in division (B) (1) of this section shall be 3953  
construed to prohibit any extension of credit made pursuant to a 3954  
benefit or compensation program that meets both of the following 3955  
conditions: 3956

(a) The program is ~~widely~~ available to all employees of 3957  
the bank; 3958

(b) The program does not give preference to any officer, 3959  
director, or principal shareholder of the bank, or to any 3960  
related interest of an officer, director, or principal 3961  
shareholder, over other employees of the bank. 3962

(C) A state bank may extend credit to any of its executive 3963  
officers, directors, or principal shareholders, or to any of 3964  
their related interests, in an amount that, when aggregated with 3965

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(I) For purposes of this section: 4039

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

earnings, in shares issued by the following: 4342

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

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

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

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

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

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

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

municipal corporations. 4371

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

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

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

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

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

(C) Acceptable to the superintendent. 4392

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(2) The bank controls in any manner the election of a majority of the directors or trustees of the company in which the investment is being made.~~ 4484  
4485  
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~~(3) As determined by the superintendent after notice and opportunity for a hearing, the bank directly or indirectly exercises a controlling influence over the management or policies of the company in which the investment is being made, a lower-tier bank subsidiary corporation or bank service corporation, subject to the requirements of this section.~~ 4487  
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**Sec. 1109.441.** Only for investments made under section 1109.44 of the Revised Code may a state bank invest in securities pursuant to section 1109.39 of the Revised Code or make investments pursuant to section 1109.40 of the Revised Code that result in any of the following: 4493  
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(A) The state bank, directly or indirectly, or acting through one or more other persons, owning, controlling, or having the power to vote twenty-five per cent or more of any class of voting securities of the company in which the investment is being made; 4498  
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(B) The state bank controlling in any manner the election of a majority of the directors or trustees of the company in which the investment is being made; 4503  
4504  
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(C) As determined by the superintendent of financial institutions after notice and opportunity for a hearing, the state bank directly or indirectly exercising a controlling influence over the management or policies of the company in which the investment is being made. 4506  
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**Sec. 1109.45.** A state bank may invest in the shares of a clearing corporation as defined by section 1308.01 of the 4511  
4512

Revised Code.	4513
<b>Sec. 1109.47.</b> (A) Except as provided in division (B) of	4514
this section, a <u>state</u> bank shall not invest more than fifteen	4515
per cent of its capital in the <del>stock</del> <u>shares</u> , obligations, or	4516
other securities of any one issuer.	4517
(B) Division (A) of this section does not apply to any of	4518
the following:	4519
(1) Bonds or other obligations enumerated in divisions (A)	4520
(1) to (6) of section 1109.32 of the Revised Code;	4521
(2) Investment in a bank subsidiary corporation engaged	4522
solely in the business of holding title to real estate described	4523
in division (A) of section 1109.31 of the Revised Code;	4524
(3) Obligations or securities, <u>other than stock</u> , of the	4525
federal national mortgage association, the student loan	4526
marketing association, the government national mortgage	4527
association, or the federal home loan mortgage corporation, or	4528
their successors;	4529
(4) Common and preferred stock, obligations, and other	4530
securities of one domestic reinsurance company with the written	4531
permission of the superintendent of financial institutions as	4532
required by division (B) of section 1109.34 of the Revised Code;	4533
<u>(5) Shares, obligations, securities, or other interests of</u>	4534
<u>any other issuer with the written approval of the</u>	4535
<u>superintendent.</u>	4536
(C) For purposes of this section, no purchase by a <u>state</u>	4537
bank of stock in a federal reserve bank or federal home loan	4538
bank is an investment.	4539
(D) If a state or political subdivision of a state issues	4540

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

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

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

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

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

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

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

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

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

the state bank; 4597

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

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

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

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

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

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

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

(b) A purchase of or an investment in securities issued by 4621  
the affiliate; 4622

(c) A purchase of assets, including assets subject to an 4623  
agreement to repurchase, from the affiliate, except the purchase 4624

of real or personal property as specifically exempted by the 4625  
superintendent by rule or order; 4626

(d) The acceptance of securities issued by the affiliate 4627  
as collateral security for a loan or extension of credit to any 4628  
person or company; 4629

(e) The issuance of a guarantee, acceptance, or letter of 4630  
credit, including an endorsement or standby letter of credit to 4631  
any person or company. 4632

(2) "Covered transaction" does not include any of the 4633  
following: 4634

(a) A transaction with another bank if either of the 4635  
following apply: 4636

(i) One of the banks controls eighty per cent or more of 4637  
the voting shares of the other bank. 4638

(ii) The same company controls eighty per cent or more of 4639  
the voting shares of both banks. 4640

(b) Making deposits in an affiliated bank or affiliated 4641  
foreign bank in the ordinary course of correspondent business, 4642  
subject to any restrictions the superintendent may prescribe by 4643  
rule or order; 4644

(c) Giving immediate credit to an affiliate for 4645  
uncollected items received in the ordinary course of business; 4646

(d) Making a loan or extension of credit to, or issuing a 4647  
guarantee, acceptance, or letter of credit on behalf of, an 4648  
affiliate that is fully secured by one of the following: 4649

(i) Obligations of the United States or its agencies or 4650  
instrumentalities; 4651

- (ii) Obligations fully guaranteed as to principal and interest by the United States or its agencies or instrumentalities; 4652  
4653  
4654
- (iii) A segregated, earmarked deposit account with the state bank. 4655  
4656
- (e) Purchasing securities issued by a company engaged solely in one or more of the following activities: 4657  
4658
- (i) Holding or operating properties used or to be used wholly or substantially by any bank subsidiary of a company that controls the state bank in the operations of the bank subsidiary; 4659  
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4662
- (ii) Conducting a safe-deposit business; 4663
- (iii) Furnishing services to or performing services for a company that controls the state bank or its subsidiaries; 4664  
4665
- (iv) Liquidating assets acquired from a company that controls the state bank or its banking subsidiaries. 4666  
4667
- (f) Purchasing assets having a readily identifiable and publicly available market quotation and purchased at that market quotation or purchasing loans on a nonrecourse basis from affiliated banks; 4668  
4669  
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4671
- (g) Purchasing from an affiliate a loan or extension of credit that was originated by the state bank and sold to the affiliate subject to a repurchase agreement or with recourse. 4672  
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4674
- (E) "Low quality asset" means an asset that is one or more of the following: 4675  
4676
- (1) An asset classified as "substandard," "doubtful," or "loss," or treated as "other loans especially mentioned" in the 4677  
4678

most recent report of examination or inspection of an affiliate 4679  
prepared by any of the federal deposit insurance corporation, 4680  
the federal reserve, the office of the comptroller of the 4681  
currency, ~~the office of thrift supervision,~~ the division of 4682  
financial institutions, or the financial institution regulators 4683  
of other states of the United States; 4684

(2) An asset in a nonaccrual status; 4685

(3) An asset on which principal or interest payments are 4686  
more than thirty days past due; 4687

(4) An asset whose terms have been renegotiated or 4688  
compromised due to the deteriorating financial condition of the 4689  
obligor. 4690

(F) "Securities" means, except as provided in section 4691  
1109.55 of the Revised Code, stocks, bonds, debentures, notes, 4692  
or other similar obligations. 4693

(G) "Subsidiary" means, with respect to a specified 4694  
company, a company that is controlled by the specified company. 4695

(H) (1) Subject to division (H) (2) of this section, a 4696  
company or shareholder is deemed to have control over another 4697  
company, if any of the following apply: 4698

(a) The company or shareholder, directly or indirectly, or 4699  
acting through one or more other persons, owns, controls, or has 4700  
the power to vote twenty-five per cent or more of any class of 4701  
voting securities of the other company. 4702

(b) The company or shareholder controls in any manner the 4703  
election of a majority of the directors or trustees of the other 4704  
company. 4705

(c) The superintendent determines, after notice and 4706

opportunity for a hearing, the company or shareholder, directly 4707  
or indirectly, exercises a controlling influence over the 4708  
management or policies of the other company. 4709

(2) No company shall be found to own or control another 4710  
company by virtue of the ownership or control of securities in a 4711  
fiduciary capacity, except either as provided in divisions (A) 4712  
(1) (c) and (d) of this section or if the company owning or 4713  
controlling the securities is a business trust. 4714

(I) Any transaction by a state bank with any person shall 4715  
be considered a transaction with an affiliate to the extent the 4716  
proceeds of the transaction are used for the benefit of, or 4717  
transferred to, an affiliate. 4718

**Sec. 1109.54.** (A) A state bank and its subsidiaries may 4719  
engage in a covered transaction with an affiliate only if both 4720  
of the following apply: 4721

(1) The aggregate amount of covered transactions by the 4722  
bank and its subsidiaries with the particular affiliate will not 4723  
exceed ten per cent of the bank's capital. 4724

(2) The aggregate amount of all covered transactions by 4725  
the bank and its subsidiaries with all of the bank's affiliates 4726  
will not exceed twenty per cent of the bank's capital. 4727

(B) A state bank and its subsidiaries may not purchase a 4728  
low quality asset from an affiliate unless the bank or its 4729  
subsidiary, pursuant to an independent credit evaluation, 4730  
committed itself to purchase the asset prior to the time the 4731  
asset was acquired by the affiliate. 4732

(C) Any covered transactions and any transactions between 4733  
a state bank and an affiliate shall be on terms and conditions 4734  
that are consistent with safe and sound banking practices. 4735

(D) Except as provided in division (E) (4) of this section, 4736  
any loan or extension of credit to, or guarantee, acceptance, or 4737  
letter of credit issued on behalf of, an affiliate by a state 4738  
bank or its subsidiary shall be secured at the time of the 4739  
transaction by collateral having a market value equal to any of 4740  
the following: 4741

(1) One hundred per cent of the amount of the loan or 4742  
extension of credit, guarantee, acceptance, or letter of credit, 4743  
if the collateral is composed of any of the following: 4744

(a) Obligations of the United States or its agencies or 4745  
instrumentalities; 4746

(b) Obligations fully guaranteed as to principal and 4747  
interest by the United States or its agencies or 4748  
instrumentalities; 4749

(c) Notes, drafts, bills of exchange, or bankers' 4750  
acceptances described in division (B) or ~~(C)~~(C) of section 4751  
1109.17 of the Revised Code; 4752

(d) A segregated, earmarked deposit account with the bank. 4753

(2) One hundred ten per cent of the amount of the loan or 4754  
extension of credit, guarantee, acceptance, or letter of credit, 4755  
if the collateral is composed of obligations of any state or 4756  
political subdivision of any state; 4757

(3) One hundred twenty per cent of the amount of the loan 4758  
or extension of credit, guarantee, acceptance, or letter of 4759  
credit, if the collateral is composed of other debt instruments, 4760  
including receivables; 4761

(4) One hundred thirty per cent of the amount of the loan 4762  
or extension of credit, guarantee, acceptance, or letter of 4763

credit, if the collateral is composed of stock, leases, or other 4764  
real or personal property. 4765

(E) For purposes of division (D) of this section: 4766

(1) Any collateral that is subsequently retired or 4767  
amortized shall be replaced by additional eligible collateral as 4768  
needed to keep the percentage of the collateral value relative 4769  
to the amount of the outstanding loan or extension of credit, 4770  
guarantee, acceptance, or letter of credit equal to the minimum 4771  
percentage required at the inception of the transaction. 4772

(2) A low quality asset is not acceptable as collateral 4773  
for a loan or extension of credit to, or guarantee, acceptance, 4774  
or letter of credit issued on behalf of, an affiliate. 4775

(3) The securities issued by an affiliate of the state 4776  
bank are not acceptable as collateral for a loan or extension of 4777  
credit to, or guarantee, acceptance, or letter of credit issued 4778  
on behalf of, that affiliate or any other affiliate of the bank. 4779

(4) The collateral requirements set forth in divisions (D) 4780  
and (E)(1) of this section do not apply to any acceptance that 4781  
is fully secured by either attached documents or other property 4782  
that is involved in the transaction and that has an 4783  
ascertainable market value. 4784

**Sec. 1109.55.** (A) A state bank and its subsidiaries may 4785  
engage in any of the transactions described in division (B) of 4786  
this section only if one of the following applies: 4787

(1) The transaction is on terms and under circumstances, 4788  
including credit standards, that are substantially the same, or 4789  
at least as favorable to the bank or its subsidiary, as those 4790  
prevailing at the time for comparable transactions with or 4791  
involving other nonaffiliated companies. 4792

(2) In the absence of comparable transactions, the 4793  
transaction is on terms and under circumstances, including 4794  
credit standards, that in good faith would be offered to, or 4795  
would apply to, nonaffiliated companies. 4796

(B) Division (A) of this section applies to all of the 4797  
following: 4798

(1) A covered transaction with an affiliate; 4799

(2) The sale of securities or other assets to an 4800  
affiliate, including assets subject to an agreement to 4801  
repurchase; 4802

(3) The payment of money or the furnishing of services to 4803  
an affiliate under contract, lease, or otherwise; 4804

(4) Any transaction in which an affiliate acts as an agent 4805  
or broker or receives a fee for its services to the bank or to 4806  
any other person. 4807

(C) No state bank or its subsidiary shall do either of the 4808  
following: 4809

(1) Purchase as fiduciary any securities or other assets 4810  
from an affiliate unless the purchase is permitted by one of the 4811  
following: 4812

(a) The instrument creating the fiduciary relationship; 4813

(b) A court order; 4814

(c) The law of the jurisdiction governing the fiduciary 4815  
relationship. 4816

(2) Whether acting as principal or fiduciary, knowingly 4817  
purchase or otherwise acquire, during the existence of any 4818  
underwriting or selling syndicate, any security if a principal 4819

underwriter of the security is an affiliate. 4820

Division (C) (2) of this section does not apply if the 4821  
purchase or acquisition of the securities has been approved, 4822  
before the securities are initially offered for sale to the 4823  
public, by a majority of the directors of the bank who are not 4824  
officers or employees of the bank or any of its affiliates. 4825

(D) No state bank or affiliate or subsidiary of a state 4826  
bank shall publish any advertisement or enter into any agreement 4827  
stating or suggesting the bank shall in any way be responsible 4828  
for the obligations of its affiliates. 4829

(E) For purposes of division (C) of this section: 4830

(1) "Principal underwriter" means any underwriter, in 4831  
connection with a primary distribution of securities, that is 4832  
any of the following: 4833

(a) In privity of contract with the issuer or an 4834  
affiliated person of the issuer; 4835

(b) Acting alone or in concert with one or more other 4836  
persons, initiates or directs the formation of an underwriting 4837  
syndicate; 4838

(c) Allowed a rate of gross commission, spread, or other 4839  
profit greater than the rate allowed another underwriter 4840  
participating in the distribution. 4841

(2) "Security" has the same meaning as in section 3(a) (10) 4842  
of the "Securities Exchange Act of 1934," 48 Stat. 881, 15 4843  
U.S.C. 78c(a) (10), as amended. 4844

**Sec. 1109.59.** A state bank may borrow money in any sum 4845  
consistent with safety and soundness. Borrowing by means of the 4846  
issuance of debt securities is subject to the approval of the 4847

superintendent of financial institutions in accordance with 4848  
section 1107.05 of the Revised Code. 4849

**Sec. 1109.61.** No state bank shall contract to pay, or pay 4850  
to any person, any fees for management or consulting services, 4851  
including fees for legal, accounting, brokerage, or other 4852  
similar professional services, that do not have a direct 4853  
relationship to the value of the services rendered or to be 4854  
rendered, based on reasonable costs consistent with current 4855  
market values for services of the kind contracted for. 4856

**Sec. 1109.62.** A state bank may engage in the business of 4857  
selling insurance through a subsidiary insurance agency subject 4858  
to licensing under the law of this state and the law of every 4859  
other state in which services are provided by the bank or its 4860  
subsidiary. 4861

**Sec. 1109.63.** A state bank may buy, sell, and exchange 4862  
coin and bullion. 4863

**Sec. 1109.64.** Subject to the limitations and restrictions 4864  
of Chapters 1101. to 1127. of the Revised Code, a state bank 4865  
shall have the power to do both of the following: 4866

(A) Operate travel agencies; 4867

(B) Engage in the sale of tickets for passage on common 4868  
carriers, such as airlines, railroads, ships, and buses, to 4869  
points within and outside the United States. 4870

**Sec. 1109.65.** In order to protect its interest in a 4871  
property, a state bank may purchase a tax certificate under 4872  
section 5721.32 or 5721.33 of the Revised Code. 4873

**Sec. 1109.69.** (A) ~~Every~~ Unless a longer record retention 4874  
period is required by applicable federal law or regulation, each 4875

bank shall retain or preserve the following bank records and	4876
supporting documents for only the following periods of time:	4877
(1) For one year:	4878
(a) Broker's confirmations, invoices, and statements	4879
relating to security transactions of the bank or for or with its	4880
customers, after date of transaction;	4881
(b) Corporate resolutions, partnership authorizations, and	4882
similar authorizations relating to closed accounts, loans that	4883
have been paid, or other completed transactions, after date of	4884
closing, payment, or completion;	4885
(c) Ledger records of safe deposit accounts, after date of	4886
last entry on the ledger;	4887
(d) Night depository records, after their date;	4888
(e) Records relating to closed Christmas club or similar	4889
limited duration special purpose accounts, after date of	4890
closing;	4891
(f) Records relating to customer collection accounts,	4892
after date of transaction;	4893
(g) Stop payment orders, after their date;	4894
(h) All records relating to closed consumer credit loans	4895
and discounts, after date of closing;	4896
(i) Deposit tickets relating to demand deposit accounts,	4897
after their date;	4898
(2) For six years:	4899
(a) Deposit and withdrawal tickets relating to open or	4900
closed savings accounts, after their date;	4901

(b) Individual ledger sheets or other records serving the same purpose that show a zero balance and that relate to demand, time, or savings deposit accounts, and safekeeping accounts, after date of last entry, or, where the ledger sheets or other records show an open balance, after date of transfer of the amount of the balance to another ledger sheet or record;	4902 4903 4904 4905 4906 4907
(c) Official checks, drafts, money orders, and other instruments for the payment of money issued by the bank and that have been canceled, after date of issue;	4908 4909 4910
(d) Records relating to closed escrow accounts, after date of closing;	4911 4912
(e) Records, other than corporate resolutions, partnership authorizations, and similar authorizations relating to closed loans and discounts other than consumer credit loans and discounts, after date of closing;	4913 4914 4915 4916
(f) Safe deposit access tickets and correspondence or documents relating to access, after their date;	4917 4918
(g) Lease or contract records relating to closed safe deposit accounts, after date of closing;	4919 4920
(h) Signature cards relating to closed demand, savings, or time accounts, closed safe deposit accounts, and closed safekeeping accounts, after date of closing;	4921 4922 4923
(i) Undelivered statements for demand deposit, negotiable order of withdrawal, savings, agency, brokerage, or other accounts for which customer statements are prepared, and canceled checks or other items, after date of statement, provided the bank has attempted to send the statements and checks or other items to its customer, has held them pursuant to the instructions of or an agreement with its customer, or has	4924 4925 4926 4927 4928 4929 4930

made them available to its customer. 4931

(B) The superintendent of financial institutions may 4932  
designate a retention period of either one year or six years for 4933  
any record maintained by a bank but not listed in division (A) 4934  
of this section. Records that are not listed in division (A) of 4935  
this section and for which the superintendent has not designated 4936  
a retention period shall be retained or preserved for six years 4937  
from the date of completion of the transaction to which the 4938  
record relates or, if the last entry has been transferred to a 4939  
new record showing the continuation of a transaction not yet 4940  
completed, from the date of the last entry. 4941

(C) The requirements of divisions (A) and (B) of this 4942  
section may be complied with by the preservation of records in 4943  
the manner prescribed in section 1109.68 of the Revised Code. 4944

(D) In construing the terms set forth in division (A) of 4945  
this section, reference may be made to general banking usage. 4946

(E) A bank may dispose of any records that have been 4947  
retained or preserved for the period set forth in divisions (A) 4948  
and (B) of this section. 4949

(F) Any action by or against a bank based on, or the 4950  
determination of which would depend on, the contents of records 4951  
for which a period of retention or preservation is set forth in 4952  
divisions (A) and (B) of this section shall be brought within 4953  
the time for which the record must be retained or preserved. 4954

(G) Where a record may be classified under either division 4955  
(A) (1) or (2) of this section, the record shall be retained or 4956  
preserved for the period set forth in division (A) (2) of this 4957  
section. 4958

(H) The provisions of this section do not apply to those 4959

records maintained by a bank in its capacity as a trust company. 4960

**Sec. 1111.01.** As used in this chapter: 4961

(A) "Charitable trust" means a charitable remainder 4962  
annuity trust as defined in section 664(d) of the Internal 4963  
Revenue Code, a charitable remainder unitrust as defined in 4964  
section 664(d) of the Internal Revenue Code, a charitable lead 4965  
or other split interest trust subject to the governing 4966  
instrument requirements of section 508(e) of the Internal 4967  
Revenue Code, a pooled income fund as defined in section 642(c) 4968  
of the Internal Revenue Code, a trust that is a private 4969  
foundation as defined in section 509 of the Internal Revenue 4970  
Code, or a trust of which each beneficiary is a charity. 4971

For purposes of this division and division (B) of this 4972  
section, "Internal Revenue Code" means the "Internal Revenue 4973  
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 4974

(B) "Charity" means a state university as defined in 4975  
section 3345.011 of the Revised Code, a community college as 4976  
defined in section 3354.01 of the Revised Code, a technical 4977  
college as defined in section 3357.01 of the Revised Code, a 4978  
state community college as defined in section 3358.01 of the 4979  
Revised Code, a private college or university that possesses a 4980  
certificate of authorization issued by the Ohio board of regents 4981  
pursuant to Chapter 1713. of the Revised Code, a trust or 4982  
organization exempt from taxation under section 501(c)(3) or 4983  
section 501(c)(13) of the Internal Revenue Code, or a 4984  
corporation, trust, or organization described in section 170(c) 4985  
(2) of the Internal Revenue Code. The term "charities" means 4986  
more than one trust or organization that is a charity. 4987

(C) "Collective investment fund" means a fund established 4988

by a trust company or an affiliate of a trust company for the 4989  
collective investment of assets held in a fiduciary capacity, 4990  
either alone or with one or more cofiduciaries, by the 4991  
establishing trust company and its affiliates. 4992

(D) "Fiduciary investment company" means a corporation 4993  
that is both of the following: 4994

(1) An investment company; 4995

(2) Incorporated, owned, and operated in accordance with 4996  
rules adopted by the superintendent of financial institutions 4997  
for the investment of funds held by trust companies in a 4998  
fiduciary capacity and for true fiduciary purposes, either alone 4999  
or with one or more cofiduciaries. 5000

(E) "Home" has the same meaning as in section 3721.10 of 5001  
the Revised Code. 5002

(F) "Instrument" includes any will, declaration of trust, 5003  
agreement of trust, agency, or custodianship, or court order 5004  
creating a fiduciary relationship. 5005

(G) "Residential facility" has the same meaning as in 5006  
section 5123.19 of the Revised Code. 5007

(H) "Investment company" means any investment company as 5008  
defined in section 3 and registered under section 8 of the 5009  
"Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a- 5010  
3 and 80a-8, as amended. 5011

(I) "Trust business" means accepting and executing trusts 5012  
of property, serving as a trustee, executor, administrator, 5013  
guardian, receiver, or conservator, and providing fiduciary 5014  
services as a business. "Trust business" does not include any of 5015  
the following: 5016

(1) Any natural person acting as a trustee, executor, 5017  
administrator, guardian, receiver, or conservator pursuant to 5018  
appointment by a court of competent jurisdiction; 5019

(2) Any natural person serving as a trustee who does not 5020  
hold self out to the public as willing to act as a trustee for 5021  
hire. For purposes of division (I) of this section, the 5022  
solicitation or advertisement of legal or accounting services by 5023  
a person licensed in this state as an attorney or a person 5024  
holding an Ohio permit to practice public accounting issued 5025  
under division (A) of section 4701.10 of the Revised Code shall 5026  
not be considered to be the act of holding self out to the 5027  
public as willing to act as a trustee for hire. 5028

(3) A charity, an officer or employee of a charity, or a 5029  
person affiliated with a charity, serving as trustee of a 5030  
charitable trust of which the charity, or another charity with a 5031  
similar purpose, is a beneficiary; 5032

(4) Any natural person, home, or residential facility 5033  
serving as trustee or taking other actions relative to a 5034  
qualified income trust described in section 1917(d)(4)(B) of the 5035  
"Social Security Act," 42 U.S.C. 1396p(d)(4)(B), as amended; 5036

(5) Other fiduciary activities the superintendent 5037  
determines are not undertaken as a business. 5038

**Sec. 1111.02.** (A) Except as provided in ~~divisions~~division 5039  
(B) ~~and (C)~~ of this section, no person shall solicit or engage 5040  
in trust business in this state except a corporation that is one 5041  
of the following: 5042

(1) A corporation licensed under section 1111.06 of the 5043  
Revised Code that is one of the following: 5044

(a) A state bank ~~doing business under authority granted by~~ 5045

~~the superintendent of financial institutions;~~ 5046

~~(b) A savings and loan association doing business under authority granted by the superintendent of financial institutions;~~ 5047  
5048  
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~~(c) A savings bank doing business under authority granted by the superintendent of financial institutions;~~ 5050  
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~~(d) A bank authorized to accept and execute trusts and doing business under authority granted by the bank chartering authority of another state or country;~~ 5052  
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~~(e)~~ (c) A corporation organized under the laws of another state or country and authorized to accept and execute trusts in that state or country. 5055  
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(2) A national bank or federal savings association authorized to accept and execute trusts and doing business under authority granted by the office of the comptroller of the currency; 5058  
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~~(3) A savings association authorized to accept and execute trusts and doing business under authority granted by the office of thrift supervision.~~ 5062  
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(B) This chapter shall not apply to ~~any of the following~~: 5065

~~(1) A savings and loan association serving as a trustee to the extent authorized by section 1151.191 of the Revised Code;~~ 5066  
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~~(2) A savings bank serving as a trustee to the extent authorized by section 1161.24 of the Revised Code;~~ 5068  
5069

~~(3) A~~ a corporation that is incorporated under the laws of another state or the United States, has its principal place of business in another state, is currently qualified to do and is 5070  
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5072

engaging in trust business in the state where the corporation 5073  
has its principal place of business, and is doing any of the 5074  
following: 5075

~~(a)~~ (1) Serving as ancillary executor or administrator of 5076  
property in this state that is in the estate of a decedent, 5077  
after appointment as executor or administrator of the estate by 5078  
the courts of the decedent's state of residence; 5079

~~(b)~~ (2) As trustee, acquiring, holding, or transferring a 5080  
security interest in lands or other property in this state, by 5081  
mortgage, deed of trust, or other instrument, to secure any 5082  
evidence of indebtedness; 5083

~~(c)~~ (3) Certifying to any evidence of indebtedness. 5084

~~(C) The following persons shall not be subject to this 5085  
chapter until July 1, 1997:~~ 5086

~~(1) Any person, other than a person described in division 5087  
(A) or (B) of this section, that is serving as a fiduciary under 5088  
a trust instrument, will, or other document executed before July 5089  
1, 1997;~~ 5090

~~(2) Any person, other than a person described in division 5091  
(A) or (B) of this section, that is named as a fiduciary in, or 5092  
is nominated as a fiduciary under, a trust instrument, will, or 5093  
other document executed before July 1, 1997.~~ 5094

**Sec. 1111.03.** (A) Notwithstanding any other provision of 5095  
the Revised Code, any national bank or federal savings 5096  
association that has been granted fiduciary powers by the office 5097  
of the comptroller of the currency ~~or any federal savings~~ 5098  
~~association that has been granted fiduciary powers by the office~~ 5099  
~~of thrift supervision~~ may act in this state as trustee, 5100  
executor, administrator, registrar of stocks and bonds, guardian 5101

of estates, assignee, receiver, or in any other fiduciary 5102  
capacity in which trust companies qualified and licensed under 5103  
section 1111.06 of the Revised Code are authorized to act in 5104  
this state. For such purpose, a national bank or federal savings 5105  
association shall have the same powers and rights, including but 5106  
not limited to, the same right to make and accept transfers of 5107  
fiduciary appointments, as are granted by the laws of this state 5108  
to trust companies qualified and licensed under section 1111.06 5109  
of the Revised Code, and may solicit trust business, accept 5110  
trust deposits, and maintain nonbranch trust offices in this 5111  
state. A national bank or federal savings association shall not, 5112  
by virtue of conducting such trust activity in this state, be 5113  
subject to examination or inspection by the superintendent of 5114  
financial institutions, nor shall it be required to obtain any 5115  
approval, authorization, licenses, or certification from, or pay 5116  
any fee or assessment to, the superintendent in order to conduct 5117  
trust activities in this state. 5118

(B) Notwithstanding the provisions of division (A) of this 5119  
section, section 1111.04, division (B) of section 1111.07, and 5120  
section 1111.08 of the Revised Code shall apply to national 5121  
banks and federal savings associations. 5122

**Sec. 1111.04.** (A) Prior to soliciting or engaging in trust 5123  
business in this state, a trust company shall pledge to the 5124  
treasurer of state interest bearing securities authorized in 5125  
division (B) of this section, having a par value, not including 5126  
unaccrued interest, of one hundred thousand dollars, and 5127  
approved by the superintendent of financial institutions. The 5128  
trust company may pledge the securities either by delivery to 5129  
the treasurer of state or by placing the securities with a 5130  
qualified trustee for safekeeping to the account of the 5131  
treasurer of state, the corporate fiduciary, and any other 5132

person having an interest in the securities under Chapter 1109. 5133  
of the Revised Code, as their respective interests may appear 5134  
and be asserted by written notice to or demand upon the 5135  
qualified trustee or by order of judgment of a court. 5136

(B) Securities pledged by a trust company to satisfy the 5137  
requirements of division (A) of this section shall be one or 5138  
more of the following: 5139

(1) Bonds, notes, or other obligations of or guaranteed by 5140  
the United States or for which the full faith and credit of the 5141  
United States is pledged for the payment of principal and 5142  
interest; 5143

(2) Bonds, notes, debentures, or other obligations or 5144  
securities issued by any agency or instrumentality of the United 5145  
States; 5146

(3) General obligations of this or any other state of the 5147  
United States or any subdivision of this or any other state of 5148  
the United States. 5149

(C) The treasurer of state shall accept delivery of 5150  
securities pursuant to this section when accompanied by the 5151  
superintendent's approval of the securities or the written 5152  
receipt of a qualified trustee describing the securities and 5153  
showing the superintendent's approval of the securities, and 5154  
shall issue a written acknowledgment of the delivery of the 5155  
securities or the qualified trustee's receipt and the 5156  
superintendent's approval to the trust company. 5157

(D) The superintendent shall approve securities to be 5158  
pledged by a trust company pursuant to this section if the 5159  
securities are all of the following: 5160

(1) Interest bearing and of the value required by division 5161

(A) of this section; 5162

(2) Of one or more of the kinds authorized by division (B) 5163  
of this section and not a derivative of or merely an interest in 5164  
any of those securities; 5165

(3) Not in default. 5166

(E) The treasurer of state shall, with the approval of the 5167  
superintendent, permit a trust company to pledge securities in 5168  
substitution for securities pledged pursuant to this section and 5169  
the withdrawal of the securities substituted for so long as the 5170  
securities remaining pledged satisfy the requirements of 5171  
division (A) of this section. The treasurer of state shall 5172  
permit a trust company to collect interest paid on securities 5173  
pledged pursuant to this section so long as the trust company is 5174  
solvent. The treasurer of state shall, with the approval of the 5175  
superintendent, permit a trust company to withdraw securities 5176  
pledged pursuant to this section when the trust company has 5177  
ceased to solicit or engage in trust business in this state. 5178

(F) For purposes of this section, a qualified trustee is a 5179  
federal reserve bank, a federal home loan bank, a trust company 5180  
as defined in section 1101.01 of the Revised Code, or a national 5181  
bank or federal savings association that has pledged securities 5182  
pursuant to this section, is authorized to accept and execute 5183  
trusts, and is doing business under authority granted by the 5184  
office of the comptroller of the currency, or a savings- 5185  
association that has pledged securities pursuant to this- 5186  
section, is authorized to accept and execute trusts, and is- 5187  
doing business under authority granted by the office of thrift- 5188  
supervision except that. However, a national bank or federal 5189  
savings association doing business under authority granted by 5190  
the office of the comptroller of the currency, a savings- 5191

~~association doing business under authority granted by the office~~ 5192  
~~of thrift supervision,~~ or a trust company may not act as a 5193  
qualified trustee for securities it or any of its affiliates is 5194  
pledging pursuant to this section. 5195

(G) The superintendent, with the approval of the treasurer 5196  
of state and the attorney general, shall prescribe the form of 5197  
all receipts and acknowledgments provided for by this section, 5198  
and upon request shall furnish a copy of each form, with the 5199  
superintendent's certification attached, to each qualified 5200  
trustee eligible to hold securities for safekeeping under this 5201  
section. 5202

**Sec. 1111.06.** (A) Any person, other than a national bank 5203  
with trust powers or a federal savings association with trust 5204  
powers, proposing to solicit or engage in trust business in this 5205  
state shall apply to the superintendent of financial 5206  
institutions to be licensed as a trust company. The 5207  
superintendent shall approve or disapprove the application 5208  
within sixty days after accepting it. 5209

(B) In determining whether to approve or disapprove an 5210  
application for a trust company license, the superintendent 5211  
shall consider all of the following: 5212

(1) Whether the applicant is a corporation described in 5213  
division (A) (1) of section 1111.02 of the Revised Code; 5214

(2) Whether the applicant's articles of incorporation or 5215  
association authorize the applicant to serve as a trustee; 5216

(3) If the applicant is not a state bank, ~~savings and loan~~ 5217  
~~association, or savings bank doing business under authority~~ 5218  
~~granted by the superintendent,~~ whether the applicant is 5219  
currently qualified to do and is engaging in trust business in 5220

the state or country under the laws of which the applicant is organized; 5221  
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(4) Whether the applicant satisfies the requirements of section 1111.05 of the Revised Code; 5223  
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(5) Whether it is reasonable to believe the applicant will comply with applicable laws and observe sound fiduciary standards in conducting trust business in this state; 5225  
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(6) If the applicant is not a state bank, ~~savings and loan association, or savings bank doing business under authority granted by the superintendent~~, whether the applicant is subject to comprehensive supervision and regulation of its fiduciary activities by appropriate authorities of the state or country under the laws of which the applicant is organized. 5228  
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(C) In approving an application for a trust company license, the superintendent may impose any condition the superintendent determines to be appropriate. 5234  
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(D) When an applicant has satisfied all prior conditions imposed by the superintendent in approving the applicant's application for a trust company license and has pledged securities as required by section 1111.04 of the Revised Code, the superintendent shall issue the applicant a trust company license. A license issued pursuant to this section shall remain in force and effect until surrendered by the licensee pursuant to section 1111.31 of the Revised Code or suspended or revoked by the superintendent pursuant to section 1111.32 of the Revised Code. 5237  
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**Sec. 1111.07.** (A) A trust company's license to solicit or engage in trust business in this state is not transferable or assignable. 5247  
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(B) Subject to section 2109.28 of the Revised Code, if any 5250  
trust company enters into a merger or consolidation in which the 5251  
trust company is not the surviving corporation, or transfers all 5252  
or substantially all of its assets and liabilities to another 5253  
corporation, the resulting, surviving, or transferee corporation 5254  
shall succeed the trust company as fiduciary as a matter of law 5255  
and without necessity to do anything further, if the resulting, 5256  
surviving, or transferee corporation is a trust company, or a 5257  
national bank or federal savings association authorized to 5258  
accept and execute trusts and doing business under authority 5259  
granted by the office of the comptroller of the currency, ~~or a~~ 5260  
~~federal savings association authorized to accept and execute~~ 5261  
~~trusts and doing business under authority granted by the office~~ 5262  
~~of thrift supervision~~. If the trust company is not the surviving 5263  
corporation of a merger, enters a consolidation, or after 5264  
transferring substantially all of its assets and liabilities 5265  
ceases to solicit or engage in trust business in this state, the 5266  
trust company shall surrender its trust company license in 5267  
accordance with section 1111.31 of the Revised Code. 5268

**Sec. 1111.08.** (A) A trust company, or a national bank or 5269  
federal savings association authorized to accept and execute 5270  
trusts and doing business under authority granted by the office 5271  
of the comptroller of the currency, ~~or a federal savings~~ 5272  
~~association authorized to accept and execute trusts and doing~~ 5273  
~~business under authority granted by the office of thrift~~ 5274  
~~supervision~~ may transfer all or part of its trust business in 5275  
this state to another trust company, or to a national bank or 5276  
federal savings association authorized to accept and execute 5277  
trusts and doing business under authority granted by the office 5278  
of the comptroller of the currency, ~~or to a federal savings~~ 5279  
~~association authorized to accept and execute trusts and doing~~ 5280

~~business under authority granted by the office of thrift~~ 5281  
~~supervision,~~ if all of the following have occurred: 5282

(1) Not less than sixty days before consummation of the 5283  
transfer, either the transferor or transferee, or both, for each 5284  
fiduciary account or relationship to be transferred, has given 5285  
written notice, by regular mail to the most recent address shown 5286  
on the records of the transferor, to all of the following that 5287  
apply: 5288

(a) Each court having jurisdiction over the fiduciary 5289  
account or relationship; 5290

(b) Each cofiduciary of the fiduciary account or 5291  
relationship; 5292

(c) Each surviving settlor of the trust; 5293

(d) Each person that, alone or in conjunction with others, 5294  
has the power to remove the trust company as fiduciary or 5295  
appoint a successor fiduciary; 5296

(e) Except in the case of a trust described in section 5297  
401(a) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 5298  
26 U.S.C.A. 401(a), as amended, each adult beneficiary currently 5299  
receiving or entitled as a matter of right to receive a 5300  
distribution of principal or income from the trust, estate, or 5301  
fund; 5302

(f) In the case of a trust described in section 401(a) of 5303  
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 5304  
401(a), as amended, the employer or employee organization, or 5305  
both, responsible for the maintenance of the trust. 5306

(2) The transferor has filed a certified copy of the 5307  
agreement for the sale with the superintendent of financial 5308

institutions. 5309

(B) (1) The transfer of a fiduciary account or relationship 5310  
pursuant to division (A) of this section results in the 5311  
transferee being substituted for the transferor as fiduciary as 5312  
a matter of law and without necessity to do anything further. 5313

(2) The transfer of a fiduciary account or relationship 5314  
pursuant to division (A) of this section does neither of the 5315  
following: 5316

(a) Impair the right of any person that, alone or in 5317  
conjunction with others, has the power to remove a fiduciary or 5318  
appoint a successor fiduciary; 5319

(b) Absolve or discharge a transferor from any liability 5320  
arising out of its breach of any fiduciary duty or obligation to 5321  
the account prior to the transfer. 5322

**Sec. 1111.09.** (A) (1) A trust service office is any 5323  
location established by a trust company as a place for either of 5324  
the following: 5325

(a) Persons seeking the services of the trust company, or 5326  
information about those services, to contact representatives of 5327  
the trust company regarding the trust company's business. 5328

(b) The trust company's representatives to contact the 5329  
trust company's customers, or potential customers, and their 5330  
representatives. 5331

(2) None of the following is a trust service office: 5332

(a) Any location where a trust company conducts its 5333  
operations but does not provide facilities for contact with its 5334  
customers or contact by the public with the trust company; 5335

(b) Any location that is the home or place of work or business or used for the convenience of the trust company's customer, potential customer, or a representative of a customer or potential customer where the trust company's representative's contact with its customer, potential customer, or a representative of a customer or potential customer is merely incidental to the purposes for which the location is maintained and to the activities conducted there;

(c) Any location where another person, including a financial institution, conducts its business and persons inquiring about trust services are merely referred to a trust company, even if referrals to a particular trust company are by exclusive arrangement and compensated.

(B) A trust company may, consistent with the trust company's safe and sound operation and the law, establish and maintain trust service offices at any location, including the following:

(1) If clearly identified and distinguished, at a location where another person, including a financial institution, also conducts business;

(2) If the trust company is a bank, savings and loan association, or savings bank, at any of its approved banking offices or main office or branches.

(C) (1) A trust company shall give notice in writing to the superintendent of financial institutions prior to establishing, relocating, or closing a trust service office in this state.

(2) A trust company that is a state bank ~~doing business under authority granted by the superintendent~~ also shall give notice in writing to the superintendent prior to establishing,

relocating, or closing a trust service office outside this 5365  
state. 5366

**Sec. ~~1103.01~~ 1113.01.** A stock state banking corporation 5367  
shall be created, organized, and governed, and its business 5368  
shall be conducted, and its directors shall be chosen, in all 5369  
respects in the same manner as is provided by Chapters 1701. and 5370  
1704. of the Revised Code, for corporations generally, to the 5371  
extent that is not inconsistent with this chapter, ~~Chapter~~ 5372  
Chapters 1101. to 1111., and Chapters ~~1105. 1114.~~ to 1127. of 5373  
the Revised Code. 5374

**Sec. ~~1113.01~~ 1113.02.** (A) Five or more natural persons, at 5375  
least one of whom is a resident of this state, may, with the 5376  
approval of the superintendent of financial institutions, 5377  
incorporate a stock state bank. 5378

(B) The persons proposing to incorporate a stock state 5379  
bank shall apply for approval of the proposed bank by submitting 5380  
the application prescribed by the superintendent, which 5381  
application shall include all of the following: 5382

(1) The proposed articles of incorporation and code of 5383  
regulations; 5384

(2) An application for reservation of a name in accordance 5385  
with section 1103.07 of the Revised Code, if reservation is 5386  
desired by the incorporators and has not been previously filed; 5387

(3) The location and a description of the proposed initial 5388  
banking office; 5389

(4) Information to demonstrate the proposed bank will 5390  
satisfy the requirements of division (C) of section 1113.03 and 5391  
any other provision of the Revised Code identified by the 5392  
superintendent; 5393

<u>(5) Any other information the superintendent requires.</u>	5394
(C) Notwithstanding division (A) of this section, a corporation may act as the sole incorporator of a <u>stock state</u> bank if either of the following applies:	5395 5396 5397
(1) The corporation is registered with the board of governors of the federal reserve system as a bank holding company;	5398 5399 5400
(2) The superintendent determines the corporation is intending to form either of the following:	5401 5402
(a) A <u>stock state</u> bank that functions solely in a trust or fiduciary capacity and that meets all of the requirements set forth in section 2(c)(2)(D) of the "Bank Holding Company Act of 1956," 70 Stat. 133, 12 U.S.C. 1841(c)(2)(D), as amended;	5403 5404 5405 5406
(b) A <u>stock state</u> bank that engages only in credit card operations, does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others, does not accept any savings or time deposit of less than one hundred thousand dollars, maintains only one office that accepts deposits, and does not engage in the business of making commercial loans.	5407 5408 5409 5410 5411 5412 5413
<b>Sec. 1113.03.</b> (A) Within ten days after receipt from the superintendent of financial institutions of notice of acceptance of an application for approval to incorporate a <u>stock state</u> bank, the incorporators shall publish notice of the proposed incorporation in a newspaper of general circulation in the county where the bank's initial banking office is to be located. The incorporators shall publish the notice once a week for two weeks and furnish a certified copy of it to the superintendent. The notice shall specify the name of the proposed bank, its	5414 5415 5416 5417 5418 5419 5420 5421 5422

location, the amount of the proposed capital, the names of the 5423  
incorporators, the address of the superintendent, and the date 5424  
by which comments on the application must be filed with the 5425  
superintendent, which date shall be thirty days after the date 5426  
of the first publication of the notice. 5427

(B) If any comments on the application are filed with the 5428  
superintendent within the thirty-day period prescribed in 5429  
division (A) of this section, the superintendent shall determine 5430  
whether the comments are relevant to the requirements for 5431  
incorporation of a stock state bank and, if so, investigate the 5432  
comments in the manner the superintendent considers appropriate. 5433

(C) The superintendent shall examine all of the facts 5434  
connected with the application to determine if all of the 5435  
following requirements are met: 5436

(1) The proposed articles of incorporation and code of 5437  
regulations, application for reservation of name, applicable 5438  
fees, and other items required meet the requirements of the 5439  
Revised Code. 5440

(2) The convenience and needs of the public will be served 5441  
by the proposed bank. 5442

(3) The population and economic characteristics of the 5443  
area primarily to be served afford reasonable promise of 5444  
adequate support for the proposed bank. 5445

(4) The competence, experience, and integrity of the 5446  
proposed directors and officers are such as to command the 5447  
confidence of the community and warrant the belief that the 5448  
business of the proposed bank will be honestly and efficiently 5449  
conducted. 5450

(5) The capital of the proposed bank is adequate in 5451

relation to the amount and character of the anticipated business 5452  
of the bank and the safety of prospective depositors. 5453

(D) Within one hundred eighty days following the date of 5454  
acceptance of the application, the superintendent shall approve 5455  
or disapprove the incorporation of the proposed bank upon the 5456  
basis of the examination. In giving approval, the superintendent 5457  
may impose conditions to be met prior to the issuance of a 5458  
certificate of authority to commence business under section 5459  
1113.09 of the Revised Code. 5460

(E) If the superintendent approves the application, the 5461  
superintendent shall make a certificate to that effect and 5462  
forward the certificate and the articles of incorporation of the 5463  
proposed bank to the secretary of state for filing. 5464

**Sec. ~~1103.06~~ 1113.04.** (A) A stock state bank's articles of 5465  
incorporation shall contain all of the following: 5466

(1) The name of the bank; 5467

(2) The place in this state where the bank's principal 5468  
place of business is to be located; 5469

(3) The purpose or purposes for which the bank is formed; 5470

(4) The maximum number and the par value of shares the 5471  
bank is authorized to have outstanding and their express terms, 5472  
if any. The articles of incorporation shall not authorize shares 5473  
without par value. If the shares are to be classified, the 5474  
designation of each class, the number and par value of the 5475  
shares of each class, and the express terms, if any, of the 5476  
shares of each class shall be included. 5477

(B) The articles of incorporation may also set forth any 5478  
lawful provision for the purpose of defining, limiting, or 5479

regulating the exercise of the authority of the stock state 5480  
bank, the incorporators, the directors, the officers, the 5481  
shareholders, or the holders of any class of shares, and any 5482  
provision that may be set forth in the bank's code of 5483  
regulations. 5484

**Sec. 1113.05.** (A) Before any subscription to shares has 5485  
been received, the incorporators may, by unanimous written 5486  
action and subject to ~~division (E)~~ the requirements of this 5487  
section, adopt amendments to the stock state bank's articles of 5488  
incorporation or amended articles of incorporation to change any 5489  
provision of, or add any provision that may properly be included 5490  
in, the articles of incorporation. 5491

(B) Amended articles of incorporation shall set forth all 5492  
provisions required in, and only provisions that may properly be 5493  
in, original articles of incorporation or amendments to articles 5494  
of incorporation at the time the amended articles of 5495  
incorporation are adopted, and shall state that they supersede 5496  
the existing articles of incorporation. 5497

(C) (1) If the incorporators propose the adoption of any 5498  
amendment to a stock state bank's articles of incorporation or 5499  
amended articles of incorporation, the bank shall send to the 5500  
superintendent of financial institutions a copy of the proposed 5501  
amendment or amended articles of incorporation for review and 5502  
approval prior to adoption by the incorporators. 5503

(2) Upon receiving a proposed amendment or amended 5504  
articles of incorporation, the superintendent shall conduct 5505  
whatever examination the superintendent considers necessary to 5506  
determine if both of the following conditions are satisfied: 5507

(a) The proposed amendment or amended articles of 5508

incorporation comply with the requirements of the Revised Code. 5509

(b) The proposed amendment or amended articles of 5510  
incorporation will not adversely affect the interests of the 5511  
bank's depositors and creditors and the convenience and needs of 5512  
the public. 5513

(3) Within forty-five days after receiving the proposed 5514  
amendment or amended articles of incorporation, the 5515  
superintendent shall notify the bank of the superintendent's 5516  
approval or disapproval unless the superintendent determines 5517  
additional information is required. In that event, the 5518  
superintendent shall request the information in writing within 5519  
twenty days after the date the proposed amendment or amended 5520  
articles of incorporation were received. The bank shall have 5521  
thirty days to submit the information to the superintendent. The 5522  
superintendent shall notify the bank of the superintendent's 5523  
approval or disapproval of the proposed amendment or amended 5524  
articles of incorporation within forty-five days after the date 5525  
the additional information is received. If the proposed 5526  
amendment or amended articles of incorporation are disapproved 5527  
by the superintendent, the superintendent shall notify the bank 5528  
of the reasons for the disapproval. 5529

(4) If the superintendent fails to approve or disapprove 5530  
the proposed amendment or amended articles of incorporation 5531  
within the time period required under division (C) (3) of this 5532  
section, the proposed amendment or amended articles of 5533  
incorporation shall be considered approved. 5534

(5) If the proposed amendment or amended articles of 5535  
incorporation are approved, in no event shall that approval be 5536  
construed or represented as an affirmative endorsement of the 5537  
amendment or amended articles of incorporation by the 5538

superintendent. 5539

(D) (1) Upon their adoption of any approved amendment to a 5540  
stock state bank's articles of incorporation, the incorporators 5541  
shall send to the superintendent ~~of financial institutions~~ a 5542  
certificate, signed by all the incorporators, containing a copy 5543  
of the resolution adopting the amendment and a statement of the 5544  
manner of and basis for its adoption. 5545

(2) Upon their adoption of approved amended articles of 5546  
incorporation, the incorporators shall send to the 5547  
superintendent a copy of the amended articles of incorporation, 5548  
accompanied by a certificate, signed by all the incorporators, 5549  
containing a copy of the resolution adopting the amended 5550  
articles of incorporation and a statement of the manner of and 5551  
basis for its adoption. 5552

~~(D)~~ (E) Upon receiving a certificate required by division 5553  
~~(C)~~ (D) of this section, the superintendent shall conduct 5554  
whatever examination the superintendent considers necessary to 5555  
determine if ~~both of the following conditions are satisfied:~~ 5556

~~(1) The~~ the manner of and basis for the adoption of the 5557  
amendment or amended articles of incorporation ~~and the manner of~~ 5558  
~~and basis for adoption~~ comply with the requirements of the 5559  
Revised Code. 5560

~~(2) The amendment or amended articles of incorporation~~ 5561  
~~will not adversely affect the interests of the bank's depositors~~ 5562  
~~and creditors and the convenience and needs of the public.~~ 5563

~~(E)~~ (F) (1) Within ~~sixty~~ thirty days after receiving a 5564  
certificate required by division ~~(C)~~ (D) of this section, the 5565  
superintendent shall approve or disapprove the amendment or 5566  
amended articles of incorporation. If the superintendent 5567

approves the amendment or amended articles of incorporation, the 5568  
superintendent shall forward a certificate of that approval, a 5569  
copy of the certificate required by division ~~(C)~~ (D) of this 5570  
section, and, ~~in the case of amended articles of incorporation,~~ 5571  
a copy of the amendment or amended articles of incorporation, 5572  
to the secretary of state, who shall file the documents. Upon 5573  
filing by the secretary of state, the amendment or amended 5574  
articles of incorporation shall be effective. 5575

(2) If the superintendent fails to approve or disapprove 5576  
the amendment or amended articles of incorporation within ~~sixty-~~ 5577  
thirty days after receiving a certificate required by division 5578  
~~(C)~~ (D) of this section, the bank shall forward a copy of the 5579  
certificate and, ~~in the case of amended articles of~~ 5580  
~~incorporation,~~ a copy of the amendment or amended articles of 5581  
incorporation, to the secretary of state, who shall file the 5582  
documents. Upon filing by the secretary of state, the amendment 5583  
or amended articles of incorporation shall be effective. 5584

**Sec. 1113.06.** (A) After the secretary of state has filed 5585  
the articles of incorporation and certificate of approval of the 5586  
superintendent of financial institutions, the incorporators, or 5587  
a majority of them, shall order books to be opened for 5588  
subscription to the stock state bank's shares. An installment of 5589  
not less than ten per cent of the subscription price of each 5590  
share shall be payable at the time of making the subscription, 5591  
and the balance shall be payable as soon thereafter as the board 5592  
of directors requires. 5593

(B) When the stock state bank's shares have been fully 5594  
subscribed, the incorporators, or a majority of them, shall 5595  
certify this fact in writing to the superintendent. The 5596  
superintendent shall file the certification with the secretary 5597

of state. 5598

(C) Upon their compliance with division (B) of this 5599  
section, at least a majority of the incorporators shall give not 5600  
less than ten days' notice in writing by mail to the 5601  
shareholders who have not waived the notice to meet at a 5602  
specified time and place for the purpose of adopting a code of 5603  
regulations, electing directors, and transacting any other 5604  
business authorized by section 1113.08 of the Revised Code. The 5605  
shareholders shall meet for those purposes at the time and place 5606  
specified. 5607

(D) The incorporators shall not receive any subscriptions 5608  
for shares after the election of directors. 5609

**Sec. 1113.08.** (A) A stock state bank organized under 5610  
Chapter 1113. of the Revised Code shall not accept deposits, 5611  
incur indebtedness, or transact any business except business 5612  
that is incidental to its organization or to the obtaining of 5613  
subscriptions to or payment for its shares until the bank 5614  
receives a certificate of authority to commence business issued 5615  
by the superintendent of financial institutions. 5616

(B) The bank shall file a report with the superintendent 5617  
when it has done everything required before it can be authorized 5618  
to commence business and when the subscriptions for the bank's 5619  
shares have been fully paid in, in the amounts fixed by the 5620  
superintendent. 5621

(C) Upon receipt of the report referred to in division (B) 5622  
of this section, the superintendent shall examine the affairs of 5623  
the bank and determine whether the bank has complied with all 5624  
requirements necessary to entitle it to engage in business. 5625

**Sec. 1113.09.** (A) The superintendent of financial 5626

institutions shall issue a certificate of authority to commence 5627  
business if: 5628

(1) The superintendent is satisfied, based upon the 5629  
examination conducted pursuant to section 1113.08 of the Revised 5630  
Code and any other facts within the knowledge of the 5631  
superintendent, that the stock state bank is otherwise entitled 5632  
to commence business~~+~~. 5633

(2) With respect to a stock state bank that, upon 5634  
commencing business, would be authorized to accept deposits 5635  
other than trust funds, the superintendent has received from the 5636  
federal deposit insurance corporation (FDIC) confirmation that 5637  
the FDIC has approved the bank's application to become an 5638  
insured bank as defined in section 3(h) of the "Federal Deposit 5639  
Insurance Act," 92 Stat. 614 (1978), 12 U.S.C.A. 1813(h). A 5640  
stock state bank is not required to become an insured bank as 5641  
defined in section 3(h) of the "Federal Deposit Insurance Act" 5642  
if, by the terms of its articles of incorporation, it is not 5643  
permitted to solicit or accept deposits other than trust funds. 5644

(B) The bank shall cause the certificate of authority to 5645  
commence business to be published once a week for two successive 5646  
weeks in a newspaper of general circulation in the county where 5647  
the bank's initial banking office is located. 5648

(C) For purposes of this section, "trust funds" means 5649  
funds held in a fiduciary capacity and includes, but is not 5650  
limited to, funds held as trustee, executor, administrator, 5651  
guardian, or agent. 5652

**Sec. ~~1103.11~~ 1113.11.** (A) Each stock state bank shall have 5653  
a code of regulations for its governance as a corporation, the 5654  
conduct of its affairs, and the management of its property. The 5655

code of regulations shall be consistent with the law of this 5656  
state and the bank's articles of incorporation. 5657

~~(B) A bank's original code of regulations shall be adopted 5658  
at a meeting of shareholders held for that purpose by the 5659  
affirmative vote of the holders of shares entitling them to 5660  
exercise a majority of the voting power of the bank on the 5661  
proposal. 5662~~

~~(C) The shareholders may amend a bank's code of 5663  
regulations or adopt a new code of regulations in any of the 5664  
following ways: 5665~~

~~(1) At a meeting of shareholders by the affirmative vote 5666  
of the holders of shares entitling them to exercise a majority 5667  
of the voting power of the bank on the proposal; 5668~~

~~(2) Without a meeting by the written consent of the 5669  
holders of shares entitling them to exercise two thirds of the 5670  
voting power of the bank on the proposal; 5671~~

~~(3) If the bank's articles of incorporation or code of 5672  
regulations so provide or permit, by the affirmative vote or 5673  
written consent of the holders of shares entitling them to 5674  
exercise a greater or lesser proportion, but not less than a 5675  
majority, of the voting power of the bank on the proposal. 5676~~

~~(D) Notice of a shareholders' meeting to adopt any 5677  
amendment to the code of regulations, or a new code of 5678  
regulations, shall be given in the manner provided in section 5679  
1103.13 of the Revised Code. Notice by the incorporators of the 5680  
first meeting of shareholders in accordance with section 1113.06 5681  
of the Revised Code shall be sufficient for the adoption of the 5682  
original code of regulations of a new bank. 5683~~

~~(E) Without limiting the generality of this authority, the 5684~~

~~code of regulations may include provisions with respect to any~~ 5685  
~~of the following:~~ 5686

~~(1) The time and place for holding, the manner of and~~ 5687  
~~authority for calling, giving notice of, and conducting, and the~~ 5688  
~~requirements of a quorum for, meetings of shareholders;~~ 5689

~~(2) The taking of a record of shareholders or the~~ 5690  
~~temporary closing of books against transfers of shares;~~ 5691

~~(3) The number, classification, manner of fixing or~~ 5692  
~~changing the number, qualifications, term of office, and~~ 5693  
~~compensation or manner of fixing compensation of directors;~~ 5694

~~(4) The terms on which new certificates for shares may be~~ 5695  
~~issued in the place of lost, stolen, or destroyed certificates;~~ 5696

~~(5) The time and place for holding, the manner of and~~ 5697  
~~authority for calling, giving notice of, and conducting, and the~~ 5698  
~~requirements of a quorum for, meetings of the directors;~~ 5699

~~(6) The appointment and authority of an executive and~~ 5700  
~~other committees of the directors;~~ 5701

~~(7) The titles, qualifications, duties, term of office,~~ 5702  
~~compensation or manner of fixing compensation, and removal of~~ 5703  
~~officers;~~ 5704

~~(8) Defining, limiting, or regulating the exercise of the~~ 5705  
~~authority of the bank, the directors, the officers, or all the~~ 5706  
~~shareholders;~~ 5707

~~(9) The manner in and conditions upon which a certificated~~ 5708  
~~security, and the conditions upon which an uncertificated~~ 5709  
~~security, and the shares represented by a certificated or~~ 5710  
~~uncertificated security, may be transferred, restrictions on the~~ 5711  
~~right to transfer the shares, and reservations of liens on the~~ 5712

shares. 5713

~~(F) Unless either a bank's articles of incorporation or 5714  
code of regulations provides otherwise, if the code of 5715  
regulations is to be amended or a new code of regulations is 5716  
proposed for adoption without a meeting of the shareholders, at 5717  
least ten days prior to the last day a shareholder may consent 5718  
to or deny consent to the proposed amendments or new code of 5719  
regulations, the secretary of the bank shall mail a copy of the 5720  
proposed amendments or new code of regulations to each 5721  
shareholder who would be entitled, as of the date of the 5722  
mailing, to vote on the amendment or adoption. 5723~~

~~(G) If the code of regulations is amended or a new code of 5724  
regulations is adopted without a meeting of the shareholders, 5725  
the secretary of the bank shall mail a copy of the amendment or 5726  
the new code of regulations, or notice of the adoption of the 5727  
amendment or new code of regulations, to each shareholder who 5728  
would have been entitled to vote on the amendment or adoption. 5729~~

**Sec. ~~1103.08~~ 1113.12.** (A) After subscriptions to shares 5730  
have been received by the incorporators, the shareholders of a 5731  
stock state bank may, subject to ~~division (H)~~ the requirements 5732  
of this section, adopt amendments to the bank's articles of 5733  
incorporation or adopt amended articles of incorporation to 5734  
change any provision of, or add any provision that may properly 5735  
be included in, the articles of incorporation. 5736

(1) The shareholders may adopt an amendment to the bank's 5737  
articles of incorporation or amended articles of incorporation 5738  
at a meeting held for that purpose, as follows: 5739

(a) By the affirmative vote of the holders of shares 5740  
entitling them to exercise two-thirds of the voting power of the 5741

bank on the proposal or, if the articles of incorporation 5742  
provide or permit, by the affirmative vote of a greater or 5743  
lesser proportion, but not less than a majority, of the voting 5744  
power; 5745

(b) When the holders of shares of a particular class are 5746  
entitled to vote as a class, by the affirmative vote of the 5747  
holders of at least two-thirds or, if the articles of 5748  
incorporation provide or permit, a greater or lesser portion, 5749  
but not less than a majority, of the shares of the class. 5750

(2) The shareholders may adopt amended articles of 5751  
incorporation to consolidate the original articles of 5752  
incorporation and all previously adopted amendments to the 5753  
articles of incorporation at a meeting held for that purpose by 5754  
the affirmative vote of holders of shares entitling them to 5755  
exercise a majority of the voting power of the bank on the 5756  
proposal. 5757

(3) The shareholders may adopt an amendment to the bank's 5758  
articles of incorporation or amended articles of incorporation 5759  
without a meeting by the written consent of all of the holders 5760  
of shares who would be entitled to vote at a meeting held for 5761  
that purpose. 5762

(B) Any amendment or amended articles of incorporation of 5763  
a stock state bank that would eliminate cumulative voting 5764  
rights, as permitted by section 1701.69 of the Revised Code, 5765  
shall not be adopted if the votes of a sufficient number of 5766  
shares are cast against the amendment or amended articles of 5767  
incorporation that, if cumulatively voted at an election of all 5768  
directors or all directors of a particular class, would be 5769  
sufficient, at the time the shareholders vote on the proposal, 5770  
to elect at least one director. 5771

(C) The shareholders of a stock state bank may adopt an 5772  
amendment to the bank's articles of incorporation to authorize 5773  
the purchase of the bank's shares, if the amendment states that 5774  
the superintendent of financial institutions must approve the 5775  
purchase in writing prior to each purchase of shares. 5776

(D) The shareholders of a stock state bank may adopt an 5777  
amendment to the bank's articles of incorporation to permit the 5778  
bank to have authorized and unissued shares or treasury shares 5779  
~~for any of the following purposes:~~ 5780

~~(1) Meeting conversion rights or options;~~ 5781

~~(2) Employee stock purchase or ownership plans;~~ 5782

~~(3) Mergers, consolidations, or other reorganizations, or~~ 5783  
~~acquisitions;~~ 5784

~~(4) The purchase of real estate the board of directors~~ 5785  
~~considers necessary or convenient for transaction of the bank's~~ 5786  
~~business;~~ 5787

~~(5) Any other specific purpose.~~ 5788

~~Shares shall be considered authorized for these purposes~~ 5789  
~~only if the shareholder resolutions authorizing the shares~~ 5790  
~~specifically state the purposes for which the shares are~~ 5791  
~~authorized. Shares authorized specifically for any of these~~ 5792  
~~purposes shall not be issued for any other purpose. Shares~~ 5793  
~~authorized for these purposes shall be deemed released from pre-~~ 5794  
~~emptive rights.~~ 5795

(E) Amended articles of incorporation shall set forth all 5796  
provisions required in, and only provisions that may properly be 5797  
in, original articles of incorporation or amendments to articles 5798  
of incorporation at the time the amended articles of 5799

incorporation are adopted, and shall state that they supersede 5800  
the existing articles of incorporation. 5801

(F) (1) If the shareholders propose the adoption of any 5802  
amendment to a stock state bank's articles of incorporation or 5803  
amended articles of incorporation, the bank shall send to the 5804  
superintendent a copy of the proposed amendment or amended 5805  
articles of incorporation for review and approval prior to 5806  
adoption by the shareholders. 5807

(2) Upon receiving a proposed amendment or amended 5808  
articles of incorporation, the superintendent shall conduct 5809  
whatever examination the superintendent considers necessary to 5810  
determine if both of the following conditions are satisfied: 5811

(a) The proposed amendment or amended articles of 5812  
incorporation comply with the requirements of the Revised Code. 5813

(b) The proposed amendment or amended articles of 5814  
incorporation will not adversely affect the interests of the 5815  
bank's depositors and creditors and the convenience and needs of 5816  
the public. 5817

(3) Within forty-five days after receiving the proposed 5818  
amendment or amended articles of incorporation, the 5819  
superintendent shall notify the bank of the superintendent's 5820  
approval or disapproval unless the superintendent determines 5821  
additional information is required. In that event, the 5822  
superintendent shall request the information in writing within 5823  
twenty days after the date the proposed amendment or amended 5824  
articles of incorporation were received. The bank shall have 5825  
thirty days to submit the information to the superintendent. The 5826  
superintendent shall notify the bank of the superintendent's 5827  
approval or disapproval of the proposed amendment or amended 5828

articles of incorporation within forty-five days after the date 5829  
the additional information is received. If the proposed 5830  
amendment or amended articles of incorporation are disapproved 5831  
by the superintendent, the superintendent shall notify the bank 5832  
of the reasons for the disapproval. 5833

(4) If the superintendent fails to approve or disapprove 5834  
the proposed amendment or amended articles of incorporation 5835  
within the time period required under division (F) (3) of this 5836  
section, the proposed amendment or amended articles of 5837  
incorporation shall be considered approved. 5838

(5) If the proposed amendment or amended articles of 5839  
incorporation are approved, in no event shall that approval be 5840  
construed or represented as an affirmative endorsement of the 5841  
amendment or amended articles of incorporation by the 5842  
superintendent. 5843

(G) (1) Upon adoption by the shareholders of any approved 5844  
amendment to a stock state bank's articles of incorporation, the 5845  
bank shall send to the superintendent a certificate containing a 5846  
copy of the shareholders' resolution adopting the amendment and 5847  
a statement of the manner of its adoption. If the directors 5848  
proposed the amendment, the certificate shall include a copy of 5849  
the resolution adopted by the directors to propose the amendment 5850  
to the shareholders. The certificate shall be signed by ~~bank-~~ 5851  
~~officers~~ the bank's authorized representatives in accordance 5852  
with section 1103.19 of the Revised Code. 5853

(2) Upon adoption by the shareholders of approved amended 5854  
articles of incorporation, the bank shall send to the 5855  
superintendent a copy of the amended articles of incorporation, 5856  
accompanied by a certificate containing a copy of the 5857  
shareholders' resolution adopting the amended articles of 5858

incorporation and a statement of the manner of its adoption. If 5859  
the directors proposed the amended articles of incorporation, 5860  
the certificate shall include a copy of the resolution adopted 5861  
by the directors to propose the amended articles of 5862  
incorporation to the shareholders. The certificate shall be 5863  
signed by ~~bank officers~~ the bank's authorized representatives in 5864  
accordance with section 1103.19 of the Revised Code. 5865

~~(G)~~ (H) Upon receiving a certificate required by division 5866  
~~(F)~~ (G) of this section, the superintendent shall conduct 5867  
whatever examination the superintendent considers necessary to 5868  
determine if ~~both of the following conditions are satisfied:~~ 5869

~~(1) The manner of adoption of the amendment or amended~~ 5870  
~~articles of incorporation and the manner of adoption comply~~ 5871  
complies with the requirements of the Revised Code. 5872

~~(2) The amendment or amended articles of incorporation~~ 5873  
~~will not adversely affect the interests of the bank's depositors~~ 5874  
~~and creditors and the convenience and needs of the public.~~ 5875

~~(H)~~ (I) (1) Within ~~sixty~~ thirty days after receiving a 5876  
certificate required by division ~~(F)~~ (G) of this section, the 5877  
superintendent shall approve or disapprove the amendment or 5878  
amended articles of incorporation. If the superintendent 5879  
approves the amendment or amended articles of incorporation, the 5880  
superintendent shall forward a certificate of that approval, a 5881  
copy of the certificate required by division ~~(F)~~ (G) of this 5882  
section, and, ~~in the case of amended articles of incorporation,~~ 5883  
a copy of the amendment or amended articles of incorporation, 5884  
to the secretary of state, who shall file the documents. Upon 5885  
filing by the secretary of state, the amendment or amended 5886  
articles of incorporation shall be effective. 5887

(2) If the superintendent fails to approve or disapprove 5888  
the amendment or amended articles of incorporation within ~~sixty-~~ 5889  
thirty days after receiving a certificate required by division 5890  
~~(F)~~ (G) of this section, the bank shall forward a copy of the 5891  
certificate and, ~~in the case of amended articles of~~ 5892  
~~incorporation,~~ a copy of the amendment or amended articles of 5893  
incorporation, to the secretary of state, who shall file the 5894  
documents. Upon filing by the secretary of state, the amendment 5895  
or amended articles of incorporation shall be effective. 5896

**Sec. ~~1103.09~~ 1113.13.** (A) After subscriptions to shares 5897  
have been received by the incorporators, the board of directors 5898  
of a stock state bank may, subject to ~~division (F)~~ the 5899  
requirements of this section, adopt amendments to the bank's 5900  
articles of incorporation to do any of the following: 5901

(1) Authorize the shares necessary to meet conversion or 5902  
option rights when all of the following apply: 5903

(a) The bank has issued shares of one class convertible 5904  
into shares of another class or obligations convertible into 5905  
shares of the bank, or has granted options to purchase shares. 5906

(b) The conversion or option rights are set forth in the 5907  
articles of incorporation or have been approved by the same vote 5908  
of shareholders as, at the time of the approval, would have been 5909  
required to amend the articles of incorporation to authorize the 5910  
shares required for that purpose. 5911

(c) The bank does not have sufficient authorized and 5912  
unissued shares available to satisfy the conversion or option 5913  
rights. 5914

(2) Reduce the authorized number of shares of a class by 5915  
the number of shares of that class that have been redeemed, or 5916

have been surrendered to or acquired by the bank upon 5917  
conversion, exchange, purchase, or otherwise, or to eliminate 5918  
from the articles of incorporation all references to the shares 5919  
of a class, and to make any other change required, when all of 5920  
the authorized shares of that class have been redeemed, or 5921  
surrendered to or acquired by the bank; 5922

(3) Reduce the authorized number of shares of a class by 5923  
the number of shares of that class that were canceled, ~~pursuant~~ 5924  
~~to section 1107.07 of the Revised Code,~~ for not being issued or 5925  
reissued and for not being fully paid in within one year after 5926  
the date they were authorized or otherwise became authorized and 5927  
unissued shares. 5928

(B) The board of directors of a stock state bank may adopt 5929  
amended articles of incorporation to consolidate the original 5930  
articles of incorporation and all previously adopted amendments 5931  
to the articles of incorporation that are in force at the time. 5932

(C) Amended articles of incorporation shall set forth all 5933  
provisions required in, and only provisions that may properly be 5934  
in, original articles of incorporation or amendments to articles 5935  
of incorporation at the time the amended articles of 5936  
incorporation are adopted, and shall state that they supersede 5937  
the existing articles of incorporation. 5938

(D) (1) If the board of directors propose the adoption of 5939  
any amendment to a stock state bank's articles of incorporation 5940  
or amended articles of incorporation, the bank shall send to the 5941  
superintendent of financial institutions a copy of the proposed 5942  
amendment or amended articles of incorporation for review and 5943  
approval prior to adoption by the board. 5944

(2) Upon receiving a proposed amendment or amended 5945

articles of incorporation, the superintendent shall conduct 5946  
whatever examination the superintendent considers necessary to 5947  
determine if both of the following conditions are satisfied: 5948

(a) The proposed amendment or amended articles of 5949  
incorporation comply with the requirements of the Revised Code. 5950

(b) The proposed amendment or amended articles of 5951  
incorporation will not adversely affect the interests of the 5952  
bank's depositors and creditors. 5953

(3) Within forty-five days after receiving the proposed 5954  
amendment or amended articles of incorporation, the 5955  
superintendent shall notify the bank of the superintendent's 5956  
approval or disapproval unless the superintendent determines 5957  
additional information is required. In that event, the 5958  
superintendent shall request the information in writing within 5959  
twenty days after the date the proposed amendment or amended 5960  
articles of incorporation were received. The bank shall have 5961  
thirty days to submit the information to the superintendent. The 5962  
superintendent shall notify the bank of the superintendent's 5963  
approval or disapproval of the proposed amendment or amended 5964  
articles of incorporation within forty-five days after the date 5965  
the additional information is received. If the proposed 5966  
amendment or amended articles of incorporation are disapproved 5967  
by the superintendent, the superintendent shall notify the bank 5968  
of the reasons for the disapproval. 5969

(4) If the superintendent fails to approve or disapprove 5970  
the proposed amendment or amended articles of incorporation 5971  
within the time period required by division (D)(3) of this 5972  
section, the proposed amendment or amended articles of 5973  
incorporation shall be considered approved. 5974

(5) If the proposed amendment or amended articles of 5975  
incorporation are approved, in no event shall that approval be 5976  
construed or represented as an affirmative endorsement of the 5977  
amendment or amended articles of incorporation by the 5978  
superintendent. 5979

(E) (1) Upon adoption by the board of directors of any 5980  
approved amendment to a stock state bank's articles of 5981  
incorporation, the bank shall send to the superintendent of 5982  
financial institutions a certificate containing a copy of the 5983  
directors' resolution adopting the amendment and a statement of 5984  
the manner of and basis for its adoption. The certificate shall 5985  
be signed by bank officers the bank's authorized representatives 5986  
in accordance with section 1103.19 of the Revised Code. 5987

(2) Upon adoption by the board of directors of approved 5988  
amended articles of incorporation, the bank shall send to the 5989  
superintendent a copy of the amended articles of incorporation, 5990  
accompanied by a certificate containing a copy of the directors' 5991  
resolution adopting the amended articles of incorporation and a 5992  
statement of the manner of and basis for its adoption. The 5993  
certificate shall be signed by ~~bank officers~~ the bank's 5994  
authorized representatives in accordance with section 1103.19 of 5995  
the Revised Code. 5996

~~(E)~~ (F) Upon receiving a certificate required by division 5997  
~~(D)~~ (E) of this section, the superintendent shall conduct 5998  
whatever examination the superintendent considers necessary to 5999  
determine if ~~both of the following conditions are satisfied:~~ 6000

~~(1) The~~ the manner of and basis for adoption of the 6001  
amendment or amended articles of incorporation ~~and the manner of~~ 6002  
~~and basis for adoption~~ comply with the requirements of the 6003  
Revised Code. 6004

~~(2) The amendment or amended articles of incorporation will not adversely affect the interests of the bank's depositors and creditors and the convenience and needs of the public.~~ 6005  
6006  
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~~(F)~~(G) (1) Within ~~sixty~~thirty days after receiving a certificate required by division ~~(D)~~(E) of this section, the superintendent shall approve or disapprove the amendment or amended articles of incorporation. If the superintendent approves the amendment or amended articles of incorporation, the superintendent shall forward a certificate of that approval, a copy of the certificate required by division ~~(D)~~(E) of this section, and, ~~in the case of amended articles of incorporation,~~ a copy of the amendment or amended articles of incorporation, to the secretary of state, who shall file the documents. Upon filing by the secretary of state, the amendment or amended articles of incorporation shall be effective. 6008  
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(2) If the superintendent fails to approve or disapprove the amendment or amended articles of incorporation within ~~sixty~~thirty days after receiving a certificate required by division ~~(D)~~(E) of this section, the bank shall forward a copy of the certificate and, ~~in the case of amended articles of incorporation,~~ a copy of the amendment or amended articles of incorporation, to the secretary of state, who shall file the documents. Upon filing by the secretary of state, the amendment or amended articles of incorporation shall be effective. 6020  
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**Sec. ~~1103.13~~1113.14.** (A) A stock state bank's shareholders shall hold an annual meeting in accordance with this section and the bank's articles of incorporation and code of regulations. The purposes of the annual meeting shall include the election of directors and the presentation of the financial statements. 6029  
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(B) The financial statements presented at the annual meeting shall satisfy the requirements of one of the following:

(1) The basic financial information required to be made available to shareholders of a stock state bank prior to the annual meeting pursuant to section ~~1103.14~~ 1113.15 of the Revised Code;

(2) The financial statements required to be presented at the annual meeting of a corporation pursuant to section 1701.38 of the Revised Code;

(3) The financial statements required under federal law for a bank subject to the registration requirements of section 12 of the "Securities Exchange Act of 1934," 48 Stat. 892, 15 U.S.C.A. 781, as amended.

~~(C) Written notice stating the time, place, and purpose or purposes of any meeting~~ Meetings of the shareholders shall be given either by personal delivery or by first class mail not less than seven nor more than sixty days before the date of the meeting, unless the articles of incorporation or the code of regulations specify a longer period, to each shareholder of record entitled to notice of the meeting. The notice shall be given by or at the direction of the president, a vice president, the secretary, any two directors, or any other officer designated by the bank's code of regulations. If notice is given by mail, the notice shall be addressed to the shareholder at the address as it appears on the records of the bank, and shall be deemed to have been given when deposited in the mail. In computing the period of time for the giving of notice required under this division, the date on which the notice is given shall be excluded, and the day of the meeting shall be included may be called for any of the reasons and in the manner set forth in

section 1701.40 of the Revised Code. Notice of ~~adjournment of a~~ 6065  
~~meeting need not be given if the time and place to which it is~~ 6066  
~~adjourned are fixed and announced at the meeting~~ any meeting 6067  
shall be provided in accordance with section 1701.41 of the 6068  
Revised Code. 6069

(D) The requirements of this section shall not apply with 6070  
respect to annual or special meetings of shareholders of a stock 6071  
state bank that is wholly owned, except for directors' 6072  
qualifying shares, if any, by a bank holding company or savings 6073  
and loan holding company. 6074

**Sec. ~~1103.14~~ 1113.15.** (A) Prior to each annual meeting of 6075  
its shareholders, each stock state bank shall make basic 6076  
financial information available to its shareholders in 6077  
accordance with this section unless the bank is either of the 6078  
following: 6079

(1) Subject to the registration requirements of section 12 6080  
of the "Securities Exchange Act of 1934," 48 Stat. 892, 15 6081  
U.S.C.A. 781, as amended. 6082

(2) Wholly owned, except for directors' qualifying shares, 6083  
by a bank holding company. 6084

(B) The basic financial information required to be made 6085  
available under this section shall include, at a minimum, 6086  
information substantially similar to both of the following: 6087

(1) Those portions of the consolidated reports of income 6088  
made to the superintendent of financial institutions for each of 6089  
the two preceding full years covering all of the following: 6090

(a) Sources and disposition of income; 6091

(b) Changes in equity capital; 6092

(c) Allowance for possible loan losses. 6093

(2) The balance sheet portion of the consolidated reports 6094  
of condition made to the superintendent at the end of each of 6095  
the two preceding years. 6096

(C) The bank may present the basic financial information 6097  
in any format it determines suitable, including copies of the 6098  
relevant portions of the consolidated reports of condition and 6099  
income or an annual report. 6100

(D) The bank shall make the basic financial information 6101  
available by doing either of the following: 6102

(1) Sending the information to each shareholder prior to, 6103  
or concurrently with, the notice of the annual meeting of 6104  
shareholders; 6105

(2) Including in, or sending with, the notice of the 6106  
annual meeting of shareholders a statement indicating that basic 6107  
financial information concerning the bank for the two years 6108  
preceding the meeting may be obtained from the bank without 6109  
charge, accompanied by the address, telephone number, and name 6110  
or title of the bank employee or officer whom shareholders 6111  
should contact for the information, and promptly mailing, 6112  
delivering, or otherwise sending the information to any 6113  
shareholder who requests it. 6114

**Sec. ~~1103.15~~ 1113.16.** Each Except as otherwise expressly 6115  
provided in the terms for any class of shares issued by a stock 6116  
state bank, every holder of a the bank's voting shares, in 6117  
elections of directors and in deciding other questions at 6118  
meetings of shareholders, is entitled to one vote for each share 6119  
held and shall not accumulate the votes unless otherwise 6120  
provided in the articles of incorporation. Any shareholder 6121

eligible to vote may vote by proxy authorized in writing. An 6122  
appointment of a proxy shall expire in accordance with division 6123  
(C) of section 1701.48 of the Revised Code. Unless the articles 6124  
of incorporation, the code of regulations, or the contract of 6125  
subscription otherwise provides, a subscriber for authorized 6126  
shares is a shareholder for the purposes of this section, but no 6127  
shares upon which an installment of the purchase price is 6128  
overdue and unpaid shall be voted. 6129

**Sec. ~~1103.16~~ 1113.17.** (A) Each stock state bank shall keep 6130  
correct and complete books and records of account, together with 6131  
records of the proceedings, including minutes of any meetings, 6132  
of its incorporators, shareholders, directors, and committees of 6133  
the directors, and records of its shareholders showing their 6134  
names and addresses and the number and class of shares issued or 6135  
transferred of record to or by them from time to time. 6136

(B) Upon request of any shareholder eligible to attend and 6137  
vote at any meeting of the bank's shareholders, the board of 6138  
directors shall produce at the meeting an alphabetically 6139  
arranged list, or classified lists, of the shareholders of 6140  
record as of the applicable record date, showing their 6141  
respective addresses and the number and class of shares held by 6142  
each, and certified by the officer or agent responsible for 6143  
registering issues and transfers of shares. The list or lists, 6144  
certified by the officer or agent, shall be prima facie evidence 6145  
of the facts shown in the list or lists. 6146

(C) Any shareholder of the bank, upon written demand 6147  
stating the specific purpose of the demand, has the right to 6148  
examine in person or by agent or attorney at any reasonable time 6149  
and for any reasonable and proper purpose, the books and records 6150  
of the bank, except books and records of deposit, agency or 6151

fiduciary accounts, loan records, and other records relating to 6152  
customer services or transactions. 6153

(D) The authority granted under Title XI of the Revised 6154  
Code to inspect the books and records of a stock state bank 6155  
shall apply solely to the superintendent of financial 6156  
institutions and to the shareholders of record of the bank. 6157

Sec. 1114.01. A mutual state bank and the rights and 6158  
liabilities of its members shall be governed by its articles of 6159  
incorporation, code of regulations, and bylaws and by this 6160  
chapter. 6161

Sec. 1114.02. (A) Five or more natural persons, at least 6162  
one of whom is a resident of this state, may, with the approval 6163  
of the superintendent of financial institutions, incorporate a 6164  
mutual state bank. 6165

(B) The persons proposing to incorporate a mutual state 6166  
bank shall apply for approval to incorporate the bank by 6167  
submitting the application prescribed by the superintendent, 6168  
which application shall include all of the following: 6169

(1) The proposed articles of incorporation and code of 6170  
regulations; 6171

(2) An application for reservation of a name in accordance 6172  
with section 1103.07 of the Revised Code, if reservation is 6173  
desired by the incorporators and has not been previously filed; 6174

(3) The location and a description of the proposed initial 6175  
banking office; 6176

(4) Information to demonstrate the proposed bank will 6177  
satisfy the requirements of division (C) of section 1114.03 and 6178  
any other provision of the Revised Code identified by the 6179

superintendent; 6180

(5) Any other information the superintendent requires. 6181

**Sec. 1114.03.** (A) Within ten days after receipt from the 6182  
superintendent of financial institutions of notice of acceptance 6183  
of an application for approval to incorporate a mutual state 6184  
bank, the incorporators shall publish notice of the proposed 6185  
incorporation in a newspaper of general circulation in the 6186  
county where the bank's initial banking office is to be located. 6187  
The incorporators shall publish the notice once a week for two 6188  
weeks and furnish a certified copy of it to the superintendent. 6189  
The notice shall specify the name of the proposed bank, its 6190  
location, the amount of the proposed capital, the names of the 6191  
incorporators, the address of the superintendent, and the date 6192  
by which comments on the application must be filed with the 6193  
superintendent, which date shall be thirty days after the date 6194  
of the first publication of the notice. 6195

(B) If any comments on the application are filed with the 6196  
superintendent within the thirty-day period prescribed in 6197  
division (A) of this section, the superintendent shall determine 6198  
whether the comments are relevant to the requirements for 6199  
incorporation of a mutual state bank and, if so, investigate the 6200  
comments in the manner the superintendent considers appropriate. 6201

(C) The superintendent shall examine all of the facts 6202  
connected with the application to determine if all of the 6203  
following requirements are met: 6204

(1) The proposed articles of incorporation and code of 6205  
regulations, application for reservation of name, applicable 6206  
fees, and other items required meet the requirements of the 6207  
Revised Code. 6208

(2) The population and economic characteristics of the area primarily to be served afford reasonable promise of adequate support for the proposed bank. 6209  
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(3) The competence, experience, and integrity of the proposed directors and officers are such as to command the confidence of the community and warrant the belief that the business of the proposed bank will be honestly and efficiently conducted. 6212  
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(4) The capital of the proposed bank is adequate in relation to the amount and character of the anticipated business of the bank and the safety of prospective depositors. 6217  
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(D) Within one hundred eighty days following the date of acceptance of the application, the superintendent shall approve or disapprove the incorporation of the proposed bank upon the basis of the examination. In giving approval, the superintendent may impose conditions to be met prior to the issuance of a certificate of authority to commence business under section 1114.07 of the Revised Code. 6220  
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(E) If the superintendent approves the application, the superintendent shall make a certificate to that effect and forward the certificate and the articles of incorporation of the proposed bank to the secretary of state for filing. 6227  
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**Sec. 1114.04.** (A) A mutual state bank's articles of incorporation shall contain all of the following: 6231  
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(1) The name of the bank; 6233

(2) The place in this state where the bank's principal place of business is to be located; 6234  
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(3) The purpose or purposes for which the bank is formed. 6236

(B) The articles of incorporation may also set forth any 6237  
lawful provision for the purpose of defining, limiting, or 6238  
regulating the exercise of the authority of the bank, the 6239  
incorporators, the directors, the officers, the members, and any 6240  
provision that may be set forth in the bank's code of 6241  
regulations. 6242

**Sec. 1114.05.** (A) As used in the section, "authorized 6243  
capital" means the initial funding required to organize a mutual 6244  
state bank. 6245

(B) The authorized capital of a mutual state bank shall be 6246  
of such amount as the superintendent of financial institutions 6247  
may determine based upon the amount and character of the 6248  
anticipated business of the bank and the safety of prospective 6249  
depositors. In addition, the superintendent may, in the 6250  
superintendent's discretion, fix the amount of the expense fund 6251  
for operating losses to be created by nonrefundable 6252  
contributions. 6253

(C) The organization of the mutual state bank may be 6254  
completed when a sum equal to five per cent of the authorized 6255  
capital, as determined by the superintendent, is paid in and the 6256  
names and addresses of its officers, its code of regulations, 6257  
and its bylaws have been filed with and approved by the 6258  
superintendent. 6259

(D) Five years after the mutual state bank commences 6260  
business, any remaining balance in the expense fund shall be 6261  
transferred to retained earnings, if the bank is on a profitable 6262  
operating basis as determined by the superintendent. 6263

**Sec. 1114.06.** (A) A mutual state bank organized under this 6264  
chapter shall not accept deposits, incur indebtedness, or 6265

transact any business other than business that is incidental to 6266  
its organization until the bank receives a certificate of 6267  
authority to commence business issued by the superintendent of 6268  
financial institutions under section 1114.07 of the Revised 6269  
Code. 6270

(B) The bank shall file a report with the superintendent 6271  
when it has done everything required by the superintendent 6272  
before it can be authorized to commence business. 6273

(C) Upon receipt of the report referred to in division (B) 6274  
of this section, the superintendent shall examine the affairs of 6275  
the bank and determine whether the bank has complied with all of 6276  
the requirements necessary to entitle it to engage in business. 6277

**Sec. 1114.07.** (A) The superintendent of financial 6278  
institutions shall issue a certificate of authority to commence 6279  
business if both of the following conditions are met: 6280

(1) The superintendent is satisfied, based upon the 6281  
examination conducted pursuant to section 1114.06 of the Revised 6282  
Code and any other facts within the knowledge of the 6283  
superintendent, that the mutual state bank is otherwise entitled 6284  
to commence business. 6285

(2) The superintendent has received from the federal 6286  
deposit insurance corporation written confirmation that it has 6287  
approved the bank's application to become an insured bank as 6288  
defined in section 3(h) of the "Federal Deposit Insurance Act," 6289  
92 Stat. 614 (1978), 12 U.S.C. 1813(h), as amended. 6290

(B) The mutual state bank shall cause the certificate of 6291  
authority to commence business to be published once a week for 6292  
two consecutive weeks in a newspaper of general circulation in 6293  
the county where the bank's initial banking office is located. 6294

Sec. 1114.08. (A) A depositor of a mutual state bank shall 6295  
be a voting member and shall have such ownership interest in the 6296  
bank as may be provided in the terms and conditions set forth in 6297  
the articles of incorporation, code of regulations, and bylaws 6298  
of the bank. 6299

(B) The code of regulations of a mutual state bank may 6300  
provide that all borrowers from the bank are members and, if so, 6301  
shall provide for their rights and privileges. 6302

(C) (1) Unless otherwise provided in the articles of 6303  
incorporation or code of regulations, a proxy granted by a 6304  
depositor to the officers and directors of a mutual state bank 6305  
shall expire on the date specified in the proxy. If no date is 6306  
so specified, the authority granted by the proxy shall be 6307  
perpetual. 6308

(2) On and after the effective date of this section, the 6309  
writing or verifiable communication appointing a proxy shall be 6310  
separate and distinct from any deposit agreement, loan 6311  
agreement, or any other agreement, statement, document, or 6312  
disclosure provided by a mutual state bank to a depositor. 6313

Sec. 1114.09. (A) Before any member deposits have been 6314  
received, the incorporators may, by unanimous written action and 6315  
subject to the requirements of this section, adopt amendments to 6316  
the mutual state bank's articles of incorporation or amended 6317  
articles of incorporation to change any provision of, or add any 6318  
provision that may properly be included in, the articles of 6319  
incorporation. 6320

(B) Amended articles of incorporation shall set forth all 6321  
provisions required in, and only provisions that may properly be 6322  
in, original articles of incorporation or amendments to articles 6323

of incorporation at the time the amended articles of 6324  
incorporation are adopted, and shall state that they supersede 6325  
the existing articles of incorporation. 6326

(C) (1) If the incorporators propose the adoption of any 6327  
amendment to a mutual state bank's articles of incorporation or 6328  
amended articles of incorporation, the bank shall send to the 6329  
superintendent of financial institutions a copy of the proposed 6330  
amendment or amended articles of incorporation for review and 6331  
approval prior to adoption by the incorporators. 6332

(2) Upon receiving a proposed amendment or amended 6333  
articles of incorporation, the superintendent shall conduct 6334  
whatever examination the superintendent considers necessary to 6335  
determine if both of the following conditions are satisfied: 6336

(a) The proposed amendment or amended articles of 6337  
incorporation comply with the requirements of the Revised Code. 6338

(b) The proposed amendment or amended articles of 6339  
incorporation will not adversely affect the interests of the 6340  
bank's depositors and creditors. 6341

(3) Within forty-five days after receiving the proposed 6342  
amendment or amended articles of incorporation, the 6343  
superintendent shall notify the bank of the superintendent's 6344  
approval or disapproval of the proposed amendment or amended 6345  
articles of incorporation unless the superintendent determines 6346  
additional information is required. In that event, the 6347  
superintendent shall request the information in writing within 6348  
twenty days after the date the proposed amendment or amended 6349  
articles of incorporation were received. The bank shall have 6350  
thirty days to submit the information to the superintendent. The 6351  
superintendent shall notify the bank of the superintendent's 6352

approval or disapproval of the proposed amendment or amended 6353  
articles of incorporation within forty-five days after the date 6354  
the additional information is received. If the proposed 6355  
amendment or amended articles of incorporation are disapproved 6356  
by the superintendent, the superintendent shall notify the bank 6357  
of the reasons for the disapproval. 6358

(4) If the superintendent fails to approve or disapprove 6359  
the proposed amendment or amended articles of incorporation 6360  
within the time period required under division (C) (3) of this 6361  
section, the proposed amendment or amended articles of 6362  
incorporation shall be considered approved. 6363

(5) If the proposed amendment or amended articles of 6364  
incorporation are approved, in no event shall that approval be 6365  
construed or represented as an affirmative endorsement of the 6366  
amendment or amended articles of incorporation by the 6367  
superintendent. 6368

(D) (1) Upon their adoption of any approved amendment to a 6369  
mutual state bank's articles of incorporation, the incorporators 6370  
shall send to the superintendent a certificate, signed by all 6371  
the incorporators, containing a copy of the resolution adopting 6372  
the amendment and a statement of the manner of and basis for its 6373  
adoption. 6374

(2) Upon their adoption of approved amended articles of 6375  
incorporation, the incorporators shall send to the 6376  
superintendent a copy of the amended articles of incorporation, 6377  
accompanied by a certificate, signed by all the incorporators, 6378  
containing a copy of the resolution adopting the amended 6379  
articles of incorporation and a statement of the manner of and 6380  
basis for its adoption. 6381

(E) Upon receiving a certificate required by division (D) of this section, the superintendent shall conduct whatever examination the superintendent considers necessary to determine if the manner of and basis for the adoption of the amendment or amended articles of incorporation comply with the requirements of the Revised Code. 6382  
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(F) (1) Within thirty days after receiving a certificate required by division (D) of this section, the superintendent shall approve or disapprove the amendment or amended articles of incorporation. If the superintendent approves the amendment or amended articles of incorporation, the superintendent shall forward a certificate of that approval, a copy of the certificate required by division (D) of this section, and a copy of the amendment or amended articles of incorporation to the secretary of state, who shall file the documents. Upon filing by the secretary of state, the amendment or amended articles of incorporation shall be effective. 6388  
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(2) If the superintendent fails to approve or disapprove the amendment or amended articles of incorporation within thirty days after receiving a certificate required by division (D) of this section, the bank shall forward a copy of the certificate and a copy of the amendment or amended articles of incorporation to the secretary of state, who shall file the documents. Upon filing by the secretary of state, the amendment or amended articles of incorporation shall be effective. 6399  
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**Sec. 1114.10.** Each mutual state bank shall have a code of regulations for its governance as a corporation, the conduct of its affairs, and the management of its property. The code of regulations shall be consistent with the law of this state and the bank's articles of incorporation. 6407  
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Sec. 1114.11. (A) (1) The code of regulations of a mutual 6412  
state bank may provide for the amendment of its articles of 6413  
incorporation or code of regulations, or the adoption of amended 6414  
articles of incorporation or code of regulations, at any meeting 6415  
of the members for which notice has been properly given in 6416  
accordance with section 1114.12 of the Revised Code. The 6417  
amendment or amended articles of incorporation or code of 6418  
regulations shall be adopted by a two-thirds vote of the votes 6419  
cast in person or by proxy at the meeting or, if the articles of 6420  
incorporation or code of regulations provide or permit, by the 6421  
affirmative vote of a greater or lesser proportion, but not less 6422  
than a majority, of the voting members represented at such 6423  
meeting. The number of votes that each member may cast shall be 6424  
determined by the code of regulations. 6425

(2) Unless precluded by its articles of incorporation or 6426  
code of regulations, a mutual state bank may adopt an amendment 6427  
to its articles of incorporation or code of regulations, or 6428  
amended articles of incorporation or code of regulations, at any 6429  
meeting authorized in writing by a majority of its members of 6430  
record if all of the following conditions are met: 6431

(a) Notice of the meeting is given in accordance with 6432  
section 1114.12 of the Revised Code. 6433

(b) The notice of the proposed action to be taken at the 6434  
meeting is in a form approved by the superintendent of financial 6435  
institutions. 6436

(c) The proposed action is approved by a two-thirds vote 6437  
of the votes cast authorizing the meeting. 6438

(d) A majority of the members of record are present in 6439  
person or by proxy at the meeting. 6440

(B) The board of directors of a mutual state bank may 6441  
adopt amended articles of incorporation or code of regulations 6442  
to consolidate the original articles of incorporation or code of 6443  
regulations and all previously adopted amendments to the 6444  
articles of incorporation or code of regulations that are in 6445  
force at the time. 6446

(C) (1) Amended articles of incorporation shall set forth 6447  
all provisions required in, and only provisions that may 6448  
properly be in, original articles of incorporation or amendments 6449  
to articles of incorporation at the time the amended articles of 6450  
incorporation are adopted, and shall state that they supersede 6451  
the existing articles of incorporation. 6452

(2) An amended code of regulations shall set forth all 6453  
provisions required in, and only provisions that may properly be 6454  
in, an original code of regulations or amendments to a code of 6455  
regulations at the time the amended code of regulations is 6456  
adopted, and shall state that it supersedes the existing code of 6457  
regulations. 6458

(D) (1) If the members or board of directors propose the 6459  
adoption of any amendment to the mutual state bank's articles of 6460  
incorporation or code of regulations, or amended articles of 6461  
incorporation or amended code of regulations, the bank shall 6462  
send to the superintendent a copy of the proposed amendment, or 6463  
the proposed amended articles of incorporation or code of 6464  
regulations, for review and approval prior to adoption by the 6465  
members or directors. 6466

(2) Upon receiving a proposed amendment or proposed 6467  
amended articles of incorporation or code of regulations, the 6468  
superintendent shall conduct whatever examination the 6469  
superintendent considers necessary to determine if both of the 6470

following conditions are satisfied: 6471

(a) The proposed amendment or amended articles of 6472  
incorporation or code of regulations comply with the 6473  
requirements of the Revised Code. 6474

(b) The proposed amendment or amended articles of 6475  
incorporation or code of regulations will not adversely affect 6476  
the interests of the bank's depositors and creditors. 6477

(3) Within forty-five days after receiving the proposed 6478  
amendment, or the proposed amended articles of incorporation or 6479  
code of regulations, the superintendent shall notify the bank of 6480  
the approval or disapproval unless the superintendent determines 6481  
that additional information is required. In that event, the 6482  
superintendent shall request the information in writing within 6483  
twenty days after the date the proposed amendment, or the 6484  
proposed amended articles of incorporation or code of 6485  
regulations, was received. The bank shall have thirty days to 6486  
submit the information to the superintendent. The superintendent 6487  
shall notify the bank of the superintendent's approval or 6488  
disapproval of the proposed amendment, or the proposed amended 6489  
articles of incorporation or code of regulations, within forty- 6490  
five days after the date the additional information is received. 6491  
If the proposed amendment or proposed amended articles of 6492  
incorporation or code of regulations are disapproved by the 6493  
superintendent, the superintendent shall notify the bank of the 6494  
reasons for the disapproval. 6495

(4) If the superintendent fails to approve or disapprove 6496  
the proposed amendment or proposed amended articles of 6497  
incorporation or code of regulations within the time period 6498  
required under division (D)(3) of this section, the proposed 6499  
amendment or proposed amended articles of incorporation or code 6500

of regulations shall be considered approved. 6501

(5) If the proposed amendment or amended articles of 6502  
incorporation are approved, in no event shall that approval be 6503  
construed or represented as an affirmative endorsement of the 6504  
amendment or amended articles of incorporation by the 6505  
superintendent. 6506

(E) (1) Upon adoption by the members of any approved 6507  
amendment to a mutual state bank's articles of incorporation or 6508  
code of regulations, or approved amended articles of 6509  
incorporation or code of regulations, the bank shall send to the 6510  
superintendent a certificate containing a copy of the members' 6511  
resolution adopting the amendment or amended articles of 6512  
incorporation or code of regulations and a statement of the 6513  
manner of and basis for its adoption. If the board of directors 6514  
proposed the amendment or the amended articles of incorporation 6515  
or code of regulations, the certificate shall include a copy of 6516  
the resolution adopted by the directors to propose the amendment 6517  
or amended articles of incorporation or code of regulations to 6518  
the members. The certificate shall be signed by the bank's 6519  
authorized representatives in accordance with section 1103.19 of 6520  
the Revised Code. 6521

(2) Upon adoption by the board of directors of any 6522  
approved amendment to a mutual state bank's articles of 6523  
incorporation or code of regulations, or approved amended 6524  
articles of incorporation or code of regulations, the bank shall 6525  
provide to the superintendent a copy of the amendment or amended 6526  
articles of incorporation or code of regulations, accompanied by 6527  
a certificate containing a copy of the directors' resolution 6528  
adopting the amendment or amended articles of incorporation or 6529  
code of regulations and a statement of the manner of and basis 6530

for its adoption. The certificate shall be signed by the bank's 6531  
authorized representatives in accordance with section 1103.19 of 6532  
the Revised Code. 6533

(F) Upon receiving a certificate required by division (E) 6534  
of this section, the superintendent shall conduct whatever 6535  
examination the superintendent considers necessary to determine 6536  
if the manner of and basis for adoption of the amendment or 6537  
amended articles of incorporation or code of regulations comply 6538  
with the requirements of the Revised Code. 6539

(G) (1) Within thirty days after receiving a certificate 6540  
required by division (E) of this section, the superintendent 6541  
shall approve or disapprove the amendment or amended articles of 6542  
incorporation or code of regulations. If the superintendent 6543  
approves the amendment or amended articles of incorporation or 6544  
code of regulations, the superintendent shall forward a 6545  
certificate of that approval, a copy of the certificate required 6546  
by division (E) of this section, and a copy of the amendment or 6547  
amended articles of incorporation or code of regulations to the 6548  
secretary of state, who shall file the documents. Upon filing by 6549  
the secretary of state, the amendment or amended articles of 6550  
incorporation or code of regulations shall be effective. 6551

(2) If the superintendent fails to approve or disapprove 6552  
the amendment or amended articles of incorporation or code of 6553  
regulations within thirty days after receiving a certificate 6554  
required by division (E) of this section, the bank shall forward 6555  
a copy of the certificate and a copy of the amendment or amended 6556  
articles of incorporation or code of regulations to the 6557  
secretary of state, who shall file the documents. Upon filing by 6558  
the secretary of state, the amendment or amended articles of 6559  
incorporation or code of regulations shall be effective. 6560

Sec. 1114.12. (A) Whenever members of a mutual state bank 6561  
are required or authorized to elect directors or to take any 6562  
other action at a meeting, either annual or special, notice of 6563  
the meeting shall be given in either of the following ways: 6564

(1) By publication, once each week on the same day of the 6565  
week for three consecutive weeks immediately preceding the date 6566  
of the meeting in a newspaper published in and of general 6567  
circulation in the county in which the principal office of the 6568  
bank is located, of a notice containing the name of the bank and 6569  
the purpose, place, date, and hour of the meeting; 6570

(2) By notice served upon or mailed to members as provided 6571  
in section 1701.41 of the Revised Code. 6572

(B) The notice required under division (A) of this section 6573  
shall include a statement that, if a member granted a proxy to 6574  
the officers and directors of the bank, the proxy is revocable 6575  
at any time before the meeting or by attending the meeting and 6576  
voting in person. 6577

Sec. 1114.16. In the event of a liquidation or dissolution 6578  
of a mutual state bank, the priority of claims shall be 6579  
established by section 1125.24 of the Revised Code. 6580

**Sec. 1115.01.** (A) (1) A stock state bank may do any of the 6581  
following: 6582

(a) Convert into a national bank or a federal savings 6583  
association if the conversion is approved by both the office of 6584  
the comptroller of the currency and the affirmative vote or 6585  
written consent of the holders of two-thirds, or such other 6586  
proportion not less than a majority as the stock state bank's 6587  
articles of incorporation require, of the outstanding shares of 6588  
each class of the bank's stock; 6589

~~(b) Convert into a federal savings association if the conversion is approved by both the office of thrift supervision and the affirmative vote or written consent of the holders of two thirds, or such other proportion not less than a majority as the bank's articles of incorporation require, of the outstanding shares of each class of the bank's stock;~~

~~(c) Convert into a bank, savings bank, or savings and loan association pursuant to section 1151.64 of the Revised Code or the laws of another state if the conversion is approved by both the regulatory authority of the other state and the affirmative vote or written consent of the holders of two-thirds, or such other proportion not less than a majority as the stock state bank's articles of incorporation require, of the outstanding shares of each class of the bank's stock;~~

~~(d) Convert into a savings bank pursuant to section 1161.631 of the Revised Code or the laws of another state if the conversion is approved by the affirmative vote or written consent of the holders of two-thirds, or such other proportion not less than a majority as the bank's articles of incorporation require, of the outstanding shares of each class of the bank's stock;~~

~~(e) Convert into a bank doing business under authority granted by the bank regulatory authority of another state, pursuant to the laws of that state, if the conversion is approved by the affirmative vote or written consent of the holders of two thirds, or such other proportion not less than a majority as the bank's articles of incorporation require, of the outstanding shares of each class of the bank's stock.~~

(2) A mutual state bank may do any of the following:

(a) Convert into a national bank or a federal savings association if the conversion is approved by the office of the comptroller of the currency, the affirmative vote of two-thirds of the mutual state bank's board of directors, and the affirmative vote of two-thirds of the total outstanding votes eligible to be cast at the meeting at which the plan of conversion is presented to the members for adoption; 6619  
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(b) Convert into a bank, savings bank, or savings association pursuant to the laws of another state if the conversion is approved by the regulatory authority of the other state, the affirmative vote of two-thirds of the mutual state bank's board of directors, and the affirmative vote of two-thirds of the total outstanding votes eligible to be cast at the meeting at which the plan of conversion is presented to the members for adoption. 6626  
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(B) A state bank that converts into a national bank, a federal savings association, or a bank, savings bank, or savings association doing business under authority granted by the bank regulatory authority of another state, ~~or a federal savings association~~ shall, immediately upon the conversion being effective, file with the superintendent of financial institutions all information the superintendent determines is necessary to reflect in the state's records that the bank ~~or federal savings association~~ is no longer a corporation organized and doing business under the laws of this state. 6634  
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~~(B) (1) A national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank may, with the approval of the superintendent, convert into a state bank.~~ 6644  
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~~(2) A national bank, bank doing business under authority~~ 6648

~~granted by the bank regulatory authority of another state,~~ 6649  
~~savings association, or savings bank proposing to convert into a~~ 6650  
~~state bank shall submit to the superintendent an application for~~ 6651  
~~the superintendent's approval of the conversion that includes~~ 6652  
~~all of the following:~~ 6653

~~(a) A plan of conversion;~~ 6654

~~(b) The proposed articles of incorporation and code of~~ 6655  
~~regulations of the proposed state bank;~~ 6656

~~(c) An officers' certification that the directors and~~ 6657  
~~shareholders of the national bank, bank doing business under~~ 6658  
~~authority granted by the bank regulatory authority of another~~ 6659  
~~state, savings association, or savings bank have approved the~~ 6660  
~~plan of conversion and the proposed articles of incorporation~~ 6661  
~~and code of regulations in accordance with the applicable state~~ 6662  
~~or federal law and with the bank's, savings association's, or~~ 6663  
~~savings bank's articles of association or incorporation and code~~ 6664  
~~of regulations or bylaws;~~ 6665

~~(d) Any other information the superintendent requires.~~ 6666

~~(3) Within ten business days after receiving an~~ 6667  
~~application required under division (B)(2) of this section, the~~ 6668  
~~superintendent shall determine whether to accept the~~ 6669  
~~application. Within ninety days after accepting an application~~ 6670  
~~required under division (B)(2) of this section, the~~ 6671  
~~superintendent shall approve or disapprove the application. In~~ 6672  
~~determining whether to approve the bank's, savings~~ 6673  
~~association's, or savings bank's conversion into a state bank,~~ 6674  
~~the superintendent shall consider all of the following:~~ 6675

~~(a) The adequacy of the capital and paid-in capital of the~~ 6676  
~~proposed state bank;~~ 6677

~~(b) Whether the competence, experience, and integrity of each director, executive officer, and controlling shareholder of the proposed state bank meet the criteria for acquiring control of a state bank as provided in section 1115.06 of the Revised Code;~~ 6678  
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~~(c) Whether the proposed state bank affords reasonable promise of successful operation;~~ 6683  
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~~(d) Whether the proposed state bank meets the requirements of Chapters 1101. to 1127. of the Revised Code.~~ 6685  
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~~(4) The superintendent may condition an approval of the conversion of a national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank into a state bank in any manner the superintendent considers appropriate.~~ 6687  
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~~(5) (a) If the superintendent approves a conversion of a national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank into a state bank, the superintendent shall forward a certificate of the approval of the conversion and the state bank's articles of incorporation to the secretary of state, and shall issue to the new state bank a certificate of authority to commence business as a state bank.~~ 6692  
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~~(b) (i) In the case of a state bank resulting from the conversion of a savings association organized under Chapter 1151. of the Revised Code or a savings bank organized under Chapter 1161. of the Revised Code, the secretary of state shall file the certificate of the superintendent's approval of the conversion and the state bank's articles of incorporation in a manner reflecting the corporation is no longer doing business~~ 6700  
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~~under Chapter 1151. or 1161. of the Revised Code.~~

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

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

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

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Sec. 1115.03. (A) (1) A mutual state bank may convert into a stock state bank if the conversion is approved by the superintendent of financial institutions, the affirmative vote

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of two-thirds of the mutual state bank's board of directors, and 6737  
the affirmative vote of two-thirds of the total outstanding 6738  
votes eligible to be cast at the meeting at which the plan of 6739  
conversion is presented to the members for adoption. 6740

(2) A stock state bank may convert into a mutual state 6741  
bank if the conversion is approved by both the superintendent 6742  
and the affirmative vote or written consent of the holders of 6743  
two-thirds, or such other proportion not less than a majority as 6744  
the stock state bank's article of incorporation require, of the 6745  
outstanding shares of each class of the bank's stock. 6746

(B) A conversion under this section shall be effective on 6747  
the date indicated in the materials filed with the secretary of 6748  
state by the converting bank. Without further act or deed, the 6749  
bank resulting from the conversion shall have all the property, 6750  
rights, interests, and powers of its predecessor bank within the 6751  
limits of the charter of the resulting bank, and all duties, 6752  
trusts, obligations, and liabilities of the predecessor bank 6753  
shall continue in the bank resulting from the conversion. 6754

**Sec. 1115.05.** (A) As used in this section: 6755

(1) "Acquire" or "acquisition" means any of the following 6756  
transactions or actions: 6757

(a) A merger or consolidation with, or purchase of assets 6758  
from, a bank holding company that has acquired an Ohio bank; 6759

(b) The acquisition of the direct or indirect ownership or 6760  
control of voting shares of an Ohio bank if, after the 6761  
acquisition, the acquiring bank holding company will directly or 6762  
indirectly own or control the Ohio bank, unless the 6763  
superintendent of financial institutions determines, in the 6764  
superintendent's discretion, due to the nature of the 6765

acquisition, it should not be subject to the limitations of this section;

(c) The merger or consolidation of an Ohio bank with, or the transfer of assets from an Ohio bank to, another bank, whether previously existing or chartered for the purpose of the transaction;

(d) Any other action that results in the direct or indirect control of an Ohio bank.

(2) "Ohio bank" means a state bank or a national bank whose principal place of business is in this state.

(B) Subject to ~~divisions~~ division (C) and ~~(D)~~ of this section, a bank or bank holding company whose principal place of business is in this state or any other state may charter or otherwise acquire an Ohio bank, and a bank may acquire banking offices in this state by merger or consolidation with or transfer of assets and liabilities from a bank, savings bank, or savings association that has offices in this state, if, upon consummation of the acquisition, both of the following will apply:

(1) The acquiring bank with, or the acquiring bank holding company through, its affiliate banks, savings banks, and savings associations, does not control more than ten per cent of the total deposits of banks, savings banks, and savings associations in the United States, and either of the following applies:

(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.

(b) The acquiring bank with, or the acquiring bank holding company through, its affiliate banks, savings banks, and savings associations, controls more than thirty per cent of the total deposits of banks, savings banks, and savings associations in this state, and the superintendent approved the acquisition after determining the anticompetitive effects of the acquisition were clearly outweighed in the public interest by the probable effect of the transaction.

(2) Except in the case of a foreign bank subject to Chapter 1119. of the Revised Code or a bank that by the terms of its articles of incorporation or association is not permitted to solicit or accept deposits other than trust funds, the Ohio bank or any bank that has banking offices in this state will be an insured bank as defined in section 3(h) of the "Federal Deposit Insurance Act," 92 Stat. 614 (1978), 12 U.S.C.A. 1813(h).

(C) (1) Any bank holding company proposing to charter a state bank under this section shall comply with Chapter 1113. or 1114. of the Revised Code and any rules adopted to implement that chapter.

(2) If, after the proposed acquisition, the acquiring bank or bank holding company will control an existing state bank the acquiring bank or bank holding company did not control before the acquisition, and the acquisition does not include the merger or consolidation of the existing state bank with another bank, the acquiring bank or bank holding company shall comply with section 1115.06 of the Revised Code and any rules adopted to implement that section.

(3) If the proposed acquisition will be accomplished by means of a merger or consolidation with a state bank and the resulting bank of the merger or consolidation will be a state

bank, the state bank shall comply with section 1115.11 of the Revised Code and any rules adopted to implement that section.

(4) If the proposed acquisition will be accomplished by means of a transfer of assets and liabilities to a state bank, the state bank shall comply with section 1115.14 of the Revised Code and any rules adopted to implement that section.

(5) If the proposed acquisition will be accomplished by forming a bank to which the bank to be acquired will transfer assets and liabilities, or with which the bank to be acquired will be merged or consolidated and the resulting bank will be a state bank, the acquiring bank holding company shall comply with section 1115.23 of the Revised Code and any rules adopted to implement that section.

~~(D)(1) If the acquiring bank is a bank doing business under authority granted by the bank regulatory authority of another state and the acquisition will be accomplished by agreeing to assume all or substantially all of the deposit liabilities of an existing branch located in this state of a savings association doing business under authority granted by the superintendent pursuant to Chapter 1151. of the Revised Code, the acquisition shall be subject to the superintendent's approval, which shall include a determination that the laws of the state in which the acquiring bank has its principal place of business permit a bank with its principal place of business in ohio to acquire all or substantially all of the deposit liabilities of an existing branch of a savings association located in that state on terms that are, on the whole, substantially no more restrictive than those established under section 1151.052 of the Revised Code.~~

~~(2) If the acquiring bank is a bank doing business under~~

~~authority granted by the bank regulatory authority of another state and the acquisition will be accomplished by agreeing to assume all or substantially all of the deposit liabilities of an existing branch located in this state of a savings bank doing business under authority granted by the superintendent pursuant to Chapter 1161. of the Revised Code, the acquisition shall be subject to the superintendent's approval, which shall include a determination that the laws of the state in which the acquiring bank has its principal place of business permit a bank with its principal place of business in Ohio to acquire all or substantially all of the deposit liabilities of an existing branch of a savings bank located in that state on terms that are, on the whole, substantially no more restrictive than those established under section 1161.07 of the Revised Code.~~

**Sec. 1115.06.** (A) As used in this section:

(1) "Control" of a state bank means either of the following:

(a) Power, directly or indirectly, to direct the management or policies of a state bank;

(b) Ownership or control of or power to vote twenty-five per cent or more of any class of voting securities of a state bank.

(2) "State bank" includes any bank holding company that controls a state bank, and any other company that controls a state bank and is not a bank holding company.

(B) (1) No person, acting directly or indirectly or through or in concert with one or more other persons, shall acquire control of a state bank through a purchase, assignment, transfer, pledge, or other disposition of voting securities of a

state bank unless the superintendent of financial institutions 6884  
has been given sixty days' prior written notice of the proposed 6885  
acquisition and within that sixty days the superintendent has 6886  
not done either of the following: 6887

(a) Disapproved the acquisition; 6888

(b) Extended the time during which the superintendent may 6889  
disapprove the acquisition, as provided in division (B) (2) of 6890  
this section. 6891

(2) The superintendent may extend the time during which 6892  
the superintendent may disapprove a proposed acquisition of 6893  
control, as follows: 6894

(a) For an additional thirty days in the discretion of the 6895  
superintendent; 6896

(b) For two additional extensions of not more than forty- 6897  
five days each, if any of the following applies: 6898

(i) The superintendent determines any acquiring party has 6899  
not furnished all of the information required under division (C) 6900  
of this section. 6901

(ii) In the superintendent's judgment, any material 6902  
information submitted is substantially inaccurate. 6903

(iii) The superintendent has been unable to complete the 6904  
investigation of an acquiring person under division (E) (1) of 6905  
this section because of any delay caused by, or the inadequate 6906  
cooperation of, that acquiring person. 6907

(iv) The superintendent determines additional time is 6908  
needed to investigate and determine whether any acquiring person 6909  
has a record of failing to comply with the requirements of 6910  
subchapter II of chapter 53 of subtitle IV of Title 31 of the 6911

United States Code. 6912

(3) An acquisition may be made prior to the expiration of 6913  
the disapproval period if the superintendent issues written 6914  
notice of the superintendent's intent not to disapprove the 6915  
acquisition of control. 6916

(C) ~~Except as the superintendent otherwise provides by~~ 6917  
~~rule, a~~ A notice required under division (B) of this section 6918  
shall contain ~~the following~~ such information: 6919

~~(1) The identity, personal history, and business~~ 6920  
~~background and experience of each person by whom or on whose~~ 6921  
~~behalf the acquisition is to be made, including each person's~~ 6922  
~~material business activities and affiliations during the past~~ 6923  
~~five years; a description of any material pending legal or~~ 6924  
~~administrative proceedings in which each person is a party; and~~ 6925  
~~any criminal indictment or conviction of each person by a state~~ 6926  
~~or federal court.~~ 6927

~~(2) A statement of the assets and liabilities of each~~ 6928  
~~person by whom or on whose behalf the acquisition is to be made,~~ 6929  
~~as of the end of the fiscal year for each of the five years~~ 6930  
~~immediately preceding the date of the notice, together with~~ 6931  
~~related statements of income and source and application of funds~~ 6932  
~~for each of the fiscal years then concluded, all prepared in~~ 6933  
~~accordance with generally accepted accounting principles~~ 6934  
~~consistently applied; and an interim statement of the assets and~~ 6935  
~~liabilities for each person, together with related statements of~~ 6936  
~~income and source and application of funds, as of a date not~~ 6937  
~~more than ninety days prior to the date of the filing of the~~ 6938  
~~notice.~~ 6939

~~(3) The terms and conditions of the proposed acquisition~~ 6940

~~and the manner in which the acquisition is to be made.~~ 6941

~~(4) The identity, source, and amount of the funds or other consideration used or to be used in making the acquisition and, if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction, the names of the parties, and any arrangements, agreements, or understandings with the parties.~~ 6942  
6943  
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~~(5) Any plans or proposals any acquiring person may have to liquidate the state bank, to sell its assets or merge it with any company, or to make any other major change in its business or corporate structure or management.~~ 6949  
6950  
6951  
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~~(6) The identification of any person employed, retained, or to be compensated by an acquiring person, or by any person on an acquiring person's behalf, to make solicitations or recommendations to shareholders for the purpose of assisting in the acquisition, and a brief description of the terms of the employment, retainer, or arrangement for compensation.~~ 6953  
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~~(7) Copies of all invitations or tenders or advertisements making a tender offer to stockholders for purchase of their stock to be used in connection with the proposed acquisition.~~ 6959  
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6961

~~(8) Any additional relevant information in the form as the superintendent may require by rule or by specific request in connection with any particular notice.~~ 6962  
6963  
6964

(D) Unless the superintendent determines an emergency exists or disclosure of a proposed acquisition of control would seriously threaten the safety or soundness of the state bank, each person who gives a notice required under division (B) of this section shall, within a reasonable time after receiving the 6965  
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superintendent's acceptance of the notice, do both of the 6970  
following: 6971

(1) Publish the name of the state bank proposed to be 6972  
acquired and the name of each person identified in the notice as 6973  
a person by whom or for whom the acquisition is to be made; 6974

(2) Solicit public comment on the proposed acquisition, 6975  
particularly from persons in the geographic area where the state 6976  
bank proposed to be acquired is located, before final 6977  
consideration of the notice by the superintendent. 6978

(E) Upon accepting a notice required under division (B) of 6979  
this section, the superintendent shall do both of the following: 6980

(1) Conduct an investigation of the competence, 6981  
experience, integrity, and financial ability of each person 6982  
named in the notice as a person by whom or for whom the 6983  
acquisition is to be made; 6984

(2) Make an independent determination of the accuracy and 6985  
completeness of all information required to be in the notice. 6986

(F) The superintendent may disapprove any proposed 6987  
acquisition of control if the superintendent finds any of the 6988  
following: 6989

(1) The proposed acquisition of control would result in a 6990  
monopoly or further any combination or conspiracy to monopolize 6991  
or to attempt to monopolize the business of banking in any part 6992  
of this state or any markets served by the state bank. 6993

(2) The effect of the proposed acquisition of control in 6994  
any part of this state and any markets served by the state bank 6995  
may be to substantially lessen competition, tend to create a 6996  
monopoly, or in any other manner restrain trade, and the 6997

anticompetitive effects of the proposed acquisition of control 6998  
are not clearly outweighed in the public interest by the 6999  
probable effect of the acquisition in meeting the convenience 7000  
and needs of the community to be served. 7001

(3) The financial condition of any acquiring person might 7002  
jeopardize the financial stability of the state bank or 7003  
prejudice the interests of the depositors of the state bank. 7004

(4) The competence, experience, or integrity of any 7005  
acquiring person or of any of the proposed management personnel 7006  
indicates that it would not be in the interest of the depositors 7007  
of the state bank, or in the interest of the public, to permit 7008  
the acquiring person to control the state bank. 7009

(5) The acquiring person neglects, fails, or refuses to 7010  
furnish to the superintendent all of the information required by 7011  
the superintendent. 7012

(6) The superintendent determines the proposed transaction 7013  
would have an adverse effect on the ~~bank-deposit~~ insurance fund 7014  
~~or the savings association insurance fund~~ administered by the 7015  
federal deposit insurance corporation. 7016

(G) Within three days after deciding to disapprove any 7017  
proposed acquisition of control of a state bank, the 7018  
superintendent shall notify the acquiring person in writing of 7019  
the disapproval. The notice of disapproval shall provide a 7020  
statement of the basis for the disapproval. 7021

(H) Within ten days after receipt of a notice of the 7022  
disapproval, the acquiring person may, in accordance with 7023  
Chapter 119. of the Revised Code, request a hearing conducted in 7024  
accordance with that chapter on the proposed acquisition. 7025

(I) Whenever a change in control of a state bank occurs, 7026

the state bank shall promptly report to the superintendent any 7027  
changes in or replacement of its chief executive officer or of 7028  
any director that occurs in the next twelve-month period, and 7029  
include in the report a statement of the past and current 7030  
business and professional affiliations of the new chief 7031  
executive officer or director. 7032

(J) (1) The superintendent may exercise any authority 7033  
vested in the superintendent under Chapter 1121. of the Revised 7034  
Code in the course of conducting any investigation under 7035  
division (E) of this section or any other investigation the 7036  
superintendent, in the superintendent's discretion, considers 7037  
necessary to determine whether any person has filed inaccurate, 7038  
incomplete, or misleading information under this section or 7039  
otherwise is violating, has violated, or is about to violate any 7040  
provision of this section or any rule implementing this section. 7041

(2) Whenever it appears to the superintendent any person 7042  
is violating, has violated, or is about to violate any provision 7043  
of this section or any rule implementing this section, the 7044  
superintendent may, in the superintendent's discretion, apply to 7045  
the court of common pleas of any county in which the state bank 7046  
is doing business for either of the following: 7047

(a) A temporary or permanent injunction or restraining 7048  
order enjoining the person from violating this section or any 7049  
rule implementing this section; 7050

(b) Other equitable relief, including divestiture, that 7051  
may be necessary to prevent violation of this section or of any 7052  
rule implementing this section. 7053

(3) (a) The courts of this state have the same jurisdiction 7054  
and power in connection with the exercise of any authority by 7055

the superintendent under this section as they have under Chapter 7056  
1121. of the Revised Code. 7057

(b) The courts of this state have jurisdiction and power 7058  
to issue any injunction or restraining order or grant any 7059  
equitable relief described in division (J)(2) of this section. 7060  
When a court finds it appropriate, the court may grant the 7061  
injunction, order, or other equitable relief without requiring 7062  
the posting of any bond. 7063

(K) The resignation, termination of employment or 7064  
participation, divestiture of control, or separation of or by a 7065  
regulated person, including a separation caused by the closing 7066  
of a state bank, shall not affect the jurisdiction and authority 7067  
of the superintendent to issue any notice and otherwise proceed 7068  
under this section against the regulated person, if the notice 7069  
is issued no later than six years after the date of the 7070  
regulated person's resignation, termination of employment or 7071  
participation, or separation from or divestiture of control of a 7072  
state bank. 7073

For purposes of this division, "regulated person" has the 7074  
same meaning as in section 1121.01 of the Revised Code. 7075

**Sec. 1115.07.** (A) As used in this section: 7076

(1) "Credit outstanding" means any loan, extension of 7077  
credit, issuance of a guarantee, acceptance, or letter of 7078  
credit, including an endorsement or standby letter of credit, or 7079  
other transaction that extends financing to a person or group of 7080  
persons. 7081

(2) "Financial institution" means a state bank, national 7082  
bank, savings bank, savings association, or a bank doing 7083  
business under authority granted by the bank regulatory 7084

authority of another state of the United States or another 7085  
country. 7086

(3) "Group of persons" includes any number of persons the 7087  
financial institution reasonably believes are either of the 7088  
following: 7089

(a) Persons who are acting together, in concert, or with 7090  
one another to acquire or control shares of the same stock state 7091  
bank, including an acquisition of shares of the same stock state 7092  
bank at approximately the same time under substantially the same 7093  
terms. 7094

(b) Persons who have made, or have proposed to make, a 7095  
joint filing under section 13 of Title I of the "Securities 7096  
Exchange Act of 1934," 48 Stat. 881, 15 U.S.C.A. 78m, as 7097  
amended, regarding ownership of the shares of the same stock 7098  
state bank. 7099

(B) (1) Except as provided in division (D) of this section, 7100  
any financial institution or any affiliate of a financial 7101  
institution that has credit outstanding to any person or group 7102  
of persons that is secured, directly or indirectly, by shares of 7103  
a stock state bank shall file a consolidated report with the 7104  
superintendent of financial institutions if the credits 7105  
outstanding are, in the aggregate, secured, directly or 7106  
indirectly, by twenty-five per cent or more of the outstanding 7107  
shares of any class of the same stock state bank. 7108

(2) For purposes of division (B) (1) of this section, any 7109  
shares of the stock state bank held by the financial institution 7110  
or any of its affiliates as principal shall be included in the 7111  
calculation of the number of shares in which the financial 7112  
institution or its affiliates has a security interest. 7113

(C) The report required under division (B) (1) of this section shall be a consolidated report on behalf of the financial institution and all its affiliates, and shall be filed in writing within thirty days after the date on which the financial institution or any of its affiliates first believes the security for any outstanding credit consists of twenty-five per cent or more of the outstanding shares of any class of a stock state bank.

The report shall indicate the number and percentage of shares securing each credit outstanding, the identity of the borrower, and the number of shares held as principal by the financial institution or any of its affiliates. It also shall contain all of the information required in a notice under section 1115.06 of the Revised Code, and any other relevant information the superintendent may require by rule or by specific request in connection with a particular report.

(D) A financial institution and its affiliates shall not be required to report a transaction under this section if either of the following applies:

(1) The person or group of persons to whom the credit is outstanding has disclosed to the superintendent the amount borrowed from the financial institution or its affiliate and the security interest of the financial institution or its affiliate in connection with a notice given under section 1115.06 of the Revised Code or with any other application filed with the superintendent, such as an application for an interim bank charter.

(2) The transaction involves either of the following:

(a) A person or group of persons that has been the owner

of record of the shares for at least one year; 7143

(b) Shares issued by a newly chartered stock state bank 7144  
before the ~~state~~-bank's opening. 7145

**Sec. 1115.11.** (A) A state bank may consolidate or merge 7146  
with another state bank, a bank, savings bank, or savings 7147  
association doing business under authority granted by the bank 7148  
regulatory authority of another state, ~~or~~ a national bank, 7149  
~~savings bank,~~ or a federal savings association, regardless of 7150  
where it maintains its principal place of business, with the 7151  
approval of all of the following: 7152

(1) The directors of both constituent corporations; 7153

(2) (a) The shareholders of each constituent state bank 7154  
that is a stock state bank, by the affirmative vote or written 7155  
consent of the holders of two-thirds, or such other proportion 7156  
not less than a majority as the ~~state~~-bank's articles of 7157  
incorporation or code of regulations provide, of the outstanding 7158  
shares of each class of the ~~state~~-bank's stock; 7159

(b) The members of each constituent state bank that is a 7160  
mutual state bank, by the affirmative vote of two-thirds, or 7161  
such other proportion not less than a majority as the bank's 7162  
articles of incorporation or code of regulations provide, of the 7163  
voting members. 7164

(3) The shareholders or members of the other constituent 7165  
bank, savings bank, or savings association as required by the 7166  
applicable state or federal law, articles of incorporation, or 7167  
code of regulations; 7168

(4) One of the following, as applicable: 7169

(a) If the resulting corporation will be a state bank, a- 7170

~~savings bank doing business under authority granted pursuant to~~ 7171  
~~Chapter 1161. of the Revised Code, or a savings and loan~~ 7172  
~~association doing business under authority granted pursuant to~~ 7173  
~~Chapter 1151. of the Revised Code,~~ the superintendent of 7174  
financial institutions; 7175

(b) If the resulting corporation will be a national bank 7176  
or federal savings association, the office of the comptroller of 7177  
the currency; 7178

~~(c) If the resulting corporation will be a federal savings~~ 7179  
~~association, the director of the office of thrift supervision;~~ 7180

~~(d)~~ If the resulting corporation will be a bank, savings 7181  
bank, or savings association doing business under authority 7182  
granted by the regulatory authority of another state, the state 7183  
regulatory authority under which the bank, savings bank, or 7184  
savings association is doing business. 7185

(B) For a merger or consolidation in which the resulting 7186  
or surviving corporation will be a state bank, the constituent 7187  
corporations, in the case of a consolidation, and the 7188  
constituent corporation that will be the surviving corporation, 7189  
in the case of a merger, shall file with the superintendent an 7190  
application for the superintendent's approval that includes ~~all~~ 7191  
~~of the following:~~ 7192

~~(1) An officers' certification that the transaction has~~ 7193  
~~been approved by the directors and shareholders of each~~ 7194  
~~constituent corporation in accordance with the applicable state~~ 7195  
~~or federal law, articles of incorporation or association, code~~ 7196  
~~of regulations, or bylaws;~~ 7197

~~(2) A a copy of the consolidation or merger agreement;~~ 7198

~~(3) Any and any other information the superintendent~~ 7199

requires. 7200

(C) The consolidation or merger agreement required under 7201  
division (B) ~~(2)~~ of this section shall include all of the 7202  
following: 7203

(1) The names of the constituent corporations; 7204

(2) The agreement that the named constituent corporations 7205  
will consolidate into a new state bank or the other named 7206  
constituent corporations will merge with or into one specified 7207  
constituent corporation; 7208

(3) Subject to the limitations set forth in section 7209  
1103.07 of the Revised Code, the name of the state bank 7210  
resulting from the consolidation or surviving the merger; 7211

(4) The place in this state where the resulting or 7212  
surviving bank's principal place of business is to be located; 7213

(5) In the case of a consolidation, the contents of the 7214  
resulting bank's articles of incorporation, consistent with 7215  
section ~~1103.06~~ 1113.04 of the Revised Code; 7216

(6) In the case of a merger, any amendment to the 7217  
surviving bank's articles of incorporation; 7218

(7) The names and addresses of the directors of the 7219  
resulting or surviving bank; 7220

(8) The terms of the consolidation or merger, how the 7221  
consolidation or merger will be effected, and how ~~any~~ 7222  
consideration provided for, if any, will be distributed to the 7223  
shareholders or members of the constituent corporations. 7224

(D) Within ten business days after receiving an 7225  
application required under division (B) of this section, the 7226

superintendent shall determine whether to accept the 7227  
application. If the transaction is with a bank, savings bank, or 7228  
savings association doing business under authority granted by a 7229  
regulatory authority other than the superintendent, the 7230  
superintendent shall notify the regulatory authority under which 7231  
the bank, savings bank, or savings association is doing business 7232  
of the application and solicit that regulatory authority's 7233  
comments. Within ninety days after accepting an application 7234  
required under division (B) of this section, the superintendent 7235  
shall approve or disapprove the application. In making that 7236  
determination, the superintendent shall consider all of the 7237  
following: 7238

(1) Whether the transaction would result in a monopoly or 7239  
would further any combination or conspiracy to monopolize or to 7240  
attempt to monopolize the business of banking in any part of 7241  
this state and any markets served by the resulting or surviving 7242  
bank; 7243

(2) Whether the effect of the proposed transaction in any 7244  
part of this state and any markets served by the resulting or 7245  
surviving bank may be to substantially lessen competition, tend 7246  
to create a monopoly, or in any other manner restrain trade, 7247  
unless the superintendent finds the anticompetitive effects of 7248  
the transaction would clearly be outweighed in the public 7249  
interest by the probable effect of the transaction in meeting 7250  
the convenience and needs of the community to be served; 7251

(3) The financial and managerial resources and future 7252  
prospects of the banks involved; 7253

(4) The convenience and needs of the communities to be 7254  
served; 7255

(5) Whether, upon completion of the transaction, the 7256  
resulting or surviving state bank will meet the requirements of 7257  
Chapters 1101. to 1127. of the Revised Code; 7258

(6) The comments of any regulatory authority notified in 7259  
accordance with division (D) of this section. 7260

(E) The superintendent may condition approval of an 7261  
application under division (D) of this section in any manner the 7262  
superintendent considers appropriate. 7263

(F) Before consummating a consolidation or merger 7264  
authorized under division (A) of this section, a state bank 7265  
shall deliver to the superintendent a certificate of 7266  
consolidation or merger that satisfies the requirements of 7267  
section 1701.81 of the Revised Code. The superintendent shall 7268  
file the certificate of consolidation or merger with the 7269  
secretary of state and, if the resulting or surviving bank of 7270  
the consolidation or merger is a state bank, shall file a 7271  
certified copy of the superintendent's approval of the 7272  
consolidation or merger with the certificate. 7273

(G) In the case of a consolidation or merger in which the 7274  
resulting or surviving corporation is a state bank, the 7275  
directors and other officers named in the agreement of 7276  
consolidation or merger shall serve until the date fixed in the 7277  
agreement or provided in the resulting or surviving bank's code 7278  
of regulations or by statute for the next annual meeting. 7279

(H) (1) When a consolidation or merger becomes effective, 7280  
~~the both of the following apply:~~ 7281

(a) The existence of each of the constituent corporations 7282  
ceases as a separate entity, but continues in the resulting or 7283  
surviving corporation, within the limits of the charter of the 7284

resulting or surviving corporation and subject to section 7285  
1115.20 of the Revised Code, without further act or deed ~~and~~ 7286  
~~within.~~ 7287

(b) Within the limits of the charter of the resulting or 7288  
surviving corporation, the resulting or surviving corporation 7289  
has all assets and property, the rights, privileges, immunities, 7290  
powers, franchises, and authority, and all obligations and 7291  
~~trusts~~ fiduciary relationships of each party to the merger or 7292  
consolidation and the duties and liabilities connected with 7293  
them. ~~The~~ 7294

(2) The resulting or surviving corporation shall perform 7295  
every ~~trust or relation~~ fiduciary relationship it has in the 7296  
same manner as if it had itself originally assumed the ~~trust or~~ 7297  
~~relation~~ fiduciary relationship and the obligations and 7298  
liabilities connected with it. 7299

(I) Shareholders of the nonsurviving stock state bank 7300  
shall have a right to dissent and shall be entitled to relief as 7301  
dissenting shareholders under section 1701.85 of the Revised 7302  
Code for those transactions requiring prior shareholder approval 7303  
under division (A) (2) of this section. 7304

**Sec. 1115.111.** (A) Except as provided in division (C) of 7305  
this section, no bank shall pay to any person, other than 7306  
reasonable compensation for services provided in ~~his~~ the 7307  
person's capacity as an employee, any management or consulting 7308  
fee, including fees for legal, accounting, brokerage, or other 7309  
similar professional services, not having a direct relationship 7310  
to the value of actual services rendered, based on reasonable 7311  
costs consistent with current market values for such services. 7312

(B) The records of the bank shall contain adequate 7313

information to permit a determination as to what services are 7314  
being provided and on what basis they are being priced. At a 7315  
minimum the records shall disclose a thorough review by the 7316  
board of directors demonstrating all of the following: 7317

(1) That such fees are paid for specific services 7318  
provided, as detailed in a fee analysis presented to the board; 7319

(2) The basis for the cost for each function or service; 7320

(3) A conclusion by the board of directors that the fees 7321  
are reasonable. 7322

(C) This section does not prevent a bank from paying any 7323  
of the following: 7324

(1) Dividends to shareholders that have been properly 7325  
declared by the bank; 7326

(2) Reasonable compensation to officers and employees of 7327  
the bank for services rendered to the bank in their capacities 7328  
as officers or employees of the bank; 7329

(3) Fees to directors for their attendance at meetings of 7330  
the board of directors, the executive committee, or other 7331  
committees established by the board. 7332

**Sec. 1115.14.** (A) A state bank may transfer assets and 7333  
liabilities to, and acquire assets and liabilities from, another 7334  
state bank, a bank doing business under authority granted by the 7335  
bank regulatory authority of another state, or a national bank, 7336  
savings bank, or savings association, regardless of where it 7337  
maintains its principal place of business, with the approval of 7338  
all of the following: 7339

(1) The directors of both constituent corporations; 7340

(2) (a) If the assets to be transferred equal more than  
fifty per cent of the assets of a transferring or acquiring  
state bank at the time of the transfer and the institution is a  
stock state bank, the shareholders of the state bank by the  
affirmative vote or written consent of the holders of two-  
thirds, or such other proportion not less than a majority as the  
state bank's articles of incorporation or code of regulations  
provide, of the outstanding shares of each class of the state  
bank's stock;

(b) If the assets to be transferred equal more than fifty  
per cent of the assets of a transferring or acquiring state bank  
at the time of the transfer and the institution is a mutual  
state bank, the members of the state bank by the affirmative  
vote of two-thirds, or such other proportion not less than a  
majority as the bank's articles of incorporation or code of  
regulations provide, of the voting members.

(3) The shareholders or members of the other constituent  
bank, savings bank, or savings association as required by the  
applicable state or federal law, the articles of incorporation,  
or the code of regulations;

(4) If the assets to be transferred equal more than fifty  
per cent of the assets of the acquiring state bank, the  
superintendent of financial institutions.

(B) In the case of a transfer of assets and liabilities  
for which the superintendent's approval is required under  
division (A)(4) of this section, the acquiring state bank shall  
file with the superintendent an application that includes all of  
the following:

(1) An officers' certification that the transaction has

been approved by the directors and shareholders or members of 7370  
each constituent corporation in accordance with the applicable 7371  
state or federal law, articles of incorporation or association, 7372  
code of regulations, or bylaws; 7373

(2) A copy of the transfer agreement; 7374

(3) Any other information the superintendent requires. 7375

(C) The transfer agreement required under division (B) (2) 7376  
of this section shall include all of the following: 7377

(1) The names of the constituent corporations; 7378

(2) The agreement of the named constituent corporations 7379  
that specified assets and liabilities of one will be transferred 7380  
to the other in exchange for specified consideration; 7381

(3) Any changes to be made in the directors ~~of~~ or officers 7382  
of the acquiring state bank; 7383

(4) Any amendments to the acquiring state bank's articles 7384  
of incorporation; 7385

(5) The terms of the transfer, how the transfer will be 7386  
effected, and how any consideration provided for will be 7387  
distributed to the transferring corporation or its shareholders 7388  
or members. 7389

(D) Within ten business days after receiving an 7390  
application required under division (B) of this section, the 7391  
superintendent shall determine whether to accept the 7392  
application. If the transaction is with a bank, savings bank, or 7393  
savings association doing business under authority granted by a 7394  
regulatory authority other than the superintendent, the 7395  
superintendent shall notify the regulatory authority that 7396  
granted the authority under which the bank, savings bank, or 7397

savings association is doing business of the application and 7398  
solicit that regulatory authority's comments. Within ninety days 7399  
after accepting an application required under division (B) of 7400  
this section, the superintendent shall approve or disapprove the 7401  
application. In making that determination, the superintendent 7402  
shall consider all of the following: 7403

(1) Whether the transaction would result in a monopoly or 7404  
would further any combination or conspiracy to monopolize or to 7405  
attempt to monopolize the business of banking in any part of 7406  
this state and any markets served by the acquiring bank; 7407

(2) Whether the effect of the proposed transaction in any 7408  
part of this state and any markets served by the acquiring bank 7409  
may be to substantially lessen competition, tend to create a 7410  
monopoly, or in any other manner restrain trade, unless the 7411  
superintendent finds that the anticompetitive effects of the 7412  
transaction would clearly be outweighed in the public interest 7413  
by the probable effect of the transaction in meeting the 7414  
convenience and needs of the community to be served; 7415

(3) The financial and managerial resources and future 7416  
prospects of the banks involved; 7417

(4) The convenience and needs of the communities to be 7418  
served; 7419

(5) Whether, upon completion of the transaction, the 7420  
acquiring state bank will meet the requirements of Chapters 7421  
1101. to 1127. of the Revised Code; 7422

(6) The comments of any regulatory authority notified in 7423  
accordance with division (D) of this section. 7424

(E) The superintendent may condition approval of an 7425  
application under division (D) of this section in any manner the 7426

superintendent considers appropriate. 7427

(F) In the case of a transfer of assets and liabilities 7428  
involving a state bank that is not the acquiring corporation and 7429  
that will not continue operations after the transaction, the 7430  
state bank shall, immediately upon the transfer of assets and 7431  
liabilities being effective, provide the superintendent with the 7432  
necessary dissolution certificates and affidavits for the 7433  
superintendent to file the dissolution with the secretary of 7434  
state. 7435

(G) When a bank, savings bank, or savings association 7436  
transfers its assets and liabilities to a state bank, the 7437  
acquiring state bank shall be possessed of the rights, 7438  
privileges, and powers of the transferor with respect to the 7439  
transferred assets within the limits of the charter of the 7440  
acquiring state bank. 7441

(H) Shareholders of a stock state bank whose assets have 7442  
been transferred shall have a right to dissent and shall be 7443  
entitled to relief as dissenting shareholders under section 7444  
1701.85 of the Revised Code for those transactions requiring 7445  
prior shareholder approval under division (A) (2) of this 7446  
section. 7447

**Sec. 1115.15.** Whenever an emergency, as defined by the 7448  
superintendent of financial institutions, exists with regard to 7449  
a state bank, national bank, savings bank, or savings 7450  
association that warrants, in the opinion of the superintendent 7451  
and of a majority of the members of the respective boards of 7452  
directors of the constituent corporations concerned, an 7453  
immediate transfer of assets and liabilities, the board of 7454  
directors of a state bank may, by majority vote, transfer the 7455  
assets and liabilities of the state bank or acquire the assets 7456

and liabilities of another state bank or a national bank, 7457  
savings bank, or savings association without the vote or 7458  
approval of the shareholders of each constituent corporation 7459  
involved in the proposed transfer. No transfer pursuant to this 7460  
section involving a state bank shall be made without the written 7461  
consent of the superintendent. Certified copies of all 7462  
proceedings of its board of directors shall be filed with the 7463  
superintendent by each constituent corporation involved in the 7464  
transfer. A copy of the agreement between the constituent 7465  
corporations shall accompany the copies of the proceedings of 7466  
the boards of directors. 7467

**Sec. 1115.20.** (A) In any transfer, ~~consolidation, or~~ 7468  
~~merger~~ under this chapter, the rights of creditors shall be 7469  
preserved unimpaired, and, unless otherwise provided, the 7470  
constituent corporations shall be deemed to continue their 7471  
separate existence if the continuation is necessary to preserve 7472  
any creditor's rights. 7473

(B) In any consolidation or merger under section 1115.11 7474  
of the Revised Code, the rights and obligations of the surviving 7475  
or new bank shall be governed by section 1701.82 of the Revised 7476  
Code. 7477

**Sec. 1115.23.** (A) Any person, singly or jointly with 7478  
others, may, with the approval of the superintendent of 7479  
financial institutions, incorporate an interim bank for the 7480  
purpose of facilitating the creation of a bank holding company, 7481  
the acquisition of or transaction with an existing bank, savings 7482  
association, or savings bank, or any other transaction the 7483  
superintendent may approve. Prior to commencing business, an 7484  
interim bank shall be a party to a reorganization with an 7485  
existing bank, savings association, or savings bank pursuant to 7486

this chapter. 7487

(B) The person or persons proposing to incorporate an 7488  
interim bank under this section shall make application for 7489  
approval of the proposed interim bank in the manner and form 7490  
prescribed by the superintendent, which shall include delivering 7491  
to the division of financial institutions the items required in 7492  
divisions (B) (1) and (2) of section ~~1113.01~~1113.02 of the 7493  
Revised Code. 7494

(C) Approval of the interim bank pursuant to this section 7495  
does not authorize the interim bank to commence business. 7496  
Approval of the interim bank shall be specifically conditioned 7497  
on approval of the subsequent reorganization. The approval of 7498  
the interim bank becomes void, and the interim bank shall be 7499  
dissolved, if the reorganization is not approved and consummated 7500  
within one year after the approval of the interim bank, unless 7501  
the superintendent grants one or more extensions in writing. If 7502  
no extension is granted or upon the expiration of the last 7503  
extension granted, the interim bank shall provide the 7504  
superintendent with the necessary dissolution certificates and 7505  
affidavits for the superintendent to file the dissolution with 7506  
the secretary of state. 7507

(D) The superintendent shall not disapprove an interim 7508  
bank charter solely because the interim bank's paid-in capital 7509  
and surplus do not aggregate more than five hundred dollars. 7510

**Sec. 1115.24.** (A) As used in this section: 7511

(1) "Applicant" means the person or persons seeking a 7512  
shelf charter under this section. 7513

(2) "Control" has the same meaning as in section 1115.06 7514  
of the Revised Code and any rules adopted under that section. 7515

(3) "Shelf charter" means the preliminary conditional approval of a charter. 7516  
7517

(B) The superintendent of financial institutions may, at the superintendent's sole discretion, grant a shelf charter to an applicant intending or desiring to enter into a transaction resulting in any of the following: 7518  
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7520  
7521

(1) Formation of an interim bank under this chapter to be used for the transactions contemplated by this section; 7522  
7523

(2) Acquisition of control of a designated or undesignated state bank; 7524  
7525

(3) Acquisition of control of a designated or undesignated bank chartered by the banking authority of any other state or the United States that the person or persons intend to convert to a state bank; 7526  
7527  
7528  
7529

(4) Acquisition of assets from and assumption of liabilities, pursuant to this chapter, of a bank or from the federal deposit insurance corporation as receiver of a designated or undesignated bank headquartered in this state or any other state that the person or persons intend to convert to a state bank; 7530  
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(5) Formation of a de novo bank pursuant to Title XI of the Revised Code. 7536  
7537

(C) The superintendent shall prescribe the form for an application for a shelf charter. After reviewing an application, the superintendent may require the applicant to submit any additional information or documentation the superintendent considers necessary and appropriate. Factors to be considered by the superintendent shall include all of the following: 7538  
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7541  
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7543

<u>(1) The availability of adequate capital for the</u>	7544
<u>transaction;</u>	7545
<u>(2) The existence of acceptable business plans;</u>	7546
<u>(3) Whether acceptable management, directors, and control</u>	7547
<u>persons are identified;</u>	7548
<u>(4) Whether all necessary approvals from state and federal</u>	7549
<u>agencies have been secured.</u>	7550
<u>(D) (1) A shelf charter granted under this section, and any</u>	7551
<u>final approval for a transaction described in division (B) of</u>	7552
<u>this section, shall be subject to such conditions and ongoing</u>	7553
<u>requirements as the superintendent considers appropriate.</u>	7554
<u>(2) An applicant granted a shelf charter under this</u>	7555
<u>section shall not exercise control over the bank or consummate</u>	7556
<u>the transaction authorized by the charter until the</u>	7557
<u>superintendent gives final approval of the transaction.</u>	7558
<u>(E) A shelf charter shall expire twenty-four months after</u>	7559
<u>the date it is granted, subject to the following:</u>	7560
<u>(1) The superintendent may extend the expiration date at</u>	7561
<u>any time sua sponte or upon approval by the superintendent of a</u>	7562
<u>written request for an extension submitted by the person or</u>	7563
<u>persons to whom the shelf charter was granted.</u>	7564
<u>(2) The person or persons to whom the shelf charter was</u>	7565
<u>granted may withdraw it at any time.</u>	7566
<u>(3) The superintendent may modify, suspend, or revoke any</u>	7567
<u>shelf charter granted under this section.</u>	7568
<u>(F) Pursuant to the authority granted under section</u>	7569
<u>1121.03 of the Revised Code, the superintendent may adopt rules</u>	7570

and issue interpretive guidelines the superintendent considers 7571  
necessary and appropriate for the implementation of this 7572  
section. 7573

**Sec. 1115.27.** (A) A state bank may merge with any of its 7574  
affiliates with the approval of all of the following: 7575

(1) The directors of all constituent corporations to the 7576  
merger; 7577

(2) (a) The shareholders of each constituent stock state 7578  
bank by the affirmative vote or written consent of the holders 7579  
of two-thirds, or any other proportion not less than a majority 7580  
as the bank's articles of incorporation or code of regulations 7581  
provide, of the outstanding shares of each class of the bank's 7582  
stock; 7583

(b) The members of each constituent mutual state bank, by 7584  
the affirmative vote of two-thirds, or such other proportion not 7585  
less than a majority as the bank's articles of incorporation or 7586  
code of regulations provide, of the voting members. 7587

(3) The shareholders or members of each other constituent 7588  
to the merger as required by the applicable state or federal 7589  
law, the articles of incorporation, or the code of regulations; 7590

(4) The superintendent of financial institutions. 7591

(B) The bank that will be the surviving bank in the merger 7592  
shall file with the superintendent an application for the 7593  
superintendent's approval that includes ~~all of the following:~~ 7594

~~(1) An officers' certification that the transaction has~~ 7595  
~~been approved by the directors and shareholders of each~~ 7596  
~~constituent corporation in accordance with the applicable state~~ 7597  
~~or federal law, articles of incorporation or association, code~~ 7598

~~of regulations, or bylaws;~~ 7599

~~(2) A a copy of the merger agreement;~~ 7600

~~(3) Any and any other information the superintendent~~ 7601  
requires. 7602

(C) The merger agreement required under division (B) ~~(2)~~ of 7603  
this section shall include all of the following: 7604

(1) The names of the constituent corporations; 7605

(2) The agreement of the other named constituent 7606  
corporations to merge with or into one specified bank; 7607

(3) Subject to the limitations set forth in section 7608  
1103.07 of the Revised Code, the name of the bank surviving from 7609  
the merger. 7610

(4) The place in this state where the surviving bank's 7611  
principal place of business is to be located; 7612

(5) Any amendment to the surviving bank's articles of 7613  
incorporation; 7614

(6) The names and addresses of the directors of the 7615  
surviving bank; 7616

(7) The terms of the merger, how it will be effected, and 7617  
how ~~any~~ consideration, if any, provided for will be distributed 7618  
to the shareholders or members of the constituent corporations. 7619

(D) Within ten business days after receiving an 7620  
application required under division (B) of this section, the 7621  
superintendent shall determine whether to accept the 7622  
application. Within ninety days after accepting an application 7623  
required under division (B) of this section, the superintendent 7624  
shall approve or disapprove the application. In making that 7625

determination, the superintendent shall consider all of the following: 7626  
7627

(1) The financial and managerial resources and future prospects of the surviving bank; 7628  
7629

(2) The convenience and needs of the communities to be served; 7630  
7631

(3) Whether, upon completion of the merger, the surviving bank will meet the requirements of Chapters 1101. to 1127. of the Revised Code; 7632  
7633  
7634

(4) Whether any of the constituents to the merger are subject to limitations that are inconsistent with the merger. 7635  
7636

(E) The superintendent may condition approval of an application under division (D) of this section in any manner the superintendent considers appropriate. 7637  
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(F) Before consummating a merger authorized under division (A) of this section, the bank that is to be the surviving bank of the merger shall deliver to the superintendent a certificate of merger that satisfies the requirements of section 1701.81 of the Revised Code. The superintendent shall file the certificate of merger and a certified copy of the superintendent's approval of the merger with the secretary of state. 7640  
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(G) The directors and other officers named in the agreement of merger shall serve until the date fixed in the agreement or provided in the surviving bank's code of regulations or by statute for the next annual meeting. 7647  
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(H) When a merger authorized by division (A) of this section becomes effective, the existence of each of the constituent corporations ceases as a separate entity, but 7651  
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7653

continues in the surviving bank, within the limits of the 7654  
charter of the surviving bank and subject to section 1115.20 of 7655  
the Revised Code. Without further act or deed and within the 7656  
limits of the charter of the surviving bank, the surviving bank 7657  
has all assets and property, the rights, privileges, immunities, 7658  
powers, franchises, and authority, and all obligations and 7659  
~~trusts~~fiduciary relationships of each party to the merger and 7660  
the duties and liabilities connected with them. The surviving 7661  
bank shall perform every ~~trust or relation~~fiduciary 7662  
relationship it has in the same manner as if it had itself 7663  
originally assumed the ~~trust or relation~~fiduciary relationship 7664  
and the obligations and liabilities connected with it. 7665

Sec. 1116.01. As used in this chapter, unless the context 7666  
requires otherwise: 7667

(A) "Acquiree mutual bank" means any state bank, savings 7668  
association, or savings bank that meets both of the following 7669  
conditions: 7670

(1) It is acquired by a mutual holding company as part of, 7671  
and concurrently with, a mutual holding company reorganization. 7672

(2) It is in the mutual form immediately prior to the 7673  
acquisition. 7674

(B) "Reorganization plan" means the plan to reorganize 7675  
into a mutual holding company structure described in section 7676  
1116.07 of the Revised Code. 7677

(C) "Reorganizing mutual state bank" means a mutual state 7678  
bank that proposes to reorganize into a mutual holding company 7679  
structure in accordance with this chapter. 7680

(D) "Resulting mutual holding company" means a bank 7681  
holding company organized in mutual form under this chapter and, 7682

unless otherwise indicated, a subsidiary holding company 7683  
controlled by a mutual holding company organized under this 7684  
chapter. 7685

(E) "Resulting stock state bank" means a stock state bank 7686  
that is organized as a subsidiary of a reorganizing mutual state 7687  
bank to receive a substantial part of the assets and 7688  
liabilities, including all deposit accounts, of the reorganizing 7689  
mutual state bank upon consummation of the reorganization. 7690

(F) "Stock bank" means a bank that has an ownership 7691  
structure in the form of shares of stock and is doing business 7692  
under authority granted by the superintendent of financial 7693  
institutions or the bank regulatory authority of another state 7694  
or the United States. 7695

(G) "Subsidiary holding company" means a stock company 7696  
that is controlled by a mutual holding company and that owns the 7697  
stock of a stock state bank whose depositors have membership 7698  
rights in the parent mutual holding company. 7699

**Sec. 1116.02.** (A) A mutual holding company and any 7700  
subsidiary of a mutual holding company shall be created, 7701  
organized, and governed, and its business shall be conducted, in 7702  
all respects in the same manner as is provided under Chapter 7703  
1701. of the Revised Code, for corporations generally, to the 7704  
extent that it is not inconsistent with this chapter, Chapters 7705  
1101. to 1115., and Chapters 1117. to 1127. of the Revised Code 7706  
or the rules adopted under those chapters. 7707

(B) A mutual holding company and any subsidiary of a 7708  
mutual holding company organized under this chapter is subject 7709  
to all powers, remedies, and sanctions provided to the 7710  
superintendent of financial institutions and the division of 7711

financial institutions by Chapters 1101. to 1127. of the Revised 7712  
Code. 7713

(C) Notwithstanding division (A) of this section, a 7714  
nonbank subsidiary of a mutual holding company may be organized 7715  
under the general corporate laws of another state of the United 7716  
States. 7717

Sec. 1116.05. (A) A mutual state bank may, with the 7718  
approval of the superintendent of financial institutions, 7719  
reorganize to become a mutual holding company, in one of the 7720  
following manners: 7721

(1) By organizing one or more subsidiary stock state 7722  
banks, one or more of which may be an interim stock state bank, 7723  
the ownership of which shall be evidenced by shares of stock to 7724  
be owned by the reorganizing mutual state bank and by 7725  
transferring a substantial portion of its assets, all of its 7726  
insured deposits, and part or all of its other liabilities to 7727  
one or more subsidiary stock state banks; 7728

(2) By organizing a first tier subsidiary stock state 7729  
bank, causing that subsidiary to organize a second tier 7730  
subsidiary stock state bank, and transferring, by merger of the 7731  
reorganizing mutual state bank with the second tier subsidiary, 7732  
a substantial portion of its assets, all of its insured 7733  
deposits, and part or all of its other liabilities to the 7734  
resulting stock state bank at which time the first tier 7735  
subsidiary stock state bank becomes a mutual holding company; 7736

(3) In any other manner approved by the superintendent. 7737

(B) As a part of its mutual holding company 7738  
reorganization, a mutual state bank may organize as a subsidiary 7739  
holding company of the mutual holding company, which subsidiary 7740

holding company shall own all of the outstanding voting stock of 7741  
the resulting stock state bank. 7742

(C) Before reorganizing into a mutual holding company, a 7743  
reorganizing mutual state bank shall do all of the following: 7744

(1) Obtain approval of a reorganization plan by a two- 7745  
thirds vote of the board of directors of the reorganizing mutual 7746  
state bank and any acquiree mutual bank; 7747

(2) Obtain approval of the reorganization plan by a two- 7748  
thirds vote, or such other proportion not less than a majority 7749  
as the reorganizing mutual state bank's or any acquiree mutual 7750  
bank's articles of incorporation or code of regulations provide, 7751  
of the members' votes cast in person or by proxy at the annual 7752  
meeting or at a special meeting of members called by the board 7753  
of directors for the purpose of approving the reorganization 7754  
plan; 7755

(3) File a reorganization application in the form 7756  
prescribed by the superintendent that includes all of the 7757  
following: 7758

(a) An officers' certification that the reorganization 7759  
plan has been approved by the directors and members in 7760  
accordance with applicable state law, articles of incorporation, 7761  
code of regulations, or bylaws; 7762

(b) A copy of the reorganization plan; 7763

(c) Any other information the superintendent requires. 7764

**Sec. 1116.06.** (A) Within ten business days after receipt 7765  
of an application for a mutual holding company reorganization 7766  
under division (C) (3) of section 1116.05 of the Revised Code, 7767  
the superintendent of financial institutions shall do one of the 7768

- following: 7769
- (1) Accept the application for processing; 7770
- (2) Request additional information to complete the  
application; 7771  
7772
- (3) Return the application if it is substantially  
incomplete. 7773  
7774
- (B) Within one hundred eighty days after an application is  
accepted for processing, the superintendent shall approve or  
disapprove the application and, if approved, impose any  
conditions the superintendent determines appropriate. 7775  
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- (C) In approving or disapproving an application, the  
superintendent, after conducting an appropriate examination or  
investigation, shall consider whether: 7779  
7780  
7781
- (1) The reorganizing mutual state bank and any acquiree  
mutual bank will operate in a safe, sound, and prudent manner. 7782  
7783
- (2) The applicant has demonstrated that the reorganization  
plan is fair to the members of the reorganizing mutual state  
bank and any acquiree mutual bank. 7784  
7785  
7786
- (3) The interests of the reorganizing mutual state bank's  
depositors and creditors and the general public will not be  
jeopardized by the proposed reorganization into a mutual holding  
company; 7787  
7788  
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7790
- (4) The proposed reorganization will result in a  
reorganizing mutual state bank or any acquiree state bank that  
has adequate capital, satisfactory management, and good earnings  
prospects; 7791  
7792  
7793  
7794
- (5) A stock issuance proposed in connection with the 7795

mutual holding company reorganization plan meets the standards 7796  
established by the superintendent and any applicable state and 7797  
federal securities laws; and 7798

(6) The reorganizing mutual state bank or any acquiree 7799  
mutual bank has furnished all information required in the 7800  
reorganization plan and any other information requested by the 7801  
superintendent regarding the proposed reorganization. 7802

**Sec. 1116.07.** Each reorganization plan submitted with a 7803  
mutual holding company reorganization application shall contain 7804  
a description of all significant terms of the proposed 7805  
reorganization and include all of the following: 7806

(A) Any proposed stock issuance plan; 7807

(B) An opinion of counsel, or a ruling from the United 7808  
States internal revenue service and the Ohio department of 7809  
taxation, as to the federal and state tax treatment of the 7810  
proposed reorganization; 7811

(C) A copy of the articles of incorporation and code of 7812  
regulations of the proposed mutual holding company, the 7813  
resulting stock state bank, and any affiliate organizations in 7814  
the holding company structure; 7815

(D) A description of the method of reorganization under 7816  
this chapter; 7817

(E) A statement that, upon consummation of the 7818  
reorganization, certain assets and liabilities, including all 7819  
deposit accounts of the reorganizing mutual state bank, shall be 7820  
transferred to the resulting stock state bank, which bank shall 7821  
immediately become a stock state bank subsidiary of the mutual 7822  
holding company or subsidiary holding company; 7823

(F) A summary of the expenses to be incurred in connection 7824  
with the reorganization; 7825

(G) Any other information required by the superintendent 7826  
of financial institutions. 7827

**Sec. 1116.08.** After approving a mutual holding company 7828  
reorganization application, the superintendent of financial 7829  
institutions shall, to effect the reorganization, forward the 7830  
articles of incorporation to the secretary of state for filing. 7831

**Sec. 1116.09.** (A) A mutual holding company shall do all of 7832  
the following: 7833

(1) Confer upon existing and future depositors of the 7834  
resulting stock state bank the same membership rights in the 7835  
mutual holding company as were conferred upon depositors by the 7836  
articles of incorporation or code of regulations of the 7837  
reorganizing mutual state bank in effect immediately prior to 7838  
the reorganization; 7839

(2) Confer upon existing and future depositors of any 7840  
acquiree mutual bank or any bank that is in the mutual form when 7841  
acquired by the mutual holding company, the same membership 7842  
rights in the mutual holding company as were conferred upon 7843  
depositors by the articles of incorporation or code of 7844  
regulations of the acquired mutual bank in effect immediately 7845  
prior to the acquisition, provided that if the acquired mutual 7846  
bank is merged into another subsidiary state bank from which the 7847  
mutual holding company draws members, the depositors of the 7848  
acquired mutual bank shall receive the same membership rights as 7849  
the depositors of the subsidiary state bank into which the 7850  
acquired mutual bank is merged; 7851

(3) Confer upon the borrowers of the resulting stock state 7852

bank who are borrowers at the time of reorganization the same 7853  
membership rights in the mutual holding company as were 7854  
conferred upon them by the articles of incorporation or code of 7855  
regulations of the reorganizing mutual state bank in effect 7856  
immediately prior to the reorganization, but not any membership 7857  
rights in connection with any borrowings made after the 7858  
reorganization; 7859

(4) Confer upon the borrowers of any acquiree mutual bank 7860  
or any bank that is in the mutual form when acquired by the 7861  
mutual holding company who are borrowers at the time of the 7862  
acquisition, the same membership rights in the mutual holding 7863  
company as were conferred on them by the articles of 7864  
incorporation or code of regulations of the acquired mutual bank 7865  
in effect immediately prior to the acquisition, but not any 7866  
membership rights in connection with any borrowings made after 7867  
the acquisition; provided, however, that if the acquired mutual 7868  
bank is merged into another bank from which the mutual holding 7869  
company draws members, the borrowers of the acquired mutual bank 7870  
shall instead receive the same grandfathered membership rights 7871  
as the borrowers of the subsidiary state bank into which the 7872  
acquired mutual bank is merged. 7873

(B) A mutual holding company that acquires a bank in the 7874  
stock form, other than a resulting stock state bank or an 7875  
acquiree mutual bank, shall not confer any membership rights 7876  
upon the depositors and borrowers of the stock bank, unless such 7877  
stock bank is merged into a subsidiary stock state bank from 7878  
which the mutual holding company draws its members, in which 7879  
case the depositors of the stock bank shall receive the same 7880  
membership rights as other depositors of the subsidiary stock 7881  
state bank into which the stock bank is merged. 7882

Sec. 1116.10. (A) A mutual holding company and any 7883  
subsidiary holding company shall be governed by a board of 7884  
directors and in accordance with the articles of incorporation 7885  
and code of regulations adopted in connection with the 7886  
reorganization, or as amended in accordance with law or rule 7887  
after the reorganization. 7888

(B) The board of the mutual holding company and any 7889  
subsidiary holding company shall have at least five members who, 7890  
initially, shall consist of the board of directors of the 7891  
reorganizing mutual state bank. Such members, after the 7892  
formation of the mutual holding company and any subsidiary 7893  
holding company, shall continue to serve as directors for the 7894  
balance of the terms to which they were elected. 7895

Sec. 1116.11. All assets, rights, obligations, and 7896  
liabilities of a reorganizing mutual state bank that are not 7897  
expressly retained by the mutual holding company shall be 7898  
transferred to the resulting stock state bank. 7899

Sec. 1116.12. Each person who holds a deposit account in a 7900  
reorganizing mutual state bank or any acquiree mutual state bank 7901  
immediately before the reorganization shall receive, upon 7902  
consummation of the reorganization, without payment, an 7903  
identical deposit account in the resulting stock state bank or 7904  
acquiree mutual state bank. 7905

Sec. 1116.13. The following apply to a reorganization plan 7906  
adopted by the board of directors of the reorganizing mutual 7907  
state bank or any acquiree mutual bank: 7908

(A) It may be amended by those boards as a result of any 7909  
regulator's comments before any solicitation of proxies from the 7910  
members to vote on the reorganization plan or, with the written 7911

consent of the superintendent of financial institutions, at any 7912  
later time. 7913

(B) It may be terminated by either board at any time 7914  
before the meeting at which the members vote on the 7915  
reorganization plan or, with the written consent of the 7916  
superintendent, at any later time. 7917

**Sec. 1116.16.** (A) A mutual holding company organized under 7918  
the laws of another state or the United States may, with the 7919  
approval of the superintendent of financial institutions, 7920  
convert to a mutual holding company organized under this chapter 7921  
by submitting an application in accordance with rules adopted by 7922  
the superintendent under section 111.15 of the Revised Code. 7923

(B) State banks existing as of the effective date of this 7924  
section that are affiliates of a mutual holding company 7925  
organized under the laws of another state or the United States 7926  
and that submit an application pursuant to division (A) of this 7927  
section within one year after the effective date of this section 7928  
shall be eligible for an expedited review process. 7929

**Sec. 1116.18.** Subject to all necessary regulatory notices 7930  
or approvals, a mutual holding company organized under this 7931  
chapter may do all of the following: 7932

(A) Acquire a bank organized in mutual or stock form by 7933  
merger of such bank with the subsidiary stock state bank, 7934  
interim subsidiary stock bank, or subsidiary stock holding 7935  
company of the mutual holding company; 7936

(B) Merge with or acquire another holding company provided 7937  
that such holding company has, as one of its subsidiaries, a 7938  
subsidiary banking corporation; 7939

(C) Exercise any power of, or engage in any activity 7940

permitted for, a mutual state bank; 7941

(D) Engage directly or indirectly only in such activities 7942  
as are permissible activities for bank holding companies under 7943  
applicable state and federal law or regulations; 7944

(E) Invest in the stock of a bank; 7945

(F) Exercise any rights, waive any rights, or take or 7946  
wave any other action with respect to any securities of any 7947  
subsidiary stock state bank or subsidiary stock holding company 7948  
that are held by the mutual holding company. 7949

**Sec. 1116.19.** (A) The board of directors of a mutual 7950  
holding company may from time to time, by a majority vote of the 7951  
directors, do both of the following: 7952

(1) Divide equitably any surplus that is in excess of the 7953  
amount required for the operations of the mutual holding company 7954  
or to maintain the safety and soundness of the mutual holding 7955  
company; 7956

(2) Distribute that surplus to the respective depositors 7957  
of its subsidiary stock state banks in accordance with their 7958  
membership rights. 7959

(B) If the superintendent of financial institutions 7960  
determines that the surplus held by a mutual holding company is 7961  
excessive, the superintendent may order the board of directors 7962  
of the mutual holding company to make the distribution described 7963  
in division (A) of this section. 7964

**Sec. 1116.20.** (A) A mutual holding company may establish a 7965  
subsidiary holding company as a direct subsidiary to hold one 7966  
hundred per cent of the stock of its subsidiary stock state 7967  
bank, provided the subsidiary holding company is not formed and 7968

operated as a means of evading or frustrating the purposes of 7969  
this chapter. Subject to the approval of the superintendent of 7970  
financial institutions, the subsidiary holding company may be 7971  
established either at the time of the initial mutual holding 7972  
company reorganization or at a subsequent date. 7973

(B) In addition to its powers under Chapters 1107. and 7974  
1109. of the Revised Code, any subsidiary stock state bank or 7975  
subsidiary holding company may, with the prior approval of the 7976  
superintendent and subject to such rules as the superintendent 7977  
may prescribe, issue one or more classes of securities, 7978  
including one or more classes of common stock or preferred 7979  
stock, and take any action in connection with such issuance or 7980  
otherwise with respect to any such securities; provided, 7981  
however, that in no event shall the mutual holding company hold 7982  
less than twenty-five per cent of the combined voting power of 7983  
all classes of securities of the subsidiary stock holding 7984  
company or stock state bank that have voting power in the 7985  
election of directors of such stock state bank. 7986

(C) Nothing in this section shall prohibit a subsidiary 7987  
stock state bank or subsidiary stock holding company from 7988  
issuing, in connection with an employee stock option or other 7989  
employee benefit plan or with the mutual holding company 7990  
reorganization or subsequent thereto, different classes of 7991  
common stock to the mutual holding company and subsidiary stock 7992  
state bank or subsidiary stock holding company. An issuance of 7993  
securities may be made at the time of the mutual holding company 7994  
reorganization or thereafter, and may be made in connection with 7995  
the merger or acquisition of another bank whether organized in 7996  
mutual or stock form. 7997

**Sec. 1116.21.** A mutual holding company organized under 7998

this chapter may, with the approval of the superintendent of 7999  
financial institutions, convert to a stock holding company by 8000  
submitting an application in accordance with rules adopted by 8001  
the superintendent under section 1121.03 of the Revised Code. 8002

**Sec. 1117.01.** (A) Subject to section 1115.05 and Chapter 8003  
1119. of the Revised Code, a bank, regardless of the location of 8004  
its principal place of business, may establish or acquire and 8005  
maintain a banking office in this state. 8006

(B) (1) With the prior written approval of the 8007  
superintendent of financial institutions obtained in accordance 8008  
with section 1117.02 of the Revised Code, a state bank ~~doing~~ 8009  
~~business under authority granted by the superintendent~~ may 8010  
establish or acquire a banking office at any of the following 8011  
locations: 8012

(a) Any location in this state; 8013

(b) Any location in another state of the United States; 8014

(c) Any location outside the United States. 8015

(2) The superintendent may condition approval of a banking 8016  
office at any location authorized by division (B) (1) (b) or (c) 8017  
of this section on an agreement satisfactory to the 8018  
superintendent providing for the times, method, and 8019  
reimbursement of expenses for examining the banking office. 8020

**Sec. 1117.02.** (A) A bank with its principal place of 8021  
business in this state proposing to establish a banking office 8022  
shall submit an application to the superintendent of financial 8023  
institutions. The superintendent shall determine whether to 8024  
accept an application for processing within ten business days 8025  
after receiving the application. The superintendent shall 8026  
approve or disapprove the application within sixty days after 8027

accepting it unless approval is withheld under division (E) of 8028  
this section. 8029

(B) If the superintendent accepts the application, the 8030  
bank shall, within ten days after receipt of the 8031  
superintendent's notice of acceptance, publish notice of its 8032  
proposed banking office in a newspaper of general circulation in 8033  
the county where the proposed banking office is to be located 8034  
and in the county where the bank currently maintains its 8035  
principal place of business. The notice shall state that 8036  
comments on the proposed banking office must be delivered to the 8037  
division of financial institutions within fourteen days after 8038  
the date the notice is published, and shall provide the 8039  
division's address. 8040

(C) If the superintendent determines any comment delivered 8041  
to the division regarding a proposed banking office is relevant 8042  
to the criteria set forth in this section for approval of a 8043  
banking office, the superintendent shall investigate the comment 8044  
in any manner the superintendent considers appropriate. 8045

(D) In determining whether to approve a proposed banking 8046  
office, the superintendent shall consider all of the following: 8047

(1) The adequacy of the bank's management; 8048

(2) The adequacy of the bank's capital ~~and paid-in-~~ 8049  
~~capital;~~ 8050

(3) The effect establishment of the banking office will 8051  
have on the interests of the bank's depositors and shareholders 8052  
or members; 8053

(4) The bank's lending record in helping to meet the 8054  
credit needs of its entire community, including low- and 8055  
moderate-income neighborhoods, consistent with both the safe and 8056

sound operation of the bank and the "Community Reinvestment Act of 1977," 91 Stat. 1147, 12 U.S.C. 2901, as amended;

(5) Any other reasonable criteria the superintendent may establish.

(E)(1) If the superintendent determines, upon consideration of the criteria set forth in division (D) of this section, that the banking office should otherwise be approved, but the bank's lending record is not satisfactory in helping to meet the credit needs of its entire community as prescribed in division (D)(4) of this section, the superintendent shall withhold action on the application for the banking office and shall notify the bank of that decision. The bank shall, within sixty days after receipt of the notice from the superintendent, submit to the superintendent a written affirmative action lending program, which shall be a public record. The superintendent shall, within thirty days after receipt of the affirmative action lending program, determine whether the program is acceptable. If the program is not acceptable, or the bank fails to submit an affirmative action lending program within the sixty days, the superintendent shall disapprove the banking office. If the affirmative action lending program is acceptable, the superintendent shall approve the banking office.

(2)(a) In order to determine whether a bank is complying with its affirmative action lending program, the superintendent may do either of the following:

(i) The superintendent may require the bank to submit periodic reports that summarize actions it has taken to implement or maintain its affirmative action lending program. The reports shall be in a form prescribed by the superintendent, but shall not contain any information that identifies an

applicant for a loan. The reports are public records and shall 8087  
be made available to any person upon request. 8088

(ii) Upon written complaint by any person, or upon the 8089  
superintendent's own initiative, the superintendent may hold a 8090  
public hearing. The superintendent may hold no more than one 8091  
hearing every two years on each affirmative action lending 8092  
program. 8093

(b) If the superintendent determines, as a result of 8094  
findings made under division (E) (2) (a) of this section, that a 8095  
bank is not in compliance with its affirmative action lending 8096  
program, the superintendent shall order the bank to comply 8097  
within a period of time determined by the superintendent. 8098  
Failure to comply with that order shall be a violation of a 8099  
condition imposed by the superintendent for purposes of sections 8100  
1121.32, 1121.33, 1121.35, and 1121.41 of the Revised Code. 8101

(3) As used in division (E) of this section, "affirmative 8102  
action lending program" means a program to remedy any deficiency 8103  
of a bank in helping to meet the credit needs of its entire 8104  
community. 8105

**Sec. 1117.04.** A bank proposing to relocate a banking 8106  
office shall do the following: 8107

(A) If the banking office is to be relocated within a one- 8108  
mile radius of the banking office's current ~~service area~~ 8109  
location, the bank shall notify the superintendent of financial 8110  
institutions and comply with the ~~service area~~ relocation 8111  
procedures established by the superintendent. 8112

(B) If the banking office is to be relocated outside a 8113  
one-mile radius of the banking office's current ~~service area~~ 8114  
location, the bank shall obtain the superintendent's approval 8115

for the relocation in accordance with the procedures set forth 8116  
in section 1117.02 of the Revised Code for establishing a 8117  
banking office and comply with the banking office closing 8118  
procedures established by the superintendent. 8119

**Sec. 1117.05.** (A) With the written approval of the 8120  
superintendent of financial institutions, a bank may contract 8121  
with one or more other banks, savings banks, and savings 8122  
associations to provide services to the contracting bank's 8123  
customers at any or all of the offices of the other banks, 8124  
savings banks, and savings associations as if the offices of the 8125  
other banks, savings banks, and savings associations were 8126  
offices of the contracting bank. 8127

(B) The superintendent shall determine whether to accept a 8128  
bank's application for approval of a contract authorized by 8129  
division (A) of this section within ten business days after 8130  
receiving a bank's application for the superintendent's approval 8131  
of the contract. The superintendent shall approve or disapprove 8132  
the contract within thirty days after accepting the bank's 8133  
application. 8134

(C) In determining whether to approve or disapprove a 8135  
contract authorized by division (A) of this section, the 8136  
superintendent shall consider all of the following: 8137

(1) The adequacy of the management of both the contracting 8138  
bank and the other banks, savings banks, and savings 8139  
associations; 8140

(2) The adequacy of the capital ~~and paid-in capital~~ of 8141  
both the contracting bank and the other banks, savings banks, 8142  
and savings associations; 8143

(3) The adequacy of the operations and controls of both 8144

the contracting bank and the other banks, savings banks, and 8145  
savings associations; 8146

(4) Whether the contract is being used to avoid 8147  
application of the criteria for establishing a banking office 8148  
under section 1117.02 of the Revised Code or any kind of 8149  
business combination under Chapter 1115. of the Revised Code. 8150

(D) This section does not authorize a contracting bank to 8151  
establish new deposit accounts, extend credit, or create new 8152  
banking relationships through offices of the other banks, 8153  
savings banks, and savings associations. 8154

**Sec. ~~1103.21~~-1117.07.** (A) In the event of a power failure, 8155  
fire, act of God, riot, strike, robbery or attempted robbery, 8156  
epidemic, interruption of communication facilities, or any other 8157  
reason the superintendent of financial institutions approves, or 8158  
in the event of the declaration of the existence of an emergency 8159  
by the governor or another person lawfully exercising the power 8160  
and duties of the office of governor, an officer of a bank, 8161  
designated by the board of directors of the officer's bank, in 8162  
the reasonable and proper exercise of the designated officer's 8163  
discretion may determine not to open one or more of the bank's 8164  
banking offices on any business or banking day, or, if having 8165  
opened, to close one or more of the bank's banking offices 8166  
during the continuation of the occurrence or emergency. In no 8167  
case shall any banking office remain closed for more than ~~forty-~~ 8168  
~~eight~~ two consecutive ~~hours~~ days, excluding weekends and legal 8169  
holidays, without obtaining the approval of the superintendent 8170  
~~or, in the case of a national bank, the comptroller of the~~ 8171  
~~currency~~. A designated officer closing a banking office pursuant 8172  
to the authority granted under this section shall give as prompt 8173  
notice of the action as conditions permit, and by any means 8174

available, to the superintendent ~~or the comptroller~~. 8175

(B) The designated officers of a bank may close any one or 8176  
more or all of the bank's banking offices on any day designated, 8177  
by proclamation of the president of the United States or the 8178  
governor of this state, as a day of mourning, rejoicing, or 8179  
other special observance. In such a case, the bank shall not be 8180  
required to comply with any other provision of the Revised Code 8181  
regarding the closing or reopening of banks or financial 8182  
institutions. 8183

(C) Any act required or authorized to be performed at a 8184  
banking office that has not been opened or that has been closed 8185  
for any time pursuant to this section, may be performed on the 8186  
next succeeding business day the banking office is reopened for 8187  
business. Any other provision or rule of law notwithstanding, no 8188  
liability or loss of rights of any kind on the part of any 8189  
person, firm, or corporation, or of the bank, shall accrue or 8190  
result because of any nonopening or closing authorized by this 8191  
section. 8192

(D) The right of a bank not to open or to close under this 8193  
section and the protections afforded with respect to that right 8194  
shall be in addition to and not in lieu of any rights or 8195  
protections granted under section 1304.07 of the Revised Code. 8196

**Sec. 1119.11.** (A) When a foreign bank engages in an 8197  
activity or undertakes an action through an agency or branch 8198  
licensed under this chapter, the foreign bank is subject to the 8199  
same limitations on and requirements of engaging in the activity 8200  
or taking the action that apply to a state bank ~~doing business~~ 8201  
~~under authority granted by the superintendent of financial~~ 8202  
~~institutions.~~ 8203

(B) (1) A foreign bank licensed to operate an agency shall 8204  
not accept deposits from citizens or residents of the United 8205  
States or exercise fiduciary powers. An account that carries a 8206  
credit balance in connection with the distribution of loan 8207  
proceeds is not a deposit for purposes of this section. 8208

(2) A foreign bank licensed to operate an agency may, in 8209  
addition to conducting all of the permissible activities of a 8210  
representative office set forth in division (B) of section 8211  
1119.06 of the Revised Code, conduct limited banking activities 8212  
at or through a licensed agency, including all of the following: 8213

(a) Lending money; 8214

(b) Maintaining credit balances that are incidental to or 8215  
arise out of the distribution of loan proceeds; 8216

(c) Receiving funds as agent to be forwarded for deposit 8217  
to an existing account at another office authorized to accept 8218  
deposits. 8219

(C) A foreign bank licensed to operate a branch may, in 8220  
addition to conducting all of the permissible activities of a 8221  
representative office set forth in division (B) of section 8222  
1119.06 of the Revised Code and all of the permissible 8223  
activities of an agency set forth in division (B) (2) of this 8224  
section, conduct the following activities at or through a 8225  
licensed branch: 8226

(1) Accepting deposits, the acceptance of which does not 8227  
constitute engaging in domestic retail deposit activities; 8228

(2) If qualified under Chapter 1111. of the Revised Code, 8229  
exercising fiduciary powers; 8230

(3) Other activities authorized for state banks~~doing~~ 8231

~~business under authority granted by the superintendent.~~ 8232

(D) Each foreign bank licensed to operate an agency or 8233  
branch shall, in the manner the superintendent of financial 8234  
institutions prescribes, give notice to the agency's or branch's 8235  
customers that deposits with that agency or branch are not 8236  
insured by the federal deposit insurance corporation or 8237  
otherwise. 8238

**Sec. 1119.17.** (A) Each foreign bank licensed under this 8239  
chapter shall file with the superintendent of financial 8240  
institutions any reports the superintendent may prescribe in the 8241  
form and manner and containing the information the 8242  
superintendent prescribes. 8243

(B) When the superintendent requires banks and trust 8244  
companies to report their income and condition in accordance 8245  
with ~~division (A) of~~ section 1121.21 of the Revised Code, the 8246  
superintendent shall require each foreign bank licensed under 8247  
this chapter to report the income and condition of its 8248  
representative offices, agencies, and branches in this state. 8249

**Sec. 1119.23.** (A) If the superintendent of financial 8250  
institutions determines, in accordance with division (A) of 8251  
section 1119.22 of the Revised Code, any of the conditions set 8252  
forth in that division exists, the superintendent, in addition 8253  
to having the authority to revoke the foreign bank's license to 8254  
operate a representative office, agency, or branch in accordance 8255  
with section 1119.22 of the Revised Code, also may take 8256  
possession of the foreign bank's business and property in this 8257  
state and appoint a receiver for the liquidation of the foreign 8258  
bank's business and property in this state. 8259

(B) The superintendent's taking possession of and 8260

appointing a receiver for a foreign bank's business and property 8261  
in this state pursuant to division (A) of this section, and the 8262  
liquidation of the foreign bank's business and property in this 8263  
state, shall, except as provided in divisions (B)(1) and (2) of 8264  
this section, be conducted in accordance with the procedures and 8265  
is subject to the rights, powers, duties, requirements, and 8266  
limitations provided in Chapter 1125. of the Revised Code for 8267  
taking possession of the business and property and liquidation 8268  
of a state bank. 8269

(1) After payment of the expenses of the liquidation and 8270  
claims against the foreign bank arising from its doing business 8271  
in this state in accordance with section 1125.24 of the Revised 8272  
Code, any remaining funds from the liquidation of the foreign 8273  
bank's business and property in this state shall be distributed 8274  
in the following manner: 8275

(a) If the foreign bank's business and property is being 8276  
liquidated in another state of the United States, the receiver 8277  
shall distribute any remaining funds from the liquidation of the 8278  
foreign bank's business and property in this state to the 8279  
receiver in the other state for the payment of expenses of 8280  
liquidation and claims against the foreign bank's business and 8281  
property in the other state. 8282

(b) If the foreign bank's business and property is being 8283  
liquidated in more than one other state of the United States, 8284  
the receiver shall equitably distribute any remaining funds from 8285  
the liquidation of the foreign bank's business and property in 8286  
this state among the receivers in the other states for the 8287  
payment of the expenses of liquidation and claims against the 8288  
foreign bank's business and property in the other states. 8289

(c) If there is no liquidation of the business and 8290

property of the foreign bank occurring in any other state of the 8291  
United States, the receiver shall pay any remaining funds from 8292  
the liquidation of the business and property of the foreign bank 8293  
in this state to the domiciliary receiver of the foreign bank 8294  
or, if there is no domiciliary receiver, to the foreign bank. 8295

(2) (a) When the receiver has completed the liquidation of 8296  
the foreign bank's business and property in this state, the 8297  
receiver shall, with notice to the superintendent, file a 8298  
petition with the court for an order declaring that the foreign 8299  
bank's business in this state is properly wound up in the manner 8300  
provided in section 1125.29 of the Revised Code. Upon the filing 8301  
of a petition as provided in this division, the court shall 8302  
proceed as provided in section 1125.29 of the Revised Code. 8303

(b) An order issued by the court pursuant to a petition 8304  
filed in accordance with division (B) (2) (a) of this section 8305  
shall do all things required by section 1125.29 of the Revised 8306  
Code, but shall only declare that the foreign bank's business in 8307  
this state has been properly wound up and shall not declare that 8308  
the foreign bank is dissolved. The court may make whatever 8309  
additional orders and grant whatever additional relief the court 8310  
determines proper upon the evidence submitted. 8311

(c) Once the court issues the order declaring that the 8312  
foreign bank's business in this state is properly wound up, the 8313  
foreign bank shall cease doing business in this state except for 8314  
any further winding up. 8315

(d) Once the court issues the order declaring the foreign 8316  
bank's business in this state is properly wound up, the receiver 8317  
shall promptly file a copy of the order, certified by the clerk 8318  
of the court, with both the secretary of state and the 8319  
superintendent. 8320

**Sec. 1119.26.** (A) A foreign bank may voluntarily liquidate 8321  
and surrender its license to operate a representative office, 8322  
agency, or branch licensed under this chapter only with the 8323  
consent of the superintendent of financial institutions. 8324

(B) Prior to beginning any liquidation process, the 8325  
foreign bank must file an application to voluntarily liquidate 8326  
and surrender its license with the superintendent. The 8327  
application shall include a plan of liquidation that includes 8328  
all of the provisions required of a plan for voluntary 8329  
liquidation of a state bank under division (C) of section 8330  
1125.03 of the Revised Code, except that the plan of liquidation 8331  
shall be limited in scope to the particular representative 8332  
office, agency, or branch to be liquidated. 8333

(C) After conducting an examination, the superintendent 8334  
may approve or deny a foreign bank's application to voluntarily 8335  
liquidate and surrender its license based on the 8336  
superintendent's evaluation of whether or not the interests of 8337  
the representative office's, agency's, or branch's creditors or, 8338  
where applicable, depositors, will suffer by the surrender. The 8339  
superintendent's approval is subject to any condition the 8340  
superintendent may determine appropriate under the 8341  
circumstances. 8342

(D) If the superintendent approves the application to 8343  
voluntarily liquidate and surrender a license, the foreign bank 8344  
shall comply with the requirements of divisions (A) (1) and (2) 8345  
of section 1125.04 of the Revised Code. 8346

(E) During the implementation of the plan of liquidation 8347  
pursuant to this section, the superintendent retains the 8348  
authority to supervise the representative office, agency, or 8349  
branch and may conduct any examination relating to either the 8350

representative office, agency, or branch or the plan of 8351  
liquidation the superintendent considers necessary or 8352  
appropriate. 8353

(F) If the superintendent has reason to conclude the 8354  
implementation of the plan of liquidation is not being safely or 8355  
expeditiously conducted, the superintendent may do either of the 8356  
following: 8357

(1) Begin revocation proceedings under section 1119.22 of 8358  
the Revised Code; 8359

(2) Take possession of the business and property of the 8360  
representative office, agency, or branch in the same manner, 8361  
with the same effect, and subject to the same rights accorded 8362  
the foreign bank under section 1119.23 of the Revised Code. 8363

(G) The superintendent shall cancel the foreign bank's 8364  
license to operate a representative office, agency, or branch 8365  
under this chapter if the superintendent has approved the 8366  
voluntary liquidation and surrender of the license and both of 8367  
the following conditions have been met: 8368

(1) The plan of liquidation has been completed. 8369

(2) The notifications required by division (D) of this 8370  
section were properly given. 8371

**Sec. 1121.01.** As used in this chapter: 8372

(A) "Financial institution regulatory authority" includes 8373  
a regulator of a business activity in which a bank or trust 8374  
company is engaged, or has applied to engage in, to the extent 8375  
that the regulator has jurisdiction over a bank or trust company 8376  
engaged in that business activity. A bank or trust company is 8377  
engaged in a business activity, and a regulator of that business 8378

activity has jurisdiction over the bank or trust company, 8379  
whether the bank or trust company conducts the activity directly 8380  
or a subsidiary or affiliate of the bank or trust company 8381  
conducts the activity. 8382

(B) "Regulated person" means any of the following: 8383

(1) A director, officer, or employee of or agent for a 8384  
bank or trust company or a ~~controlling shareholder of person who~~ 8385  
controls a state bank, foreign bank, or trust company~~r~~. For 8386  
purposes of division (B)(1) of this section, "control" has the 8387  
same meaning as in section 1115.06 of the Revised Code. 8388

(2) A person who is required to obtain, but has not yet 8389  
obtained, the consent of the superintendent of financial 8390  
institutions to acquire control of a state bank pursuant to 8391  
section 1115.06 of the Revised Code; 8392

(3) A person participating in the conduct of the affairs 8393  
of a state bank or trust company. 8394

(C) "Participating in the conduct of the affairs of a bank 8395  
or trust company" means either making decisions or, directly or 8396  
indirectly, taking actions that are management or policymaking 8397  
in nature and generally within the scope of authority of the 8398  
bank's or trust company's board of directors or executive 8399  
officers. Whether a person is or was participating in the 8400  
conduct of the affairs of a bank or trust company is an issue of 8401  
fact, and not to be determined solely on the basis of the 8402  
person's title, contract, or indicia of employment or 8403  
independent contractor status. 8404

**Sec. 1121.02.** (A) The superintendent of financial 8405  
institutions shall see that the laws and rules relating to ~~banks~~ 8406  
institutions and businesses governed by Chapters 1101. to 1127. 8407

of the Revised Code are executed and enforced. 8408

(B) The deputy superintendent for banks shall be the 8409  
principal supervisor of state banks and trust companies. In that 8410  
position the deputy superintendent for banks shall, 8411  
notwithstanding sections 1121.10 and 1121.11 of the Revised 8412  
Code, be responsible for conducting examinations and preparing 8413  
examination reports under those sections. In addition, the 8414  
deputy superintendent for banks shall, notwithstanding division 8415  
(A) of section 1121.03 and sections 1121.05 and 1121.06 of the 8416  
Revised Code, have the authority to adopt rules and standards in 8417  
accordance with those sections. In performing or exercising any 8418  
of the examination, rule-making, or other regulatory functions, 8419  
powers, or duties vested by this division in the deputy 8420  
superintendent for banks, the deputy superintendent for banks 8421  
shall be subject to the control of the superintendent of 8422  
financial institutions. 8423

**Sec. 1121.05.** (A) Notwithstanding any provisions of the 8424  
Revised Code, except as provided in division (E) of this 8425  
section, the superintendent of financial institutions shall, by 8426  
rule, grant state banks and trust companies doing business under 8427  
authority granted by the superintendent any right, power, 8428  
privilege, or benefit possessed, by virtue of statute, rule, 8429  
regulation, interpretation, or judicial decision, by any of the 8430  
following: 8431

(1) Banks and trust companies doing business under 8432  
authority granted by the office of the comptroller of the 8433  
currency or the bank regulatory authority of any other state of 8434  
the United States; 8435

(2) Savings associations doing business under authority 8436  
granted by the ~~superintendent of financial institutions, office~~ 8437

of ~~thrift supervision, the comptroller of the currency or the~~ 8438  
savings and loan association regulatory authority of any other 8439  
state of the United States; 8440

(3) Savings banks doing business under authority granted 8441  
by the ~~superintendent of financial institutions or the savings~~ 8442  
bank regulatory authority of any other state of the United 8443  
States; 8444

(4) Credit unions doing business under authority granted 8445  
by the superintendent of financial institutions, the national 8446  
credit union administration, or the credit union regulatory 8447  
authority of any other state of the United States; 8448

(5) Any other banks, savings associations, or credit 8449  
unions with a principal place of business in the United States 8450  
doing business under authority granted under laws of the United 8451  
States; 8452

(6) Any other persons ~~having an office or other place of~~ 8453  
~~business in this state and engaging in the business of banking,~~ 8454  
offering financial products and services, soliciting or 8455  
accepting deposits, lending money, or buying or selling bullion, 8456  
bills of exchange, notes, bonds, stocks, or other evidences of 8457  
indebtedness ~~with a view to profit whether through an office or~~ 8458  
other place of business in this state or via the internet, 8459  
advertising, or other form of solicitation; 8460

(7) Small business investment companies licensed under the 8461  
"Small Business Investment Company Act of 1958," 72 Stat. 689, 8462  
15 U.S.C. 661, as amended; 8463

(8) Persons chartered under the "Farm Credit Act of 1933," 8464  
48 Stat. 257, 12 U.S.C. 1131(d), as amended. 8465

(B) The superintendent shall adopt rules authorized by 8466

division (A) of this section in accordance with section 111.15 8467  
of the Revised Code. 8468

(C) A rule adopted by the superintendent pursuant to the 8469  
authority of this section becomes effective on the later of the 8470  
following dates: 8471

(1) The date the superintendent issues the rule; 8472

(2) The date the statute, rule, regulation, 8473  
interpretation, or judicial decision the superintendent's rule 8474  
is based on becomes effective. 8475

(D) (1) The superintendent may, upon thirty days' written 8476  
notice, revoke any rule adopted under the authority of this 8477  
section. A rule adopted under the authority of this section, and 8478  
not revoked by the superintendent, enacted into law, or adopted 8479  
in accordance with Chapter 119. of the Revised Code, lapses and 8480  
has no further force and effect thirty months after its 8481  
effective date; however, the superintendent may adopt the rule 8482  
under section 111.15 of the Revised Code pursuant to this 8483  
section for an additional thirty-month period. 8484

(2) The superintendent may require a state bank or trust 8485  
company that has acted in reliance on a rule adopted and later 8486  
revoked or lapsed under the authority of this section to bring 8487  
its affected activities in compliance with the law. Unless the 8488  
activities will or may result in harm to the bank or trust 8489  
company as determined by the superintendent, the bank or trust 8490  
company shall be granted a reasonable period of time of not less 8491  
than one year nor more than two years from the date the rule is 8492  
revoked or lapsed, to bring its affected activities in 8493  
compliance with the law. The superintendent may, upon the 8494  
written request of a state bank or trust company, grant the bank 8495

or trust company a longer period of time in which to bring its 8496  
affected activities in compliance with the law. 8497

(E) The superintendent shall not adopt any rule dealing 8498  
with interest rates charged under the authority of this section. 8499

**Sec. 1121.06.** (A) Notwithstanding any provision of the 8500  
Revised Code, if any regulation, rule, interpretation, 8501  
procedure, or guideline of the office of the comptroller of the 8502  
currency, federal deposit insurance corporation, federal reserve 8503  
board, consumer financial protection bureau, national credit 8504  
union administration, or any other bank regulatory authority of 8505  
the United States, or the bank regulatory authority of any other 8506  
state of the United States, puts a bank or trust company doing 8507  
business under authority granted by the superintendent of 8508  
financial institutions at a disadvantage to ~~a national bank~~ any 8509  
other type of financial institution, the superintendent may 8510  
adopt a rule that reduces or eliminates the disadvantage to a 8511  
bank or trust company doing business under authority granted by 8512  
the superintendent. 8513

(B) The superintendent shall adopt rules authorized by 8514  
division (A) of this section in accordance with section 111.15 8515  
of the Revised Code. ~~Chapter 119. of the Revised Code does not~~ 8516  
~~apply to rules adopted under the authority of this section.~~ 8517

(C) A rule adopted by the superintendent pursuant to the 8518  
authority of this section is effective on the later of the 8519  
following dates: 8520

(1) The date the superintendent issues the rule; 8521

(2) The date the regulation, rule, interpretation, 8522  
procedure, or guideline the superintendent's rule is based on 8523  
becomes effective. 8524

(D) (1) The superintendent may, upon thirty days' written notice, revoke any rule adopted under the authority of this section. A rule adopted under the authority of this section, and not revoked by the superintendent, enacted into law, or adopted in accordance with Chapter 119. of the Revised Code, lapses and has no further force and effect thirty months after its effective date; however, the superintendent may adopt the rule under section 111.15 of the Revised Code pursuant to this section for an additional thirty-month period.

(2) The superintendent may require a bank or trust company that has acted in reliance on a rule adopted and later revoked or lapsed under the authority of this section to bring its affected activities in compliance with the law. Unless the activities will or may result in harm to the bank or trust company as determined by the superintendent, the bank or trust company shall be granted a reasonable period of time, but not less than one year from the date the rule is revoked or lapsed, to bring its affected activities in compliance with the law.

**Sec. 1121.10.** (A) As often as the superintendent of financial institutions considers necessary, but at least once each twenty-four-month cycle, the superintendent, or any deputy or examiner appointed by the superintendent for that purpose, shall thoroughly examine the records and affairs of each state bank. The examination shall include a review of ~~both~~ all of the following:

(1) Compliance with law;

(2) Safety and soundness;

(3) Other matters the superintendent determines.

(B) The superintendent may examine the records and affairs

of any of the following as the superintendent considers 8554  
necessary: 8555

(1) Any party to a proposed reorganization for which the 8556  
superintendent's approval is required by section 1115.11 or 8557  
1115.14 of the Revised Code; 8558

(2) Any bank, savings and loan association, or savings 8559  
bank proposing to convert to a bank doing business under 8560  
authority granted by the superintendent for which the 8561  
superintendent's approval is required by section ~~1115.01~~1115.02 8562  
of the Revised Code; 8563

(3) Any person proposing to acquire control of a state 8564  
bank for which the superintendent's approval is required by 8565  
section 1115.06 of the Revised Code, or who acquired control of 8566  
a state bank without the approval of the superintendent when 8567  
that approval was required by section 1115.06 of the Revised 8568  
Code, ~~was with respect to the~~ state bank of which control is to 8569  
be, or was, acquired; 8570

(4) Any bank proposing to establish or acquire a branch 8571  
for which the superintendent's approval is required by section 8572  
1117.02 of the Revised Code; 8573

(5) Any foreign bank that maintains, or proposes to 8574  
establish, one or more offices in this state; 8575

(6) Any trust company. 8576

(C) The board of directors or holders of a majority of the 8577  
shares of a state bank or trust company may request the 8578  
superintendent conduct a special examination of the records and 8579  
affairs of the bank or trust company. The superintendent has 8580  
sole discretion over the scope and timing of a special 8581  
examination, and may impose restrictions and limitations on the 8582

use of the results of a special examination in addition to the 8583  
restrictions and limitations otherwise imposed by law. 8584

(D) The superintendent may conduct all aspects of an 8585  
examination concurrently or may divide the examination into 8586  
constituent parts and conduct them at various times. 8587

(E) The superintendent shall preserve the report of each 8588  
examination, including related correspondence received and 8589  
copies of related correspondence sent, for twenty years after 8590  
the examination date. 8591

**Sec. 1121.12.** An examination of the records and affairs of 8592  
a state bank under section 1121.10 of the Revised Code may 8593  
include the examination of a ~~controlling shareholder of person~~ 8594  
who, directly or indirectly, controls the bank that is a bank 8595  
holding company registered with the federal reserve or a savings 8596  
and loan holding company, but only to the extent explicitly 8597  
permitted under this section. To examine the records and affairs 8598  
of a ~~controlling shareholder person who, directly or indirectly,~~ 8599  
controls a bank that is a bank holding company registered with 8600  
the federal reserve or a savings and loan holding company, the 8601  
superintendent of financial institutions may do one of the 8602  
following: 8603

(A) Rely on an examination of the bank holding company or 8604  
savings and loan holding company conducted by a financial 8605  
institution regulatory authority of another state, the United 8606  
States, or another country, as provided in division (A) (3) of 8607  
section 1121.11 of the Revised Code; 8608

(B) Participate with the financial institution regulatory 8609  
authorities of other states, the United States, and other 8610  
countries in a joint or coordinated examination of the bank 8611

holding company or savings and loan holding company, provided 8612  
that both of the following apply: 8613

(1) The examination of the bank holding company or savings 8614  
and loan holding company is validly authorized by and conducted 8615  
pursuant to the laws of this state and such other state, the 8616  
United States, or other country. 8617

(2) Participation of the examiners of the division of 8618  
financial institutions will increase the efficiency in 8619  
regulating financial institutions, and not increase the cost of 8620  
examination to the bank holding company or savings and loan 8621  
holding company. 8622

(C) Examine the bank holding company or savings and loan 8623  
holding company pursuant to an agreement with financial 8624  
institution regulatory authorities of other states, the United 8625  
States, or other countries, provided that both of the following 8626  
apply: 8627

(1) The examination of the bank holding company or savings 8628  
and loan holding company is validly authorized by and conducted 8629  
pursuant to the laws of this state and such other state, the 8630  
United States, or other country. 8631

(2) The other financial institution regulatory authority 8632  
agrees to rely on the superintendent's examination in lieu of 8633  
conducting its own examination. 8634

(D) Examine the bank holding company or savings and loan 8635  
holding company if both of the following apply: 8636

(1) The superintendent has reasonable cause to believe 8637  
that there is a significant risk of imminent material harm to 8638  
the bank, or to any subsidiary or nonbank affiliate as its 8639  
affairs relate to the bank, and the examination of the bank 8640

holding company or savings and loan holding company is necessary 8641  
to fully determine the risk to the bank, or to determine how 8642  
best to address the risk to the bank. 8643

(2) Either of the following occurs: 8644

(a) The superintendent, in writing, requests the federal 8645  
reserve to examine the bank holding company, and within fifteen 8646  
days the federal reserve does not commence an examination of the 8647  
bank holding company and notifies the superintendent that the 8648  
federal reserve does not object to the examination. 8649

(b) The banking commission concurs with the 8650  
superintendent's determination of both of the following: 8651

(i) There is reasonable cause to believe that there ~~a~~ is a 8652  
significant risk of imminent material harm to the bank. 8653

(ii) The examination of the bank holding company or 8654  
savings and loan holding company is necessary to fully determine 8655  
the risk to the bank, or to determine how best to address the 8656  
risk to the bank. 8657

(E) For purposes of this section, a bank holding company 8658  
includes not only the bank holding company, but also includes 8659  
any nonbank affiliates of the bank holding company that are 8660  
subject to examination by the federal reserve. 8661

**Sec. 1121.13.** An examination of the records and affairs of 8662  
a state bank under section 1121.10 of the Revised Code may 8663  
include the examination of a ~~controlling shareholder of person~~ 8664  
who, directly or indirectly, controls the state bank that and is 8665  
a corporation that is not a bank holding company registered with 8666  
the federal reserve or a savings and loan holding company, as 8667  
its affairs relate to the bank. 8668

**Sec. 1121.15.** (A) The superintendent of financial 8669  
institutions may prescribe the manner and form of keeping the 8670  
books and accounts of state banks, so the books and accounts may 8671  
be as nearly uniform as circumstances permit. 8672

(B) Any person that, by contract or otherwise, performs 8673  
services for a state bank or trust company or a representative 8674  
office, agency, or branch licensed under Chapter 1119. of the 8675  
Revised Code, whether on or off the premises of the bank, trust 8676  
company, representative office, agency, or branch, is subject to 8677  
examination by the superintendent as to the books and records of 8678  
the bank, trust company, representative office, agency, or 8679  
branch in the person's possession, to the same extent as if the 8680  
services were being performed by the bank, trust company, 8681  
representative office, agency, or branch itself. For the 8682  
purposes of this division, "services" includes clerical, 8683  
bookkeeping, accounting, statistical, and other services. A 8684  
state bank, trust company, representative office, agency, or 8685  
branch shall notify the superintendent in writing whenever 8686  
another person is performing services of this kind for the bank, 8687  
trust company, representative office, agency, or branch, or the 8688  
bank, trust company, representative office, agency, or branch 8689  
changes the person performing the services. 8690

**Sec. 1121.16.** (A) No state bank, trust company, or 8691  
regulated person shall do any of the following: 8692

(1) Refuse to allow any examination authorized by section 8693  
1121.10 of the Revised Code; 8694

(2) Refuse to give information required by the division of 8695  
financial institutions in the course of or in relation to an 8696  
examination authorized by section 1121.10 of the Revised Code; 8697

(3) Provide false or misleading information in the course 8698  
of or in relation to an examination authorized by section 8699  
1121.10 of the Revised Code, knowing it to be false or 8700  
misleading. 8701

(B) If a state bank, trust company, or regulated person 8702  
violates division (A) of this section, the superintendent may do 8703  
any of the following: 8704

(1) Issue a cease and desist order pursuant to section 8705  
1121.32 of the Revised Code, issue a removal or prohibition 8706  
order pursuant to section 1121.33 of the Revised Code, ~~or issue~~ 8707  
a suspension or temporary prohibition order pursuant to section 8708  
1121.34 of the Revised Code, or assess a civil penalty pursuant 8709  
to section 1121.35 of the Revised Code; 8710

(2) Appoint a conservator for the state bank pursuant to 8711  
section 1125.09 of the Revised Code; 8712

(3) Initiate civil or criminal proceedings the 8713  
superintendent considers appropriate. 8714

**Sec. 1121.17.** (A) Accounts and other documents required by 8715  
the superintendent of financial institutions may be signed and 8716  
sworn to or affirmed on behalf of a state bank or trust company 8717  
by any officer or director authorized to do so by the ~~bank to do~~ 8718  
~~so~~ bank's or trust company's board of directors. 8719

(B) When the superintendent requires, any officer, 8720  
official, employee, or director of a state bank or trust company 8721  
receiving any communication from the division of financial 8722  
institutions relative to examination or investigation by the 8723  
superintendent shall submit the communication to the bank's or 8724  
trust company's executive committee or board of directors. 8725

**Sec. 1121.18.** (A) ~~Information leading to, arising from, or~~ 8726

The superintendent of financial institutions and the 8727  
superintendent's agents and employees shall keep privileged and 8728  
confidential all information obtained in the course by the 8729  
superintendent or the superintendent's agents or employees as a 8730  
result of or arising out of the examination or supervision of a 8731  
bank or any examination conducted pursuant to the authority of 8732  
section 1121.10 or 1121.11 of the Revised Code ~~is privileged and~~ 8733  
~~confidential, from required reports, or because of their~~ 8734  
official position. No person, including any person to whom the 8735  
information is disclosed under the authority of this section, 8736  
shall disclose the information leading to, arising from, or 8737  
~~obtained in the course of an examination,~~ except as specifically 8738  
provided in this section. 8739

(B) The superintendent of financial institutions and the 8740  
superintendent's agents and employees may disclose the 8741  
information ~~leading to, arising from, or obtained in the course~~ 8742  
~~of an examination conducted pursuant to section 1121.10 or~~ 8743  
~~1121.11 of the Revised Code described in division (A) of this~~ 8744  
section only as follows: 8745

(1) To the governor, director of commerce, or deputy 8746  
director of commerce to enable them to act in the interests of 8747  
the public; 8748

(2) To the banking commission to enable the commission to 8749  
effectively advise the superintendent and take action on any 8750  
matter the superintendent presents to the commission; 8751

(3) To financial institution regulatory authorities of 8752  
this and other states, the United States, and other countries to 8753  
assist them in their regulatory duties; 8754

(4) To the directors, executive officers, agents, and 8755

parent company of the bank or other person examined to assist 8756  
them in conducting the business of the bank or other person 8757  
examined in a safe and sound manner and in compliance with law; 8758

(5) To auditors, attorneys, or similar professionals 8759  
retained by the bank or trust company to assist in conducting 8760  
the business of the bank or trust company, or other person 8761  
examined, in a safe and sound manner and in compliance with the 8762  
law; 8763

(6) To law enforcement authorities ~~conducting in~~ 8764  
connection with criminal investigations or referrals made by the 8765  
superintendent; 8766

(7) To other state and federal agencies or, in the case of 8767  
a state bank, to the federal home loan bank to which the bank 8768  
belongs, as the superintendent determines necessary and 8769  
appropriate, but only under such conditions and limitations as 8770  
the superintendent, in the superintendent's sole discretion, may 8771  
require. 8772

(C) (1) ~~Information leading to, arising from, or obtained~~ 8773  
~~in the course of an examination of a bank or other person~~ 8774  
~~pursuant to section 1121.10 or 1121.11 of the Revised Code~~ The 8775  
information described in division (A) of this section shall not 8776  
be discoverable from any source, and shall not be introduced 8777  
into evidence, except in the following circumstances: 8778

(a) In connection with criminal proceedings; 8779

(b) When, in the opinion of the superintendent, it is 8780  
appropriate with regard to enforcement actions taken and 8781  
decisions made by the superintendent under the authority of 8782  
Chapters 1101. to 1127. of the Revised Code regarding a bank, 8783  
trust company, or other person; 8784

(c) When litigation, penalties, or an enforcement action 8785  
has been initiated by the superintendent in furtherance of the 8786  
powers, duties, and obligations imposed upon the superintendent 8787  
by Chapters 1101. to 1127. of the Revised Code; 8788

(d) When authorized by agreements between the 8789  
superintendent and financial institution regulatory authorities 8790  
of this and other states, the United States, and other countries 8791  
authorized by section 1121.11 of the Revised Code; 8792

(e) When and in the manner authorized in section 1181.25 8793  
of the Revised Code. 8794

(2) The discovery of information ~~leading to, arising from,~~ 8795  
~~or obtained in the course of an examination~~ pursuant to division 8796  
(C) (1) (b), (c), or (d) of this section shall be limited to 8797  
information that directly relates to the bank, trust company, 8798  
regulated person, or other person who is the subject of the 8799  
enforcement action, decision, penalties, or litigation. 8800

(D) A report of an examination conducted pursuant to 8801  
section 1121.10 or 1121.11 of the Revised Code is the property 8802  
of the division of financial institutions. Under no 8803  
circumstances may the bank or other person examined, its 8804  
directors, officers, employees, agents, regulated persons, or 8805  
contractors, or any person having knowledge or possession of a 8806  
report of examination, or any of its contents, disclose or make 8807  
public in any manner the report of examination or its contents. 8808  
The authority provided in division (B) (4) of this section for 8809  
use of examination information to assist in conducting the 8810  
business of the bank or other person examined in a safe and 8811  
sound manner and in compliance with law shall not be construed 8812  
to authorize disclosure of a report of examination or any of its 8813  
contents in conducting business with the examined bank's or 8814

person's customers, creditors, ~~or~~ shareholders, or members, or 8815  
with other persons. 8816

(E) The superintendent may, in accordance with Chapter 8817  
119. of the Revised Code, adopt rules to permit a bank, trust 8818  
company, or other person to disclose the information described 8819  
in division (A) of this section in limited circumstances other 8820  
than those specified in this section. 8821

(F) Whoever violates this section shall be removed from 8822  
office, shall be liable, with the violator's bond in damages 8823  
to the person injured by the disclosure of information, and is 8824  
guilty of a felony of the fourth degree. 8825

Sec. 1121.19. (A) As used in this section, a "self- 8826  
assessment report" of a bank includes, but is not limited to, 8827  
all of the following: 8828

(1) An evaluation of the bank's loan underwriting 8829  
standards, asset quality, financial reporting to federal or 8830  
state regulatory agencies, and compliance with its policies and 8831  
with federal or state statutory or regulatory requirements; 8832

(2) Any communication related to the report, including 8833  
electronic mails or telephone logs. 8834

(B) A self-assessment report, any portion or contents of 8835  
the report, and any documents, data, compilations, analyses, or 8836  
other information and material generated, created, produced, 8837  
developed, or prepared as part of the self-assessment process, 8838  
are privileged and not admissible or subject to discovery in any 8839  
civil or administrative litigation, action, proceeding, or 8840  
investigation. 8841

(C) The self-assessment privilege granted by this section 8842  
to a bank and its affiliates applies regardless of whether a 8843

bank regulator or any other governmental authority in possession 8844  
of a self-assessment report or any portion or contents of it 8845  
subsequently discloses it or any portion or contents of it to a 8846  
third party as required or permitted by any state or federal 8847  
law. 8848

(D) Notwithstanding any applicable state or federal public 8849  
records law, a bank regulator or any other governmental 8850  
authority in possession of a self-assessment report or any 8851  
portion or contents of it shall not disclose the report or any 8852  
portion or contents of it to any person in response to a public 8853  
records request. 8854

**Sec. 1121.21.** ~~(A) (1)~~—Each bank and trust company shall 8855  
report its condition and income to the division of financial 8856  
institutions at the times, in the form, and including the 8857  
information the superintendent of financial institutions 8858  
prescribes. 8859

~~(2) A bank or trust company shall maintain a summary of~~ 8860  
~~its most recent report of condition and income, in the form~~ 8861  
~~prescribed by the superintendent, in each of its banking or~~ 8862  
~~trust service offices, post notice of the availability of the~~ 8863  
~~summary in each office, and make the summary available to the~~ 8864  
~~public without charge.~~ 8865

~~(B) Any bank or trust company that fails to comply with~~ 8866  
~~division (A) (1) or (2) of this section is subject to a~~ 8867  
~~forfeiture of one hundred dollars for each day the failure~~ 8868  
~~continues unless the bank or trust company corrects the failure~~ 8869  
~~within seven days after receiving the superintendent's notice of~~ 8870  
~~the failure.~~ 8871

**Sec. 1121.23.** Whenever the approval of the superintendent 8872

of financial institutions is required under Chapters 1101. to 8873  
1127. of the Revised Code, or under an order or supervisory 8874  
action issued or taken under those chapters, for a person to 8875  
serve as an organizer, incorporator, director, executive 8876  
officer, or ~~controlling shareholder of~~ person who, directly or 8877  
indirectly, controls a bank, or to otherwise have a substantial 8878  
interest in or participate in the management of a bank, the 8879  
superintendent shall request the superintendent of the bureau of 8880  
criminal identification and investigation, or a vendor approved 8881  
by the bureau, to conduct a criminal records check based on the 8882  
person's fingerprints in accordance with section 109.572 of the 8883  
Revised Code. The superintendent of financial institutions shall 8884  
request that criminal record information from the federal bureau 8885  
of investigation be obtained as part of the criminal records 8886  
check. Any fee required under division (C) (3) of section 109.572 8887  
of the Revised Code shall be paid by the person who is the 8888  
subject of the request. 8889

Nothing in this section prohibits the superintendent of 8890  
financial institutions from conditionally approving a person to 8891  
serve as an organizer, incorporator, director, executive 8892  
officer, or person who, directly or indirectly, controls a bank, 8893  
or to otherwise have a substantial interest in or participate in 8894  
the management of a bank, subject to receiving satisfactory 8895  
results of the criminal records check. If the superintendent 8896  
does not receive the results within ninety days after the 8897  
criminal records check was requested, the superintendent may 8898  
extend the conditional approval for not more than ninety days. 8899

**Sec. 1121.26.** When considering the impact of a proposed 8900  
action or transaction on the convenience and needs of the 8901  
community to be served, both of the following shall apply: 8902

(A) The superintendent of ~~banks~~financial institutions 8903  
shall assess whether the facts and circumstances relating to the 8904  
proposed action or transaction reasonably indicate that the 8905  
purpose for the proposed action or transaction is to engage in 8906  
the banking business and provide banking services in the 8907  
community to be served, rather than to raise funds for other 8908  
purposes or otherwise serve a nonbanking purpose. 8909

(B) The superintendent shall not require the person 8910  
proposing the action or transaction to prove any of the 8911  
following: 8912

(1) There is substantial unmet need for banking services 8913  
in the community. 8914

(2) The person will bring banking services or other 8915  
particular advantages to the community that are not presently 8916  
available there. 8917

(3) The action or transaction will not adversely affect an 8918  
existing financial institution in the community. 8919

**Sec. 1121.30.** (A) All assessments, fees, charges, and 8920  
forfeitures provided for in Chapters 1101. to 1127. and sections 8921  
1315.01 to 1315.18 of the Revised Code, except civil penalties 8922  
assessed pursuant to section 1121.35 or 1315.152 of the Revised 8923  
Code, shall be paid to the superintendent of financial 8924  
institutions, and the superintendent shall deposit them into the 8925  
state treasury to the credit of the banks fund, which is hereby 8926  
created. 8927

(B) The superintendent may expend or obligate the banks 8928  
fund to defray the costs of the division of financial 8929  
institutions in administering Chapters 1101. to 1127. and 8930  
sections 1315.01 to 1315.18 of the Revised Code. The 8931

superintendent shall pay from the fund all actual and necessary 8932  
expenses incurred by the superintendent, including for any 8933  
services rendered by the department of commerce for the 8934  
division's administration of Chapters 1101. to 1127. and 8935  
sections 1315.01 to 1315.18 of the Revised Code. The fund shall 8936  
be assessed a proportionate share of the administrative costs of 8937  
the department and the division of financial institutions. The 8938  
proportionate share of the administration costs of the division 8939  
of financial institutions shall be determined in accordance with 8940  
procedures prescribed by the superintendent and approved by the 8941  
director of budget and management. The amount assessed for the 8942  
fund's proportional share of the department's administrative 8943  
costs and the division's administrative costs shall be paid from 8944  
the banks fund to the division of administration fund and the 8945  
division of financial institutions fund respectively. 8946

(C) Any money deposited into the state treasury to the 8947  
credit of the banks fund, but not expended or encumbered by the 8948  
superintendent to defray the costs of administering Chapters 8949  
1101. to 1127. and sections 1315.01 to 1315.18 of the Revised 8950  
Code, shall remain in the banks fund for expenditures by the 8951  
superintendent in subsequent years and shall not be used for any 8952  
purpose other than as set forth in this section. 8953

**Sec. 1121.33.** (A) The superintendent of financial 8954  
institutions may issue and serve a notice of charges and intent 8955  
to remove a regulated person from office or prohibit a regulated 8956  
person from further participation in the conduct of the affairs 8957  
of a bank or trust company, or both, if, in the opinion of the 8958  
superintendent, all of the following apply: 8959

(1) The regulated person has, directly or indirectly, done 8960  
any of the following: 8961

(a) Violated any of the following:	8962
(i) A law or rule;	8963
(ii) A final cease and desist order;	8964
(iii) A condition imposed in writing by the superintendent in connection with granting an application or notice that is subject to the superintendent's approval or an opportunity for the superintendent to disapprove or other request by a bank, trust company, or regulated person;	8965 8966 8967 8968 8969
(iv) A written agreement between a bank or trust company and the superintendent, or between the regulated person and the superintendent.	8970 8971 8972
(b) Engaged or participated in an unsafe or unsound practice in connection with a bank, trust company, or other business institution;	8973 8974 8975
(c) Committed or engaged in an act, omission, or practice constituting a breach of the regulated person's fiduciary duty as a regulated person.	8976 8977 8978
(2) The violation, practice, or breach results in any of the following:	8979 8980
(a) A bank, trust company, or other business institution has suffered or will probably suffer substantial financial loss or other damage;	8981 8982 8983
(b) The interests of a bank's depositors or shareholders or trust company's beneficiaries or shareholders have been or could be prejudiced;	8984 8985 8986
(c) The regulated person has received or will receive financial gain or other benefit.	8987 8988

(3) The violation, practice, or breach does either of the following:	8989
	8990
(a) Involves personal dishonesty on the part of the regulated person;	8991
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(b) Demonstrates willful or continuing disregard by the regulated person for the safety and soundness of a bank, trust company, or business institution.	8993
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(B) The notice of charges and intent to remove a regulated person from office or prohibit a regulated person from further participation in the conduct of the affairs of a bank or trust company shall include all of the following:	8996
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(1) A statement of the violation or violations, unsafe or unsound practice or practices, or breach or breaches alleged;	9000
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(2) A statement of the facts constituting the grounds for the proposed removal or prohibition order;	9002
	9003
(3) Notice that the regulated person is entitled to a hearing, in accordance with section 1121.38 of the Revised Code, to determine whether an order removing the regulated person from office, prohibiting the regulated person from further participation in the conduct of the affairs of a bank or trust company, or both, should be issued against the regulated person if the regulated person requests the hearing within thirty days after service of the notice;	9004
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(4) Notice that, if the regulated person makes a timely request for a hearing, the regulated person may appear at the hearing in person, by attorney, or by presenting positions, arguments, and contentions in writing, and at the hearing may present evidence and examine witnesses for and against the regulated person.	9012
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(5) Notice that failure of the regulated person to timely request a hearing to determine whether an order removing the regulated person from office, prohibiting the regulated person from further participation in the conduct of the affairs of a bank or trust company, or both, should be issued or to appear at the hearing, in person, by attorney, or by writing, is consent by the regulated person to the issuance of the order.

(C) The superintendent may issue an order removing the regulated person from office or prohibiting the regulated person from further participation in the conduct of the affairs of a bank or trust company, or both, if either of the following applies:

(1) The regulated person consents to the issuance of the order;

(2) Upon the record of the hearing the superintendent finds the grounds for the order have been established.

(D) A regulated person who has been removed from office or prohibited from further participation in the conduct of the affairs of a bank or trust company pursuant to this section or by order of the bank regulatory authority of another state or the United States shall not, while the removal or prohibition order is in effect, continue or commence to hold any office of or participate in any manner in the conduct of the affairs of any bank or trust company in this state, except as specifically permitted by the superintendent or by the bank regulatory authority of another state or the United States pursuant to modification of the order. Participation in the conduct of the affairs of a bank or trust company includes doing any of the following:

(1) Soliciting, procuring, transferring, attempting to transfer, voting, or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any bank or trust company;

(2) Violating any voting agreement previously approved by the superintendent;

(3) Voting for a director of any bank or trust company.

(E) An order issued by the superintendent pursuant to this section is effective at the time specified in the order, which, in the case of an order issued pursuant to division (C) (2) of this section, shall be not less than thirty days after service of the order on the regulated person.

(F) An order issued by the superintendent pursuant to this section shall remain enforceable and effective as provided in the order except to the extent it is stayed, modified, terminated, or set aside by action of the superintendent or a reviewing court.

(G) The superintendent shall serve a certified copy of a removal or prohibition order issued pursuant to this section on any bank or trust company in relation to which the object of the removal or prohibition order is a regulated person.

**Sec. 1121.34.** (A) (1) The superintendent of financial institutions may issue an order suspending a regulated person from office or temporarily prohibiting a regulated person from further participation in the conduct of the affairs of a bank or trust company, or both, if both of the following apply:

(a) The superintendent serves, or has served, the regulated person with a notice of charges and intent to remove the regulated person or prohibit the regulated person from

further participation in the conduct of the affairs of a bank or trust company pursuant to section 1121.33 of the Revised Code. 9076  
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(b) The superintendent determines the suspension or temporary prohibition is necessary for the protection of a bank or trust company or the interests of a bank's depositors or a trust company's beneficiaries. 9078  
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(2) An order issued pursuant to division (A)(1) of this section is effective immediately upon service on the regulated person, and remains effective and enforceable as provided in the order except to the extent it is stayed, modified, terminated, or set aside by action of the superintendent or a reviewing court. If, upon the record of a hearing, the superintendent determines not to issue an order removing a regulated person from office or prohibiting a regulated person's further participation in the conduct of the affairs of a bank or trust company pursuant to section 1121.33 of the Revised Code, the order issued pursuant to division (A)(1) of this section is terminated. 9082  
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(3) Within ten days after being served a suspension or temporary prohibition order pursuant to division (A)(1) of this section, a regulated person may apply to the court of common pleas of the county in which the residence of the regulated person is located, or the court of common pleas of Franklin county, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the suspension or temporary prohibition order pending completion of the hearing on the notice of charges served on the regulated person pursuant to section 1121.33 of the Revised Code, and the court has jurisdiction to issue the injunction. 9094  
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(B) (1) Whenever a regulated person is charged in any 9105

information, indictment, or complaint, authorized by a 9106  
prosecuting attorney or a United States attorney, with the 9107  
commission of or participation in a felony or a crime involving 9108  
an act of fraud, dishonesty~~or~~, breach of trust, theft, or money 9109  
laundering involving a depository institution, the 9110  
superintendent may suspend the regulated person from office or 9111  
temporarily prohibit the regulated person's further 9112  
participation in the conduct of the affairs of a bank or trust 9113  
company, or both. A suspension or temporary prohibition order 9114  
issued pursuant to division (B) (1) of this section is effective 9115  
immediately upon service on the regulated person, and remains 9116  
effective and enforceable until the information, indictment, or 9117  
complaint is finally disposed of or the superintendent 9118  
terminates the order. 9119

(2) If a judgment of conviction or an agreement to enter a 9120  
pretrial diversion or other similar program is entered against a 9121  
regulated person with respect to the information, indictment, or 9122  
complaint and, in the case of a judgment of conviction, is not 9123  
subject to further appellate review, the superintendent may 9124  
remove the regulated person from office, prohibit the regulated 9125  
person from further participation in the conduct of the affairs 9126  
of a bank or trust company, or both. A removal or prohibition 9127  
order issued pursuant to division (B) (2) of this section is 9128  
effective immediately upon service on the regulated person, and 9129  
remains effective and enforceable as provided in the removal or 9130  
prohibition order except to the extent it is stayed, modified, 9131  
terminated, or set aside by action of the superintendent. 9132

(3) A finding of not guilty or other disposition of the 9133  
information, indictment, or complaint does not preclude the 9134  
superintendent from subsequently instituting proceedings 9135  
pursuant to section 1121.33 of the Revised Code to remove the 9136

regulated person from office or to prohibit the regulated person 9137  
from further participation in the conduct of the affairs of a 9138  
bank or trust company, or both. 9139

(C) The superintendent shall serve a certified copy of a 9140  
suspension or temporary prohibition order issued pursuant to 9141  
division (A) or (B) (1) of this section or a removal or 9142  
prohibition order issued pursuant to division (B) (2) of this 9143  
section on any bank or trust company in relation to which the 9144  
object of the suspension, removal, or prohibition order is a 9145  
regulated person. 9146

(D) A regulated person who has been suspended, removed 9147  
from office, or temporarily or otherwise prohibited from further 9148  
participation in the conduct of the affairs of a bank or trust 9149  
company pursuant to this section or by order of the bank 9150  
regulatory authority of another state or the United States shall 9151  
not, while the suspension, removal, or prohibition order is in 9152  
effect, continue or commence to hold any office of or 9153  
participate in any manner in the conduct of the affairs of a 9154  
bank or trust company in this state, except as specifically 9155  
permitted by the superintendent or by the bank regulatory 9156  
authority of another state or the United States pursuant to 9157  
modification of the suspension, removal, or prohibition order. 9158  
Participation in the conduct of the affairs of a bank or trust 9159  
company includes doing any of the following: 9160

(1) Soliciting, procuring, transferring, attempting to 9161  
transfer, voting, or attempting to vote any proxy, consent, or 9162  
authorization with respect to any voting rights in any bank or 9163  
trust company; 9164

(2) Violating any voting agreement previously approved by 9165  
the superintendent; 9166

(3) Voting for a director of any bank or trust company. 9167

(E) If at any time, because of the suspension of one or 9168  
more directors pursuant to this section, there are on the board 9169  
of directors of a bank less than a quorum of directors not 9170  
suspended, all powers and functions vested in or exercisable by 9171  
the board shall be vested in and be exercisable by the director 9172  
or directors on the board not suspended, until the time there is 9173  
a quorum of the board of directors. If all the directors of a 9174  
bank are suspended pursuant to this section, the superintendent 9175  
shall appoint persons to serve temporarily as directors in their 9176  
place, pending termination of the suspensions or until those who 9177  
have been suspended cease to be directors of the bank and their 9178  
successors take office. 9179

**Sec. 1121.38.** (A) (1) An administrative hearing provided 9180  
for in section 1121.32, 1121.33, 1121.35, or 1121.41 of the 9181  
Revised Code shall be held in the county in which the principal 9182  
place of business of the bank or trust company or residence of 9183  
the regulated person is located, unless the bank, trust company, 9184  
or regulated person requesting the hearing consents to another 9185  
place. Within ninety days after the hearing, the superintendent 9186  
of financial institutions shall render a decision, which shall 9187  
include findings of fact upon which the decision is predicated, 9188  
and shall issue and serve on the bank, trust company, or 9189  
regulated person the decision and an order consistent with the 9190  
decision. Judicial review of the order is exclusively as 9191  
provided in division (B) of this section. Unless a notice of 9192  
appeal is filed in a court of common pleas within thirty days 9193  
after service of the superintendent's order as provided in 9194  
division (B) of this section, and until the record of the 9195  
administrative hearing has been filed, the superintendent may, 9196  
at anytime, upon the notice and in the manner the superintendent 9197

considers proper, modify, terminate, or set aside the 9198  
superintendent's order. After filing the record, the 9199  
superintendent may modify, terminate, or set aside the 9200  
superintendent's order with permission of the court. 9201

(a) A hearing provided for in section 1121.32, 1121.35, or 9202  
1121.41 of the Revised Code shall be confidential, unless the 9203  
superintendent determines that holding an open hearing would be 9204  
in the public interest. Within twenty days after service of the 9205  
notice of a hearing, a respondent may file a written request for 9206  
a public hearing with the superintendent. A respondent's failure 9207  
to file such a request constitutes a waiver of any objections to 9208  
a confidential hearing. 9209

(b) A hearing provided for in section 1121.33 of the 9210  
Revised Code shall be an open hearing. Within twenty days after 9211  
service of the notice of a hearing, a respondent may file a 9212  
written request for a confidential hearing with the 9213  
superintendent. If such a request is received by the 9214  
superintendent, the hearing shall be confidential unless the 9215  
superintendent determines that holding an open hearing would be 9216  
in the public interest. 9217

(2) In the course of, or in connection with, an 9218  
administrative hearing governed by this section, the 9219  
superintendent, or a person designated by the superintendent to 9220  
conduct the hearing, may administer oaths and affirmations, take 9221  
or cause depositions to be taken, and issue, revoke, quash, or 9222  
modify subpoenas and subpoenas duces tecum. At any 9223  
administrative hearing required by section 1121.32, 1121.33, 9224  
1121.35, or 1121.41 of the Revised Code, the record of which may 9225  
be the basis of an appeal to court, a stenographic record of the 9226  
testimony and other evidence submitted shall be taken at the 9227

expense of the division of financial institutions. The record 9228  
shall include all of the testimony and other evidence, and any 9229  
rulings on the admissibility thereof, presented at the hearing. 9230  
The superintendent may adopt rules regarding these hearings. The 9231  
attendance of witnesses and the production of documents provided 9232  
for in this section may be required from any place within or 9233  
outside the state. A party to a hearing governed by this section 9234  
may apply to the court of common pleas of Franklin county, or 9235  
the court of common pleas of the county in which the hearing is 9236  
being conducted or the witness resides or carries on business, 9237  
for enforcement of a subpoena or subpoena duces tecum issued 9238  
pursuant to this section, and the courts have jurisdiction and 9239  
power to order and require compliance with the subpoena. 9240  
Witnesses subpoenaed under this section shall be paid the fees 9241  
and mileage provided for under section 119.094 of the Revised 9242  
Code. 9243

(B) (1) A bank, trust company, or regulated person against 9244  
whom the superintendent issues an order upon the record of a 9245  
hearing under the authority of section 1121.32, 1121.33, 9246  
1121.35, or 1121.41 of the Revised Code may obtain a review of 9247  
the order by filing a notice of appeal in the court of common 9248  
pleas in the county in which the principal place of business of 9249  
the bank, trust company, or regulated person, or residence of 9250  
the regulated person, is located, or in the court of common 9251  
pleas of Franklin county, within thirty days after the date of 9252  
service of the superintendent's order. The clerk of the court 9253  
shall promptly transmit a copy of the notice of appeal to the 9254  
superintendent,~~and~~. Within thirty days after receiving the 9255  
notice of appeal, the superintendent shall file a certified copy 9256  
of the record of the administrative hearing with the clerk of 9257  
the court. In the event of a private hearing, the record of the 9258

administrative hearing shall be filed under seal with the clerk 9259  
of the court. Upon the filing of the notice of appeal, the court 9260  
has jurisdiction, which upon the filing of the record of the 9261  
administrative hearing is exclusive, to affirm, modify, 9262  
terminate, or set aside, in whole or in part, the 9263  
superintendent's order. 9264

(2) The commencement of proceedings for judicial review 9265  
pursuant to division (B) of this section does not, unless 9266  
specifically ordered by the court, operate as a stay of any 9267  
order issued by the superintendent. If it appears to the court 9268  
an unusual hardship to the appellant bank, trust company, or 9269  
regulated person will result from the execution of the 9270  
superintendent's order pending determination of the appeal, and 9271  
the interests of depositors and the public will not be 9272  
threatened by a stay of the order, the court may grant a stay 9273  
and fix its terms. 9274

(C) The superintendent may, in the sole discretion of the 9275  
superintendent, apply to the court of common pleas of the county 9276  
in which the principal place of business of the bank, trust 9277  
company, or regulated person, or residence of the regulated 9278  
person, is located, or the court of common pleas of Franklin 9279  
county, for the enforcement of an effective and outstanding 9280  
superintendent's order issued under section 1121.32, 1121.33, 9281  
1121.34, 1121.35, or 1121.41 of the Revised Code, and the court 9282  
has jurisdiction and power to order and require compliance with 9283  
the superintendent's order. In an action by the superintendent 9284  
pursuant to this division to enforce an order assessing a civil 9285  
penalty issued under section 1121.35 of the Revised Code, the 9286  
validity and appropriateness of the civil penalty is not subject 9287  
to review. 9288

(D) No court has jurisdiction to affect, by injunction or otherwise, the issuance or enforcement of an order issued under section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code or to review, modify, suspend, terminate, or set aside an order issued under section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code, except as provided in this section, in division (G) of section 1121.32 of the Revised Code for an order issued pursuant to division (C) (3) or (4) of section 1121.32 of the Revised Code, or in division (A) (3) of section 1121.34 of the Revised Code for an order issued pursuant to division (A) (1) of section 1121.34 of the Revised Code.

(E) Nothing in this section or in any other section of the Revised Code or rules implementing this or any other section of the Revised Code shall prohibit or limit the superintendent from doing any of the following:

(1) Issuing orders pursuant to section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code;

(2) Individually or contemporaneously taking any other action provided by law or rule with respect to a bank, trust company, or regulated person;

(3) Taking any action provided by law or rule with respect to a bank, trust company, or regulated person, whether alone or in conjunction with another regulatory agency or authority.

**Sec. 1121.41.** (A) The superintendent of financial institutions may issue and serve a notice of charges and intent to issue an order placing a bank or trust company under supervision and appointing a supervisor for the bank or trust company, if, in the opinion of the superintendent, any of the following applies:

(1) In the case of a bank, any of the conditions listed in 9318  
section 1125.09 of the Revised Code for appointing a conservator 9319  
or in section 1125.18 of the Revised Code for taking possession 9320  
of a bank and appointing a receiver, exists. 9321

(2) In the case of a trust company, any of the conditions 9322  
listed in section 1111.32 of the Revised Code for revoking a 9323  
license to do trust business, exists. 9324

(3) The bank or trust company is in such condition that 9325  
the further transaction of business would be hazardous, 9326  
financially or otherwise, to its shareholders, depositors, its 9327  
creditors, or the public. 9328

(B) The notice of charges and intent to issue an order 9329  
placing a bank or trust company under supervision and appointing 9330  
a supervisor shall include all of the following: 9331

(1) A statement of the alleged basis for the 9332  
superintendent's placing the bank or trust company under 9333  
supervision and appointing a supervisor and the period for 9334  
supervision; 9335

(2) A statement of the facts supporting the 9336  
superintendent's placing the bank or trust company under 9337  
supervision and appointing a supervisor; 9338

(3) A statement of the requirements to abate the 9339  
superintendent's placing the bank or trust company under 9340  
supervision and appointing a supervisor; 9341

(4) A statement, in accordance with division (D) of this 9342  
section, of actions the bank or trust company would be 9343  
prohibited from undertaking during the period of supervision 9344  
without the prior approval of the superintendent or the 9345  
supervisor appointed by the superintendent; 9346

- (5) Notice of both of the following: 9347
- (a) The bank or trust company is entitled to a hearing, 9348  
conducted in accordance with section 1121.38 of the Revised 9349  
Code, to determine whether the superintendent should issue an 9350  
order placing the bank or trust company under supervision and 9351  
appointing a supervisor, if the bank or trust company requests 9352  
the hearing within thirty days after service of the 9353  
superintendent's notice of charges and intent to issue an order 9354  
placing the bank or trust company under supervision and 9355  
appointing a supervisor; 9356
- (b) Failure to request the hearing in the time allowed, or 9357  
failure to appear at a hearing timely requested, is consent to 9358  
the issuance of the order placing the bank or trust company 9359  
under supervision and appointing a supervisor. 9360
- (6) Notice that if the bank or trust company makes a 9361  
timely request for a hearing, all of the following apply: 9362
- (a) The bank or trust company may appear at the hearing in 9363  
person, by attorney, or by presenting positions, arguments, and 9364  
contentions in writing. 9365
- (b) At the hearing the bank or trust company may present 9366  
evidence and examine witnesses for and against the bank or trust 9367  
company. 9368
- (c) The hearing will be set for a date within ten days 9369  
after the superintendent's receipt of the request for the 9370  
hearing or a later date mutually agreed to by the bank or trust 9371  
company and the superintendent. 9372
- (C) The superintendent may issue an order placing the bank 9373  
or trust company under supervision and appointing a supervisor, 9374  
if either of the following applies: 9375

- (1) The bank or trust company consents to the issuance of the order; 9376  
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- (2) Upon the record of the hearing the superintendent finds any of the following: 9378  
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- (a) In the case of a bank, any of the conditions listed in section 1125.09 of the Revised Code for appointing a conservator or in section 1125.18 of the Revised Code for taking possession of a bank and appointing a receiver, exists. 9380  
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- (b) In the case of a trust company, any of the conditions listed in section 1111.32 of the Revised Code for revoking a license to do trust business, exists. 9384  
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- (c) The bank or trust company is in such condition that further transaction of business would be hazardous to its shareholders, its depositors, its creditors, or the public. 9387  
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- (D) An order placing a bank or trust company under supervision and appointing a supervisor may prohibit the bank or trust company from doing any of the following during the period of supervision without the prior approval of either the superintendent or the supervisor appointed by the superintendent: 9390  
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- (1) Disposing of, conveying, or encumbering any of its assets; 9396  
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- (2) Withdrawing any of its bank accounts; 9398
- (3) Lending any of its funds; 9399
- (4) Investing any of its funds; 9400
- (5) Transferring any of its property; 9401
- (6) Incurring any debt, obligation, or liability; 9402

<u>(7) Taking any other action specified in the order.</u>	9403
(E) An order placing a bank or trust company under supervision and appointing a supervisor is effective at the time specified in the order which, in the case of an order issued pursuant to division (C) (2) of this section, shall not be less than thirty days after service of the order on the bank or trust company.	9404 9405 9406 9407 9408 9409
(F) An order placing a bank or trust company under supervision and appointing a supervisor remains effective and enforceable as provided in the order, except to the extent the order is stayed, modified, terminated, or set aside by action of the superintendent or a reviewing court.	9410 9411 9412 9413 9414
(G) The cost incident to the supervisor's service shall be fixed and determined by the superintendent, and shall be a charge against the assets and funds of the bank or trust company to be allowed and paid as the superintendent determines.	9415 9416 9417 9418
<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:	9419 9420 9421 9422
(1) Any written agreement or other writing for which a violation may be enforced by the superintendent;	9423 9424
(2) Any final order issued pursuant to section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code;	9425 9426
(3) Any modification or termination of an agreement, other writing, or order made <u>available to the public</u> pursuant to this section.	9427 9428 9429
(B) (1) If, in the superintendent's discretion, the	9430

superintendent determines that ~~publishing-making~~ a written 9431  
agreement or other writing ~~and making it~~ available to the public 9432  
pursuant to division (A) (1) of this section would be contrary to 9433  
the public interest, the superintendent shall not ~~publish the~~ 9434  
~~written agreement or other writing or~~ make it available to the 9435  
public. 9436

(2) If the superintendent determines that ~~publishing-~~ 9437  
~~making a~~ final order ~~and making it~~ available to the public 9438  
pursuant to division (A) (2) of this section would seriously 9439  
threaten the safety and soundness of a state bank or trust 9440  
company, the superintendent may delay ~~the publication~~ making it 9441  
available for a reasonable time. 9442

**Sec. 1121.45.** (A) The superintendent of financial 9443  
institutions may call and convene a meeting with the regulated 9444  
persons the superintendent determines to be appropriate at a 9445  
location within this state and at a date and time established by 9446  
the superintendent upon notice served in accordance with section 9447  
1121.37 of the Revised Code. The regulated persons notified of 9448  
the meeting shall attend the meeting unless excused by the 9449  
superintendent for reasonable cause at the superintendent's sole 9450  
discretion. Failure of a regulated person to attend a meeting 9451  
called and convened in accordance with this division, unless 9452  
excused by the superintendent, is grounds for suspending or 9453  
removing the regulated person from office or imposing civil 9454  
penalties against the regulated person. 9455

(B) If a quorum of the board of directors of a bank or an 9456  
affiliate of a bank attends a meeting called and convened by the 9457  
superintendent pursuant to division (A) of this section, they 9458  
may convene a meeting of the board of directors to address 9459  
matters related to the superintendent's meeting, notwithstanding 9460

any contrary provision of the bank's articles of incorporation, 9461  
code of regulations, or bylaws related to notice of a board of 9462  
directors meeting. 9463

(C) The records of any meeting called and convened in 9464  
accordance with division (A) of this section and the 9465  
discussions, information, and documentation presented at the 9466  
meeting are, in the possession of any person, confidential and 9467  
privileged information and shall not be disclosed except as 9468  
provided in section 1121.18 of the Revised Code. 9469

**Sec. 1121.47.** (A) The superintendent of financial 9470  
institutions may do both of the following: 9471

(1) Summon and compel, by order or subpoena, witnesses to 9472  
appear before the superintendent, deputy superintendent, 9473  
examiner, ~~or attorney-examiner~~, or such other person designated 9474  
by the superintendent and testify under oath regarding the 9475  
affairs of a bank or trust company or, in relation to matters 9476  
concerning a state bank, foreign bank, or trust company, a 9477  
regulated person; 9478

(2) Compel, by order or subpoena, the production of any 9479  
record, book, paper, document, item, or other thing pertaining 9480  
to a bank or trust company or, in relation to matters concerning 9481  
a state bank, foreign bank, or trust company, a regulated 9482  
person. 9483

(B) The superintendent shall serve an order or subpoena 9484  
issued pursuant to division (A) of this section in any manner 9485  
provided by section 1121.37 of the Revised Code. 9486

(C) If a person fails to comply with an order or subpoena 9487  
of the superintendent or refuses to testify to any matter 9488  
regarding which the person is lawfully interrogated before the 9489

division of financial institutions, on application of the 9490  
superintendent, the court of common pleas of the county in which 9491  
the person resides or in which the principal place of business 9492  
of the person is located, or a judge of the court, shall compel 9493  
compliance by attachment proceedings as for contempt in the case 9494  
of noncompliance with a subpoena issued from the court or 9495  
refusal to testify in the court. Failure of a regulated person 9496  
to comply fully with an order or subpoena issued under the 9497  
authority of this section shall be grounds for removing the 9498  
regulated person from office, prohibiting the regulated person 9499  
from participating directly or indirectly in the affairs of a 9500  
bank or trust company, or imposing civil penalties against the 9501  
regulated person. 9502

**Sec. 1121.48.** (A) All suits and court proceedings brought 9503  
by the superintendent of financial institutions shall be brought 9504  
in the name of the state upon the superintendent's relation, and 9505  
shall be conducted by the attorney general or a designee of the 9506  
attorney general. 9507

(B) A suit or court proceeding brought by the 9508  
superintendent may be prosecuted in the court of common pleas of 9509  
Franklin county, or of any other county in which the defendant 9510  
or any of the defendants resides or may be found. 9511

(C) In all suits or court proceedings brought by the 9512  
superintendent, the writ may be sent by regular mail to the 9513  
sheriff of any county, and the sheriff may return the writ by 9514  
regular mail. The sheriff shall be allowed the same mileage and 9515  
fees for the service as would be allowed if the writ had been 9516  
issued from and made returnable to the court of common pleas of 9517  
the sheriff's county. 9518

**Sec. 1121.50.** (A) As used in this section, "independent 9519

auditor" means an external, unaffiliated auditor who has a 9520  
certified public accounting designation that qualifies the 9521  
person to provide an auditor's report. 9522

(B) The superintendent of financial institutions may, when 9523  
circumstances warrant, require a bank or trust company to have 9524  
an independent auditor conduct agreed upon procedures prescribed 9525  
by the superintendent. The independent auditor shall be 9526  
retained, and the expense of the agreed upon procedures shall be 9527  
paid, by the bank or trust company. The agreed upon procedures 9528  
shall be conducted in accordance with standards established by 9529  
the American institute of certified public accountants. 9530

~~(B)~~ (C) The board of directors of the bank or trust 9531  
company shall, within sixty days after receipt of the report 9532  
prepared by the independent auditor for the agreed upon 9533  
procedures conducted pursuant to this section, prepare a 9534  
response to the report and file the report and the board's 9535  
response with the superintendent. A report and response filed 9536  
with the superintendent pursuant to this section may be 9537  
disclosed only as provided in section 1121.18 of the Revised 9538  
Code. 9539

**Sec. 1121.52.** (A) If a state bank is undercapitalized, the 9540  
superintendent of financial institutions shall notify the bank 9541  
of the fact of the undercapitalization. The superintendent may 9542  
require the bank to submit a written capital restoration plan to 9543  
the superintendent within forty-five days after the bank 9544  
receives that notice, unless the superintendent authorizes in 9545  
writing a longer period of time. 9546

(B) A capital restoration plan required under this section 9547  
shall specify all of the following: 9548

(1) The steps the state bank will take to become 9549  
adequately capitalized; 9550

(2) The levels of capital to be attained during the time 9551  
frame in which the plan will be in effect; 9552

(3) The types and levels of activities in which the bank 9553  
will engage; 9554

(4) Any other information the superintendent may require. 9555

(C) The superintendent shall approve a capital restoration 9556  
plan submitted under this section if the superintendent 9557  
determines that the plan meets both of the following conditions: 9558

(1) It is based on realistic assumptions and is likely to 9559  
succeed in restoring the bank's capital. 9560

(2) It would not appreciably increase the risk, including 9561  
credit risk and interest rate risk, to which the bank is 9562  
exposed. 9563

(D) If the superintendent fails to approve a state bank's 9564  
capital restoration plan, the superintendent shall notify the 9565  
bank and require it to submit a revised plan within a time 9566  
period specified by the superintendent. Upon serving that 9567  
notice, the superintendent may immediately appoint a conservator 9568  
for the bank or take any other action authorized under section 9569  
1121.32, 1121.33, 1121.34, 1121.35, 1121.41, or 1121.46 of the 9570  
Revised Code or any other law or rule. 9571

(E) Both of the following apply to any state bank that has 9572  
submitted and is operating under a capital restoration plan 9573  
approved under this section: 9574

(1) The bank shall not be required to submit an 9575  
additional capital restoration plan based on a revised 9576

calculation of its capital measures unless specifically required 9577  
to do so by the superintendent. A state bank that is notified 9578  
that it must submit a new or revised plan shall file a written 9579  
plan with the superintendent within thirty days after the bank 9580  
receives the notice, unless the superintendent authorizes in 9581  
writing a different period of time. 9582

(2) The bank may, after prior written notice to and 9583  
approval by the superintendent, amend its capital restoration 9584  
plan to reflect a change in circumstance. Until such time as a 9585  
proposed amendment is approved by the superintendent, the bank 9586  
shall implement the plan in its current form. 9587

(F) (1) If an undercapitalized bank fails to submit a 9588  
capital restoration plan required under this section within the 9589  
designated period of time, upon expiration of that period, the 9590  
superintendent may immediately appoint a conservator for the 9591  
bank or take any other action authorized under section 1121.32, 9592  
1121.33, 1121.34, 1121.35, 1121.41, or 1121.46 of the Revised 9593  
Code or any other law or rule. 9594

(2) If an undercapitalized bank fails, in any material 9595  
respect, to implement a capital restoration plan required under 9596  
this section, the superintendent may immediately appoint a 9597  
conservator for the bank or take any other action authorized 9598  
under section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of 9599  
the Revised Code or any other law or rule. 9600

(G) Nothing in this section prohibits the superintendent 9601  
from requiring a state bank to submit a capital restoration plan 9602  
at any other time the superintendent considers necessary. 9603

**Sec. 1121.56.** Neither the superintendent of financial 9604  
institutions ~~nor~~, any employee, agent, or contractor of the 9605

division of financial institutions, or any supervisor appointed 9606  
by the superintendent under this chapter is liable in any civil, 9607  
criminal, or administrative proceeding for any mistake of 9608  
judgment or discretion in any action taken, or any omission 9609  
made, in good faith within the scope of the person's official 9610  
capacity as assigned by the superintendent. 9611

**Sec. 1123.01.** (A) There is hereby created in the division 9612  
of financial institutions a banking commission which shall 9613  
consist of ~~seven~~ nine members. The deputy superintendent for 9614  
banks shall be a member of the commission and its chairperson. 9615  
The governor, with the advice and consent of the senate, shall 9616  
appoint the remaining ~~six~~ eight members. 9617

(B) After the second Monday in January of each year, the 9618  
governor shall appoint two members. Terms of office shall be for 9619  
~~three~~ four years commencing on the first day of February and 9620  
ending on the thirty-first day of January. Each member shall 9621  
hold office from the date appointed until the end of the term 9622  
for which appointed. In the case of a vacancy in the office of 9623  
any member, the governor shall appoint a successor who shall 9624  
hold office for the remainder of the term for which the 9625  
successor's predecessor was appointed. Any member shall continue 9626  
in office subsequent to the expiration date of the member's term 9627  
until the member's successor is appointed, or until sixty days 9628  
have elapsed, whichever occurs first. 9629

(C) No person appointed as a member of the commission may 9630  
serve more than two consecutive full terms. However, a member 9631  
may serve two consecutive full terms following the remainder of 9632  
a term for which the member was appointed to fill a vacancy. 9633

(D) (1) At least ~~three~~ six of the ~~six~~ eight members 9634  
appointed to the commission shall be, at the time of 9635

appointment, executive officers of state banks ~~transacting~~ 9636  
~~business under authority granted by the superintendent of~~ 9637  
~~financial institutions,~~ and ~~four~~ all of the ~~six~~ members 9638  
appointed to the commission shall have banking experience as a 9639  
director or officer of a bank, savings bank, or savings 9640  
association insured by the federal deposit insurance 9641  
corporation, a bank holding company, or a savings and loan 9642  
holding company. The membership of the commission shall be 9643  
representative of the banking industry as a whole, including 9644  
representatives of banks of various asset sizes and ownership 9645  
structures, as determined by the governor after consultation 9646  
with the superintendent of financial institutions ~~from time to~~ 9647  
~~time.~~ 9648

(2) No person who has been convicted of, or has pleaded 9649  
guilty to, a felony involving an act of fraud, dishonesty or, 9650  
breach of trust, theft, or money laundering shall take or hold 9651  
office as a member of the banking commission. 9652

(E) The members of the commission shall receive no salary, 9653  
but their expenses incurred in the performance of their duties 9654  
shall be paid from funds appropriated for that purpose. 9655

(F) The governor may remove any of the ~~six~~ eight members 9656  
appointed to the commission whenever in the governor's judgment 9657  
the public interest requires removal. Upon removing a member of 9658  
the commission, the governor shall file with the superintendent 9659  
a statement of the cause for the removal. 9660

**Sec. 1125.01.** (A) As used in this chapter, "court" means 9661  
the court of common pleas of the county in which the principal 9662  
place of business of a state bank, as set forth in its articles 9663  
of incorporation, is located or of any other county determined 9664  
by the superintendent of financial institutions to be 9665

appropriate under the circumstances. 9666

(B) The court shall have exclusive original jurisdiction 9667  
of any action or proceeding relating to or arising out of the 9668  
taking of possession of the property and business of a state 9669  
bank under this chapter, whether before or after the bank is 9670  
wound up and dissolved, as well as any action or other 9671  
proceeding brought under this chapter. 9672

(C) Whenever the approval of the court is required for any 9673  
act under this chapter, that approval may be given with or 9674  
without a hearing held upon whatever notice, if any, the court 9675  
may direct, unless otherwise provided in this chapter. At a 9676  
hearing, the court, by order, may approve the actions 9677  
petitioned. 9678

**Sec. 1125.03.** (A) A state bank may proceed with a 9679  
voluntary liquidation and be closed only with both the consent 9680  
of the superintendent of financial institutions and the prior 9681  
approval of the shareholders or members of the bank by a vote as 9682  
provided for in its articles of incorporation, if not less than 9683  
a majority. 9684

(B) Prior to instituting a voluntary liquidation, a state 9685  
bank shall submit to the superintendent an application for 9686  
approval of its plan of voluntary liquidation and evidence 9687  
satisfactory to the superintendent that the plan has been 9688  
properly adopted by the bank and approved by its shareholders or 9689  
members. 9690

(C) A state bank's plan of voluntary liquidation shall 9691  
include provisions for all of the following: 9692

(1) The settlement of all debts and liabilities, including 9693  
the claims of account holders, owed by the bank; 9694

(2) The distribution of the bank's assets that remain 9695  
after the settlement of debts and liabilities to all persons 9696  
entitled to them; 9697

(3) The disposition or maintenance of any remaining or 9698  
unclaimed funds, real or personal property, either tangible or 9699  
intangible, or other assets, whether in trust or otherwise, 9700  
including the contents of safe deposit boxes or vaults; 9701

(4) The retention of the bank's records in accordance with 9702  
section 1109.69 of the Revised Code; 9703

(5) The date upon which the bank shall cease doing any 9704  
banking business and surrender its banking license to the 9705  
superintendent. 9706

(D) Upon receipt of a plan of voluntary liquidation, the 9707  
superintendent shall make an examination of the bank and shall 9708  
consent to or deny an application for approval of a plan based 9709  
upon the superintendent's evaluation of whether or not the 9710  
interests of the bank's depositors and creditors will suffer by 9711  
the liquidation. 9712

(E) The superintendent's consent to an application for 9713  
approval of a plan of voluntary liquidation may be subject to 9714  
any condition the superintendent determines appropriate under 9715  
the circumstances. 9716

**Sec. 1125.04.** (A) If the superintendent of financial 9717  
institutions consents to a voluntary liquidation, the 9718  
superintendent shall cause a certified copy of the consent to be 9719  
filed in the office of the secretary of state, and the state 9720  
bank to be liquidated shall do both of the following: 9721

(1) Publish a notice of the voluntary liquidation once a 9722  
week for four consecutive weeks in a newspaper of general 9723

circulation in the county in which the bank's principal place of 9724  
business is located; 9725

(2) Give written notice of the voluntary liquidation, 9726  
either personally or by mail, to all known creditors of and all 9727  
known claimants against the bank. 9728

(B) Compliance with the notice and publication 9729  
requirements of division (A) of this section satisfies any 9730  
duplicate or similar notice and publication requirements of 9731  
Chapter 1701. of the Revised Code. 9732

**Sec. 1125.05.** (A) A voluntary liquidation of a state bank 9733  
shall be conducted only with the continued supervision of the 9734  
superintendent of financial institutions. The superintendent may 9735  
conduct any additional examinations of the bank the 9736  
superintendent considers necessary or appropriate. 9737

(B) If the superintendent has reason to conclude the 9738  
liquidation of a state bank is not being safely or expeditiously 9739  
conducted, the superintendent may take possession of the 9740  
business and property of the bank in the same manner, with the 9741  
same effect, and subject to the same rights accorded the bank as 9742  
if the superintendent had taken possession under the 9743  
receivership provisions of this chapter. The superintendent may 9744  
proceed to liquidate the affairs of the bank in the same manner 9745  
as otherwise provided in this chapter. 9746

**Sec. 1125.06.** Upon completion of a voluntary liquidation, 9747  
the liquidated state bank shall submit to the superintendent of 9748  
financial institutions all documents required under Chapter 9749  
1701. of the Revised Code for a dissolution. The superintendent 9750  
shall consent to the dissolution, and shall cause a certified 9751  
copy of the consent to be filed, along with the bank's 9752

dissolution documents, in the office of the secretary of state. 9753

**Sec. 1125.09.** The superintendent of financial institutions 9754  
may appoint a conservator to take possession of the property and 9755  
business of a state bank and to retain possession until the bank 9756  
resumes business or a receiver is appointed, as provided for in 9757  
this chapter, if the superintendent finds any one or more of the 9758  
following conditions: 9759

(A) The bank is in an unsafe or unsound condition to 9760  
continue the business of banking. 9761

(B) The bank is insolvent, in that it has ceased to pay 9762  
its debts in the ordinary course of business, it is incapable of 9763  
paying its debts as they mature, or it has liabilities in excess 9764  
of its assets. 9765

(C) The bank has committed a violation of law that has 9766  
caused or that threatens substantial injury to any of the 9767  
public, the banking industry, or the bank's depositors or other 9768  
creditors. 9769

(D) The bank has refused to submit its records of account, 9770  
papers, or affairs to the inspection or examination of any 9771  
federal agency or the superintendent. 9772

(E) The bank has failed to pay its deposits or obligations 9773  
in accordance with the terms under which the deposits were taken 9774  
or the obligations were incurred. 9775

(F) A majority of the board of directors of the bank or a 9776  
majority of its shareholders or members has requested the 9777  
superintendent to appoint a conservator to take possession of 9778  
the bank. 9779

(G) Either all positions on the board of directors of the 9780

bank are vacant or all of the directors then in office are 9781  
incapacitated or otherwise unable to perform their 9782  
responsibilities. 9783

(H) The bank has violated any court order, statute, rule, 9784  
or regulation, or its articles of incorporation, and the 9785  
superintendent determines the continued control of its own 9786  
affairs threatens injury to any of the public, the banking 9787  
industry, or the bank's depositors or other creditors. 9788

(I) The bank's status as an insured institution has been 9789  
terminated by the federal deposit insurance corporation. 9790

**Sec. 1125.10.** (A) If it appears to the superintendent of 9791  
financial institutions that any one or more of the conditions 9792  
set forth in section 1125.09 of the Revised Code exists as to 9793  
any state bank, the superintendent may appoint a conservator, 9794  
which appointment may include the superintendent, and thereafter 9795  
may dismiss or replace the conservator as the superintendent 9796  
determines necessary or advisable. The superintendent may fix 9797  
the compensation to be paid the conservator and the amount of 9798  
the bond or other security, if any, to be required. 9799

(B) The superintendent may, from time to time, appoint one 9800  
or more special deputy superintendents as agent or agents to 9801  
assist in the duties of conservatorship. 9802

(C) The superintendent, any special deputy 9803  
superintendents, or a conservator may employ and procure 9804  
whatever assistance or advice is necessary in the 9805  
conservatorship of the bank, and, for that purpose, may retain 9806  
officers or employees of the bank as needed. 9807

(D) The superintendent may terminate the conservatorship 9808  
at any time, and may appoint a receiver for liquidation of the 9809

bank on any of the grounds provided in this chapter for 9810  
appointment of a receiver. 9811

(E) All expenses of a conservatorship shall be paid out of 9812  
the assets of the bank, and shall be a lien on the bank's 9813  
assets, which lien shall be prior to any other lien. 9814

**Sec. 1125.11.** (A) Upon the appointment of a conservator, 9815  
the superintendent of financial institutions shall file a 9816  
certified copy of the certificate of appointment in the office 9817  
of the secretary of state, and thereafter no person shall obtain 9818  
a lien or charge upon any assets of the state bank for any 9819  
payment, advance, clearance, or liability thereafter made or 9820  
incurred, nor shall the directors, officers, or agents of the 9821  
bank thereafter have authority to act on behalf of the bank or 9822  
to convey, transfer, assign, pledge, mortgage, or encumber any 9823  
of the bank's assets. 9824

(B) The filing of the certificate of appointment in 9825  
accordance with this section shall not be a condition to either 9826  
the superintendent's taking possession of the property and 9827  
business of a state bank or appointing a conservator for a state 9828  
bank. 9829

**Sec. 1125.12.** (A) A conservator, under the supervision of 9830  
the superintendent of financial institutions and subject to any 9831  
limitations imposed by the superintendent, shall have all of the 9832  
following powers: 9833

(1) To take possession of all books, records of account, 9834  
and assets of the state bank; 9835

(2) To have and exercise, in the name and on behalf of the 9836  
bank, all the rights, powers, and authority of the officers and 9837  
directors of the bank and all voting rights of its shareholders 9838

<u>or members;</u>	9839
(3) To collect all debts, claims, and judgments belonging to the bank and to take any other action, including the lending of money, necessary to the operation of the bank during the conservatorship;	9840 9841 9842 9843
(4) To execute in the name of the bank any instrument necessary or proper to effectuate the conservator's powers or perform its duties as conservator;	9844 9845 9846
(5) To initiate, pursue, compromise, and defend litigation involving any right, claim, interest, or liability of the bank;	9847 9848
(6) To exercise all fiduciary functions of the bank as of the date of appointment as conservator;	9849 9850
(7) To borrow money as necessary in the operation of the bank, and to secure those borrowings by the pledge or mortgage of the assets of the bank;	9851 9852 9853
(8) To abandon or convey title to any holder of a deed of trust, mortgage, or similar lien against property in which the bank has an interest, whenever the conservator determines that continuing to claim that interest is burdensome and of no advantage to the bank or its account holders, creditors, <del>or</del> shareholders, <u>or members;</u>	9854 9855 9856 9857 9858 9859
(9) If done <u>in good faith</u> within the ordinary course of business or financial affairs of the bank and according to ordinary business terms, to sell any and all assets, to compromise any debt, claim, obligation, or judgment due to the bank, to discontinue any pending action or other proceeding, and to implement a restructuring of the bank in accordance with this chapter.	9860 9861 9862 9863 9864 9865 9866

(B) Title to any assets of the bank does not vest in the conservator. 9867  
9868

**Sec. 1125.13.** During the period of the conservatorship, 9869  
all of the following apply: 9870

(A) The conservator may permit the state bank to continue 9871  
to conduct its usual business, including the acceptance of 9872  
deposits. 9873

(B) The obligations of the state bank shall continue to 9874  
bear interest at the rate contracted. 9875

(C) The conservator shall make whatever reports to the 9876  
superintendent of financial institutions the superintendent may 9877  
from time to time require. 9878

**Sec. 1125.14.** (A) The conservator shall evaluate the 9879  
business and assets of the state bank and, after conducting 9880  
whatever investigations the circumstances may require, shall 9881  
recommend to the superintendent of financial institutions that 9882  
either the conservatorship of the bank be terminated or the 9883  
superintendent appoint a receiver and the bank be liquidated as 9884  
otherwise provided in this chapter. The conservator shall 9885  
consult with the board of directors of the bank before making 9886  
the recommendation. 9887

(B) The conservator of the bank may submit a plan to the 9888  
superintendent for approval to restructure the bank in a manner 9889  
designed to return the bank to the control of its shareholders 9890  
or members. As part of the plan, the conservator may take any 9891  
steps the superintendent approves regarding the management, 9892  
operations, or assets of the bank, including the sale of some or 9893  
all of the bank's assets. The conservator shall consult with the 9894  
board of directors of the bank regarding any proposed sale of 9895

all or substantially all of the bank's assets. 9896

(C) The superintendent may require the conservator to 9897  
submit the plan to the shareholders or members of the bank as 9898  
provided in division (D) of this section or to submit a new or 9899  
revised plan for consideration by the superintendent. 9900

(D) If the conservator's plan is submitted to the 9901  
shareholders or members pursuant to division (C) of this 9902  
section, the superintendent shall designate the contents of 9903  
notice of the vote that is to be forwarded from the conservator 9904  
to the shareholders or members and shall designate the date upon 9905  
which notice is to be forwarded. The date of the shareholder or 9906  
member vote shall be determined by the superintendent, but shall 9907  
not occur earlier than seven days or later than forty-five days 9908  
after the date of the notice. 9909

If the majority of the shareholders or members do not 9910  
approve the plan, the superintendent may request submission of a 9911  
new plan or proceed to appoint a receiver without regard to the 9912  
grounds for appointment of a receiver as otherwise provided in 9913  
this chapter. If the majority of the shareholders or members 9914  
approve the plan, the superintendent may terminate the 9915  
conservatorship, and the shareholders or members shall elect 9916  
directors to manage the bank. 9917

(E) The superintendent, at any time, including after the 9918  
date notice of a vote is provided to shareholders or members of 9919  
the bank under division (D) of this section, may revoke a 9920  
previously approved plan of the conservator and either provide 9921  
for, or request submission of, a new plan or proceed with 9922  
receivership under this chapter. 9923

**Sec. 1125.17.** This chapter provides the full and exclusive 9924

powers and procedures for the liquidation of state banks under 9925  
the laws of this state, and no receiver or other liquidating 9926  
agent shall be appointed for that purpose except as expressly 9927  
provided in this chapter. 9928

**Sec. 1125.18.** The superintendent of financial institutions 9929  
may take possession of the property and business of a state bank 9930  
if the superintendent finds any one or more of the following 9931  
conditions: 9932

(A) The bank is in an unsafe or unsound condition to 9933  
continue the business of banking. 9934

(B) The bank is insolvent, in that it has ceased to pay 9935  
its debts in the ordinary course of business, it is incapable of 9936  
paying its debts as they mature, or it has liabilities in excess 9937  
of its assets. 9938

(C) The bank has refused to submit its records or affairs 9939  
to the inspection or examination of any federal bank regulatory 9940  
agency or the superintendent. 9941

(D) The bank has failed to pay its deposits or obligations 9942  
in accordance with the terms under which the deposits were taken 9943  
or the obligations were incurred. 9944

(E) A majority of the board of directors of the bank has 9945  
requested the superintendent to appoint a receiver to take 9946  
possession of the bank for the benefit of account holders, 9947  
creditors, ~~or~~ shareholders, or members. 9948

(F) The bank has violated any order of a court or of the 9949  
superintendent, any statute, rule, or regulation, or its 9950  
articles of incorporation, and the superintendent determines the 9951  
continued control of its own affairs threatens injury to any of 9952  
the public, the banking industry, or the bank's depositors or 9953

other creditors. 9954

(G) The bank's status as an insured institution has been 9955  
terminated by the federal deposit insurance corporation. 9956

(H) ~~The~~ (1) In the case of a stock state bank, the bank 9957  
has an impairment of paid-in capital. 9958

(2) In the case of a mutual state bank, the bank has an 9959  
impairment of retained earnings. 9960

**Sec. 1125.19.** (A) Upon issuing a written finding that any 9961  
one or more of the conditions set forth in section 1125.18 of 9962  
the Revised Code for taking possession of a state bank exists 9963  
and taking possession of the state bank, the superintendent of 9964  
financial institutions shall file a certified copy of the 9965  
finding and the notice of possession with the court. 9966

(B) Upon the appointment of a receiver, the superintendent 9967  
shall file a certified copy of the certificate of appointment in 9968  
the office of the secretary of state and with the court. 9969

(C) After the superintendent files the finding of the 9970  
superintendent or the certificate of appointment of the 9971  
receiver, whichever occurs first, no person shall obtain a lien 9972  
or charge upon any assets of the bank for any payment, advance, 9973  
clearance, or liability thereafter incurred, nor shall the 9974  
directors, officers, or agents of the bank have authority to act 9975  
on behalf of the bank or to convey, transfer, assign, pledge, 9976  
mortgage, or encumber any assets of the bank. 9977

(D) Upon taking possession of the bank, the superintendent 9978  
shall post or cause to be posted an appropriate notice of 9979  
closing at the main entrance of each of the bank's banking 9980  
offices. 9981

(E) Neither filing nor posting of notice in accordance 9982  
with this section shall be a condition to either the 9983  
superintendent's taking possession of the property and business 9984  
of a state bank or appointing a receiver for a state bank. 9985

**Sec. 1125.20.** (A) If it appears to the superintendent of 9986  
financial institutions that any one or more of the conditions 9987  
set forth in section 1125.18 of the Revised Code exists as to 9988  
any state bank, the superintendent shall tender appointment as 9989  
receiver to the federal deposit insurance corporation if any 9990  
deposits in the state bank are insured by the federal deposit 9991  
insurance corporation, and may tender appointment as receiver to 9992  
the federal deposit insurance corporation in any other case. 9993  
Upon acceptance of the appointment as receiver, the federal 9994  
deposit insurance corporation shall not be required to post a 9995  
bond. In addition to the powers of a receiver set forth in this 9996  
chapter, the federal deposit insurance corporation, as receiver, 9997  
may exercise any other liquidation or receivership powers 9998  
authorized by state or federal law for a receiver of a bank. 9999

(B) If the federal deposit insurance corporation declines 10000  
to accept the tendered appointment or if the superintendent is 10001  
not required to tender appointment as receiver to the federal 10002  
deposit insurance corporation, the superintendent may appoint, 10003  
and thereafter dismiss or replace, any other receiver, including 10004  
the superintendent, the superintendent determines to be 10005  
necessary or advisable. The superintendent may fix the 10006  
compensation to be paid the receiver and the amount of the bond 10007  
or other security, if any, to be required. 10008

(C) The superintendent may, from time to time, appoint one 10009  
or more special deputy superintendents as agent or agents to 10010  
assist in the duties of receivership or of liquidation and 10011

distribution. No agent so appointed shall be subject to section 10012  
1181.05 of the Revised Code. 10013

(D) The superintendent, any special deputy 10014  
superintendents, or a receiver may employ and procure whatever 10015  
assistance or advice is necessary in the receivership or 10016  
liquidation and distribution of the assets of the bank, and, for 10017  
that purpose, may retain officers or employees of the bank as 10018  
needed. 10019

(E) All expenses of a receivership and liquidation shall 10020  
be paid out of the assets of the bank, and shall be a lien on 10021  
the bank's assets, which lien shall be prior to any other lien. 10022

**Sec. 1125.21.** Upon the superintendent of financial 10023  
institutions' appointment of a receiver, title to all of the 10024  
state bank's assets shall vest in the receiver without the 10025  
execution of any instrument of conveyance, assignment, transfer, 10026  
or endorsement. 10027

**Sec. 1125.22.** (A) A receiver shall have all of the 10028  
following powers: 10029

(1) To take possession of all books, records of account, 10030  
and assets of the state bank; 10031

(2) To collect all debts, claims, and judgments belonging 10032  
to the bank and to take any other action, including the lending 10033  
of money, necessary to preserve and liquidate the assets of the 10034  
bank; 10035

(3) To execute in the name of the bank any instrument 10036  
necessary or proper to effectuate the receiver's powers or 10037  
perform its duties as receiver; 10038

(4) To initiate, pursue, compromise, and defend litigation 10039

involving any right, claim, interest, or liability of the bank;	10040
(5) To exercise all fiduciary functions of the bank as of	10041
the date of appointment as receiver;	10042
(6) To borrow money as necessary in the liquidation of the	10043
bank, and to secure those borrowings by the pledge or mortgage	10044
of assets of the bank;	10045
(7) To abandon or convey title to any holder of a deed of	10046
trust, mortgage, or similar lien against property in which the	10047
bank has an interest, whenever the receiver determines that	10048
continuing to claim that interest is burdensome and of no	10049
advantage to the bank or its account holders, creditors, <del>or</del>	10050
shareholders, <u>or members</u> ;	10051
(8) To sell any and all assets, to compromise any debt,	10052
claim, obligation, or judgment due to the bank, to discontinue	10053
any pending action or other proceeding, and to sell or otherwise	10054
transfer all or a substantial portion of the assets or	10055
liabilities of the bank;	10056
(9) To establish ancillary receiverships in any	10057
jurisdiction the receiver determines necessary;	10058
(10) To distribute assets in accordance with this chapter;	10059
(11) To take any other action incident to the powers set	10060
forth in division (A) of this section.	10061
(B) Unless specifically indicated to the contrary, the	10062
powers conferred upon a receiver under this section may be	10063
exercised without court approval. However, nothing in this	10064
section shall be construed to prevent a receiver from obtaining	10065
court approval when the receiver determines approval is	10066
appropriate under the circumstances.	10067

**Sec. 1125.23.** (A) The receiver shall promptly cause notice 10068  
of the claims procedure to be published once a month for two 10069  
consecutive months in a local newspaper of general circulation 10070  
and to be mailed to each person whose name appears as a creditor 10071  
upon the books of the state bank, at the last address of record. 10072

(B) (1) All parties having claims of any kind against the 10073  
bank, including prior judgments and claims of security, 10074  
preference, priority, and offset, shall present their claims 10075  
substantiated by legal proof to the receiver within one hundred 10076  
eighty days after the date of the first publication of notice of 10077  
the claims procedure or after actual receipt of notice of the 10078  
claims procedure, whichever occurs first. 10079

(2) Within one hundred eighty days after receipt of a 10080  
claim, the receiver shall notify the claimant in writing whether 10081  
the claim has been allowed or disallowed. The receiver may 10082  
reject any claim in whole or in part, or may reject any claim of 10083  
security, preference, priority, or offset against the bank. Any 10084  
claimant whose claim has been rejected by the receiver shall 10085  
petition the court for a hearing on the claim within sixty days 10086  
after the date the notice was mailed or be forever barred from 10087  
asserting the rejected claim. 10088

(C) Any claims filed after the claim period and 10089  
subsequently accepted by the receiver or allowed by the court, 10090  
shall be entitled to share in the distribution of assets only to 10091  
the extent of the undistributed assets in the hands of the 10092  
receiver on the date the claims are accepted or allowed. 10093

**Sec. 1125.24.** (A) All claims against the state bank's 10094  
estate and expenses, proved to the receiver's satisfaction or 10095  
approved by the court, shall be paid in the following order: 10096

(1) Expenses of liquidation and receivership, including	10097
money borrowed under authority of division (A) (6) of section	10098
1125.22 or division (A) (7) of section 1125.12 of the Revised	10099
Code and interest on it, and claims for fees and assessments due	10100
the superintendent of financial institutions;	10101
(2) Claims given priorities under other provisions of	10102
state or federal law;	10103
(3) <u>Wages and salaries, or commissions, including</u>	10104
<u>vacation, severance, and sick leave pay,</u> of officers and	10105
employees earned during the one-month period preceding the date	10106
of the bank's closing in an amount, before applicable taxes and	10107
other withholdings, that does not exceed one thousand dollars	10108
for any one person;	10109
(4) Deposit obligations;	10110
(5) Other general liabilities;	10111
(6) Obligations subordinated to deposits and other general	10112
liabilities.	10113
(B) Interest shall be given the same priority as the claim	10114
on which it is based, but no interest shall be paid on any claim	10115
until the principal of all claims within the same class has been	10116
paid or provided for in full.	10117
(C) Any funds remaining after satisfying the requirements	10118
of divisions (A) and (B) of this section shall be paid to the	10119
shareholders <u>or members</u> .	10120
(D) Payment on claims shall be made pro rata among claims	10121
of the kind specified in each class set forth in division (A) of	10122
this section.	10123
(E) Subject to the approval of the court, the receiver may	10124

designate a separate class of claims consisting only of every 10125  
unsecured claim that is less than, or reduced to, an amount the 10126  
court approves for payment as reasonable and necessary for 10127  
administrative convenience. 10128

(F) Subject to the approval of the court, the receiver may 10129  
make periodic and interim liquidating dividends or payments. 10130

**Sec. 1125.25.** (A) Within one hundred days after the date 10131  
of the closing of a state bank, a receiver may reject any 10132  
executory contract to which the bank is a party without any 10133  
further liability on the part of the bank or the receiver. The 10134  
receiver's election to reject an executory contract creates no 10135  
claim for compensation other than compensation accrued to the 10136  
date of termination or for actual damages. 10137

(B) A receiver may ratify and assign any executory 10138  
contract to which the bank is a party notwithstanding the 10139  
existence of a provision in the contract permitting the 10140  
termination of the executory contract, or prohibiting, 10141  
conditioning, or requiring consent to any assignment of the 10142  
executory contract, upon the insolvency of the bank or the 10143  
appointment of a receiver. 10144

**Sec. 1125.26.** Whenever the federal deposit insurance 10145  
corporation pays or makes available for payment the insured 10146  
deposit liabilities of a state bank, the federal deposit 10147  
insurance corporation, whether or not it acts as receiver, shall 10148  
be subrogated to the extent of the payments to all rights of 10149  
depositors against the bank. 10150

**Sec. 1125.27.** (A) The receiver may appoint a successor to 10151  
all rights, obligations, assets, deposits, agreements, and 10152  
trusts held by the closed state bank as trustee, administrator, 10153

executor, guardian, agent, or in any other fiduciary or 10154  
representative capacity. The successor's duties and obligations 10155  
commence upon appointment to the same extent they are binding 10156  
upon the former bank and as though the successor had originally 10157  
assumed the duties and obligations. Specifically, the successor 10158  
shall succeed to and be entitled to administer all trusteeships, 10159  
administrations, executorships, guardianships, agencies, and all 10160  
other fiduciary or representative proceedings to which the 10161  
closed bank is named or appointed in wills, whenever probated, 10162  
or to which it is appointed by any other instrument, court 10163  
order, or operation of law. 10164

(B) Within sixty days after appointment, the successor 10165  
shall give written notice, insofar as practicable, to all 10166  
interested parties named in the books and records of the bank or 10167  
in trust documents held by it, that the successor has been 10168  
appointed in accordance with state law. 10169

(C) Nothing in this section shall be construed to impair 10170  
any right of the grantor or beneficiaries of trust assets to 10171  
secure the appointment of a substituted trustee or manager. 10172

**Sec. 1125.28.** (A) The filing with the court of the finding 10173  
of the superintendent of financial institutions or the 10174  
certificate of appointment of the receiver, whichever occurs 10175  
first, operates as an automatic stay from the date of the 10176  
filing, subject to the court granting a motion for relief from 10177  
the stay, applicable to all ~~entities~~ persons, of both of the 10178  
following: 10179

(1) The commencement or continuation, including the 10180  
issuance or employment of process, of a judicial, 10181  
administrative, or other action or proceeding against the state 10182  
bank that was or could have been commenced before the filing; 10183

(2) The enforcement against the bank of a judgment or other claim obtained before the filing, including claims of security, preference, priority, and offset. 10184  
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(B) Upon the filing with the court of the finding of the superintendent or the certificate of appointment of the receiver, whichever occurs first, any other pending judicial, administrative, or other action or proceeding against the bank shall, upon motion of the receiver, be consolidated into one action or transferred as a separate matter before the presiding judge of the court having jurisdiction of the receivership, subject, however, to the automatic stay provided in division (A) of this section. Subject to the receiver's option to have an action later consolidated or transferred, any action commenced after the superintendent's filing shall be filed as a separate matter before the presiding judge in the court having jurisdiction over the receivership. 10187  
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(C) The superintendent, prior to the appointment of a receiver, or the receiver, after its appointment, shall be the only party named in an action involving a state bank subject to this chapter. 10200  
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(D) Any action seeking to enjoin the superintendent's order appointing a receiver of a state bank shall be brought prior to the date the receiver sells all or substantially all of the assets of the bank, prior to the date the receiver transfers all or substantially all of the insured deposits to an assuming institution, or within ten days after the issuance of the order, whichever is earliest. 10204  
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**Sec. 1125.29.** (A) When a receiver has completed the liquidation of a state bank, the receiver shall, with notice to the superintendent of financial institutions, petition the court 10211  
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for an order declaring the bank properly wound up and dissolved. 10214

(B) After whatever notice and hearing, if any, the court 10215  
may direct, the court may make an order declaring the bank 10216  
properly wound up and dissolved. The order shall do both of the 10217  
following, to the extent applicable: 10218

(1) Declare all of the following: 10219

(a) The bank has been properly wound up. 10220

(b) All known assets of the bank have been distributed 10221  
according to the distribution priorities set forth in this 10222  
chapter. 10223

(c) The bank is dissolved. 10224

(2) If there are known debts or liabilities, describe the 10225  
provision made for their payment, setting forth whatever 10226  
information may be necessary to enable the creditor or other 10227  
person to whom payment is to be made to appear and claim payment 10228  
of the debt or liability. 10229

(C) The order shall confirm a plan by the receiver for the 10230  
disposition or maintenance of any remaining real or personal 10231  
property or other assets, whether held in trust or otherwise and 10232  
including the contents of safe deposit boxes or vaults, held by 10233  
the bank for its account holders, creditors, lessees, ~~or~~ 10234  
shareholders, or members. The plan shall include written notice 10235  
to all known owners or beneficiaries of the assets, to be sent 10236  
by first class mail to each individual's address as shown on the 10237  
records of the bank. 10238

(D) The court may make whatever additional orders and 10239  
grant whatever further relief it determines proper upon the 10240  
evidence submitted. 10241

(E) Once the order is made declaring the bank dissolved, 10242  
the corporate existence of the bank shall cease, except for 10243  
purposes of any necessary additional winding up. 10244

(F) Once the order is made declaring the bank dissolved, 10245  
the receiver shall promptly file a copy of the order, certified 10246  
by the clerk of the court, with both the secretary of state and 10247  
the superintendent. 10248

**Sec. 1125.30.** Subject to the approval of the court, the 10249  
receiver may destroy the records of the state bank in accordance 10250  
with section 1109.69 of the Revised Code after the receiver 10251  
determines there is no further need for them. However, the 10252  
receiver shall not destroy the records earlier than six months 10253  
after the date the bank is declared dissolved by the court. 10254

**Sec. 1125.33.** (A) No damages may be awarded in a 10255  
proceeding brought pursuant to this chapter challenging any 10256  
action by the superintendent of financial institutions, special 10257  
deputy superintendent, receiver, or conservator, or any employee 10258  
of any of them, or any person retained for services under this 10259  
chapter. Any action for damages shall be brought in the court as 10260  
a separate action. 10261

(B) The superintendent, special deputy superintendent, 10262  
receiver, conservator, or any employee of any of them, or any 10263  
person retained for services under this chapter, is not subject 10264  
to any civil liability or penalty, or to any criminal 10265  
prosecution, for any error in judgment or discretion made in 10266  
good faith in any action taken or omitted in an official 10267  
capacity under this chapter. 10268

(C) The superintendent, special deputy superintendent, 10269  
receiver, conservator, or any employee of any of them, or any 10270

person retained for services under this chapter, is not liable 10271  
in damages for any action or failure to act unless it is proved 10272  
by clear and convincing evidence in court that the action or 10273  
failure to act involved an act or omission undertaken with 10274  
deliberate intent to cause injury to any of the state bank, its 10275  
shareholders, its members, its depositors, or its creditors, or 10276  
undertaken with reckless disregard for the best interests of any 10277  
of the bank, its shareholders, its members, its depositors, its 10278  
creditors, or the public. 10279

**Sec. 1181.01.** The superintendent of financial institutions 10280  
shall be the chief executive officer of the division of 10281  
financial institutions. 10282

The superintendent shall have at least five years of 10283  
experience in the financial services industry or in the 10284  
examination or regulation of financial institutions. 10285

The superintendent shall appoint a deputy superintendent 10286  
for banks, ~~a deputy superintendent for savings and loan~~ 10287  
~~associations and savings banks,~~ and a deputy superintendent for 10288  
credit unions. Each deputy superintendent shall have at least 10289  
five years of experience in that particular industry or at least 10290  
five years of experience in the examination or regulation of 10291  
banks, ~~savings and loan associations, savings banks,~~ or credit 10292  
unions. 10293

The superintendent shall also appoint a deputy 10294  
superintendent for consumer finance, who shall have at least 10295  
five years of experience in one or more of the consumer finance 10296  
companies regulated by the division or in the examination or 10297  
regulation of banks, ~~savings and loan associations, savings~~ 10298  
~~banks,~~ credit unions, or consumer finance companies. 10299

The deputy superintendents appointed by the superintendent 10300  
of financial institutions pursuant to this section shall serve 10301  
in the unclassified civil service. 10302

**Sec. 1181.02.** The superintendent of financial institutions 10303  
may appoint and employ such assistants, clerks, examiners, and 10304  
other employees, and such professionals and agents, as the 10305  
prompt execution of the duties of the superintendent's office 10306  
requires, and may employ attorney examiners if the 10307  
superintendent considers such assistants necessary. 10308

**Sec. 1181.03.** (A) Before entering upon the discharge of 10309  
the duties of the office of the superintendent of financial 10310  
institutions, the superintendent shall give bond to the state in 10311  
the sum of one million dollars with sureties approved by the 10312  
governor and conditioned on the faithful discharge of the 10313  
official duties of the office. The bond, with the approval of 10314  
the governor and with the superintendent's oath of office 10315  
endorsed on it, shall be filed with the office of the secretary 10316  
of state. 10317

(B) Before entering upon the discharge of the duties of 10318  
their respective offices, the deputy superintendent for banks, 10319  
~~the deputy superintendent for savings and loan associations and~~ 10320  
~~savings banks,~~ the deputy superintendent for credit unions, and 10321  
the deputy superintendent for consumer finance shall each give 10322  
bond to the state in the sum of five hundred thousand dollars 10323  
with sureties approved by the superintendent and conditioned on 10324  
the faithful performance of their respective duties. The bonds 10325  
shall be filed with the office of the secretary of state. 10326

(C) The superintendent shall require of each other 10327  
employee and each agent of the division of financial 10328  
institutions a bond, conditioned on the faithful performance of 10329

each employee's and agent's respective duties, in an amount not 10330  
less than five thousand dollars that the superintendent 10331  
determines to be acceptable. The bonds may, in the discretion of 10332  
the superintendent, be individual, schedule, or blanket bonds. 10333  
The bonds shall be filed with the office of the secretary of 10334  
state. 10335

(D) The division shall pay the cost or premium of the 10336  
bonds required by this section from funds appropriated to the 10337  
division for that purpose. 10338

**Sec. 1181.04.** Neither the superintendent of financial 10339  
institutions nor any employee, agent, or contractor of the 10340  
division of financial institutions shall be liable in any civil, 10341  
criminal, or administrative proceeding for any mistake of 10342  
judgment or discretion in any action taken, or any omission made 10343  
by the superintendent ~~or~~, employee, agent, or contractor if 10344  
done in good faith within the scope of the person's official 10345  
capacity as assigned by the superintendent. 10346

**Sec. 1181.05.** (A) As used in this section, "consumer 10347  
finance company" means any person ~~required to be~~ licensed or 10348  
registered under Chapter 1321., 1322., 4712., 4727., or 4728. or 10349  
sections 1315.21 to 1315.30 of the Revised Code. 10350

(B) Neither the superintendent of financial institutions 10351  
nor any other employee of the division of financial institutions 10352  
shall do any of the following: ~~be interested have a business or~~ 10353  
investment interest, directly or indirectly, in any state bank, 10354  
~~savings and loan association, savings bank trust company,~~ credit 10355  
union, or consumer finance company, that is under the 10356  
supervision of the superintendent of financial institutions or 10357  
in any affiliate of any such financial institution or company; 10358  
directly or indirectly borrow money from any such financial 10359

institution or company; serve as a director or officer of or be 10360  
employed by any such financial institution or company; or own an 10361  
equity interest in any such financial institution or company or 10362  
in any of its affiliates. For purposes of this section, an 10363  
equity interest does not include the ownership of an account in 10364  
a mutual savings and loan association or in a savings bank that 10365  
does not have permanent stock or the ownership of a share 10366  
account in a credit union. 10367

(C) Subject to division (G) of this section, an employee 10368  
of the division of financial institutions may retain any 10369  
extension of credit that otherwise would be prohibited by 10370  
division (B) of this section if both of the following apply: 10371

(1) The employee obtained the extension of credit prior to 10372  
October 29, 1995, or the commencement of the employee's 10373  
employment with the division, or as a result of a change in the 10374  
employee's marital status, the consummation of a merger, 10375  
acquisition, transfer of assets, or other change in corporate 10376  
ownership beyond the employee's control, or the sale of the 10377  
extension of credit in the secondary market or other business 10378  
transaction beyond the employee's control. 10379

(2) The employee liquidates the extension of credit under 10380  
its original terms and without renegotiation. 10381

If the employee chooses to retain the extension of credit, 10382  
the employee shall immediately provide written notice of the 10383  
retention to the employee's supervisor. Thereafter, the employee 10384  
shall be disqualified from participating in any decision, 10385  
examination, audit, or other action that may affect that 10386  
particular creditor. 10387

(D) Subject to division (G) of this section, an employee 10388

of the division of financial institutions may retain any 10389  
ownership of or beneficial interest in the securities of a 10390  
financial institution or consumer finance company that is under 10391  
the supervision of the division of financial institutions, or of 10392  
a holding company or subsidiary of such a financial institution 10393  
or company, which ownership or beneficial interest otherwise 10394  
would be prohibited by division (B) of this section, if the 10395  
ownership or beneficial interest is acquired by the employee 10396  
through inheritance or gift, prior to October 29, 1995, or the 10397  
commencement of the employee's employment with the division, or 10398  
as a result of a change in the employee's marital status or the 10399  
consummation of a merger, acquisition, transfer of assets, or 10400  
other change in ~~corporate~~ ownership beyond the employee's 10401  
control. 10402

If the employee chooses to retain the ownership or 10403  
beneficial interest, the employee shall immediately provide 10404  
written notice of the retention to the employee's supervisor. 10405  
Thereafter, the employee shall be disqualified from 10406  
participating in any decision, examination, audit, or other 10407  
action that may affect the issuer of the securities. However, if 10408  
the ownership of or beneficial interest in the securities and 10409  
the subsequent disqualification required by this division impair 10410  
the employee's ability to perform the employee's duties, the 10411  
employee may be ordered to divest self of the ownership of or 10412  
beneficial interest in the securities or to resign. 10413

(E) Notwithstanding division (B) of this section, an 10414  
employee of the division of financial institutions may have an 10415  
indirect interest in the securities of a financial institution 10416  
or consumer finance company that is under the supervision of the 10417  
division of financial institutions, which interest arises 10418  
through ownership of or beneficial interest in the securities of 10419

a publicly held mutual fund or investment trust, if the employee 10420  
owns or has a beneficial interest in less than five per cent of 10421  
the securities of the mutual fund or investment trust, and the 10422  
mutual fund or investment trust is not advised or sponsored by a 10423  
financial institution or consumer finance company that is under 10424  
the supervision of the division of financial institutions. If 10425  
the mutual fund or investment trust is subsequently advised or 10426  
sponsored by a financial institution or consumer finance company 10427  
that is under the supervision of the division of financial 10428  
institutions, the employee shall immediately provide written 10429  
notice of the ownership of or beneficial interest in the 10430  
securities to the employee's supervisor. Thereafter, the 10431  
employee shall be disqualified from participating in any 10432  
decision, examination, audit, or other action that may affect 10433  
the financial institution or consumer finance company. However, 10434  
if the ownership of or beneficial interest in the securities and 10435  
the subsequent disqualification required by this division impair 10436  
the employee's ability to perform the employee's duties, the 10437  
employee may be ordered to divest self of the ownership of or 10438  
beneficial interest in the securities or to resign. 10439

(F) (1) For purposes of this section, the interests of an 10440  
employee's spouse or dependent child arising through the 10441  
ownership or control of securities shall be considered the 10442  
interests of the employee, unless the employee can demonstrate 10443  
to the satisfaction of the superintendent that the interests are 10444  
solely the financial interest and responsibility of the spouse 10445  
or dependent child, the interests are not in any way derived 10446  
from the income, assets, or activity of the employee, and any 10447  
financial or economic benefit from the interests is for the 10448  
personal use of the spouse or dependent child. 10449

(2) If an employee's spouse or dependent child obtains 10450

interests arising through the ownership or control of securities 10451  
and, pursuant to division (F)(1) of this section, the interests 10452  
are not considered the interests of the employee, the employee 10453  
shall immediately provide written notice of the interests to the 10454  
employee's supervisor. Thereafter, the employee shall be 10455  
disqualified from participating in any decision, examination, 10456  
audit, or other action that may affect the issuer of the 10457  
securities. 10458

(G) For purposes of divisions (C) and (D) of this section, 10459  
both of the following apply: 10460

(1) With respect to any employee of the former division of 10461  
consumer finance who, on the first day of the first pay period 10462  
commencing after the effective date of this section, becomes an 10463  
employee of the division of financial institutions, the 10464  
employee's employment with the division of financial 10465  
institutions is deemed to commence on the first day of the first 10466  
pay period commencing after the effective date of this section. 10467

(2) With respect to any employee who, on October 29, 1995, 10468  
became an employee of the division of financial institutions, 10469  
the employee may, notwithstanding divisions (C) and (D) of this 10470  
section, retain any extension of credit by a consumer finance 10471  
company that was obtained at any time prior to the first day of 10472  
the first pay period commencing after the effective date of this 10473  
section, or retain any ownership of or beneficial interest in 10474  
the securities of a consumer finance company, or of a holding 10475  
company or subsidiary of such a company, that was acquired at 10476  
any time prior to the first day of the first pay period 10477  
commencing after the effective date of this section. If the 10478  
employee chooses to retain the extension of credit or the 10479  
ownership or beneficial interest, the employee shall comply with 10480

divisions (C) and (D) of this section. 10481

**Sec. 1181.06.** There is hereby created in the state 10482  
treasury the financial institutions fund. The fund shall receive 10483  
assessments on the banks fund established under section 1121.30 10484  
of the Revised Code, ~~the savings institutions fund established~~ 10485  
~~under section 1181.18 of the Revised Code,~~ the credit unions 10486  
fund established under section 1733.321 of the Revised Code, and 10487  
the consumer finance fund established under section 1321.21 of 10488  
the Revised Code in accordance with procedures prescribed by the 10489  
superintendent of financial institutions and approved by the 10490  
director of budget and management. Such assessments shall be in 10491  
addition to any assessments on these funds required under 10492  
division (G) of section 121.08 of the Revised Code. All 10493  
operating expenses of the division of financial institutions 10494  
shall be paid from the financial institutions fund. Money in the 10495  
fund shall be used only for that purpose. 10496

**Sec. 1181.07.** The state shall furnish the superintendent 10497  
of financial institutions suitable facilities for conducting the 10498  
business of the superintendent's office at the seat of 10499  
government and in any other ~~city of~~ location within the state 10500  
where it is necessary to keep a resident examiner. 10501

**Sec. 1181.10.** The seal of the superintendent of financial 10502  
institutions shall be ~~one and three fourths inches in diameter~~ 10503  
~~and shall be~~ surrounded by the words: "The superintendent of 10504  
financial institutions of the state of Ohio." 10505

The seal shall have engraved on it the coat of arms of the 10506  
state, as described in section 5.04 of the Revised Code, and 10507  
shall contain the words and devices mentioned in this section 10508  
and no other. 10509

**Sec. 1181.11.** Copies of all certificates, records, and 10510  
papers in the office of the superintendent of financial 10511  
institutions, including the records of the banking commission, 10512  
the former savings and loan associations and savings banks 10513  
board, and the credit union council, duly certified by the 10514  
superintendent or, in the absence of the superintendent, a 10515  
deputy superintendent having jurisdiction over the records, and 10516  
authenticated by the superintendent's seal of office, shall be 10517  
evidence, in all courts of this state, of every matter which 10518  
could be proved by the production of the original. 10519

**Sec. 1181.21.** (A) As used in this section, "consumer 10520  
finance company" has the same meaning as in section 1181.05 of 10521  
the Revised Code. 10522

(B) The superintendent of financial institutions shall see 10523  
that the laws relating to consumer finance companies are 10524  
executed and enforced. 10525

(C) The deputy superintendent for consumer finance shall 10526  
be the principal supervisor of consumer finance companies. In 10527  
that position the deputy superintendent for consumer finance 10528  
shall, notwithstanding section 1321.421, division (A) of section 10529  
1321.76, and sections 1321.07, 1321.55, 1322.06, 4727.05, and 10530  
4728.05 of the Revised Code, be responsible for conducting 10531  
examinations and preparing examination reports under those 10532  
sections and under Chapter 4712. of the Revised Code. In 10533  
addition, the deputy superintendent for consumer finance shall, 10534  
notwithstanding sections 1315.27, 1321.10, 1321.43, 1321.54, 10535  
1321.77, 1322.12, 4712.14, 4727.13, and 4728.10 of the Revised 10536  
Code, have the authority to adopt rules and standards in 10537  
accordance with those sections. In performing or exercising any 10538  
of the examination, rule-making, or other regulatory functions, 10539

powers, or duties vested by this division in the deputy 10540  
superintendent for consumer finance, the deputy superintendent 10541  
for consumer finance shall be subject to the control of the 10542  
superintendent of financial institutions and the director of 10543  
commerce. 10544

**Sec. 1181.25.** ~~The (A) Notwithstanding sections 1121.18,~~ 10545  
~~1315.122, 1321.09, 1321.48, 1321.55, 1321.76, 1322.06, 1322.061,~~ 10546  
~~1733.32, 1733.327, and 4727.18 of the Revised Code, the~~ 10547  
superintendent of financial institutions may, in the 10548  
superintendent's discretion, introduce into evidence or 10549  
disclose, or authorize to be introduced into evidence or 10550  
disclosed, information that, ~~under sections 1121.18, 1155.16,~~ 10551  
~~1163.20, 1315.122, 1321.09, 1321.48, 1321.55, 1321.76, 1322.06,~~ 10552  
~~1322.061, 1733.32, 1733.327, and 4727.18 of the Revised Code,~~ is 10553  
privileged, confidential, or otherwise not ~~public information or~~ 10554  
a public record, ~~provided that the superintendent acts only as~~ 10555  
~~provided in those sections or~~ in the following circumstances: 10556

~~(A) When in the opinion of~~ (1) In connection with any 10557  
civil, criminal, or administrative investigation or examination 10558  
conducted by the superintendent, it is appropriate with regard 10559  
to any enforcement actions taken and decisions made by the 10560  
~~superintendent~~ under Chapters 1315., 1321., 1322., 1733., 4712., 10561  
4727., and 4728. of the Revised Code or Title XI of the Revised 10562  
Code or by any other financial institution regulatory authority, 10563  
any state or federal attorney general or prosecuting attorney, 10564  
or any local, state, or federal law enforcement agency; 10565

~~(B) When~~ (2) In connection with any civil or criminal 10566  
litigation has been or administrative enforcement action 10567  
initiated or to be initiated by the superintendent in 10568  
furtherance of the powers, duties, and obligations imposed upon 10569

the superintendent by Chapters 1315., 1321., 1322., 1733., 10570  
4712., 4727., and 4728. of the Revised Code or Title XI of the 10571  
Revised Code; 10572

~~(C) When in the opinion of the superintendent, it is 10573  
appropriate with regard to enforcement actions taken or 10574  
decisions made by other financial institution regulatory 10575  
authorities to whom the superintendent has provided the 10576  
information pursuant to authority in (3) To administer licensing 10577  
and registration under Chapters 1315., 1321., 1322., 1733., 10578  
4712., 4727., and 4728. of the Revised Code or Title XI of the 10579  
Revised Code through the nationwide mortgage licensing system 10580  
and registry as defined in section 1322.01 of the Revised Code. 10581~~

(B) If the superintendent has reason to believe that any 10582  
privileged, confidential, or other nonpublic information 10583  
provided pursuant to this section may be disclosed by the 10584  
intended recipient, the superintendent shall seek a protective 10585  
order or enter into an agreement to protect that information. 10586

(C) All reports and other information made available under 10587  
this chapter remain the property of the superintendent. Except 10588  
as otherwise provided in this section, no person, agency, or 10589  
other authority to whom the information is made available, or 10590  
any officer, director, or employee thereof, shall disclose such 10591  
information except in published statistical material that does 10592  
not disclose, either directly or when used in conjunction with 10593  
publicly available information, the affairs of any individual or 10594  
entity. 10595

(D) The superintendent shall not be considered to have 10596  
waived any privilege applicable to any information by 10597  
transferring that information to, or permitting that information 10598  
to be used by, any federal or state agency or any other person 10599

as permitted under this chapter or Chapter 1121. of the Revised Code. 10600  
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**Sec. 1349.16.** (A) As used in this section, "financial 10602  
institution" includes every bank as defined in section 1101.01 10603  
of the Revised Code, ~~savings and loan association as defined in~~ 10604  
~~section 1151.01 of the Revised Code, savings bank as defined in~~ 10605  
~~section 1161.01 of the Revised Code,~~ and credit union organized 10606  
or qualified as such under sections 1733.01 to 1733.45 of the 10607  
Revised Code or the "Federal Credit Union Act," 84 Stat. 994 10608  
(1970), 12 U.S.C.A. 1752, as amended. 10609

(B) Before opening or authorizing signatory power over a 10610  
checking account intended for personal, family, or household 10611  
purposes, a financial institution: 10612

(1) Shall require the applicant to provide ~~his~~ the 10613  
applicant's current address and a valid driver's or commercial 10614  
driver's license or identification card issued by the registrar 10615  
of motor vehicles or a deputy registrar under section 4507.50 of 10616  
the Revised Code. If the applicant does not have a valid 10617  
driver's or commercial driver's license or identification card, 10618  
the applicant may provide an identification document that 10619  
includes ~~his~~ the applicant's full name, birthdate, and 10620  
signature. 10621

(2) May require the applicant to provide relevant 10622  
information in addition to the information specified in division 10623  
(B) (1) of this section. 10624

(C) Every person that issues or prints checks, bills of 10625  
exchange, or other drafts for use with a checking account 10626  
intended for personal, family, or household purposes opened on 10627  
or after October 16, 1990 shall print the date on which the 10628

checking account was opened on the face of each check, bill of exchange, or other draft. 10629  
10630

(D) This section does not apply to temporary checks furnished at the time a checking account is opened. 10631  
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(E) This section does not create any civil cause of action against a financial institution, its directors, trustees, officers, employees, agents, representatives, or other persons acting on its behalf, or against any person that issues or prints checks, bills of exchange, or other drafts, for failure to comply with this section. 10633  
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**Sec. 1509.07.** (A) (1) Except as provided in division (A) (2) of this section, an owner of any well, except an exempt Mississippian well or an exempt domestic well, shall obtain liability insurance coverage from a company authorized to do business in this state in an amount of not less than one million dollars bodily injury coverage and property damage coverage to pay damages for injury to persons or damage to property caused by the drilling, operation, or plugging of all the owner's wells in this state. However, if any well is located within an urbanized area, the owner shall obtain liability insurance coverage in an amount of not less than three million dollars for bodily injury coverage and property damage coverage to pay damages for injury to persons or damage to property caused by the drilling, operation, or plugging of all of the owner's wells in this state. 10639  
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(2) An owner of a horizontal well shall obtain liability insurance coverage from an insurer authorized to write such insurance in this state or from an insurer approved to write such insurance in this state under section 3905.33 of the Revised Code in an amount of not less than five million dollars 10654  
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bodily injury coverage and property damage coverage to pay 10659  
damages for injury to persons or damage to property caused by 10660  
the production operations of all the owner's wells in this 10661  
state. The insurance policy shall include a reasonable level of 10662  
coverage available for an environmental endorsement. 10663

(3) An owner shall maintain the coverage required under 10664  
division (A)(1) or (2) of this section until all the owner's 10665  
wells are plugged and abandoned or are transferred to an owner 10666  
who has obtained insurance as required under this section and 10667  
who is not under a notice of material and substantial violation 10668  
or under a suspension order. The owner shall provide proof of 10669  
liability insurance coverage to the chief of the division of oil 10670  
and gas resources management upon request. Upon failure of the 10671  
owner to provide that proof when requested, the chief may order 10672  
the suspension of any outstanding permits and operations of the 10673  
owner until the owner provides proof of the required insurance 10674  
coverage. 10675

(B)(1) Except as otherwise provided in this section, an 10676  
owner of any well, before being issued a permit under section 10677  
1509.06 of the Revised Code or before operating or producing 10678  
from a well, shall execute and file with the division of oil and 10679  
gas resources management a surety bond conditioned on compliance 10680  
with the restoration requirements of section 1509.072, the 10681  
plugging requirements of section 1509.12, the permit provisions 10682  
of section 1509.13 of the Revised Code, and all rules and orders 10683  
of the chief relating thereto, in an amount set by rule of the 10684  
chief. 10685

(2) The owner may deposit with the chief, instead of a 10686  
surety bond, cash in an amount equal to the surety bond as 10687  
prescribed pursuant to this section or negotiable certificates 10688

of deposit or irrevocable letters of credit, issued by any bank 10689  
organized or transacting business in this state ~~or by any~~ 10690  
~~savings and loan association as defined in section 1151.01 of~~ 10691  
~~the Revised Code,~~ having a cash value equal to or greater than 10692  
the amount of the surety bond as prescribed pursuant to this 10693  
section. Cash or certificates of deposit shall be deposited upon 10694  
the same terms as those upon which surety bonds may be 10695  
deposited. If certificates of deposit are deposited with the 10696  
chief instead of a surety bond, the chief shall require the bank 10697  
~~or savings and loan association~~ that issued any such certificate 10698  
to pledge securities of a cash value equal to the amount of the 10699  
certificate that is in excess of the amount insured by any of 10700  
the agencies and instrumentalities created under the "Federal 10701  
Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as 10702  
amended, and regulations adopted under it, including at least 10703  
the federal deposit insurance corporation, ~~bank insurance fund,~~ 10704  
~~and savings association insurance fund.~~ The securities shall be 10705  
security for the repayment of the certificate of deposit. 10706

Immediately upon a deposit of cash, certificates of 10707  
deposit, or letters of credit with the chief, the chief shall 10708  
deliver them to the treasurer of state who shall hold them in 10709  
trust for the purposes for which they have been deposited. 10710

(3) Instead of a surety bond, the chief may accept proof 10711  
of financial responsibility consisting of a sworn financial 10712  
statement showing a net financial worth within this state equal 10713  
to twice the amount of the bond for which it substitutes and, as 10714  
may be required by the chief, a list of producing properties of 10715  
the owner within this state or other evidence showing ability 10716  
and intent to comply with the law and rules concerning 10717  
restoration and plugging that may be required by rule of the 10718  
chief. The owner of an exempt Mississippian well is not required 10719

to file scheduled updates of the financial documents, but shall 10720  
file updates of those documents if requested to do so by the 10721  
chief. The owner of a nonexempt Mississippian well shall file 10722  
updates of the financial documents in accordance with a schedule 10723  
established by rule of the chief. The chief, upon determining 10724  
that an owner for whom the chief has accepted proof of financial 10725  
responsibility instead of bond cannot demonstrate financial 10726  
responsibility, shall order that the owner execute and file a 10727  
bond or deposit cash, certificates of deposit, or irrevocable 10728  
letters of credit as required by this section for the wells 10729  
specified in the order within ten days of receipt of the order. 10730  
If the order is not complied with, all wells of the owner that 10731  
are specified in the order and for which no bond is filed or 10732  
cash, certificates of deposit, or letters of credit are 10733  
deposited shall be plugged. No owner shall fail or refuse to 10734  
plug such a well. Each day on which such a well remains 10735  
unplugged thereafter constitutes a separate offense. 10736

(4) The surety bond provided for in this section shall be 10737  
executed by a surety company authorized to do business in this 10738  
state. 10739

The chief shall not approve any bond until it is 10740  
personally signed and acknowledged by both principal and surety, 10741  
or as to either by the principal's or surety's attorney in fact, 10742  
with a certified copy of the power of attorney attached thereto. 10743  
The chief shall not approve a bond unless there is attached a 10744  
certificate of the superintendent of insurance that the company 10745  
is authorized to transact a fidelity and surety business in this 10746  
state. 10747

All bonds shall be given in a form to be prescribed by the 10748  
chief and shall run to the state as obligee. 10749

(5) An owner of an exempt Mississippian well or an exempt domestic well, in lieu of filing a surety bond, cash in an amount equal to the surety bond, certificates of deposit, irrevocable letters of credit, or a sworn financial statement, may file a one-time fee of fifty dollars, which shall be deposited in the oil and gas well plugging fund created in section 1509.071 of the Revised Code.

(C) An owner, operator, producer, or other person shall not operate a well or produce from a well at any time if the owner, operator, producer, or other person has not satisfied the requirements established in this section.

**Sec. 1509.225.** (A) Before being issued a registration certificate under section 1509.222 of the Revised Code, an applicant shall execute and file with the division of oil and gas resources management a surety bond for fifteen thousand dollars to provide compensation for damage and injury resulting from transporters' violations of sections 1509.22, 1509.222, and 1509.223 of the Revised Code, all rules and orders of the chief of the division of oil and gas resources management relating thereto, and all terms and conditions of the registration certificate imposed thereunder. The applicant may deposit with the chief, in lieu of a surety bond, cash in an amount equal to the surety bond as prescribed in this section, or negotiable certificates of deposit issued by any bank organized or transacting business in this state, ~~or certificates of deposit issued by any building and loan association as defined in section 1151.01 of the Revised Code,~~ having a cash value equal to or greater than the amount of the surety bond as prescribed in this section. Cash or certificates of deposit shall be deposited upon the same terms as those upon which surety bonds may be deposited. If certificates of deposit are deposited with

the chief in lieu of a surety bond, the chief shall require the 10781  
bank ~~or building and loan association~~ that issued any such 10782  
certificate to pledge securities of a cash value equal to the 10783  
amount of the certificate that is in excess of the amount 10784  
insured by any of the agencies and instrumentalities created 10785  
under the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 10786  
12 U.S.C. 1811, as amended, and regulations adopted under it, 10787  
including at least the federal deposit insurance corporation, ~~7-~~ 10788  
~~bank insurance fund, and savings association insurance fund.~~ 10789

Such securities shall be security for the repayment of the 10790  
certificate of deposit. Immediately upon a deposit of cash or 10791  
certificates with the chief, the chief shall deliver it to the 10792  
treasurer of state who shall hold it in trust for the purposes 10793  
for which it has been deposited. 10794

(B) The surety bond provided for in this section shall be 10795  
executed by a surety company authorized to do business in this 10796  
state. The chief shall not approve any bond until it is 10797  
personally signed and acknowledged by both principal and surety, 10798  
or as to either by an attorney in fact, with a certified copy of 10799  
the power of attorney attached thereto. The chief shall not 10800  
approve the bond unless there is attached a certificate of the 10801  
superintendent of insurance that the company is authorized to 10802  
transact a fidelity and surety business in this state. All bonds 10803  
shall be given in a form to be prescribed by the chief. 10804

(C) If a registered transporter is found liable for a 10805  
violation of section 1509.22, 1509.222, or 1509.223 of the 10806  
Revised Code or a rule, order, or term or condition of a 10807  
certificate involving, in any case, damage or injury to persons 10808  
or property, or both, the court may order the forfeiture of any 10809  
portion of the bond, cash, or other securities required by this 10810

section in full or partial payment of damages to the person to 10811  
whom the damages are due. The treasurer of state and the chief 10812  
shall deliver the bond or any cash or other securities deposited 10813  
in lieu of bond, as specified in the court's order, to the 10814  
person to whom the damages are due; however, execution against 10815  
the bond, cash, or other securities, if necessary, is the 10816  
responsibility of the person to whom the damages are due. The 10817  
chief shall not release the bond, cash, or securities required 10818  
by this section except by court order or until the registration 10819  
is terminated. 10820

**Sec. 1510.09.** (A) There is hereby established a fund for 10821  
any marketing program that is established by the technical 10822  
advisory council under this chapter. The fund shall be in the 10823  
custody of the treasurer of state, but shall not be part of the 10824  
state treasury. Except as authorized in division (B) of this 10825  
section, all moneys collected pursuant to section 1510.08 of the 10826  
Revised Code for the marketing program shall be paid into the 10827  
fund for the marketing program and shall be disbursed only 10828  
pursuant to a voucher signed by the chairperson of the council 10829  
for use in defraying the costs of administration of the 10830  
marketing program and for carrying out sections 1510.02, 10831  
1510.03, and 1510.11 of the Revised Code. 10832

(B) In lieu of deposits in the fund established under 10833  
division (A) of this section, the operating committee of a 10834  
marketing program established under this chapter may deposit all 10835  
moneys collected pursuant to section 1510.08 of the Revised Code 10836  
with a bank ~~or a savings and loan association~~ as defined in 10837  
~~sections~~ section 1101.01 ~~and 1151.01~~ of the Revised Code. All 10838  
moneys collected pursuant to section 1510.08 of the Revised Code 10839  
for the marketing program and deposited pursuant to this 10840  
division also shall be used only in defraying the costs of 10841

administration of the marketing program and for carrying out 10842  
sections 1510.02, 1510.03, and 1510.11 of the Revised Code. 10843

(C) An operating committee shall establish a fiscal year 10844  
for its marketing program, shall publish an activity and 10845  
financial report within sixty days of the end of each fiscal 10846  
year, and shall make the report available to each independent 10847  
producer who pays an assessment or otherwise contributes to the 10848  
marketing program that the committee administers and to other 10849  
interested persons. 10850

(D) In addition to the report required by division (C) of 10851  
this section, an operating committee that deposits moneys in 10852  
accordance with division (B) of this section shall submit to the 10853  
council both of the following: 10854

(1) Annually, a financial statement prepared by a 10855  
certified public accountant holding valid certification from the 10856  
Ohio board of accountancy issued pursuant to Chapter 4701. of 10857  
the Revised Code. The operating committee shall file the 10858  
financial statement with the council not more than sixty days 10859  
after the end of each fiscal year. 10860

(2) Monthly, an unaudited financial statement. 10861

**Sec. 1514.04.** (A) Upon receipt of notification from the 10862  
chief of the division of mineral resources management of the 10863  
chief's intent to issue an order granting a surface or in-stream 10864  
mining permit to the applicant, the applicant shall file a 10865  
surety bond, cash, an irrevocable letter of credit, or 10866  
certificates of deposit in the amount, unless otherwise provided 10867  
by rule, of ten thousand dollars. If the amount of land to be 10868  
affected is more than twenty acres, the applicant also shall 10869  
file a surety bond, cash, an irrevocable letter of credit, or 10870

certificates of deposit in the amount of five hundred dollars 10871  
per acre of land to be affected that exceeds twenty acres. Upon 10872  
receipt of notification from the chief of the chief's intent to 10873  
issue an order granting an amendment to a surface or in-stream 10874  
mining permit, the applicant shall file a surety bond, cash, an 10875  
irrevocable letter of credit, or certificates of deposit in the 10876  
amount required in this division. 10877

In the case of a surface mining permit, the bond shall be 10878  
filed based on the number of acres estimated to be affected 10879  
during the first year of operation under the permit. In the case 10880  
of an amendment to a surface mining permit, the bond shall be 10881  
filed based on the number of acres estimated to be affected 10882  
during the balance of the period until the next anniversary date 10883  
of the permit. 10884

In the case of an in-stream mining permit, the bond shall 10885  
be filed based on the number of acres of land within the limits 10886  
of the in-stream mining permit for the entire permit period. In 10887  
the case of an amendment to an in-stream mining permit, the bond 10888  
shall be filed based on the number of any additional acres of 10889  
land to be affected within the limits of the in-stream mining 10890  
permit. 10891

(B) A surety bond filed pursuant to this section and 10892  
sections 1514.02 and 1514.03 of the Revised Code shall be upon 10893  
the form that the chief prescribes and provides and shall be 10894  
signed by the operator as principal and by a surety company 10895  
authorized to transact business in the state as surety. The bond 10896  
shall be payable to the state and shall be conditioned upon the 10897  
faithful performance by the operator of all things to be done 10898  
and performed by the operator as provided in this chapter and 10899  
the rules and orders of the chief adopted or issued pursuant 10900

thereto. 10901

The operator may deposit with the chief, in lieu of a 10902  
surety bond, cash in an amount equal to the surety bond as 10903  
prescribed in this section, or an irrevocable letter of credit 10904  
or negotiable certificates of deposit issued by any bank 10905  
organized or transacting business in this state, ~~or an~~ 10906  
~~irrevocable letter of credit or certificates of deposit issued~~ 10907  
~~by any savings and loan association as defined in section~~ 10908  
~~1151.01 of the Revised Code,~~ having a cash value equal to or 10909  
greater than the amount of the surety bond as prescribed in this 10910  
section. Cash or certificates of deposit shall be deposited upon 10911  
the same terms as the terms upon which surety bonds may be 10912  
deposited. If one or more certificates of deposit are deposited 10913  
with the chief in lieu of a surety bond, the chief shall require 10914  
the bank ~~or savings and loan association~~ that issued any such 10915  
certificate to pledge securities of a cash value equal to the 10916  
amount of the certificate, or certificates, that is in excess of 10917  
the amount insured by the federal deposit insurance corporation. 10918  
The securities shall be security for the repayment of the 10919  
certificate of deposit. 10920

(C) Immediately upon a deposit of cash, a letter of 10921  
credit, or certificates with the chief, the chief shall deliver 10922  
it to the treasurer of state who shall hold it in trust for the 10923  
purposes for which it has been deposited. The treasurer of state 10924  
shall be responsible for the safekeeping of such deposits. An 10925  
operator making a deposit of cash, a letter of credit, or 10926  
certificates of deposit may withdraw and receive from the 10927  
treasurer of state, on the written order of the chief, all or 10928  
any part of the cash, letter of credit, or certificates in the 10929  
possession of the treasurer of state, upon depositing with the 10930  
treasurer of state cash, or an irrevocable letter of credit, ~~or~~ 10931

negotiable certificates of deposit issued by any bank organized 10932  
or transacting business in this state, ~~or an irrevocable letter~~ 10933  
~~of credit or certificates of deposit issued by any savings and~~ 10934  
~~loan association,~~ equal in value to the value of the cash, 10935  
letter of credit, or certificates withdrawn. An operator may 10936  
demand and receive from the treasurer of state all interest or 10937  
other income from any certificates as it becomes due. If 10938  
certificates deposited with and in the possession of the 10939  
treasurer of state mature or are called for payment by the 10940  
issuer thereof, the treasurer of state, at the request of the 10941  
operator who deposited them, shall convert the proceeds of the 10942  
redemption or payment of the certificates into such other 10943  
negotiable certificates of deposit issued by any bank organized 10944  
or transacting business in this state, ~~such other certificates~~ 10945  
~~of deposit issued by any savings and loan association,~~ or cash, 10946  
as may be designated by the operator. 10947

(D) A governmental agency, as defined in division (A) of 10948  
section 1514.022 of the Revised Code, or a board or commission 10949  
that derives its authority from a governmental agency shall not 10950  
require a surface or in-stream mining operator to file a surety 10951  
bond or any other form of financial assurance for the 10952  
reclamation of land to be affected by a surface or in-stream 10953  
mining operation authorized under this chapter. 10954

**Sec. 1707.03.** (A) As used in this section, "exempt" means 10955  
that, except in the case of securities the right to buy, sell, 10956  
or deal in which has been suspended or revoked under an existing 10957  
order of the division of securities under section 1707.13 of the 10958  
Revised Code or under a cease and desist order under division 10959  
(G) of section 1707.23 of the Revised Code, transactions in 10960  
securities may be carried on and completed without compliance 10961  
with sections 1707.08 to 1707.11 of the Revised Code. 10962

(B) A sale of securities made by or on behalf of a bona fide owner, neither the issuer nor a dealer, is exempt if the sale is made in good faith and not for the purpose of avoiding this chapter and is not made in the course of repeated and successive transactions of a similar character. Any sale of securities over a stock exchange that is lawfully conducted in this state and regularly open for public patronage and that has been established and operated for a period of at least five years prior to the sale at a commission not exceeding the commission regularly charged in such transactions also is exempt.

(C) The sale of securities by executors, administrators, receivers, trustees, or anyone acting in a fiduciary capacity is exempt, where such relationship was created by law, by a will, or by judicial authority, and where such sales are subject to approval by, or are made in pursuance to authority granted by, any court of competent jurisdiction or are otherwise authorized and lawfully made by such fiduciary.

(D) A sale to the issuer, to a dealer, or to an institutional investor is exempt.

(E) A sale in good faith, and not for the purpose of avoiding this chapter, by a pledgee of a security pledged for a bona fide debt is exempt.

(F) The sale at public auction by a corporation of shares of its stock because of delinquency in payment for the shares is exempt.

(G) (1) The giving of any conversion right with, or on account of the purchase of, any security that is exempt, is the subject matter of an exempt transaction, has been registered by

description, by coordination, or by qualification, or is the 10992  
subject matter of a transaction that has been registered by 10993  
description is exempt. 10994

(2) The giving of any subscription right, warrant, or 10995  
option to purchase a security or right to receive a security 10996  
upon exchange, which security is exempt at the time the right, 10997  
warrant, or option to purchase or right to receive is given, is 10998  
the subject matter of an exempt transaction, is registered by 10999  
description, by coordination, or by qualification, or is the 11000  
subject matter of a transaction that has been registered by 11001  
description is exempt. 11002

(3) The giving of any subscription right or any warrant or 11003  
option to purchase a security, which right, warrant, or option 11004  
expressly provides that it shall not be exercisable except for a 11005  
security that at the time of the exercise is exempt, is the 11006  
subject matter of an exempt transaction, is registered by 11007  
description, by coordination, or by qualification, or at such 11008  
time is the subject matter of a transaction that has been 11009  
registered by description is exempt. 11010

(H) The sale of notes, bonds, or other evidences of 11011  
indebtedness that are secured by a mortgage lien upon real 11012  
estate, leasehold estate other than oil, gas, or mining 11013  
leasehold, or tangible personal property, or which evidence of 11014  
indebtedness is due under or based upon a conditional-sale 11015  
contract, if all such notes, bonds, or other evidences of 11016  
indebtedness are sold to a single purchaser at a single sale, is 11017  
exempt. 11018

(I) The delivery of securities by the issuer on the 11019  
exercise of conversion rights, the sale of securities by the 11020  
issuer on exercise of subscription rights or of warrants or 11021

options to purchase securities, the delivery of voting-trust 11022  
certificates for securities deposited under a voting-trust 11023  
agreement, the delivery of deposited securities on surrender of 11024  
voting-trust certificates, and the delivery of final 11025  
certificates on surrender of interim certificates are exempt; 11026  
but the sale of securities on exercise of subscription rights, 11027  
warrants, or options is not an exempt transaction unless those 11028  
rights, warrants, or options when granted were the subject 11029  
matter of an exempt transaction under division (G) of this 11030  
section or were registered by description, by coordination, or 11031  
by qualification. 11032

(J) The sale of securities by a bank, savings and loan 11033  
association, savings bank, or credit union organized under the 11034  
laws of the United States or of this state is exempt if at a 11035  
profit to that seller of not more than two per cent of the total 11036  
sale price of the securities. 11037

(K) (1) The distribution by a corporation of its securities 11038  
to its security holders as a share dividend or other 11039  
distribution out of earnings or surplus is exempt. 11040

(2) The exchange or distribution by the issuer of any of 11041  
its securities or of the securities of any of the issuer's 11042  
wholly owned subsidiaries exclusively with or to its existing 11043  
security holders, if no commission or other remuneration is 11044  
given directly or indirectly for soliciting the exchange, is 11045  
exempt. 11046

(3) The sale of preorganization subscriptions for shares 11047  
of stock of a corporation prior to the incorporation of the 11048  
corporation is exempt, when the sale is evidenced by a written 11049  
agreement, no remuneration is given, or promised, directly or 11050  
indirectly, for or in connection with the sale of those 11051

securities, and no consideration is received, directly or 11052  
indirectly, by any person from the purchasers of those 11053  
securities until registration by qualification, by coordination, 11054  
or by description of those securities is made under this 11055  
chapter. 11056

(L) The issuance of securities in exchange for one or more 11057  
bona fide outstanding securities, claims, or property interests, 11058  
not including securities sold for a consideration payable in 11059  
whole or in part in cash, under a plan of reorganization, 11060  
recapitalization, or refinancing approved by a court pursuant to 11061  
the Bankruptcy Act of the United States or to any other federal 11062  
act giving any federal court jurisdiction over such plan of 11063  
reorganization, or under a plan of reorganization approved by a 11064  
court of competent jurisdiction of any state of the United 11065  
States is exempt. As used in this division, "reorganization," 11066  
"recapitalization," and "refinancing" have the same meanings as 11067  
in section 1707.04 of the Revised Code. 11068

(M) A sale by a licensed dealer, acting either as 11069  
principal or as agent, of securities issued and outstanding 11070  
before the sale is exempt, unless the sale is of one or more of 11071  
the following: 11072

(1) Securities constituting the whole or a part of an 11073  
unsold allotment to or subscription by a dealer as an 11074  
underwriter or other participant in the distribution of those 11075  
securities by the issuer, whether that distribution is direct or 11076  
through an underwriter, provided that, if the issuer is such by 11077  
reason of owning one-fourth or more of those securities, the 11078  
dealer has knowledge of this fact or reasonable cause to believe 11079  
this fact; 11080

(2) Any class of shares issued by a corporation when the 11081

number of beneficial owners of that class is less than twenty- 11082  
five, with the record owner of securities being deemed the 11083  
beneficial owner for this purpose, in the absence of actual 11084  
knowledge to the contrary; 11085

(3) Securities that within one year were purchased outside 11086  
this state or within one year were transported into this state, 11087  
if the dealer has knowledge or reasonable cause to believe, 11088  
before the sale of those securities, that within one year they 11089  
were purchased outside this state or within one year were 11090  
transported into this state; but such a sale of those securities 11091  
is exempt if any of the following occurs: 11092

(a) A recognized securities manual contains the names of 11093  
the issuer's officers and directors, a balance sheet of the 11094  
issuer as of a date within eighteen months, and a profit and 11095  
loss statement for either the fiscal year preceding that date or 11096  
the most recent year of operations; 11097

(b) Those securities, or securities of the same class, 11098  
within one year were registered or qualified under section 11099  
1707.09 or 1707.091 of the Revised Code, and that registration 11100  
or qualification is in full force and effect; 11101

(c) The sale is made by a licensed dealer on behalf of the 11102  
bona fide owner of those securities in accordance with division 11103  
(B) of this section; 11104

(d) Those securities were transported into Ohio in a 11105  
transaction of the type described in division (L), (K), or (I) 11106  
of this section, or in a transaction registered under division 11107  
(A) of section 1707.06 of the Revised Code. 11108

(N) For the purpose of this division and division (M) of 11109  
this section, "underwriter" means any person who has purchased 11110

from an issuer with a view to, or sells for an issuer in 11111  
connection with, the distribution of any security, or who 11112  
participates directly or indirectly in any such undertaking or 11113  
in the underwriting thereof, but "underwriter" does not include 11114  
a person whose interest is limited to a discount, commission, or 11115  
profit from the underwriter or from a dealer that is not in 11116  
excess of the customary distributors' or sellers' discount, 11117  
commission, or profit; and "issuer" includes any person or any 11118  
group of persons acting in concert in the sale of such 11119  
securities, owning beneficially one-fourth or more of the 11120  
outstanding securities of the class involved in the transactions 11121  
in question, with the record owner of securities being deemed 11122  
the beneficial owner for this purpose, in the absence of actual 11123  
knowledge to the contrary. 11124

(O) (1) The sale of any equity security is exempt if all 11125  
the following conditions are satisfied: 11126

(a) The sale is by the issuer of the security. 11127

(b) The total number of purchasers in this state of all 11128  
securities issued or sold by the issuer in reliance upon this 11129  
exemption during the period of one year ending with the date of 11130  
the sale does not exceed ten. A sale of securities registered 11131  
under this chapter or sold pursuant to an exemption under this 11132  
chapter other than this exemption shall not be integrated with a 11133  
sale pursuant to this exemption in computing the number of 11134  
purchasers under this exemption. 11135

(c) No advertisement, article, notice, or other 11136  
communication published in any newspaper, magazine, or similar 11137  
medium or broadcast over television or radio is used in 11138  
connection with the sale, but the use of an offering circular or 11139  
other communication delivered by the issuer to selected 11140

individuals does not destroy this exemption. 11141

(d) The issuer reasonably believes after reasonable 11142  
investigation that the purchaser is purchasing for investment. 11143

(e) The aggregate commission, discount, and other 11144  
remuneration, excluding legal, accounting, and printing fees, 11145  
paid or given directly or indirectly does not exceed ten per 11146  
cent of the initial offering price. 11147

(f) Any such commission, discount, or other remuneration 11148  
for sales in this state is paid or given only to dealers or 11149  
salespersons registered pursuant to this chapter. 11150

(2) For the purposes of division (O)(1) of this section, 11151  
each of the following is deemed to be a single purchaser of a 11152  
security: husband and wife, a child and its parent or guardian 11153  
when the parent or guardian holds the security for the benefit 11154  
of the child, a corporation, a limited liability company, a 11155  
partnership, an association or other unincorporated entity, a 11156  
joint-stock company, or a trust, but only if the corporation, 11157  
limited liability company, partnership, association, entity, 11158  
joint-stock company, or trust was not formed for the purpose of 11159  
purchasing the security. 11160

(3) As used in division (O)(1) of this section, "equity 11161  
security" means any stock or similar security of a corporation 11162  
or any membership interest in a limited liability company; or 11163  
any security convertible, with or without consideration, into 11164  
such a security, or carrying any warrant or right to subscribe 11165  
to or purchase such a security; or any such warrant or right; or 11166  
any other security that the division considers necessary or 11167  
appropriate, by such rules as it may prescribe in the public 11168  
interest or for the protection of investors, to treat as an 11169

equity security. 11170

(P) The sale of securities representing interests in or 11171  
under profit-sharing or participation agreements relating to oil 11172  
or gas wells located in this state, or representing interests in 11173  
or under oil or gas leases of real estate situated in this 11174  
state, is exempt if the securities are issued by an individual, 11175  
partnership, limited partnership, partnership association, 11176  
syndicate, pool, trust or trust fund, or other unincorporated 11177  
association and if each of the following conditions is complied 11178  
with: 11179

(1) The beneficial owners of the securities do not, and 11180  
will not after the sale, exceed five natural persons; 11181

(2) The securities constitute or represent interests in 11182  
not more than one oil or gas well; 11183

(3) A certificate or other instrument in writing is 11184  
furnished to each purchaser of the securities at or before the 11185  
consummation of the sale, disclosing the maximum commission, 11186  
compensation for services, cost of lease, and expenses with 11187  
respect to the sale of such interests and with respect to the 11188  
promotion, development, and management of the oil or gas well, 11189  
and the total of that commission, compensation, costs, and 11190  
expenses does not exceed twenty-five per cent of the aggregate 11191  
interests in the oil or gas well, exclusive of any landowner's 11192  
rental or royalty; 11193

(4) The sale is made in good faith and not for the purpose 11194  
of avoiding this chapter. 11195

(Q) The sale of any security is exempt if all of the 11196  
following conditions are satisfied: 11197

(1) The provisions of section 5 of the Securities Act of 11198

1933 do not apply to the sale by reason of an exemption under 11199  
section 4 (2) of that act. 11200

(2) The aggregate commission, discount, and other 11201  
remuneration, excluding legal, accounting, and printing fees, 11202  
paid or given directly or indirectly does not exceed ten per 11203  
cent of the initial offering price. 11204

(3) Any such commission, discount, or other remuneration 11205  
for sales in this state is paid or given only to dealers or 11206  
salespersons registered under this chapter. 11207

(4) The issuer or dealer files with the division of 11208  
securities, not later than sixty days after the sale, a report 11209  
setting forth the name and address of the issuer, the total 11210  
amount of the securities sold under this division, the number of 11211  
persons to whom the securities were sold, the price at which the 11212  
securities were sold, and the commissions or discounts paid or 11213  
given. 11214

(5) The issuer pays a filing fee of one hundred dollars 11215  
for the first filing and fifty dollars for every subsequent 11216  
filing during each calendar year. 11217

(R) A sale of a money order, travelers' check, or other 11218  
instrument for the transmission of money by a person qualified 11219  
to engage in such business under ~~section 1109.60~~ or Chapter 11220  
1315. of the Revised Code is exempt. 11221

(S) A sale by a licensed dealer of securities that are in 11222  
the process of registration under the Securities Act of 1933, 11223  
unless exempt under that act, and that are in the process of 11224  
registration, if registration is required under this chapter, is 11225  
exempt, provided that no sale of that nature shall be 11226  
consummated prior to the registration by description or 11227

qualification of the securities. 11228

(T) The execution by a licensed dealer of orders for the 11229  
purchase of any security is exempt, provided that the dealer 11230  
acts only as agent for the purchaser, has made no solicitation 11231  
of the order to purchase the security, has no interest in the 11232  
distribution of the security, and delivers to the purchaser 11233  
written confirmation of the transaction that clearly itemizes 11234  
the dealer's commission. "Solicitation," as used in this 11235  
division, means solicitation of the order for the specific 11236  
security purchased and does not include general solicitations or 11237  
advertisements of any kind. 11238

(U) The sale insofar as the security holders of a person 11239  
are concerned, where, pursuant to statutory provisions of the 11240  
jurisdiction under which that person is organized or pursuant to 11241  
provisions contained in its articles of incorporation, 11242  
certificate of incorporation, partnership agreement, declaration 11243  
of trust, trust indenture, or similar controlling instrument, 11244  
there is submitted to the security holders, for their vote or 11245  
consent, (1) a plan or agreement for a reclassification of 11246  
securities of that person that involves the substitution of a 11247  
security of that person for another security of that person, (2) 11248  
a plan or agreement of merger or consolidation or a similar plan 11249  
or agreement of acquisition in which the securities of that 11250  
person held by the security holders will become or be exchanged 11251  
for securities of any other person, or (3) a plan or agreement 11252  
for a combination as defined in division (Q) of section 1701.01 11253  
of the Revised Code or a similar plan or agreement for the 11254  
transfer of assets of that person to another person in 11255  
consideration of the issuance of securities of any person, is 11256  
exempt if, with respect to any of the foregoing transactions, 11257  
either of the following conditions is satisfied: 11258

(a) The securities to be issued to the security holders 11259  
are effectively registered under sections 6 to 8 of the 11260  
Securities Act of 1933 and offered and sold in compliance with 11261  
section 5 of that act; 11262

(b) At least twenty days prior to the date on which a 11263  
meeting of the security holders is held or the earliest date on 11264  
which corporate action may be taken when no meeting is held, 11265  
there is submitted to the security holders, by that person, or 11266  
by the person whose securities are to be issued in the 11267  
transaction, information substantially equivalent to the 11268  
information that would be required to be included in a proxy 11269  
statement or information statement prepared by or on behalf of 11270  
the management of an issuer subject to section 14(a) or 14(c) of 11271  
the Securities Exchange Act of 1934. 11272

(V) The sale of any security is exempt if the division by 11273  
rule finds that registration is not necessary or appropriate in 11274  
the public interest or for the protection of investors. 11275

(W) Any offer or sale of securities made in reliance on 11276  
the exemptions provided by Rule 505 of Regulation D made 11277  
pursuant to the Securities Act of 1933 and the conditions and 11278  
definitions provided by Rules 501 to 503 thereunder is exempt if 11279  
the offer or sale satisfies all of the following conditions: 11280

(1) No commission or other remuneration is given, directly 11281  
or indirectly, to any person for soliciting or selling to any 11282  
person in this state in reliance on the exemption under this 11283  
division, except to dealers licensed in this state. 11284

(2) (a) Unless the cause for disqualification is waived 11285  
under division (W) (2) (b) of this section, no exemption under 11286  
this section is available for the securities of an issuer unless 11287

the issuer did not know and in the exercise of reasonable care 11288  
could not have known that any of the following applies to any of 11289  
the persons described in Rule 262(a) to (c) of Regulation A 11290  
under the Securities Act of 1933: 11291

(i) The person has filed an application for registration 11292  
or qualification that is the subject of an effective order 11293  
entered against the issuer, its officers, directors, general 11294  
partners, controlling persons or affiliates thereof, pursuant to 11295  
the law of any state within five years before the filing of a 11296  
notice required under division (W) (3) of this section denying 11297  
effectiveness to, or suspending or revoking the effectiveness 11298  
of, the registration statement. 11299

(ii) The person has been convicted of any offense in 11300  
connection with the offer, sale, or purchase of any security or 11301  
franchise, or any felony involving fraud or deceit, including, 11302  
but not limited to, forgery, embezzlement, fraud, theft, or 11303  
conspiracy to defraud. 11304

(iii) The person is subject to an effective administrative 11305  
order or judgment that was entered by a state securities 11306  
administrator within five years before the filing of a notice 11307  
required under division (W) (3) of this section and that 11308  
prohibits, denies, or revokes the use of any exemption from 11309  
securities registration, prohibits the transaction of business 11310  
by the person as a dealer, or is based on fraud, deceit, an 11311  
untrue statement of a material fact, or an omission to state a 11312  
material fact. 11313

(iv) The person is subject to any order, judgment, or 11314  
decree of any court entered within five years before the filing 11315  
of a notice required under division (W) (3) of this section, 11316  
temporarily, preliminarily, or permanently restraining or 11317

enjoining the person from engaging in or continuing any conduct 11318  
or practice in connection with the offer, sale, or purchase of 11319  
any security, or the making of any false filing with any state. 11320

(b) (i) Any disqualification under this division involving 11321  
a dealer may be waived if the dealer is or continues to be 11322  
licensed in this state as a dealer after notifying the 11323  
commissioner of the act or event causing disqualification. 11324

(ii) The commissioner may waive any disqualification under 11325  
this paragraph upon a showing of good cause that it is not 11326  
necessary under the circumstances that use of the exemption be 11327  
denied. 11328

(3) Not later than five business days before the earlier 11329  
of the date on which the first use of an offering document or 11330  
the first sale is made in this state in reliance on the 11331  
exemption under this division, there is filed with the 11332  
commissioner a notice comprised of offering material in 11333  
compliance with the requirements of Rule 502 of Regulation D 11334  
under the Securities Act of 1933 and a fee of one hundred 11335  
dollars. Material amendments to the offering document shall be 11336  
filed with the commissioner not later than the date of their 11337  
first use in this state. 11338

(4) The aggregate commission, discount, and other 11339  
remuneration paid or given, directly or indirectly, does not 11340  
exceed twelve per cent of the initial offering price, excluding 11341  
legal, accounting, and printing fees. 11342

(X) Any offer or sale of securities made in reliance on 11343  
the exemption provided in Rule 506 of Regulation D under the 11344  
Securities Act of 1933, and in accordance with Rules 501 to 503 11345  
of Regulation D under the Securities Act of 1933, is exempt 11346

provided that all of the following apply: 11347

(1) The issuer makes a notice filing with the division on 11348  
form D of the securities and exchange commission within fifteen 11349  
days of the first sale in this state; 11350

(2) Any commission, discount, or other remuneration for 11351  
sales of securities in this state is paid or given only to 11352  
dealers or salespersons licensed under this chapter; 11353

(3) The issuer pays a filing fee of one hundred dollars to 11354  
the division; however, no filing fee shall be required to file 11355  
amendments to the form D of the securities and exchange 11356  
commission. 11357

(Y) The offer or sale of securities by an issuer is exempt 11358  
provided that all of the following apply: 11359

(1) The sale of securities is made only to persons who 11360  
are, or who the issuer reasonably believes are, accredited 11361  
investors as defined in Rule 501 of Regulation D under the 11362  
Securities Act of 1933. 11363

(2) The issuer reasonably believes that all purchasers are 11364  
purchasing for investment and not with a view to or for sale in 11365  
connection with a distribution of the security. Any resale of a 11366  
security sold in reliance on this exemption within twelve months 11367  
of sale shall be presumed to be with a view to distribution and 11368  
not for investment, except a resale to which any of the 11369  
following applies: 11370

(a) The resale is pursuant to a registration statement 11371  
effective under section 1707.09 or 1707.091 of the Revised Code. 11372

(b) The resale is to an accredited investor, as defined in 11373  
Rule 501 of Regulation D under the Securities Act of 1933. 11374

(c) The resale is to an institutional investor pursuant to 11375  
the exemptions under division (B) or (D) of this section. 11376

(3) The exemption under this division is not available to 11377  
an issuer that is in the development stage and that either has 11378  
no specific business plan or purpose or has indicated that its 11379  
business plan is to engage in a merger or acquisition with an 11380  
unidentified company or companies, or other entities or persons. 11381

(4) The exemption under this division is not available to 11382  
an issuer, if the issuer, any of the issuer's predecessors, any 11383  
affiliated issuer, any of the issuer's directors, officers, 11384  
general partners, or beneficial owners of ten per cent or more 11385  
of any class of its equity securities, any of the issuer's 11386  
promoters presently connected with the issuer in any capacity, 11387  
any underwriter of the securities to be offered, or any partner, 11388  
director, or officer of such underwriter: 11389

(a) Within the past five years, has filed a registration 11390  
statement that is the subject of a currently effective 11391  
registration stop order entered by any state securities 11392  
administrator or the securities and exchange commission; 11393

(b) Within the past five years, has been convicted of any 11394  
criminal offense in connection with the offer, purchase, or sale 11395  
of any security, or involving fraud or deceit; 11396

(c) Is currently subject to any state or federal 11397  
administrative enforcement order or judgment, entered within the 11398  
past five years, finding fraud or deceit in connection with the 11399  
purchase or sale of any security; 11400

(d) Is currently subject to any order, judgment, or decree 11401  
of any court of competent jurisdiction, entered within the past 11402  
five years, that temporarily, preliminarily, or permanently 11403

restrains or enjoins the party from engaging in or continuing to 11404  
engage in any conduct or practice involving fraud or deceit in 11405  
connection with the purchase or sale of any security. 11406

(5) Division (Y)(4) of this section is inapplicable if any 11407  
of the following applies: 11408

(a) The party subject to the disqualification is licensed 11409  
or registered to conduct securities business in the state in 11410  
which the order, judgment, or decree creating the 11411  
disqualification was entered against the party described in 11412  
division (Y)(4) of this section. 11413

(b) Before the first offer is made under this exemption, 11414  
the state securities administrator, or the court or regulatory 11415  
authority that entered the order, judgment, or decree, waives 11416  
the disqualification. 11417

(c) The issuer did not know and, in the exercise of 11418  
reasonable care based on reasonable investigation, could not 11419  
have known that a disqualification from the exemption existed 11420  
under division (Y)(4) of this section. 11421

(6) A general announcement of the proposed offering may be 11422  
made by any means; however, the general announcement shall 11423  
include only the following information, unless additional 11424  
information is specifically permitted by the division by rule: 11425

(a) The name, address, and telephone number of the issuer 11426  
of the securities; 11427

(b) The name, a brief description, and price of any 11428  
security to be issued; 11429

(c) A brief description of the business of the issuer; 11430

(d) The type, number, and aggregate amount of securities 11431

being offered; 11432

(e) The name, address, and telephone number of the person 11433  
to contact for additional information; and 11434

(f) A statement indicating all of the following: 11435

(i) Sales will only be made to accredited investors as 11436  
defined in Rule 501 of Regulation D under the Securities Act of 11437  
1933; 11438

(ii) No money or other consideration is being solicited or 11439  
will be accepted by way of this general announcement; 11440

(iii) The securities have not been registered with or 11441  
approved by any state securities administrator or the securities 11442  
and exchange commission and are being offered and sold pursuant 11443  
to an exemption from registration. 11444

(7) The issuer, in connection with an offer, may provide 11445  
information in addition to the general announcement described in 11446  
division (Y)(6) of this section, provided that either of the 11447  
following applies: 11448

(a) The information is delivered through an electronic 11449  
database that is restricted to persons that are accredited 11450  
investors as defined in Rule 501 of Regulation D under the 11451  
Securities Act of 1933. 11452

(b) The information is delivered after the issuer 11453  
reasonably believes that the prospective purchaser is an 11454  
accredited investor as defined in Rule 501 of Regulation D under 11455  
the Securities Act of 1933. 11456

(8) No telephone solicitation shall be done, unless prior 11457  
to placing the telephone call, the issuer reasonably believes 11458  
that the prospective purchaser to be solicited is an accredited 11459

investor as defined in Rule 501 of Regulation D under the 11460  
Securities Act of 1933. 11461

(9) Dissemination of the general announcement described in 11462  
division (Y)(6) of this section to persons that are not 11463  
accredited investors, as defined in Rule 501 of Regulation D 11464  
under the Securities Act of 1933, does not disqualify the issuer 11465  
from claiming an exemption under this division. 11466

(10) The issuer shall file with the division notice of the 11467  
offering of securities within fifteen days after notice of the 11468  
offering is made or a general announcement is made in this 11469  
state. The filing shall be on forms adopted by the division and 11470  
shall include a copy of the general announcement, if one is made 11471  
regarding the proposed offering, and copies of any offering 11472  
materials, circulars, or prospectuses. A filing fee of one 11473  
hundred dollars also shall be included. 11474

**Sec. 1901.31.** The clerk and deputy clerks of a municipal 11475  
court shall be selected, be compensated, give bond, and have 11476  
powers and duties as follows: 11477

(A) There shall be a clerk of the court who is appointed 11478  
or elected as follows: 11479

(1)(a) Except in the Akron, Barberton, Toledo, Hamilton 11480  
county, Miami county, Montgomery county, Portage county, and 11481  
Wayne county municipal courts and through December 31, 2008, the 11482  
Cuyahoga Falls municipal court, if the population of the 11483  
territory equals or exceeds one hundred thousand at the regular 11484  
municipal election immediately preceding the expiration of the 11485  
term of the present clerk, the clerk shall be nominated and 11486  
elected by the qualified electors of the territory in the manner 11487  
that is provided for the nomination and election of judges in 11488

section 1901.07 of the Revised Code. 11489

The clerk so elected shall hold office for a term of six 11490  
years, which term shall commence on the first day of January 11491  
following the clerk's election and continue until the clerk's 11492  
successor is elected and qualified. 11493

(b) In the Hamilton county municipal court, the clerk of 11494  
courts of Hamilton county shall be the clerk of the municipal 11495  
court and may appoint an assistant clerk who shall receive the 11496  
compensation, payable out of the treasury of Hamilton county in 11497  
semimonthly installments, that the board of county commissioners 11498  
prescribes. The clerk of courts of Hamilton county, acting as 11499  
the clerk of the Hamilton county municipal court and assuming 11500  
the duties of that office, shall receive compensation at one- 11501  
fourth the rate that is prescribed for the clerks of courts of 11502  
common pleas as determined in accordance with the population of 11503  
the county and the rates set forth in sections 325.08 and 325.18 11504  
of the Revised Code. This compensation shall be paid from the 11505  
county treasury in semimonthly installments and is in addition 11506  
to the annual compensation that is received for the performance 11507  
of the duties of the clerk of courts of Hamilton county, as 11508  
provided in sections 325.08 and 325.18 of the Revised Code. 11509

(c) In the Portage county and Wayne county municipal 11510  
courts, the clerks of courts of Portage county and Wayne county 11511  
shall be the clerks, respectively, of the Portage county and 11512  
Wayne county municipal courts and may appoint a chief deputy 11513  
clerk for each branch that is established pursuant to section 11514  
1901.311 of the Revised Code and assistant clerks as the judges 11515  
of the municipal court determine are necessary, all of whom 11516  
shall receive the compensation that the legislative authority 11517  
prescribes. The clerks of courts of Portage county and Wayne 11518

county, acting as the clerks of the Portage county and Wayne 11519  
county municipal courts and assuming the duties of these 11520  
offices, shall receive compensation payable from the county 11521  
treasury in semimonthly installments at one-fourth the rate that 11522  
is prescribed for the clerks of courts of common pleas as 11523  
determined in accordance with the population of the county and 11524  
the rates set forth in sections 325.08 and 325.18 of the Revised 11525  
Code. 11526

(d) In the Montgomery county and Miami county municipal 11527  
courts, the clerks of courts of Montgomery county and Miami 11528  
county shall be the clerks, respectively, of the Montgomery 11529  
county and Miami county municipal courts. The clerks of courts 11530  
of Montgomery county and Miami county, acting as the clerks of 11531  
the Montgomery county and Miami county municipal courts and 11532  
assuming the duties of these offices, shall receive compensation 11533  
at one-fourth the rate that is prescribed for the clerks of 11534  
courts of common pleas as determined in accordance with the 11535  
population of the county and the rates set forth in sections 11536  
325.08 and 325.18 of the Revised Code. This compensation shall 11537  
be paid from the county treasury in semimonthly installments and 11538  
is in addition to the annual compensation that is received for 11539  
the performance of the duties of the clerks of courts of 11540  
Montgomery county and Miami county, as provided in sections 11541  
325.08 and 325.18 of the Revised Code. 11542

(e) Except as otherwise provided in division (A) (1) (e) of 11543  
this section, in the Akron municipal court, candidates for 11544  
election to the office of clerk of the court shall be nominated 11545  
by primary election. The primary election shall be held on the 11546  
day specified in the charter of the city of Akron for the 11547  
nomination of municipal officers. Notwithstanding any contrary 11548  
provision of section 3513.05 or 3513.257 of the Revised Code, 11549

the declarations of candidacy and petitions of partisan 11550  
candidates and the nominating petitions of independent 11551  
candidates for the office of clerk of the Akron municipal court 11552  
shall be signed by at least fifty qualified electors of the 11553  
territory of the court. 11554

The candidates shall file a declaration of candidacy and 11555  
petition, or a nominating petition, whichever is applicable, not 11556  
later than four p.m. of the ninetieth day before the day of the 11557  
primary election, in the form prescribed by section 3513.07 or 11558  
3513.261 of the Revised Code. The declaration of candidacy and 11559  
petition, or the nominating petition, shall conform to the 11560  
applicable requirements of section 3513.05 or 3513.257 of the 11561  
Revised Code. 11562

If no valid declaration of candidacy and petition is filed 11563  
by any person for nomination as a candidate of a particular 11564  
political party for election to the office of clerk of the Akron 11565  
municipal court, a primary election shall not be held for the 11566  
purpose of nominating a candidate of that party for election to 11567  
that office. If only one person files a valid declaration of 11568  
candidacy and petition for nomination as a candidate of a 11569  
particular political party for election to that office, a 11570  
primary election shall not be held for the purpose of nominating 11571  
a candidate of that party for election to that office, and the 11572  
candidate shall be issued a certificate of nomination in the 11573  
manner set forth in section 3513.02 of the Revised Code. 11574

Declarations of candidacy and petitions, nominating 11575  
petitions, and certificates of nomination for the office of 11576  
clerk of the Akron municipal court shall contain a designation 11577  
of the term for which the candidate seeks election. At the 11578  
following regular municipal election, all candidates for the 11579

office shall be submitted to the qualified electors of the 11580  
territory of the court in the manner that is provided in section 11581  
1901.07 of the Revised Code for the election of the judges of 11582  
the court. The clerk so elected shall hold office for a term of 11583  
six years, which term shall commence on the first day of January 11584  
following the clerk's election and continue until the clerk's 11585  
successor is elected and qualified. 11586

(f) Except as otherwise provided in division (A) (1) (f) of 11587  
this section, in the Barberton municipal court, candidates for 11588  
election to the office of clerk of the court shall be nominated 11589  
by primary election. The primary election shall be held on the 11590  
day specified in the charter of the city of Barberton for the 11591  
nomination of municipal officers. Notwithstanding any contrary 11592  
provision of section 3513.05 or 3513.257 of the Revised Code, 11593  
the declarations of candidacy and petitions of partisan 11594  
candidates and the nominating petitions of independent 11595  
candidates for the office of clerk of the Barberton municipal 11596  
court shall be signed by at least fifty qualified electors of 11597  
the territory of the court. 11598

The candidates shall file a declaration of candidacy and 11599  
petition, or a nominating petition, whichever is applicable, not 11600  
later than four p.m. of the ninetieth day before the day of the 11601  
primary election, in the form prescribed by section 3513.07 or 11602  
3513.261 of the Revised Code. The declaration of candidacy and 11603  
petition, or the nominating petition, shall conform to the 11604  
applicable requirements of section 3513.05 or 3513.257 of the 11605  
Revised Code. 11606

If no valid declaration of candidacy and petition is filed 11607  
by any person for nomination as a candidate of a particular 11608  
political party for election to the office of clerk of the 11609

Barberton municipal court, a primary election shall not be held 11610  
for the purpose of nominating a candidate of that party for 11611  
election to that office. If only one person files a valid 11612  
declaration of candidacy and petition for nomination as a 11613  
candidate of a particular political party for election to that 11614  
office, a primary election shall not be held for the purpose of 11615  
nominating a candidate of that party for election to that 11616  
office, and the candidate shall be issued a certificate of 11617  
nomination in the manner set forth in section 3513.02 of the 11618  
Revised Code. 11619

Declarations of candidacy and petitions, nominating 11620  
petitions, and certificates of nomination for the office of 11621  
clerk of the Barberton municipal court shall contain a 11622  
designation of the term for which the candidate seeks election. 11623  
At the following regular municipal election, all candidates for 11624  
the office shall be submitted to the qualified electors of the 11625  
territory of the court in the manner that is provided in section 11626  
1901.07 of the Revised Code for the election of the judges of 11627  
the court. The clerk so elected shall hold office for a term of 11628  
six years, which term shall commence on the first day of January 11629  
following the clerk's election and continue until the clerk's 11630  
successor is elected and qualified. 11631

(g) (i) Through December 31, 2008, except as otherwise 11632  
provided in division (A) (1) (g) (i) of this section, in the 11633  
Cuyahoga Falls municipal court, candidates for election to the 11634  
office of clerk of the court shall be nominated by primary 11635  
election. The primary election shall be held on the day 11636  
specified in the charter of the city of Cuyahoga Falls for the 11637  
nomination of municipal officers. Notwithstanding any contrary 11638  
provision of section 3513.05 or 3513.257 of the Revised Code, 11639  
the declarations of candidacy and petitions of partisan 11640

candidates and the nominating petitions of independent 11641  
candidates for the office of clerk of the Cuyahoga Falls 11642  
municipal court shall be signed by at least fifty qualified 11643  
electors of the territory of the court. 11644

The candidates shall file a declaration of candidacy and 11645  
petition, or a nominating petition, whichever is applicable, not 11646  
later than four p.m. of the ninetieth day before the day of the 11647  
primary election, in the form prescribed by section 3513.07 or 11648  
3513.261 of the Revised Code. The declaration of candidacy and 11649  
petition, or the nominating petition, shall conform to the 11650  
applicable requirements of section 3513.05 or 3513.257 of the 11651  
Revised Code. 11652

If no valid declaration of candidacy and petition is filed 11653  
by any person for nomination as a candidate of a particular 11654  
political party for election to the office of clerk of the 11655  
Cuyahoga Falls municipal court, a primary election shall not be 11656  
held for the purpose of nominating a candidate of that party for 11657  
election to that office. If only one person files a valid 11658  
declaration of candidacy and petition for nomination as a 11659  
candidate of a particular political party for election to that 11660  
office, a primary election shall not be held for the purpose of 11661  
nominating a candidate of that party for election to that 11662  
office, and the candidate shall be issued a certificate of 11663  
nomination in the manner set forth in section 3513.02 of the 11664  
Revised Code. 11665

Declarations of candidacy and petitions, nominating 11666  
petitions, and certificates of nomination for the office of 11667  
clerk of the Cuyahoga Falls municipal court shall contain a 11668  
designation of the term for which the candidate seeks election. 11669  
At the following regular municipal election, all candidates for 11670

the office shall be submitted to the qualified electors of the 11671  
territory of the court in the manner that is provided in section 11672  
1901.07 of the Revised Code for the election of the judges of 11673  
the court. The clerk so elected shall hold office for a term of 11674  
six years, which term shall commence on the first day of January 11675  
following the clerk's election and continue until the clerk's 11676  
successor is elected and qualified. 11677

(ii) Division (A) (1) (g) (i) of this section shall have no 11678  
effect after December 31, 2008. 11679

(h) Except as otherwise provided in division (A) (1) (h) of 11680  
this section, in the Toledo municipal court, candidates for 11681  
election to the office of clerk of the court shall be nominated 11682  
by primary election. The primary election shall be held on the 11683  
day specified in the charter of the city of Toledo for the 11684  
nomination of municipal officers. Notwithstanding any contrary 11685  
provision of section 3513.05 or 3513.257 of the Revised Code, 11686  
the declarations of candidacy and petitions of partisan 11687  
candidates and the nominating petitions of independent 11688  
candidates for the office of clerk of the Toledo municipal court 11689  
shall be signed by at least fifty qualified electors of the 11690  
territory of the court. 11691

The candidates shall file a declaration of candidacy and 11692  
petition, or a nominating petition, whichever is applicable, not 11693  
later than four p.m. of the ninetieth day before the day of the 11694  
primary election, in the form prescribed by section 3513.07 or 11695  
3513.261 of the Revised Code. The declaration of candidacy and 11696  
petition, or the nominating petition, shall conform to the 11697  
applicable requirements of section 3513.05 or 3513.257 of the 11698  
Revised Code. 11699

If no valid declaration of candidacy and petition is filed 11700

by any person for nomination as a candidate of a particular 11701  
political party for election to the office of clerk of the 11702  
Toledo municipal court, a primary election shall not be held for 11703  
the purpose of nominating a candidate of that party for election 11704  
to that office. If only one person files a valid declaration of 11705  
candidacy and petition for nomination as a candidate of a 11706  
particular political party for election to that office, a 11707  
primary election shall not be held for the purpose of nominating 11708  
a candidate of that party for election to that office, and the 11709  
candidate shall be issued a certificate of nomination in the 11710  
manner set forth in section 3513.02 of the Revised Code. 11711

Declarations of candidacy and petitions, nominating 11712  
petitions, and certificates of nomination for the office of 11713  
clerk of the Toledo municipal court shall contain a designation 11714  
of the term for which the candidate seeks election. At the 11715  
following regular municipal election, all candidates for the 11716  
office shall be submitted to the qualified electors of the 11717  
territory of the court in the manner that is provided in section 11718  
1901.07 of the Revised Code for the election of the judges of 11719  
the court. The clerk so elected shall hold office for a term of 11720  
six years, which term shall commence on the first day of January 11721  
following the clerk's election and continue until the clerk's 11722  
successor is elected and qualified. 11723

(2) (a) Except for the Alliance, Auglaize county, Brown 11724  
county, Columbiana county, Holmes county, Putnam county, 11725  
Sandusky county, Lorain, Massillon, and Youngstown municipal 11726  
courts, in a municipal court for which the population of the 11727  
territory is less than one hundred thousand, the clerk shall be 11728  
appointed by the court, and the clerk shall hold office until 11729  
the clerk's successor is appointed and qualified. 11730

(b) In the Alliance, Lorain, Massillon, and Youngstown 11731  
municipal courts, the clerk shall be elected for a term of 11732  
office as described in division (A) (1) (a) of this section. 11733

(c) In the Auglaize county, Brown county, Holmes county, 11734  
Putnam county, and Sandusky county municipal courts, the clerks 11735  
of courts of Auglaize county, Brown county, Holmes county, 11736  
Putnam county, and Sandusky county shall be the clerks, 11737  
respectively, of the Auglaize county, Brown county, Holmes 11738  
county, Putnam county, and Sandusky county municipal courts and 11739  
may appoint a chief deputy clerk for each branch office that is 11740  
established pursuant to section 1901.311 of the Revised Code, 11741  
and assistant clerks as the judge of the court determines are 11742  
necessary, all of whom shall receive the compensation that the 11743  
legislative authority prescribes. The clerks of courts of 11744  
Auglaize county, Brown county, Holmes county, Putnam county, and 11745  
Sandusky county, acting as the clerks of the Auglaize county, 11746  
Brown county, Holmes county, Putnam county, and Sandusky county 11747  
municipal courts and assuming the duties of these offices, shall 11748  
receive compensation payable from the county treasury in 11749  
semimonthly installments at one-fourth the rate that is 11750  
prescribed for the clerks of courts of common pleas as 11751  
determined in accordance with the population of the county and 11752  
the rates set forth in sections 325.08 and 325.18 of the Revised 11753  
Code. 11754

(d) In the Columbiana county municipal court, the clerk of 11755  
courts of Columbiana county shall be the clerk of the municipal 11756  
court, may appoint a chief deputy clerk for each branch office 11757  
that is established pursuant to section 1901.311 of the Revised 11758  
Code, and may appoint any assistant clerks that the judges of 11759  
the court determine are necessary. All of the chief deputy 11760  
clerks and assistant clerks shall receive the compensation that 11761

the legislative authority prescribes. The clerk of courts of  
Columbiana county, acting as the clerk of the Columbiana county  
municipal court and assuming the duties of that office, shall  
receive in either biweekly installments or semimonthly  
installments, as determined by the payroll administrator,  
compensation payable from the county treasury at one-fourth the  
rate that is prescribed for the clerks of courts of common pleas  
as determined in accordance with the population of the county  
and the rates set forth in sections 325.08 and 325.18 of the  
Revised Code.

(3) During the temporary absence of the clerk due to  
illness, vacation, or other proper cause, the court may appoint  
a temporary clerk, who shall be paid the same compensation, have  
the same authority, and perform the same duties as the clerk.

(B) Except in the Hamilton county, Montgomery county,  
Miami county, Portage county, and Wayne county municipal courts,  
if a vacancy occurs in the office of the clerk of the Alliance,  
Lorain, Massillon, or Youngstown municipal court or occurs in  
the office of the clerk of a municipal court for which the  
population of the territory equals or exceeds one hundred  
thousand because the clerk ceases to hold the office before the  
end of the clerk's term or because a clerk-elect fails to take  
office, the vacancy shall be filled, until a successor is  
elected and qualified, by a person chosen by the residents of  
the territory of the court who are members of the county central  
committee of the political party by which the last occupant of  
that office or the clerk-elect was nominated. Not less than five  
nor more than fifteen days after a vacancy occurs, those members  
of that county central committee shall meet to make an  
appointment to fill the vacancy. At least four days before the  
date of the meeting, the chairperson or a secretary of the

county central committee shall notify each such member of that 11793  
county central committee by first class mail of the date, time, 11794  
and place of the meeting and its purpose. A majority of all such 11795  
members of that county central committee constitutes a quorum, 11796  
and a majority of the quorum is required to make the 11797  
appointment. If the office so vacated was occupied or was to be 11798  
occupied by a person not nominated at a primary election, or if 11799  
the appointment was not made by the committee members in 11800  
accordance with this division, the court shall make an 11801  
appointment to fill the vacancy. A successor shall be elected to 11802  
fill the office for the unexpired term at the first municipal 11803  
election that is held more than one hundred thirty-five days 11804  
after the vacancy occurred. 11805

(C) (1) In a municipal court, other than the Auglaize 11806  
county, the Brown county, the Columbiana county, the Holmes 11807  
county, the Putnam county, the Sandusky county, and the Lorain 11808  
municipal courts, for which the population of the territory is 11809  
less than one hundred thousand, the clerk of the municipal court 11810  
shall receive the annual compensation that the presiding judge 11811  
of the court prescribes, if the revenue of the court for the 11812  
preceding calendar year, as certified by the auditor or chief 11813  
fiscal officer of the municipal corporation in which the court 11814  
is located or, in the case of a county-operated municipal court, 11815  
the county auditor, is equal to or greater than the 11816  
expenditures, including any debt charges, for the operation of 11817  
the court payable under this chapter from the city treasury or, 11818  
in the case of a county-operated municipal court, the county 11819  
treasury for that calendar year, as also certified by the 11820  
auditor or chief fiscal officer. If the revenue of a municipal 11821  
court, other than the Auglaize county, the Brown county, the 11822  
Columbiana county, the Putnam county, the Sandusky county, and 11823

the Lorain municipal courts, for which the population of the 11824  
territory is less than one hundred thousand for the preceding 11825  
calendar year as so certified is not equal to or greater than 11826  
those expenditures for the operation of the court for that 11827  
calendar year as so certified, the clerk of a municipal court 11828  
shall receive the annual compensation that the legislative 11829  
authority prescribes. As used in this division, "revenue" means 11830  
the total of all costs and fees that are collected and paid to 11831  
the city treasury or, in a county-operated municipal court, the 11832  
county treasury by the clerk of the municipal court under 11833  
division (F) of this section and all interest received and paid 11834  
to the city treasury or, in a county-operated municipal court, 11835  
the county treasury in relation to the costs and fees under 11836  
division (G) of this section. 11837

(2) In a municipal court, other than the Hamilton county, 11838  
Montgomery county, Miami county, Portage county, and Wayne 11839  
county municipal courts, for which the population of the 11840  
territory is one hundred thousand or more, and in the Lorain 11841  
municipal court, the clerk of the municipal court shall receive 11842  
annual compensation in a sum equal to eighty-five per cent of 11843  
the salary of a judge of the court. 11844

(3) The compensation of a clerk described in division (C) 11845  
(1) or (2) of this section and of the clerk of the Columbiana 11846  
county municipal court is payable in either semimonthly 11847  
installments or biweekly installments, as determined by the 11848  
payroll administrator, from the same sources and in the same 11849  
manner as provided in section 1901.11 of the Revised Code, 11850  
except that the compensation of the clerk of the Carroll county 11851  
municipal court is payable in biweekly installments. 11852

(D) Before entering upon the duties of the clerk's office, 11853

the clerk of a municipal court shall give bond of not less than 11854  
six thousand dollars to be determined by the judges of the 11855  
court, conditioned upon the faithful performance of the clerk's 11856  
duties. 11857

(E) The clerk of a municipal court may do all of the 11858  
following: administer oaths, take affidavits, and issue 11859  
executions upon any judgment rendered in the court, including a 11860  
judgment for unpaid costs; issue, sign, and attach the seal of 11861  
the court to all writs, process, subpoenas, and papers issuing 11862  
out of the court; and approve all bonds, sureties, 11863  
recognizances, and undertakings fixed by any judge of the court 11864  
or by law. The clerk may refuse to accept for filing any 11865  
pleading or paper submitted for filing by a person who has been 11866  
found to be a vexatious litigator under section 2323.52 of the 11867  
Revised Code and who has failed to obtain leave to proceed under 11868  
that section. The clerk shall do all of the following: file and 11869  
safely keep all journals, records, books, and papers belonging 11870  
or appertaining to the court; record the proceedings of the 11871  
court; perform all other duties that the judges of the court may 11872  
prescribe; and keep a book showing all receipts and 11873  
disbursements, which book shall be open for public inspection at 11874  
all times. 11875

The clerk shall prepare and maintain a general index, a 11876  
docket, and other records that the court, by rule, requires, all 11877  
of which shall be the public records of the court. In the 11878  
docket, the clerk shall enter, at the time of the commencement 11879  
of an action, the names of the parties in full, the names of the 11880  
counsel, and the nature of the proceedings. Under proper dates, 11881  
the clerk shall note the filing of the complaint, issuing of 11882  
summons or other process, returns, and any subsequent pleadings. 11883  
The clerk also shall enter all reports, verdicts, orders, 11884

judgments, and proceedings of the court, clearly specifying the 11885  
relief granted or orders made in each action. The court may 11886  
order an extended record of any of the above to be made and 11887  
entered, under the proper action heading, upon the docket at the 11888  
request of any party to the case, the expense of which record 11889  
may be taxed as costs in the case or may be required to be 11890  
prepaid by the party demanding the record, upon order of the 11891  
court. 11892

(F) The clerk of a municipal court shall receive, collect, 11893  
and issue receipts for all costs, fees, fines, bail, and other 11894  
moneys payable to the office or to any officer of the court. The 11895  
clerk shall on or before the twentieth day of the month 11896  
following the month in which they are collected disburse to the 11897  
proper persons or officers, and take receipts for, all costs, 11898  
fees, fines, bail, and other moneys that the clerk collects. 11899  
Subject to sections 307.515 and 4511.193 of the Revised Code and 11900  
to any other section of the Revised Code that requires a 11901  
specific manner of disbursement of any moneys received by a 11902  
municipal court and except for the Hamilton county, Lawrence 11903  
county, and Ottawa county municipal courts, the clerk shall pay 11904  
all fines received for violation of municipal ordinances into 11905  
the treasury of the municipal corporation the ordinance of which 11906  
was violated and shall pay all fines received for violation of 11907  
township resolutions adopted pursuant to section 503.52 or 11908  
503.53 or Chapter 504. of the Revised Code into the treasury of 11909  
the township the resolution of which was violated. Subject to 11910  
sections 1901.024 and 4511.193 of the Revised Code, in the 11911  
Hamilton county, Lawrence county, and Ottawa county municipal 11912  
courts, the clerk shall pay fifty per cent of the fines received 11913  
for violation of municipal ordinances and fifty per cent of the 11914  
fines received for violation of township resolutions adopted 11915

pursuant to section 503.52 or 503.53 or Chapter 504. of the 11916  
Revised Code into the treasury of the county. Subject to 11917  
sections 307.515, 4511.19, and 5503.04 of the Revised Code and 11918  
to any other section of the Revised Code that requires a 11919  
specific manner of disbursement of any moneys received by a 11920  
municipal court, the clerk shall pay all fines collected for the 11921  
violation of state laws into the county treasury. Except in a 11922  
county-operated municipal court, the clerk shall pay all costs 11923  
and fees the disbursement of which is not otherwise provided for 11924  
in the Revised Code into the city treasury. The clerk of a 11925  
county-operated municipal court shall pay the costs and fees the 11926  
disbursement of which is not otherwise provided for in the 11927  
Revised Code into the county treasury. Moneys deposited as 11928  
security for costs shall be retained pending the litigation. The 11929  
clerk shall keep a separate account of all receipts and 11930  
disbursements in civil and criminal cases, which shall be a 11931  
permanent public record of the office. On the expiration of the 11932  
term of the clerk, the clerk shall deliver the records to the 11933  
clerk's successor. The clerk shall have other powers and duties 11934  
as are prescribed by rule or order of the court. 11935

(G) All moneys paid into a municipal court shall be noted 11936  
on the record of the case in which they are paid and shall be 11937  
deposited in a state or national bank, ~~or a domestic savings and~~ 11938  
~~loan association,~~ as defined in section ~~1151.01~~ 1101.01 of the 11939  
Revised Code, that is selected by the clerk. Any interest 11940  
received upon the deposits shall be paid into the city treasury, 11941  
except that, in a county-operated municipal court, the interest 11942  
shall be paid into the treasury of the county in which the court 11943  
is located. 11944

On the first Monday in January of each year, the clerk 11945  
shall make a list of the titles of all cases in the court that 11946

were finally determined more than one year past in which there 11947  
remains unclaimed in the possession of the clerk any funds, or 11948  
any part of a deposit for security of costs not consumed by the 11949  
costs in the case. The clerk shall give notice of the moneys to 11950  
the parties who are entitled to the moneys or to their attorneys 11951  
of record. All the moneys remaining unclaimed on the first day 11952  
of April of each year shall be paid by the clerk to the city 11953  
treasurer, except that, in a county-operated municipal court, 11954  
the moneys shall be paid to the treasurer of the county in which 11955  
the court is located. The treasurer shall pay any part of the 11956  
moneys at any time to the person who has the right to the moneys 11957  
upon proper certification of the clerk. 11958

(H) Deputy clerks of a municipal court other than the 11959  
Carroll county municipal court may be appointed by the clerk and 11960  
shall receive the compensation, payable in either biweekly 11961  
installments or semimonthly installments, as determined by the 11962  
payroll administrator, out of the city treasury, that the clerk 11963  
may prescribe, except that the compensation of any deputy clerk 11964  
of a county-operated municipal court shall be paid out of the 11965  
treasury of the county in which the court is located. The judge 11966  
of the Carroll county municipal court may appoint deputy clerks 11967  
for the court, and the deputy clerks shall receive the 11968  
compensation, payable in biweekly installments out of the county 11969  
treasury, that the judge may prescribe. Each deputy clerk shall 11970  
take an oath of office before entering upon the duties of the 11971  
deputy clerk's office and, when so qualified, may perform the 11972  
duties appertaining to the office of the clerk. The clerk may 11973  
require any of the deputy clerks to give bond of not less than 11974  
three thousand dollars, conditioned for the faithful performance 11975  
of the deputy clerk's duties. 11976

(I) For the purposes of this section, whenever the 11977

population of the territory of a municipal court falls below one 11978  
hundred thousand but not below ninety thousand, and the 11979  
population of the territory prior to the most recent regular 11980  
federal census exceeded one hundred thousand, the legislative 11981  
authority of the municipal corporation may declare, by 11982  
resolution, that the territory shall be considered to have a 11983  
population of at least one hundred thousand. 11984

(J) The clerk or a deputy clerk shall be in attendance at 11985  
all sessions of the municipal court, although not necessarily in 11986  
the courtroom, and may administer oaths to witnesses and jurors 11987  
and receive verdicts. 11988

**Sec. 2335.25.** Each clerk of a court of record, the 11989  
sheriff, and the prosecuting attorney shall enter in a journal 11990  
or cashbook, provided at the expense of the county, an accurate 11991  
account of all moneys collected or received ~~in his~~ the clerk's, 11992  
sheriff's, or prosecuting attorney's official capacity, on the 11993  
days of the receipt, and in the order of time so received, with 11994  
a minute of the date and suit, or other matter, on account of 11995  
which the money was received. The cashbook shall be a public 11996  
record of the office, and shall, on the expiration of the term 11997  
of each such officer, be delivered to ~~his~~ the officer's 11998  
successor ~~in office~~. The clerk shall be the receiver of all 11999  
moneys payable into ~~his~~ the clerk's office, whether collected by 12000  
public officers of court or tendered by other persons, and, on 12001  
request, shall pay the moneys to the persons entitled to receive 12002  
them. 12003

The clerk of the court of common pleas or of the county 12004  
court may deposit moneys payable into ~~his~~ the clerk's office in 12005  
a bank ~~or a building and loan association~~, as defined in section 12006  
~~1151.01-1101.01~~ of the Revised Code, subject to section 131.11 12007

of the Revised Code. Any interest received upon the deposits 12008  
shall be paid into the treasury of the county for which the 12009  
clerk performs ~~his~~ official duties. 12010

**Sec. 3351.07.** (A) For the purposes of this chapter, 12011  
"approved lender" means any bank as defined in section 1101.01 12012  
of the Revised Code, ~~any domestic savings and loan association~~ 12013  
~~as defined in section 1151.01 of the Revised Code,~~ any credit 12014  
union as defined in section 1733.01 of the Revised Code, any 12015  
federal credit union established pursuant to federal law, any 12016  
insurance company organized or authorized to do business in this 12017  
state, any pension fund eligible under the "Higher Education 12018  
Amendments of 1968," 82 Stat. 1026, 20 U.S.C.A. 1085, as 12019  
amended, the secondary market operation designated under 12020  
division (B) of this section, or any secondary market operation 12021  
established pursuant to the "Education Amendments of 1972," 86 12022  
Stat. 261, 20 U.S.C.A. 1071, as amended, or under the laws of 12023  
any state. 12024

(B) The governor may designate one nonprofit corporation 12025  
secondary market operation to be the single nonprofit private 12026  
agency designated by the state under the "Higher Education Act 12027  
of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d)(1)(D), as amended. 12028  
A designation in effect on ~~the effective date of this amendment~~ 12029  
October 16, 2009, expires December 31, 2009. Each designation 12030  
~~after the effective date of this amendment~~ October 16, 2009, 12031  
shall be made by competitive selection and shall be valid for 12032  
one year. The controlling board shall not waive the competitive 12033  
selection requirement. 12034

(C) The nonprofit corporation designated by the governor 12035  
under division (B) of this section as the private agency 12036  
secondary market operation shall be considered to be an agency 12037

of the state, in accordance with section 435(d)(1)(F) of the 12038  
"Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 12039  
1085(d)(1)(F), as amended, exclusively for the purpose of 12040  
functioning as a secondary student loan market. The corporation 12041  
shall be considered a state agency only for the purposes of this 12042  
division and no other division or section of the Revised Code 12043  
regarding state agencies shall apply to the corporation. No 12044  
liability or obligation incurred by the corporation shall be 12045  
considered to be a liability or debt of the state, nor shall the 12046  
state be construed to act as guarantor of any debt of the 12047  
corporation. 12048

(D) The nonprofit corporation designated under division 12049  
(B) of this section shall designate a separate nonprofit 12050  
corporation to operate exclusively for charitable and 12051  
educational purposes, complementing and supplementing the 12052  
designating corporation's secondary market operation for student 12053  
loans authorized under the "Higher Education Act of 1965," 101 12054  
Stat. 347, 20 U.S.C.A. 1085, as amended, and promoting the 12055  
general health and welfare of the state, the public interest, 12056  
and a public purpose through improving student assistance 12057  
programs by expanding access to higher education financing 12058  
programs for students and families in need of student financial 12059  
aid. In furtherance of such purposes, the separate nonprofit 12060  
corporation may do all of the following: 12061

(1) Assist educational institutions in establishing 12062  
financial aid programs to help students obtain an economical 12063  
education; 12064

(2) Encourage financial institutions to increase 12065  
educational opportunities by making funds available to both 12066  
students and educational institutions; 12067

- (3) Make available financial aid that supplements the financial assistance provided by eligible and approved lenders under state and federal programs; 12068  
12069  
12070
- (4) Develop and administer programs that do all of the following: 12071  
12072
- (a) Provide financial aid and incidental student financial aid information to students and their parents or other persons responsible for paying educational costs of those students at educational institutions; 12073  
12074  
12075  
12076
- (b) Provide financial aid and information relating to it to and through educational institutions, enabling those institutions to assist students financially in obtaining an education and fully expanding their intellectual capacity and skills; 12077  
12078  
12079  
12080  
12081
- (c) Better enable financial institutions to participate in student loan programs and other forms of financial aid, assisting students and educational institutions to increase education excellence and accessibility. 12082  
12083  
12084  
12085
- (E) The nonprofit corporation designated under authority of division (D) of this section shall do both of the following: 12086  
12087
- (1) Establish the criteria, standards, terms, and conditions for participation by students, parents, educational institutions, and financial institutions in that corporation's programs; 12088  
12089  
12090  
12091
- (2) Provide the governor a report of its programs and a copy of its audited financial statements not later than one hundred eighty days after the end of each fiscal year of the corporation. 12092  
12093  
12094  
12095

No liability, obligation, or debt incurred by the corporation designated under authority of division (D) of this section or by any person under that corporation's programs shall be, or be considered to be, a liability, obligation, or debt of, or a pledge of the faith and credit of, the state, any political subdivision of the state, or any state-supported or state-assisted institution of higher education, nor shall the state or any political subdivision of the state or any state-supported or state-assisted institution of higher education be or be construed to act as an obligor under or guarantor of any liability, obligation, or debt of that corporation or of any person under that corporation's programs or incur or be construed to have incurred any other liability, obligation, or debt as a result of any acts of the corporation.

(F) The nonprofit corporation designated under authority of division (D) of this section shall not be deemed to qualify by reason of the designation as a guarantor or an eligible lender under sections 435(d) and (j) of the "Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d) and (j), as amended.

**Sec. 3767.41.** (A) As used in this section:

(1) "Building" means, except as otherwise provided in this division, any building or structure that is used or intended to be used for residential purposes. "Building" includes, but is not limited to, a building or structure in which any floor is used for retail stores, shops, salesrooms, markets, or similar commercial uses, or for offices, banks, civic administration activities, professional services, or similar business or civic uses, and in which the other floors are used, or designed and intended to be used, for residential purposes. "Building" does

not include any building or structure that is occupied by its owner and that contains three or fewer residential units.

(2) (a) "Public nuisance" means a building that is a menace to the public health, welfare, or safety; that is structurally unsafe, unsanitary, or not provided with adequate safe egress; that constitutes a fire hazard, is otherwise dangerous to human life, or is otherwise no longer fit and habitable; or that, in relation to its existing use, constitutes a hazard to the public health, welfare, or safety by reason of inadequate maintenance, dilapidation, obsolescence, or abandonment.

(b) "Public nuisance" as it applies to subsidized housing means subsidized housing that fails to meet the following standards as specified in the federal rules governing each standard:

(i) Each building on the site is structurally sound, secure, habitable, and in good repair, as defined in 24 C.F.R. 5.703(b);

(ii) Each building's domestic water, electrical system, elevators, emergency power, fire protection, HVAC, and sanitary system is free of health and safety hazards, functionally adequate, operable, and in good repair, as defined in 24 C.F.R. 5.703(c);

(iii) Each dwelling unit within the building is structurally sound, habitable, and in good repair, and all areas and aspects of the dwelling unit are free of health and safety hazards, functionally adequate, operable, and in good repair, as defined in 24 C.F.R. 5.703(d)(1);

(iv) Where applicable, the dwelling unit has hot and cold running water, including an adequate source of potable water, as

defined in 24 C.F.R. 5.703(d) (2); 12155

(v) If the dwelling unit includes its own sanitary 12156  
facility, it is in proper operating condition, usable in 12157  
privacy, and adequate for personal hygiene, and the disposal of 12158  
human waste, as defined in 24 C.F.R. 5.703(d) (3); 12159

(vi) The common areas are structurally sound, secure, and 12160  
functionally adequate for the purposes intended. The basement, 12161  
garage, carport, restrooms, closets, utility, mechanical, 12162  
community rooms, daycare, halls, corridors, stairs, kitchens, 12163  
laundry rooms, office, porch, patio, balcony, and trash 12164  
collection areas are free of health and safety hazards, 12165  
operable, and in good repair. All common area ceilings, doors, 12166  
floors, HVAC, lighting, smoke detectors, stairs, walls, and 12167  
windows, to the extent applicable, are free of health and safety 12168  
hazards, operable, and in good repair, as defined in 24 C.F.R. 12169  
5.703(e); 12170

(vii) All areas and components of the housing are free of 12171  
health and safety hazards. These areas include, but are not 12172  
limited to, air quality, electrical hazards, elevators, 12173  
emergency/fire exits, flammable materials, garbage and debris, 12174  
handrail hazards, infestation, and lead-based paint, as defined 12175  
in 24 C.F.R. 5.703(f). 12176

(3) "Abate" or "abatement" in connection with any building 12177  
means the removal or correction of any conditions that 12178  
constitute a public nuisance and the making of any other 12179  
improvements that are needed to effect a rehabilitation of the 12180  
building that is consistent with maintaining safe and habitable 12181  
conditions over its remaining useful life. "Abatement" does not 12182  
include the closing or boarding up of any building that is found 12183  
to be a public nuisance. 12184

(4) "Interested party" means any owner, mortgagee, 12185  
lienholder, tenant, or person that possesses an interest of 12186  
record in any property that becomes subject to the jurisdiction 12187  
of a court pursuant to this section, and any applicant for the 12188  
appointment of a receiver pursuant to this section. 12189

(5) "Neighbor" means any owner of property, including, but 12190  
not limited to, any person who is purchasing property by land 12191  
installment contract or under a duly executed purchase contract, 12192  
that is located within five hundred feet of any property that 12193  
becomes subject to the jurisdiction of a court pursuant to this 12194  
section, and any occupant of a building that is so located. 12195

(6) "Tenant" has the same meaning as in section 5321.01 of 12196  
the Revised Code. 12197

(7) "Subsidized housing" means a property consisting of 12198  
more than four dwelling units that, in whole or in part, 12199  
receives project-based assistance pursuant to a contract under 12200  
any of the following federal housing programs: 12201

(a) The new construction or substantial rehabilitation 12202  
program under section 8(b)(2) of the "United States Housing Act 12203  
of 1937," Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f(b) 12204  
(2) as that program was in effect immediately before the first 12205  
day of October, 1983; 12206

(b) The moderate rehabilitation program under section 8(e) 12207  
(2) of the "United States Housing Act of 1937," Pub. L. No. 75- 12208  
412, 50 Stat. 888, 42 U.S.C. 1437f(e)(2); 12209

(c) The loan management assistance program under section 8 12210  
of the "United States Housing Act of 1937," Pub. L. No. 75-412, 12211  
50 Stat. 888, 42 U.S.C. 1437f; 12212

(d) The rent supplement program under section 101 of the 12213

"Housing and Urban Development Act of 1965," Pub. L. No. 89-174, 12214  
79 Stat. 667, 12 U.S.C. 1701s; 12215

(e) Section 8 of the "United States Housing Act of 1937," 12216  
Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f, following 12217  
conversion from assistance under section 101 of the "Housing and 12218  
Urban Development Act of 1965," Pub. L. No. 89-174, 79 Stat. 12219  
667, 12 U.S.C. 1701s; 12220

(f) The program of supportive housing for the elderly 12221  
under section 202 of the "Housing Act of 1959," Pub. L. No. 86- 12222  
372, 73 Stat. 654, 12 U.S.C. 1701q; 12223

(g) The program of supportive housing for persons with 12224  
disabilities under section 811 of the "National Affordable 12225  
Housing Act of 1990," Pub. L. No. 101-625, 104 Stat. 4313, 42 12226  
U.S.C. 8013; 12227

(h) The rental assistance program under section 521 of the 12228  
"United States Housing Act of 1949," Pub. L. No. 90-448, 82 12229  
Stat. 551, as amended by Pub. L. No. 93-383, 88 Stat. 696, 42 12230  
U.S.C. 1490a. 12231

(8) "Project-based assistance" means the assistance is 12232  
attached to the property and provides rental assistance only on 12233  
behalf of tenants who reside in that property. 12234

(9) "Landlord" has the same meaning as in section 5321.01 12235  
of the Revised Code. 12236

(B) (1) (a) In any civil action to enforce any local 12237  
building, housing, air pollution, sanitation, health, fire, 12238  
zoning, or safety code, ordinance, resolution, or regulation 12239  
applicable to buildings, that is commenced in a court of common 12240  
pleas, municipal court, housing or environmental division of a 12241  
municipal court, or county court, or in any civil action for 12242

abatement commenced in a court of common pleas, municipal court, 12243  
housing or environmental division of a municipal court, or 12244  
county court, by a municipal corporation or township in which 12245  
the building involved is located, by any neighbor, tenant, or by 12246  
a nonprofit corporation that is duly organized and has as one of 12247  
its goals the improvement of housing conditions in the county or 12248  
municipal corporation in which the building involved is located, 12249  
if a building is alleged to be a public nuisance, the municipal 12250  
corporation, township, neighbor, tenant, or nonprofit 12251  
corporation may apply in its complaint for an injunction or 12252  
other order as described in division (C) (1) of this section, or 12253  
for the relief described in division (C) (2) of this section, 12254  
including, if necessary, the appointment of a receiver as 12255  
described in divisions (C) (2) and (3) of this section, or for 12256  
both such an injunction or other order and such relief. The 12257  
municipal corporation, township, neighbor, tenant, or nonprofit 12258  
corporation commencing the action is not liable for the costs, 12259  
expenses, and fees of any receiver appointed pursuant to 12260  
divisions (C) (2) and (3) of this section. 12261

(b) Prior to commencing a civil action for abatement when 12262  
the property alleged to be a public nuisance is subsidized 12263  
housing, the municipal corporation, township, neighbor, tenant, 12264  
or nonprofit corporation commencing the action shall provide the 12265  
landlord of that property with written notice that specifies one 12266  
or more defective conditions that constitute a public nuisance 12267  
as that term applies to subsidized housing and states that if 12268  
the landlord fails to remedy the condition within sixty days of 12269  
the service of the notice, a claim pursuant to this section may 12270  
be brought on the basis that the property constitutes a public 12271  
nuisance in subsidized housing. Any party authorized to bring an 12272  
action against the landlord shall make reasonable attempts to 12273

serve the notice in the manner prescribed in the Rules of Civil Procedure to the landlord or the landlord's agent for the property at the property's management office, or at the place where the tenants normally pay or send rent. If the landlord is not the owner of record, the party bringing the action shall make a reasonable attempt to serve the owner. If the owner does not receive service the person bringing the action shall certify the attempts to serve the owner.

(2) (a) In a civil action described in division (B) (1) of this section, a copy of the complaint and a notice of the date and time of a hearing on the complaint shall be served upon the owner of the building and all other interested parties in accordance with the Rules of Civil Procedure. If certified mail service, personal service, or residence service of the complaint and notice is refused or certified mail service of the complaint and notice is not claimed, and if the municipal corporation, township, neighbor, tenant, or nonprofit corporation commencing the action makes a written request for ordinary mail service of the complaint and notice, or uses publication service, in accordance with the Rules of Civil Procedure, then a copy of the complaint and notice shall be posted in a conspicuous place on the building.

(b) The judge in a civil action described in division (B) (1) of this section shall conduct a hearing at least twenty-eight days after the owner of the building and the other interested parties have been served with a copy of the complaint and the notice of the date and time of the hearing in accordance with division (B) (2) (a) of this section.

(c) In considering whether subsidized housing is a public nuisance, the judge shall construe the standards set forth in

division (A) (2) (b) of this section in a manner consistent with 12304  
department of housing and urban development and judicial 12305  
interpretations of those standards. The judge shall deem that 12306  
the property is not a public nuisance if during the twelve 12307  
months prior to the service of the notice that division (B) (1) 12308  
(b) of this section requires, the department of housing and 12309  
urban development's real estate assessment center issued a score 12310  
of seventy-five or higher out of a possible one hundred points 12311  
pursuant to its regulations governing the physical condition of 12312  
multifamily properties pursuant to 24 C.F.R. part 200, subpart 12313  
P, and since the most recent inspection, there has been no 12314  
significant change in the property's conditions that would 12315  
create a serious threat to the health, safety, or welfare of the 12316  
property's tenants. 12317

(C) (1) If the judge in a civil action described in 12318  
division (B) (1) of this section finds at the hearing required by 12319  
division (B) (2) of this section that the building involved is a 12320  
public nuisance, if the judge additionally determines that the 12321  
owner of the building previously has not been afforded a 12322  
reasonable opportunity to abate the public nuisance or has been 12323  
afforded such an opportunity and has not refused or failed to 12324  
abate the public nuisance, and if the complaint of the municipal 12325  
corporation, township, neighbor, tenant, or nonprofit 12326  
corporation commencing the action requested the issuance of an 12327  
injunction as described in this division, then the judge may 12328  
issue an injunction requiring the owner of the building to abate 12329  
the public nuisance or issue any other order that the judge 12330  
considers necessary or appropriate to cause the abatement of the 12331  
public nuisance. If an injunction is issued pursuant to this 12332  
division, the owner of the building involved shall be given no 12333  
more than thirty days from the date of the entry of the judge's 12334

order to comply with the injunction, unless the judge, for good 12335  
cause shown, extends the time for compliance. 12336

(2) If the judge in a civil action described in division 12337  
(B) (1) of this section finds at the hearing required by division 12338  
(B) (2) of this section that the building involved is a public 12339  
nuisance, if the judge additionally determines that the owner of 12340  
the building previously has been afforded a reasonable 12341  
opportunity to abate the public nuisance and has refused or 12342  
failed to do so, and if the complaint of the municipal 12343  
corporation, township, neighbor, tenant, or nonprofit 12344  
corporation commencing the action requested relief as described 12345  
in this division, then the judge shall offer any mortgagee, 12346  
lienholder, or other interested party associated with the 12347  
property on which the building is located, in the order of the 12348  
priority of interest in title, the opportunity to undertake the 12349  
work and to furnish the materials necessary to abate the public 12350  
nuisance. Prior to selecting any interested party, the judge 12351  
shall require the interested party to demonstrate the ability to 12352  
promptly undertake the work and furnish the materials required, 12353  
to provide the judge with a viable financial and construction 12354  
plan for the rehabilitation of the building as described in 12355  
division (D) of this section, and to post security for the 12356  
performance of the work and the furnishing of the materials. 12357

If the judge determines, at the hearing, that no 12358  
interested party is willing or able to undertake the work and to 12359  
furnish the materials necessary to abate the public nuisance, or 12360  
if the judge determines, at any time after the hearing, that any 12361  
party who is undertaking corrective work pursuant to this 12362  
division cannot or will not proceed, or has not proceeded with 12363  
due diligence, the judge may appoint a receiver pursuant to 12364  
division (C) (3) of this section to take possession and control 12365

of the building. 12366

(3) (a) The judge in a civil action described in division 12367  
(B) (1) of this section shall not appoint any person as a 12368  
receiver unless the person first has provided the judge with a 12369  
viable financial and construction plan for the rehabilitation of 12370  
the building involved as described in division (D) of this 12371  
section and has demonstrated the capacity and expertise to 12372  
perform the required work and to furnish the required materials 12373  
in a satisfactory manner. An appointed receiver may be a 12374  
financial institution that possesses an interest of record in 12375  
the building or the property on which it is located, a nonprofit 12376  
corporation as described in divisions (B) (1) and (C) (3) (b) of 12377  
this section, including, but not limited to, a nonprofit 12378  
corporation that commenced the action described in division (B) 12379  
(1) of this section, or any other qualified property manager. 12380

(b) To be eligible for appointment as a receiver, no part 12381  
of the net earnings of a nonprofit corporation shall inure to 12382  
the benefit of any private shareholder or individual. Membership 12383  
on the board of trustees of a nonprofit corporation appointed as 12384  
a receiver does not constitute the holding of a public office or 12385  
employment within the meaning of sections 731.02 and 731.12 or 12386  
any other section of the Revised Code and does not constitute a 12387  
direct or indirect interest in a contract or expenditure of 12388  
money by any municipal corporation. A member of a board of 12389  
trustees of a nonprofit corporation appointed as a receiver 12390  
shall not be disqualified from holding any public office or 12391  
employment, and shall not forfeit any public office or 12392  
employment, by reason of membership on the board of trustees, 12393  
notwithstanding any law to the contrary. 12394

(D) Prior to ordering any work to be undertaken, or the 12395

furnishing of any materials, to abate a public nuisance under 12396  
this section, the judge in a civil action described in division 12397  
(B) (1) of this section shall review the submitted financial and 12398  
construction plan for the rehabilitation of the building 12399  
involved and, if it specifies all of the following, shall 12400  
approve that plan: 12401

(1) The estimated cost of the labor, materials, and any 12402  
other development costs that are required to abate the public 12403  
nuisance; 12404

(2) The estimated income and expenses of the building and 12405  
the property on which it is located after the furnishing of the 12406  
materials and the completion of the repairs and improvements; 12407

(3) The terms, conditions, and availability of any 12408  
financing that is necessary to perform the work and to furnish 12409  
the materials; 12410

(4) If repair and rehabilitation of the building are found 12411  
not to be feasible, the cost of demolition of the building or of 12412  
the portions of the building that constitute the public 12413  
nuisance. 12414

(E) Upon the written request of any of the interested 12415  
parties to have a building, or portions of a building, that 12416  
constitute a public nuisance demolished because repair and 12417  
rehabilitation of the building are found not to be feasible, the 12418  
judge may order the demolition. However, the demolition shall 12419  
not be ordered unless the requesting interested parties have 12420  
paid the costs of demolition and, if any, of the receivership, 12421  
and, if any, all notes, certificates, mortgages, and fees of the 12422  
receivership. 12423

(F) Before proceeding with the duties of receiver, any 12424

receiver appointed by the judge in a civil action described in 12425  
division (B)(1) of this section may be required by the judge to 12426  
post a bond in an amount fixed by the judge, but not exceeding 12427  
the value of the building involved as determined by the judge. 12428

The judge may empower the receiver to do any or all of the 12429  
following: 12430

(1) Take possession and control of the building and the 12431  
property on which it is located, operate and manage the building 12432  
and the property, establish and collect rents and income, lease 12433  
and rent the building and the property, and evict tenants; 12434

(2) Pay all expenses of operating and conserving the 12435  
building and the property, including, but not limited to, the 12436  
cost of electricity, gas, water, sewerage, heating fuel, repairs 12437  
and supplies, custodian services, taxes and assessments, and 12438  
insurance premiums, and hire and pay reasonable compensation to 12439  
a managing agent; 12440

(3) Pay pre-receivership mortgages or installments of them 12441  
and other liens; 12442

(4) Perform or enter into contracts for the performance of 12443  
all work and the furnishing of materials necessary to abate, and 12444  
obtain financing for the abatement of, the public nuisance; 12445

(5) Pursuant to court order, remove and dispose of any 12446  
personal property abandoned, stored, or otherwise located in or 12447  
on the building and the property that creates a dangerous or 12448  
unsafe condition or that constitutes a violation of any local 12449  
building, housing, air pollution, sanitation, health, fire, 12450  
zoning, or safety code, ordinance, or regulation; 12451

(6) Obtain mortgage insurance for any receiver's mortgage 12452  
from any agency of the federal government; 12453

(7) Enter into any agreement and do those things necessary 12454  
to maintain and preserve the building and the property and 12455  
comply with all local building, housing, air pollution, 12456  
sanitation, health, fire, zoning, or safety codes, ordinances, 12457  
resolutions, and regulations; 12458

(8) Give the custody of the building and the property, and 12459  
the opportunity to abate the nuisance and operate the property, 12460  
to its owner or any mortgagee or lienholder of record; 12461

(9) Issue notes and secure them by a mortgage bearing 12462  
interest, and upon terms and conditions, that the judge 12463  
approves. When sold or transferred by the receiver in return for 12464  
valuable consideration in money, material, labor, or services, 12465  
the notes or certificates shall be freely transferable. Any 12466  
mortgages granted by the receiver shall be superior to any 12467  
claims of the receiver. Priority among the receiver's mortgages 12468  
shall be determined by the order in which they are recorded. 12469

(G) A receiver appointed pursuant to this section is not 12470  
personally liable except for misfeasance, malfeasance, or 12471  
nonfeasance in the performance of the functions of the office of 12472  
receiver. 12473

(H) (1) The judge in a civil action described in division 12474  
(B) (1) of this section may assess as court costs, the expenses 12475  
described in division (F) (2) of this section, and may approve 12476  
receiver's fees to the extent that they are not covered by the 12477  
income from the property. Subject to that limitation, a receiver 12478  
appointed pursuant to divisions (C) (2) and (3) of this section 12479  
is entitled to receive fees in the same manner and to the same 12480  
extent as receivers appointed in actions to foreclose mortgages. 12481

(2) (a) Pursuant to the police powers vested in the state, 12482

all expenditures of a mortgagee, lienholder, or other interested party that has been selected pursuant to division (C) (2) of this section to undertake the work and to furnish the materials necessary to abate a public nuisance, and any expenditures in connection with the foreclosure of the lien created by this division, is a first lien upon the building involved and the property on which it is located and is superior to all prior and subsequent liens or other encumbrances associated with the building or the property, including, but not limited to, those for taxes and assessments, upon the occurrence of both of the following:

(i) The prior approval of the expenditures by, and the entry of a judgment to that effect by, the judge in the civil action described in division (B) (1) of this section;

(ii) The recordation of a certified copy of the judgment entry and a sufficient description of the property on which the building is located with the county recorder in the county in which the property is located within sixty days after the date of the entry of the judgment.

(b) Pursuant to the police powers vested in the state, all expenses and other amounts paid in accordance with division (F) of this section by a receiver appointed pursuant to divisions (C) (2) and (3) of this section, the amounts of any notes issued by the receiver in accordance with division (F) of this section, all mortgages granted by the receiver in accordance with that division, the fees of the receiver approved pursuant to division (H) (1) of this section, and any amounts expended in connection with the foreclosure of a mortgage granted by the receiver in accordance with division (F) of this section or with the foreclosure of the lien created by this division, are a first

lien upon the building involved and the property on which it is 12513  
located and are superior to all prior and subsequent liens or 12514  
other encumbrances associated with the building or the property, 12515  
including, but not limited to, those for taxes and assessments, 12516  
upon the occurrence of both of the following: 12517

(i) The approval of the expenses, amounts, or fees by, and 12518  
the entry of a judgment to that effect by, the judge in the 12519  
civil action described in division (B) (1) of this section; or 12520  
the approval of the mortgages in accordance with division (F) (9) 12521  
of this section by, and the entry of a judgment to that effect 12522  
by, that judge; 12523

(ii) The recordation of a certified copy of the judgment 12524  
entry and a sufficient description of the property on which the 12525  
building is located, or, in the case of a mortgage, the 12526  
recordation of the mortgage, a certified copy of the judgment 12527  
entry, and such a description, with the county recorder of the 12528  
county in which the property is located within sixty days after 12529  
the date of the entry of the judgment. 12530

(c) Priority among the liens described in divisions (H) (2) 12531  
(a) and (b) of this section shall be determined as described in 12532  
division (I) of this section. Additionally, the creation 12533  
pursuant to this section of a mortgage lien that is prior to or 12534  
superior to any mortgage of record at the time the mortgage lien 12535  
is so created, does not disqualify the mortgage of record as a 12536  
legal investment under Chapter 1107. or ~~1151.~~ or any other 12537  
chapter of the Revised Code. 12538

(I) (1) If a receiver appointed pursuant to divisions (C) 12539  
(2) and (3) of this section files with the judge in the civil 12540  
action described in division (B) (1) of this section a report 12541  
indicating that the public nuisance has been abated, if the 12542

judge confirms that the receiver has abated the public nuisance, 12543  
and if the receiver or any interested party requests the judge 12544  
to enter an order directing the receiver to sell the building 12545  
and the property on which it is located, the judge may enter 12546  
that order after holding a hearing as described in division (I) 12547  
(2) of this section and otherwise complying with that division. 12548

(2) (a) The receiver or interested party requesting an 12549  
order as described in division (I) (1) of this section shall 12550  
cause a notice of the date and time of a hearing on the request 12551  
to be served on the owner of the building involved and all other 12552  
interested parties in accordance with division (B) (2) (a) of this 12553  
section. The judge in the civil action described in division (B) 12554  
(1) of this section shall conduct the scheduled hearing. At the 12555  
hearing, if the owner or any interested party objects to the 12556  
sale of the building and the property, the burden of proof shall 12557  
be upon the objecting person to establish, by a preponderance of 12558  
the evidence, that the benefits of not selling the building and 12559  
the property outweigh the benefits of selling them. If the judge 12560  
determines that there is no objecting person, or if the judge 12561  
determines that there is one or more objecting persons but no 12562  
objecting person has sustained the burden of proof specified in 12563  
this division, the judge may enter an order directing the 12564  
receiver to offer the building and the property for sale upon 12565  
terms and conditions that the judge shall specify. 12566

(b) In any sale of subsidized housing that is ordered 12567  
pursuant to this section, the judge shall specify that the 12568  
subsidized housing not be conveyed unless that conveyance 12569  
complies with applicable federal law and applicable program 12570  
contracts for that housing. Any such conveyance shall be subject 12571  
to the condition that the purchaser enter into a contract with 12572  
the department of housing and urban development or the rural 12573

housing service of the federal department of agriculture under 12574  
which the property continues to be subsidized housing and the 12575  
owner continues to operate that property as subsidized housing 12576  
unless the secretary of housing and urban development or the 12577  
administrator of the rural housing service terminates that 12578  
property's contract prior to or upon the conveyance of the 12579  
property. 12580

(3) If a sale of a building and the property on which it 12581  
is located is ordered pursuant to divisions (I) (1) and (2) of 12582  
this section and if the sale occurs in accordance with the terms 12583  
and conditions specified by the judge in the judge's order of 12584  
sale, then the receiver shall distribute the proceeds of the 12585  
sale and the balance of any funds that the receiver may possess, 12586  
after the payment of the costs of the sale, in the following 12587  
order of priority and in the described manner: 12588

(a) First, in satisfaction of any notes issued by the 12589  
receiver pursuant to division (F) of this section, in their 12590  
order of priority; 12591

(b) Second, any unreimbursed expenses and other amounts 12592  
paid in accordance with division (F) of this section by the 12593  
receiver, and the fees of the receiver approved pursuant to 12594  
division (H) (1) of this section; 12595

(c) Third, all expenditures of a mortgagee, lienholder, or 12596  
other interested party that has been selected pursuant to 12597  
division (C) (2) of this section to undertake the work and to 12598  
furnish the materials necessary to abate a public nuisance, 12599  
provided that the expenditures were approved as described in 12600  
division (H) (2) (a) of this section and provided that, if any 12601  
such interested party subsequently became the receiver, its 12602  
expenditures shall be paid prior to the expenditures of any of 12603

the other interested parties so selected; 12604

(d) Fourth, the amount due for delinquent taxes, 12605  
assessments, charges, penalties, and interest owed to this state 12606  
or a political subdivision of this state, provided that, if the 12607  
amount available for distribution pursuant to division (I) (3) (d) 12608  
of this section is insufficient to pay the entire amount of 12609  
those taxes, assessments, charges, penalties, and interest, the 12610  
proceeds and remaining funds shall be paid to each claimant in 12611  
proportion to the amount of those taxes, assessments, charges, 12612  
penalties, and interest that each is due. 12613

(e) The amount of any pre-receivership mortgages, liens, 12614  
or other encumbrances, in their order of priority. 12615

(4) Following a distribution in accordance with division 12616  
(I) (3) of this section, the receiver shall request the judge in 12617  
the civil action described in division (B) (1) of this section to 12618  
enter an order terminating the receivership. If the judge 12619  
determines that the sale of the building and the property on 12620  
which it is located occurred in accordance with the terms and 12621  
conditions specified by the judge in the judge's order of sale 12622  
under division (I) (2) of this section and that the receiver 12623  
distributed the proceeds of the sale and the balance of any 12624  
funds that the receiver possessed, after the payment of the 12625  
costs of the sale, in accordance with division (I) (3) of this 12626  
section, and if the judge approves any final accounting required 12627  
of the receiver, the judge may terminate the receivership. 12628

(J) (1) A receiver appointed pursuant to divisions (C) (2) 12629  
and (3) of this section may be discharged at any time in the 12630  
discretion of the judge in the civil action described in 12631  
division (B) (1) of this section. The receiver shall be 12632  
discharged by the judge as provided in division (I) (4) of this 12633

section, or when all of the following have occurred: 12634

(a) The public nuisance has been abated; 12635

(b) All costs, expenses, and approved fees of the 12636  
receivership have been paid; 12637

(c) Either all receiver's notes issued and mortgages 12638  
granted pursuant to this section have been paid, or all the 12639  
holders of the notes and mortgages request that the receiver be 12640  
discharged. 12641

(2) If a judge in a civil action described in division (B) 12642  
(1) of this section determines that, and enters of record a 12643  
declaration that, a public nuisance has been abated by a 12644  
receiver, and if, within three days after the entry of the 12645  
declaration, all costs, expenses, and approved fees of the 12646  
receivership have not been paid in full, then, in addition to 12647  
the circumstances specified in division (I) of this section for 12648  
the entry of such an order, the judge may enter an order 12649  
directing the receiver to sell the building involved and the 12650  
property on which it is located. Any such order shall be 12651  
entered, and the sale shall occur, only in compliance with 12652  
division (I) of this section. 12653

(K) The title in any building, and in the property on 12654  
which it is located, that is sold at a sale ordered under 12655  
division (I) or (J) (2) of this section shall be incontestable in 12656  
the purchaser and shall be free and clear of all liens for 12657  
delinquent taxes, assessments, charges, penalties, and interest 12658  
owed to this state or any political subdivision of this state, 12659  
that could not be satisfied from the proceeds of the sale and 12660  
the remaining funds in the receiver's possession pursuant to the 12661  
distribution under division (I) (3) of this section. All other 12662

liens and encumbrances with respect to the building and the 12663  
property shall survive the sale, including, but not limited to, 12664  
a federal tax lien notice properly filed in accordance with 12665  
section 317.09 of the Revised Code prior to the time of the 12666  
sale, and the easements and covenants of record running with the 12667  
property that were created prior to the time of the sale. 12668

(L) (1) Nothing in this section shall be construed as a 12669  
limitation upon the powers granted to a court of common pleas, a 12670  
municipal court or a housing or environmental division of a 12671  
municipal court under Chapter 1901. of the Revised Code, or a 12672  
county court under Chapter 1907. of the Revised Code. 12673

(2) The monetary and other limitations specified in 12674  
Chapters 1901. and 1907. of the Revised Code upon the 12675  
jurisdiction of municipal and county courts, and of housing or 12676  
environmental divisions of municipal courts, in civil actions do 12677  
not operate as limitations upon any of the following: 12678

(a) Expenditures of a mortgagee, lienholder, or other 12679  
interested party that has been selected pursuant to division (C) 12680  
(2) of this section to undertake the work and to furnish the 12681  
materials necessary to abate a public nuisance; 12682

(b) Any notes issued by a receiver pursuant to division 12683  
(F) of this section; 12684

(c) Any mortgage granted by a receiver in accordance with 12685  
division (F) of this section; 12686

(d) Expenditures in connection with the foreclosure of a 12687  
mortgage granted by a receiver in accordance with division (F) 12688  
of this section; 12689

(e) The enforcement of an order of a judge entered 12690  
pursuant to this section; 12691

(f) The actions that may be taken pursuant to this section 12692  
by a receiver or a mortgagee, lienholder, or other interested 12693  
party that has been selected pursuant to division (C) (2) of this 12694  
section to undertake the work and to furnish the materials 12695  
necessary to abate a public nuisance. 12696

(3) A judge in a civil action described in division (B) (1) 12697  
of this section, or the judge's successor in office, has 12698  
continuing jurisdiction to review the condition of any building 12699  
that was determined to be a public nuisance pursuant to this 12700  
section. 12701

(4) Nothing in this section shall be construed to limit or 12702  
prohibit a municipal corporation or township that has filed with 12703  
the superintendent of insurance a certified copy of an adopted 12704  
resolution, ordinance, or regulation authorizing the procedures 12705  
described in divisions (C) and (D) of section 3929.86 of the 12706  
Revised Code from receiving insurance proceeds under section 12707  
3929.86 of the Revised Code. 12708

**Sec. 4303.293.** (A) Any person making application 12709  
concerning a permit to conduct a business for which a permit is 12710  
required under this chapter shall list on the application the 12711  
name and address of each person having a legal or beneficial 12712  
interest in the ownership of the business, including contracts 12713  
for purchase on an installment basis. If any person is a 12714  
corporation or limited liability company, the applicant shall 12715  
list the names of each officer of the corporation; the names of 12716  
each officer of the limited liability company, if the limited 12717  
liability company has officers, and the names of the managing 12718  
members of the company or the managers of the company, if the 12719  
management of the company is not reserved to its members; the 12720  
names of each person owning or controlling five per cent or more 12721

of the capital stock of the corporation; and the names of each 12722  
person owning or controlling five per cent or more of either the 12723  
voting interests or membership interests in the limited 12724  
liability company. If any person is a partnership or 12725  
association, the applicant shall list the names of each partner 12726  
or member of the association. Any person having a legal or 12727  
beneficial interest in the ownership of the business, other than 12728  
a bank as defined in section 1101.01 of the Revised Code ~~or a~~ 12729  
~~building and loan association as defined in section 1151.01 of~~ 12730  
~~the Revised Code~~, shall notify the division of liquor control of 12731  
the interest, including contracts for purchase on an installment 12732  
basis, occurring after the application for, or the issuance of, 12733  
the permit. The notification shall be given within fifteen days 12734  
of the change. Whenever the person to whom a permit has been 12735  
issued is a corporation or limited liability company and any 12736  
transfer of that corporation's stock or that limited liability 12737  
company's membership interests is proposed such that, following 12738  
the transfer, the owner of the majority or plurality of shares 12739  
of stock in the corporation would change or the owner of the 12740  
majority or plurality of the limited liability company's 12741  
membership interests would change, the proposed transfer of 12742  
stock or membership interests shall be considered a proposed 12743  
transfer of ownership of the permit, and application shall be 12744  
made to the division of liquor control for a transfer of 12745  
ownership. The application shall be subject to the notice and 12746  
hearing requirements of section 4303.26 of the Revised Code and 12747  
to the restrictions imposed by section 4303.29 and division (A) 12748  
(1) of section 4303.292 of the Revised Code. 12749

(B) Whoever violates this section is guilty of a 12750  
misdemeanor of the first degree. 12751

**Sec. 5814.01.** As used in sections 5814.01 to 5814.09 of 12752

the Revised Code, unless the context otherwise requires: 12753

(A) "Benefit plan" means any plan of an employer for the 12754  
benefit of any employee, any plan for the benefit of any 12755  
partner, or any plan for the benefit of a proprietor, and 12756  
includes, but is not limited to, any pension, retirement, death 12757  
benefit, deferred compensation, employment agency, stock bonus, 12758  
option, or profit-sharing contract, plan, system, account, or 12759  
trust. 12760

(B) "Broker" means a person that is lawfully engaged in 12761  
the business of effecting transactions in securities for the 12762  
account of others. A "broker" includes a financial institution 12763  
that effects such transactions and a person who is lawfully 12764  
engaged in buying and selling securities for the person's own 12765  
account, through a broker or otherwise, as a part of a regular 12766  
business. 12767

(C) "Court" means the probate court. 12768

(D) "The custodial property" includes: 12769

(1) All securities, money, life or endowment insurance 12770  
policies, annuity contracts, benefit plans, real estate, 12771  
tangible and intangible personal property, proceeds of a life or 12772  
endowment insurance policy, an annuity contract, or a benefit 12773  
plan, and other types of property under the supervision of the 12774  
same custodian for the same minor as a consequence of a transfer 12775  
or transfers made to the minor, a gift or gifts made to the 12776  
minor, or a purchase made by the custodian for the minor, in a 12777  
manner prescribed in sections 5814.01 to 5814.09 of the Revised 12778  
Code; 12779

(2) The income from the custodial property; 12780

(3) The proceeds, immediate and remote, from the sale, 12781

exchange, conversion, investment, reinvestment, or other 12782  
disposition of the securities, money, life or endowment 12783  
insurance policies, annuity contracts, benefit plans, real 12784  
estate, tangible and intangible personal property, proceeds of a 12785  
life or endowment insurance policy, an annuity contract, or a 12786  
benefit plan, other types of property, and income. 12787

(E) "Custodian" or "successor custodian" means a person so 12788  
designated in a manner prescribed in sections 5814.01 to 5814.09 12789  
of the Revised Code. 12790

(F) "Financial institution" means any bank<sup>7</sup>, as defined in 12791  
section 1101.01 of the Revised Code, ~~any building and loan~~ 12792  
~~association, as defined in section 1151.01,~~ any credit union as 12793  
defined in section 1733.01 of the Revised Code, and any federal 12794  
credit union<sup>7</sup>, as defined in the "Federal Credit Union Act," 73 12795  
Stat. 628 (1959), 12 U.S.C.A. 1752, as amended. 12796

(G) "Guardian of the minor" includes the general guardian, 12797  
guardian, tutor, or curator of the property, estate, or person 12798  
of a minor. 12799

(H) "Issuer" means a person who places or authorizes the 12800  
placing of the person's name on a security, other than as a 12801  
transfer agent, to evidence that it represents a share, 12802  
participation, or other interest in the person's property or in 12803  
an enterprise, or to evidence the person's duty or undertaking 12804  
to perform an obligation that is evidenced by the security, or 12805  
who becomes responsible for or in place of any such person. 12806

(I) "Legal representative" of a person means the executor, 12807  
administrator, general guardian, guardian, committee, 12808  
conservator, tutor, or curator of the person's property or 12809  
estate. 12810

(J) "Member of the minor's family" means a parent, 12811  
stepparent, spouse, grandparent, brother, sister, uncle, or aunt 12812  
of the minor, whether of the whole or half blood, or by 12813  
adoption. 12814

(K) "Minor" means a person who has not attained the age of 12815  
twenty-one years. 12816

(L) "Security" includes any note, stock, treasury stock, 12817  
common trust fund, bond, debenture, evidence of indebtedness, 12818  
certificate of interest or participation in an oil, gas, or 12819  
mining title or lease or in payments out of production under an 12820  
oil, gas, or mining title or lease, collateral trust 12821  
certificate, transferable share, voting trust certificate, or, 12822  
in general, any interest or instrument commonly known as a 12823  
security, or any certificate of interest or participation in, 12824  
any temporary or interim certificate, receipt or certificate of 12825  
deposit for, or any warrant or right to subscribe to or 12826  
purchase, any of the foregoing. A "security" does not include a 12827  
security of which the donor or transferor is the issuer. A 12828  
security is in "registered form" when it specifies a person who 12829  
is entitled to it or to the rights that it evidences and its 12830  
transfer may be registered upon books maintained for that 12831  
purpose by or on behalf of the issuer. 12832

(M) "Transfer" means a disposition, other than a gift, by 12833  
a person who is eighteen years of age or older that creates 12834  
custodial property under sections 5814.01 to 5814.09 of the 12835  
Revised Code. 12836

(N) "Transfer agent" means a person who acts as 12837  
authenticating trustee, transfer agent, registrar, or other 12838  
agent for an issuer in the registration of transfers of its 12839  
securities, in the issue of new securities, or in the 12840

cancellation of surrendered securities. 12841

(O) "Transferor" means a person who is eighteen years of 12842  
age or older, who makes a transfer. 12843

(P) "Trust company" means a financial institution that is 12844  
authorized to exercise trust powers. 12845

(Q) "Administrator" includes an "administrator with the 12846  
will annexed." 12847

**Section 2.** That existing sections 102.02, 109.572, 111.15, 12848  
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1165.27, 1165.28, 1165.29, 1165.30, 1165.33, 1181.16, 1181.17, 12924  
and 1181.18 of the Revised Code are hereby repealed. 12925

**Section 3.** Notwithstanding section 1123.01 of the Revised Code, as amended by this act, both of the following apply: 12926  
12927

(A) The appointed members who are serving on the Banking Commission as of the effective date of this section shall serve until the end of the term for which the member was appointed. 12928  
12929  
12930  
The terms of office set forth in division (B) of that section 12931  
and the qualifications for membership set forth in division (D) 12932  
of that section shall first apply to the members appointed on or 12933

after the effective date of this section. 12934

(B) The Banking Commission shall, on the effective date of 12935  
this section, additionally consist of the six members appointed 12936  
to the Savings and Loan Associations and Savings Banks Board 12937  
under section 1181.16 of the Revised Code. Each such member 12938  
shall serve until the end of the term for which the member was 12939  
appointed. 12940

**Section 4.** Sections 1, 2, and 3 of this act shall take 12941  
effect July 1, 2018. 12942

**Section 5.** Section 1121.02 of the Revised Code is 12943  
presented in this act as a composite of the section as amended 12944  
by both Am. Sub. H.B. 538 and Am. Sub. S.B. 293 of the 121st 12945  
General Assembly. The General Assembly, applying the principle 12946  
stated in division (B) of section 1.52 of the Revised Code that 12947  
amendments are to be harmonized if reasonably capable of 12948  
simultaneous operation, finds that the composite is the 12949  
resulting version of the section in effect prior to the 12950  
effective date of the section as presented in this act. 12951