

AN ACT

To amend sections 1101.01, 1101.03, 1101.15, 1101.16, 1111.01, 1115.01, 1115.05, 1115.11, 1115.14, 1117.01, 1121.06, 1121.11, 1151.01, 1151.05, 1151.60, 1151.71, 1155.09, 1161.01, 1161.05, 1161.76, 1161.79, 1163.12, 1703.01, 1703.02, and 1703.08, to enact new sections 1151.052, 1155.13, 1161.07, and 1163.16 and sections 1155.091, 1163.121, and 1703.031, and to repeal sections 1151.052, 1155.13, 1161.07, and 1163.16 of the Revised Code relative to interstate branching by and interstate acquisitions of savings and loan associations and savings banks, interstate branching by banks, assessments upon savings and loan associations and savings banks, cooperative examination arrangements and frequency of examinations for savings and loan associations and savings banks, the Trust Company Law enacted by Am. Sub. H.B. 538 of the 121st General Assembly, and to declare an emergency.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 1101.01, 1101.03, 1101.15, 1101.16, 1111.01, 1115.01, 1115.05, 1115.11, 1115.14, 1117.01, 1121.06, 1121.11, 1151.01, 1151.05, 1151.60, 1151.71, 1155.09, 1161.01, 1161.05, 1161.76, 1161.79, 1163.12, 1703.01, 1703.02, and 1703.08 be amended and new sections 1151.052, 1155.13, 1161.07, and 1163.16 and sections 1155.091, 1163.121, and 1703.031 of the Revised Code be enacted to read as follows:

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

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

(B) "Bank" means a corporation that solicits, receives, or accepts money

or its equivalent for deposit as a business, whether the deposit is made by check or is evidenced by a certificate of deposit, passbook, note, receipt, ledger card, or otherwise. "Bank" also includes a state bank or a corporation doing business as a bank or savings bank under authority granted by the bank regulatory authority of another state of the United States or another country, but does not include a savings association, savings bank, or credit union.

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

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

(2) Any structure located within five hundred yards of a banking office and operated as an extension of the services of the banking office;

(3) Any automated teller machine or other money transmission device owned, leased, or operated by a bank;

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

~~(4)~~(5) Any location at which a bank takes and processes applications for loans and may disburse loan proceeds, but does not accept deposits;

~~(5)~~(6) Any location at which a bank is engaged solely in providing administrative support services for its own operations or for other depository institutions.

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

(E) "Capital" means the sum of a bank's:

(1) Paid-in capital and surplus relating to common stock;

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

(3) Undivided profits; and

(4) To the extent permitted by the superintendent the proceeds of the sale of debt securities and other assets and reserves.

(F) "Control" has the same meaning as in division (H) of section 1109.53 of the Revised Code.

(G) "Controlling shareholder" means a person who, directly or indirectly, controls a bank.

(H) "Debt securities" means obligations issued by a bank the holders of

which, in the event of the insolvency or liquidation of the bank, are subordinated in right of payment to the bank's depositors and general creditors.

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

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

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

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

(M) "Reorganization" means a consolidation, merger, or transfer of assets and liabilities pursuant to Chapter 1115. of the Revised Code.

(N) "Savings association" means a savings and loan association doing business under authority granted by the 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.

(O) "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.

(P) "State bank" means a bank doing business under authority granted by the superintendent of financial institutions.

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

(R) "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 undivided profits, less amounts transferred to stated capital.

(S) "Trust company" means a corporation qualified and licensed under section 1111.06 of the Revised Code to solicit or engage in trust business in this state, or a person that is required by Chapter 1111. of the Revised Code to be a corporation qualified and licensed under section 1111.06 of the Revised Code to solicit or engage in trust business in this state.

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

Sec. 1101.03. (A) Except as otherwise provided in this section, every bank existing on or incorporated after ~~the effective date of this section~~

January 1, 1997, is subject to Chapters 1101. to 1127. of the Revised Code.

(B) Chapters 1101. to 1127. of the Revised Code do not affect the legality of banks organized, loans or investments made or committed to be made, or transactions completed or committed before ~~the effective date of this section~~ January 1, 1997.

(C) Chapters 1101. to 1127. of the Revised Code do not affect the status of any bank organized, or any banking office established or authorized, before ~~the effective date of this section~~ January 1, 1997.

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

(1) Any person who, on January 1, 1997, is serving as a fiduciary under a trust instrument, will, or other document executed before January 1, 1997;

(2) Any person who is named or nominated as a potential, prospective, or successor fiduciary in a trust instrument, will, or other document executed before January 1, 1997.

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

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

(b) Represent itself as a bank.

(2)(a) A corporation doing business under Chapter 1151. of the Revised Code may use the phrase "savings bank" as part of a designation or name under which business is or may be conducted in this state, as provided in section 1151.07 of the Revised Code.

(b) A corporation doing business under Chapter 1161. of the Revised Code may use the phrase "savings bank" as part of a designation or name under which business is or may be conducted in this state, as provided in section 1161.09 of the Revised Code.

(c) A corporation doing business under authority granted by the office of thrift supervision may use the phrase "savings bank" as part of a designation or name under which business is or may be conducted in this state.

(d) A nonprofit organization, whether or not incorporated under Chapter 1702. of the Revised Code, may use "bank," "banker," or "banking," or a word or words of similar meaning in any other language, as part of a

designation or name under which business is or may be conducted if the superintendent determines the organization's use is not likely to mislead the public and authorizes the organization to use the word or words.

(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. as a trust company, a savings and loan association licensed under section 1151.348 of the Revised Code to serve as a fiduciary, 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, as a designation or name, or 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 natural person exempt from licensure 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 himself, herself, or itself as a fiduciary.

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

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

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

~~(e) A charitable trust may serve as a fiduciary of a trust of which the charitable trust is the sole or lone remaining beneficiary.~~

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

~~(g)~~(f) A nonprofit organization, whether or not incorporated under Chapter 1702. of the Revised Code, may use "trust" or a word or words of similar meaning in any other language, as a designation or name, or part of a designation or name, under which business is or may be conducted, if the superintendent determines the organization's use is not likely to mislead the public and authorizes the organization to use the word or words.

(C) No bank shall use "state" as part of a designation or name under which it transacts business in this state, unless the bank is doing business under authority granted by the superintendent or the bank chartering

authority of another state.

Sec. 1101.16. (A) No person shall solicit, receive, or accept deposits in this state, except a bank, a domestic association as defined in section 1151.01 of the Revised Code, a savings bank as defined in section 1161.01 of the Revised Code, or a credit union as defined in section 1733.01 of the Revised Code that is authorized to accept deposits in this state, and except as provided in sections 1115.05, 1117.01, 1151.052, 1151.053, 1151.60, 1161.07, 1161.071, and 1161.76 Of the Revised Code.

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

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

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

Sec. 1111.01. As used in this chapter:

(A) "Charitable trust" means a charitable remainder annuity trust as defined in section 664(d) of the Internal Revenue Code, a charitable remainder unitrust as defined in section 664(d) of the Internal Revenue Code, a charitable lead or other split interest trust subject to the governing instrument requirements of section 508(e) of the Internal Revenue Code, a pooled income fund as defined in section 642(c) of the Internal Revenue Code, a trust that is a private foundation as defined in section 509 of the Internal Revenue Code, or a trust of which each beneficiary is a charity.

For purposes of this division and division (B) of this section, "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(B) "Charity" means a state university as defined in section 3345.011 Of

the Revised Code, a community college as defined in section 3354.01 Of the Revised Code, a technical college as defined in section 3357.01 Of the Revised Code, a state community college as defined in section 3358.01 Of the Revised Code, a private college or university that possesses a certificate of authorization issued by the Ohio board of regents pursuant to Chapter 1713. Of the Revised Code, a trust or organization exempt from taxation under section 501(c)(3) or section 501(c)(13) of the Internal Revenue Code, or a corporation, trust, or organization described in section 170(c)(2) of the Internal Revenue Code. The term "charities" means more than one trust or organization that is a charity.

~~(C)~~ "Collective investment fund" means a fund established by a trust company or an affiliate of a trust company for the collective investment of assets held in a fiduciary capacity, either alone or with one or more cofiduciaries, by the establishing trust company and its affiliates.

~~(B)~~~~(D)~~ "Fiduciary investment company" means a corporation that is both of the following:

(1) An investment company;

(2) Incorporated, owned, and operated in accordance with rules adopted by the superintendent of financial institutions for the investment of funds held by trust companies in a fiduciary capacity and for true fiduciary purposes, either alone or with one or more cofiduciaries.

~~(G)~~~~(E)~~ "Instrument" includes any will, declaration of trust, agreement of trust, agency, or custodianship, or court order creating a fiduciary relationship.

~~(D)~~~~(F)~~ "Investment company" means any investment company as defined in section 3 and registered under section 8 of the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a-3 and 80a-8.

~~(E)~~~~(G)~~ "Trust business" means accepting and executing trusts of property, serving as a trustee, executor, administrator, guardian, receiver, or conservator, ~~or other fiduciary~~, and providing fiduciary services as a business. "Trust business" does not include any of the following:

(1) Any natural person acting as a ~~receiver~~, trustee, executor, administrator, guardian, receiver, or other fiduciary conservator, pursuant to appointment by a court of competent jurisdiction;

(2) Any natural person ~~licensed in this state as an attorney~~ serving as a trustee ~~pursuant to appointment by a settlor, or by a person authorized to appoint a successor trustee, if the attorney has not solicited, by advertising or otherwise, appointment as trustee; who does not hold self out to the public as willing to act as a trustee for hire. For purposes of division (G) of this section, the solicitation or advertisement of legal or accounting services~~

by a person licensed in this state as an attorney or a person holding a live permit to practice public accounting issued under division (A) of section 4701.10 Of the Revised Code shall not be considered to be the act of holding self out to the public as willing to act as a trustee for hire.

~~(3) Any natural person holding a live permit to practice public accounting issued under division (A) of section 4701.10 of the Revised Code and serving as a trustee pursuant to appointment by a settlor, or by a person authorized to appoint a successor trustee, if the permit holder has not solicited, by advertising or otherwise, appointment as trustee;~~

~~(4) A natural person charity, an officer or employee of a charity, or a person affiliated with a charity, serving as trustee of any of the following:~~

~~(a) One or more trusts for each of which at least one settlor is a member of the trustee's family;~~

~~(b) Not more than five trusts if the person has not solicited, by advertising or otherwise, appointment as trustee for any of the trusteeships;~~

~~(c) Trusts established by not more than five settlors, if the person has not solicited, by advertising or otherwise, appointment as trustee for any of the trusteeships.~~

~~(5) A A charitable trust serving as trustee of a trust of which the charitable trust charity, or another charity with a similar purpose, is the sole or lone remaining a beneficiary;~~

~~(6)(4) Other fiduciary activities the superintendent determines are not undertaken as a business.~~

Sec. 1115.01. (A)(1) A state bank may do any of the following:

(a) Convert into a national bank if the conversion is approved by both the comptroller of the currency 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;

(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 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 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;

(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 state bank that converts into a national bank, a bank 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 ~~national~~ bank or federal savings association is no longer a corporation organized and doing business under the laws of this state.

(B)(1) A national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank ~~that has its principal place of business in this state~~ may, with the approval of the superintendent, convert into a state bank.

(2) A national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank proposing to convert into a state bank shall submit to the superintendent an application for the superintendent's approval of the conversion that includes all of the following:

(a) A plan of conversion;

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

(c) An officers' certification that the directors and shareholders of the national bank, bank doing business under authority granted by the bank regulatory authority of another state, savings association, or savings bank have approved the plan of conversion and the proposed articles of incorporation and code of regulations in accordance with the applicable state or federal law and with the ~~national~~ bank's, savings association's, or savings bank's articles of association or incorporation and code of regulations or bylaws;

(d) Any other information the superintendent requires.

(3) Within ten business days after receiving an application required under division (B)(2) of this section, the superintendent shall determine whether to accept the application. Within ninety days after accepting an application required under division (B)(2) of this section, the superintendent shall approve or disapprove the application. In determining whether to approve the ~~national~~ bank's, savings association's, or savings bank's conversion into a state bank, the superintendent shall consider all of the following:

(a) The adequacy of the capital and paid-in capital of the proposed state bank;

(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;

(c) Whether the proposed state bank affords reasonable promise of successful operation;

(d) Whether the proposed state bank meets the requirements of Chapters 1101. to 1127. of the Revised Code.

(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.

(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.

(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 under Chapter 1151. or 1161. of the Revised Code.

(ii) In the case of a state bank resulting from the conversion of a national bank, a bank, savings association, or savings bank doing business under authority granted by the regulatory authority of another state, or a

ral savings association, the secretary of state shall file the certificate of the superintendent's approval of the conversion and the state bank's articles of incorporation in a manner reflecting the state bank is newly authorized to do business under the laws of this state.

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

Sec. 1115.05. (A) As used in this section:

(1) "Acquire" or "acquisition" means any of the following transactions or actions:

(a) A merger or consolidation with, or purchase of assets from, a bank holding company that has acquired an Ohio bank;

(b) The acquisition of the direct or indirect ownership or control of voting shares of an Ohio bank if, after the acquisition, the acquiring bank holding company will directly or indirectly own or control ~~more than five per cent of any class of voting shares of~~ the Ohio bank, unless the superintendent of financial institutions determines, in the superintendent's discretion, due to the nature of the 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 ~~Ohio~~ bank, whether previously ~~acquired~~ 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 ~~division~~ divisions (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, ~~either~~ 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.

~~(2)(b)~~ (b) 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, but does control~~ controls more than thirty per cent of the total deposits of banks, savings banks, and savings associations in this state, ~~if~~ 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. 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. 1115.11. (A) A state bank may consolidate or merge with another state bank, a bank doing business under authority granted by the bank regulatory authority of another state, or a national bank, savings bank, or savings association ~~that has,~~ regardless of where it maintains its principal place of business ~~in this state,~~ with the approval of all of the following:

- (1) The directors of both constituent corporations;
- (2) The shareholders of each constituent 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 provide, of the outstanding shares of each class of the state bank's stock;

(3) The shareholders of the other constituent ~~national~~ bank, savings bank, or savings association as required by the applicable state or federal law;

(4) One of the following, as applicable:

(a) If the resulting corporation will be a state bank, a savings bank doing business under authority granted pursuant to Chapter 1161. Of the Revised Code, or a savings and loan association doing business under authority granted pursuant to Chapter 1151. of the Revised Code, the superintendent of financial institutions;

(b) If the resulting corporation will be a national bank, the comptroller of the currency;

(c) If the resulting corporation will be a federal savings association, the director of the office of thrift supervision;

(d) If the resulting corporation will be a bank, savings bank, or savings association doing business under authority granted by the regulatory authority of another state, the state regulatory authority under which the bank, savings bank, or savings association is doing business.

(B) For a merger or consolidation in which the resulting or surviving corporation will be a state bank, the constituent corporations, in the case of a consolidation, and the constituent corporation that will be the surviving corporation, in the case of a merger, shall file with the superintendent an application for the superintendent's approval that includes all of the following:

(1) An officers' certification that the transaction has been approved by the directors and shareholders of each constituent corporation in accordance with the applicable state or federal law, articles of incorporation or association, code of regulations, or bylaws;

(2) A copy of the consolidation or merger agreement;

(3) Any other information the superintendent requires.

(C) The consolidation or merger agreement required under division (B)(2) of this section shall include all of the following:

(1) The names of the constituent corporations;

(2) The agreement that the named constituent corporations will consolidate into a new state bank or the other named constituent corporations will merge with or into one specified constituent corporation;

(3) Subject to the limitations set forth in section 1103.07 of the Revised Code, the name of the state bank resulting from the consolidation or surviving the merger;

(4) The place in this state where the resulting or surviving bank's principal place of business is to be located;

(5) In the case of a consolidation, the contents of the resulting bank's articles of incorporation, consistent with section 1103.06 of the Revised Code;

(6) In the case of a merger, any amendment to the surviving bank's articles of incorporation;

(7) The names and addresses of the directors of the resulting or surviving bank;

(8) The terms of the consolidation or merger, how the consolidation or merger will be effected, and how any consideration provided for will be distributed to the shareholders of the constituent corporations.

(D) Within ten business days after receiving an application required under division (B) of this section, the superintendent shall determine whether to accept the application. If the transaction is with a bank, savings bank, or savings association doing business under authority granted by a regulatory authority other than the superintendent, the superintendent shall notify the regulatory authority under which the bank, savings bank, or savings association is doing business of the application and solicit that regulatory authority's comments. Within ninety days after accepting an application required under division (B) of this section, the superintendent shall approve or disapprove the application. In making that determination, the superintendent shall consider all of the following:

(1) Whether the transaction would result in a monopoly or would further any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of this state and any markets served by the resulting or surviving bank;

(2) Whether the effect of the proposed transaction in any part of this state and any markets served by the resulting or surviving bank may be to substantially lessen competition, tend to create a monopoly, or in any other manner restrain trade, unless the superintendent finds the anticompetitive effects of the transaction would clearly be outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served;

(3) The financial and managerial resources and future prospects of the banks involved;

(4) The convenience and needs of the communities to be served;

(5) Whether, upon completion of the transaction, the resulting or surviving state bank will meet the requirements of Chapters 1101. to 1127. of the Revised Code;

(6) The comments of any regulatory authority notified in accordance with division (D) of this section.

(E) The superintendent may condition approval of an application under division (D) of this section in any manner the superintendent considers appropriate.

(F) Before consummating a consolidation or merger authorized under division (A) of this section, a state bank shall deliver to the superintendent a certificate of consolidation or merger that satisfies the requirements of section 1701.81 of the Revised Code. The superintendent shall file the certificate of consolidation or merger with the secretary of state and, if the resulting or surviving bank of the consolidation or merger is a state bank, shall file a certified copy of the superintendent's approval of the consolidation or merger with the certificate.

(G) In the case of a consolidation or merger in which the resulting or surviving corporation is a state bank, the directors and other officers named in the agreement of consolidation or merger shall serve until the date fixed in the agreement or provided in the resulting or surviving bank's code of regulations or by statute for the next annual meeting.

(H) When a consolidation or merger becomes effective, the existence of each of the constituent corporations ceases as a separate entity, but continues in the resulting or surviving corporation, within the limits of the charter of the resulting or surviving corporation and subject to section 1115.20 of the Revised Code, without further act or deed and within the limits of the charter of the resulting or surviving corporation, the resulting or surviving corporation has all assets and property, the rights, privileges, immunities, powers, franchises, and authority, and all obligations and trusts of each party to the merger or consolidation and the duties and liabilities connected with them. The resulting or surviving corporation shall perform every trust or relation it has in the same manner as if it had itself originally assumed the trust or relation and the obligations and liabilities connected with it.

Sec. 1115.14. (A) A state bank may transfer assets and liabilities to, and acquire assets and liabilities from, another state bank, a bank doing business under authority granted by the bank regulatory authority of another state, or a national bank, savings bank, or savings association ~~that has, regardless of where it maintains~~ its principal place of business ~~in this state~~, with the approval of all of the following:

(1) The directors of both constituent corporations;

(2) 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, 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 provide, of the outstanding shares of each class of the state bank's stock;

(3) The shareholders of the other constituent ~~national~~ bank, savings bank, or savings association as required by the applicable state or federal law;

(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 of each constituent corporation in accordance with the applicable state or federal law, articles of incorporation or association, code of regulations, or bylaws;

(2) A copy of the transfer agreement;

(3) Any other information the superintendent requires.

(C) The transfer agreement required under division (B)(2) of this section shall include all of the following:

(1) The names of the constituent corporations;

(2) The agreement of the named constituent corporations that specified assets and liabilities of one will be transferred to the other in exchange for specified consideration;

(3) Any changes to be made in the directors of officers of the acquiring state bank;

(4) Any amendments to the acquiring state bank's articles of incorporation;

(5) The terms of the transfer, how the transfer will be effected, and how any consideration provided for will be distributed to the transferring corporation or its shareholders.

(D) Within ten business days after receiving an application required under division (B) of this section, the superintendent shall determine whether to accept the application. If the transaction is with a bank, savings bank, or savings association doing business under authority granted by a regulatory authority other than the superintendent, the superintendent shall notify the regulatory authority that granted the authority under which the bank, savings bank, or savings association is doing business of the

application and solicit that regulatory authority's comments. Within ninety days after accepting an application required under division (B) of this section, the superintendent shall approve or disapprove the application. In making that determination, the superintendent shall consider all of the following:

(1) Whether the transaction would result in a monopoly or would further any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of this state and any markets served by the acquiring bank;

(2) Whether the effect of the proposed transaction in any part of this state and any markets served by the acquiring bank may be to substantially lessen competition, tend to create a monopoly, or in any other manner restrain trade, unless the superintendent finds that the anticompetitive effects of the transaction would clearly be outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served;

(3) The financial and managerial resources and future prospects of the banks involved;

(4) The convenience and needs of the communities to be served;

(5) Whether, upon completion of the transaction, the acquiring state bank will meet the requirements of Chapters 1101. to 1127. of the Revised Code;

(6) The comments of any regulatory authority notified in accordance with division (D) of this section.

(E) The superintendent may condition approval of an application under division (D) of this section in any manner the superintendent considers appropriate.

(F) In the case of a transfer of assets and liabilities involving a state bank that is not the acquiring corporation and that will not continue operations after the transaction, the state bank shall, immediately upon the transfer of assets and liabilities being effective, provide the superintendent with the necessary dissolution certificates and affidavits for the superintendent to file the dissolution with the secretary of state.

(G) When a ~~national bank~~, state bank, savings bank, or savings association transfers its assets and liabilities to a state bank, the acquiring state bank shall be possessed of the rights, privileges, and powers of the transferor with respect to the transferred assets within the limits of the charter of the acquiring state bank.

Sec. 1117.01. (A) Only Subject to section 1115.05 and Chapter 1119. Of the Revised Code, a bank ~~with,~~ regardless of the location of its principal

place of business ~~in this state~~, may establish or acquire and maintain a banking office in this state.

(B)(1) With the prior written approval of the superintendent of financial institutions obtained in accordance with section 1117.02 of the Revised Code, a bank doing business under authority granted by the superintendent may establish or acquire a banking office at any of the following locations:

- (a) Any location in this state;
- (b) Any location in another state of the United States;
- (c) Any location outside the United States.

(2) The superintendent may condition approval of a banking office at any location authorized by division (B)(1)(b) or (c) of this section on an agreement satisfactory to the superintendent providing for the times, method, and reimbursement of expenses for examining the banking office.

Sec. 1121.06. (A) Notwithstanding any provision of the Revised Code, if any regulation, rule, interpretation, procedure, or guideline of the comptroller of the currency, federal deposit insurance corporation, ~~or~~ federal reserve board, or the bank regulatory authority of any other state of the United States puts a bank or trust company doing business under authority granted by the superintendent of financial institutions at a disadvantage to a national bank, the superintendent may adopt a rule that reduces or eliminates the disadvantage to a bank or trust company doing business under authority granted by the superintendent.

(B) The superintendent shall adopt rules authorized by division (A) of this section in accordance with section 111.15 of the Revised Code. Chapter 119. of the Revised Code does not apply to rules adopted under the authority of this section.

(C) A rule adopted by the superintendent pursuant to the authority of this section is effective on the later of the following dates:

- (1) The date the superintendent issues the rule;
- (2) The date the regulation, rule, interpretation, procedure, or guideline the superintendent's rule is based on becomes effective.

(D) 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 lapses and has no further force and effect thirty months after its effective date.

Sec. 1121.11. (A) In administering Chapters 1101. to 1127. of the Revised Code and fulfilling the duties imposed by those chapters, including the duty imposed by section 1121.10 of the Revised Code, the superintendent of financial institutions may do any of the following:

- (1) Participate with financial institution regulatory authorities of other

states, the United States, and other countries in any of the following:

- (a) Programs for alternate examinations of the records and affairs of banks and trust companies over which they have concurrent jurisdiction;

- (b) Joint or concurrent examinations of the records and affairs of banks and trust companies over which they have concurrent jurisdiction;

- (c) Coordinated examinations of the records and affairs of banks and trust companies over which they have collective jurisdiction.

- (2) Conduct, participate in, or coordinate independent, concurrent, joint, or coordinated examinations of the records and affairs of banks and trust companies and otherwise act on behalf of financial institution regulatory authorities of other states, the United States, and other countries having jurisdiction over the banks and trust companies;

- (3) Rely on information leading to, arising from, or obtained in the course of examinations conducted by financial institution regulatory authorities of other states, the United States, and other countries when both of the following apply:

- (a) Pursuant to agreement and applicable law, the superintendent may receive and use the information leading to, arising from, or obtained in the course of the other regulatory authorities' examinations in administering Chapters 1101. to 1127. of the Revised Code and acting under the authority of those chapters;

- (b) In the superintendent's judgment the other regulatory authorities' personnel, practices, and authority warrant the superintendent's reliance.

- (4) Authorize financial institution regulatory authorities of other states, the United States, and other countries to receive and use information leading to, arising from, or obtained in the course of examinations conducted by the division of financial institutions in the same manner and for the purposes they could use information leading to, arising from, or obtained in the course of their own examinations when both of the following apply:

- (a) Pursuant to applicable law, information leading to, arising from, or obtained in the course of examinations the other regulatory authorities conduct is protected from general disclosure and may only be disclosed for purposes similar to those provided in section 1121.18 of the Revised Code, which are principally regulatory in nature, for disclosure of information leading to, arising from, or obtained in the course of examinations conducted by the division;

- (b) Pursuant to agreement and applicable law, information leading to, arising from, or obtained in the course of examinations conducted by the division will, in the other regulatory authorities' possession or the possession of any persons to whom the other regulatory authorities disclosed the

information as a part of examinations of those persons, be protected from disclosure to the same extent as information leading to, arising from, or obtained in the course of those regulatory authorities' examinations.

(5) Rely on the actions of financial institution regulatory authorities of other states, the United States, or other countries, or participate with them jointly, in responding to violations of law, unsafe or unsound practices, breaches of fiduciary duty, or other regulatory concerns affecting banks and trust companies over which they have concurrent jurisdiction when the other regulatory authorities have adequate personnel, practices, and authority to warrant the reliance;

(6) Implement other cooperative arrangements with financial institution regulatory authorities of other states, the United States, and other countries consistent with safety and soundness.

(B) No person shall use any reliance by the superintendent, in whole or in part, on financial institution regulatory authorities of other states, the United States, or other countries in accordance with division (A) of this section to support any assertion of either of the following:

(1) Failure of the superintendent or division to properly administer Chapters 1101. to 1127. of the Revised Code or fulfill the duties imposed by those chapters;

(2) Disagreement by the superintendent or division with any action taken by financial institution regulatory authorities of other states, the United States, or other countries.

(C) In conducting, participating in, or coordinating independent, concurrent, joint, or coordinated examinations of the records and affairs of banks and trust companies, the superintendent may purchase services from financial institution regulatory authorities of other states, the United States, and other countries, including services provided by employees of other financial institution regulatory authorities in their capacities as employees of other financial institution regulatory authorities. The purchase of services from one or more financial institution regulatory authorities of other states, the United States, or other countries is the purchase of services from a sole source provider and is not the employment of any financial institution regulatory authority or any of its employees.

The authority to purchase services pursuant to this division does not impair the superintendent's authority to purchase services from any other source.

Sec. 1151.01. In sections of the Revised Code making reference to savings and loan associations and to the division of savings and loan associations or the division of financial institutions:

(A) "Savings and loan association" means a corporation organized for the purpose of raising money to be loaned to its members or to others; "building and loan association" and "savings association" may be used interchangeably with and shall for all purposes have the same meaning as "savings and loan association" ~~and "savings association;"~~ and "division of building and loan associations" and "division of savings and loan associations" may be used interchangeably with and shall for all purposes have the same meaning as "division of financial institutions."

(B) "Controlling person" means any person or entity which, either directly or indirectly, or acting in concert with one or more other persons or entities, owns, controls, or holds with power to vote, or holds proxies representing, fifteen per cent or more of the voting shares or rights of a savings and loan association or controls in any manner the election or appointment of a majority of the directors of an association. However, a director of an association will not be deemed to be a controlling person of such association based upon ~~his~~ the director's voting, or acting in concert with other directors in voting, proxies obtained in connection with ~~an annual~~ a solicitation of proxies or obtained from savings account holders and borrowers if such proxies are voted as directed by a majority of the entire board of directors of the association, or of a committee of such directors if such committee's composition and authority are controlled by a majority vote of the entire board and if its authority is revocable by such a majority.

(C) "Domestic association" means a savings and loan association organized under the laws of this state or ~~the "Home Owners' Loan Act of 1933," 48 Stat. 128, 12 U.S.C.A. 1461, and amendments thereto~~ a savings association chartered under the laws of the United States, the home office of which is located within this state.

(D) "Foreign savings association" means a savings and loan association; ~~the home office of which that is located outside this~~ chartered under the laws of another state.

(E) "Foreign federal association" means a savings association chartered under the laws of the United States, the home office of which is located in another state.

(F) "Another state" means any state of the United States other than this state, and includes the District of Columbia and any other territory, insular possession, or political subdivision of the United States.

(G) "Banking office" means an office or other place at which a savings association receives money or its equivalent from the public for deposit and conducts the general business of a savings association. "Banking office" does not include any of the following:

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

(2) Any structure located within five hundred yards of a banking office and operated as an extension of the services of the banking office;

(3) Any remote service unit or automated teller machine owned, leased, or operated by a savings association;

(4) Any facility located within the geographical limits of a military installation at which a savings association only accepts deposits and cashes checks;

(5) Any location at which a savings association takes and processes applications for loans and from which it may disburse loan proceeds, but does not accept deposits;

(6) Any location at which a savings association is engaged solely in providing administrative support services for its own operations or for other financial institutions.

(H) "Branch" means a banking office that is not also the savings association's principal office consistent with its articles of incorporation.

(I) "Superintendent," "superintendent of building and loan associations," or "superintendent of savings and loan associations" means the superintendent of the division of financial institutions of this state. Whenever the division or superintendent of savings and loan associations or building and loan associations is referred to or designated in any statute, rule, contract, or other document, the reference or designation shall be deemed to refer to the division or superintendent of financial institutions, as the case may be.

(J) "Savings bank" means a savings bank doing business under authority granted by the superintendent pursuant to chapter 1161. of the Revised Code or under the regulatory authority of another state.

(K) "Bank" has the same meaning as in section 1101.01 of the Revised Code.

Sec. 1151.05. (A) No savings and loan association organized under the laws of this state shall establish ~~an~~ more than one banking office, or maintain branches other than those established before July 3, 1923, nor relocate any branch, except with the prior written approval of the superintendent of ~~savings and loan associations~~ financial institutions.

(B) A savings and loan association organized under the laws of this state may establish a branch at any of the following locations:

(1) Any location in this state;

(2) Any location in another state;

(3) Any location outside the United States.

(C) The superintendent may condition approval of a branch at a location in another state or outside the United States on an agreement satisfactory to the superintendent that provides for the frequency and method of, and the reimbursement of expenses for, examining the branch.

Sec. 1151.052. (A) Except as otherwise provided in this section and in section 1151.60 of the Revised Code, only a domestic association may establish and maintain a branch in this state.

(B) A foreign federal association may establish a branch as permitted by federal law.

(C)(1) A foreign savings association may, upon receiving the approval of the superintendent of financial institutions, establish a branch in this state by creating a new branch or by agreeing to assume all or substantially all of the deposit liabilities of an existing branch of a bank, savings bank, domestic association, foreign savings association, foreign federal association, or savings and loan association, which branch is located in this state. The superintendent shall not grant approval unless both of the following conditions are met:

(a) The foreign savings association provides evidence to the superintendent that its accounts are insured by the federal deposit insurance corporation.

(b) The superintendent determines, in the superintendent's discretion, that the laws of the state in which the foreign savings association has its home office, which laws are in effect at the time the association is seeking approval under this section, permit a savings and loan association organized under this chapter to establish a new branch or assume all or substantially all of the deposit liabilities of an existing branch of a bank, savings bank, domestic association, foreign savings association, foreign federal association, or savings and loan association, as the case may be, in that other state on terms that are, on the whole, substantially no more restrictive than those established under this section.

(2) If a foreign savings association that maintains a branch in this state withdraws from the federal deposit insurance corporation, its authority to maintain a branch in this state is terminated.

(3) A foreign savings association that seeks to establish additional branches in this state or to relocate branches in this state is subject to divisions (C)(1) and (2) of this section and section 1151.05 of the Revised Code.

Sec. 1151.60. (A)(1) A savings and loan association organized under the laws of this state may acquire or merge with another savings and loan a

domestic association, a foreign savings association, a foreign federal association, a savings bank, a foreign savings bank, a state bank, a national bank, or with a holding company affiliate bank organized under the laws of another state, upon application to and written approval of the superintendent of savings and loan associations financial institutions. The superintendent shall approve a merger of a savings and loan association and a holding company affiliate only if the superintendent is of the opinion that the rights of all interested parties are protected.

~~(B) A savings and loan association may merge with a bank or a savings bank.~~

~~(1) If the savings and loan association is the acquiror or surviving institution, or the articles of incorporation of the new institution provide that the new institution is a savings and loan association, application to and written approval of the superintendent of savings and loan associations is required.~~

~~(2) If the savings and loan association is not the acquiror or the surviving institution, or the articles of incorporation of the new institution provide that the new institution is a bank or savings bank, notice only shall be provided the superintendent of savings and loan associations, and the merger is subject to section 1115.11 or 1161.76 of the Revised Code.~~

~~(3) For purposes of division (A)(1) of this section, if the surviving institution or new institution is a savings and loan association organized under the laws of this state, section 1701.82 of the Revised Code governs the merger or consolidation, except that after the merger or consolidation becomes effective, the surviving or new institution shall possess, of a public and private nature, the rights, privileges, immunities, powers, franchises, and authority of a savings and loan association organized under the laws of this state.~~

(B) A savings and loan association organized under the laws of this state may merge with a holding company affiliate upon application to and written approval of the superintendent. The superintendent shall approve such a merger only if the superintendent is of the opinion that the rights of all interested parties are protected.

(C) The limitations and conditions of Chapter 1701. of the Revised Code do not apply to a merger of a savings and loan association, the outstanding capital of which consists entirely of withdrawable shares, or which is organized under section 1151.081 of the Revised Code, provided that the plan of merger is approved by a two-thirds vote of the association's board of directors as evidenced by a merger agreement. Upon written notice to the association's board of directors, the superintendent ~~of savings and loan~~

~~associations~~ may require that the plan of merger be submitted to the shareholders for approval in accordance with the provisions of Chapter 1701. of the Revised Code.

(D) The superintendent shall adopt rules in accordance with Chapter 119. of the Revised Code setting forth criteria that must be met for the merger of a savings and loan association and a holding company affiliate ~~which that~~ is not a savings and loan association, a bank, or a savings bank.

(E) For purposes of this section, upon the consolidation or purchase of substantially all of the assets and assumption of liabilities of a savings and loan association, the superintendent ~~of savings and loan associations~~, at the superintendent's discretion, may direct the secretary of state to cancel the articles of incorporation.

(F) For purposes of this section:

(1) "Holding company affiliate" means a savings and loan holding company of which a savings and loan association is a subsidiary and any other subsidiary of such holding company other than a subsidiary of such association.

(2) "Merger" includes consolidation and the purchase of substantially all of the assets and assumption of liabilities of another institution. "Merger" includes the use of an interim savings association.

Sec. 1151.71. (A) Notwithstanding any other provision of the Revised Code, no savings and loan association incorporated under the laws of any other state or having its main office or principal place of business in any other state shall receive deposits ~~or transact any business of any kind~~ in this state ~~other than the lending of money, except as provided in sections 1151.052, 1151.053, and 1151.60~~ Of the Revised Code.

(B) A savings and loan association or savings and loan holding company with its main office or principal place of business in another state may charter or otherwise acquire an Ohio savings and loan association or Ohio savings and loan holding company ~~if the superintendent of savings and loan associations determines in his discretion that the laws of such other state, as in effect at the time the application referred to in division (C) of this section is filed, permit an Ohio savings and loan association or Ohio savings and loan holding company to charter or otherwise acquire a savings and loan association or savings and loan holding company having its principal place of business in such other state on terms that are, on the whole, substantially no more restrictive than those established under this section. If the law of such other state restricts entry by Ohio savings and loan associations or Ohio savings and loan holding companies to that state by limiting such right to only one or the other means of entry, either by de novo charter or by~~

~~acquisition, then the authority granted by this section shall be similarly limited for savings and loan associations or savings and loan holding companies with their principal places of business located in that state. For a period of three years after October 17, 1985, the authority granted by this division is available only to a savings and loan association or savings and loan holding company that has its principal place of business in a state contiguous to this state, or in Delaware, District of Columbia, Florida, Illinois, Maryland, Missouri, New Jersey, Oklahoma, Tennessee, Virginia, Washington, or Wisconsin. Thereafter, such authority is available to a savings and loan association or savings and loan holding company without such limitation as to its principal place of business.~~

(C)(1) Any savings and loan association or savings and loan holding company proposing to charter a state savings and loan association pursuant to the authority granted by this section shall make application pursuant to and be bound by the requirements of ~~Chapter 1151. of the Revised Code~~ this chapter and the rules adopted thereunder ~~to the extent they are not inconsistent with division (B) of this section.~~

(2) Any savings and loan association or savings and loan holding company proposing to acquire an Ohio savings and loan association or Ohio savings and loan holding company pursuant to this section shall ~~concurrently file with the superintendent~~ comply with section 1151.66 of the Revised Code. An application filed pursuant to that section shall consist of a copy of the application filed with the appropriate regulator under federal law; and shall provide the superintendent with evidence that its accounts or the accounts of its insured depository institution subsidiaries are insured by the federal savings and loan deposit insurance corporation, together with. If no application is required to be filed under federal law, the application shall contain such other information as the superintendent may prescribe, by rule, as necessary or appropriate for the purpose of making ~~his~~ a determination under this section and section 1151.66 Of the Revised Code. Withdrawal from the federal ~~savings and loan deposit~~ insurance corporation terminates the authority of the foreign savings and loan association or savings and loan holding company to do business in Ohio and voids any certificate or approval issued under this section. ~~Within fifteen business days after its receipt, the superintendent shall accept an application for processing, request additional information to complete the application, or return the application if it is substantially incomplete. The superintendent shall give notice to the applicant of the date upon which he has determined that the application and any other required information is complete. The superintendent shall approve the acquisition within sixty days of his determination that the~~

~~application and any other required information is complete, unless he finds that the applicable criteria set forth in federal savings and loan holding companies regulations, 12 C.F.R. Parts 583, 584, and 585, as amended, promulgated by the federal home loan bank board pursuant to the "Savings and Loan Holding Company Act," 73 Stat. 691, 12 U.S.C. 1730a, as amended, and the criteria set forth in this division (C)(2) have not been met. In reaching his determination, the superintendent shall also consider the following factors in relation to the applicant, its subsidiaries, and the Ohio savings and loan association or Ohio savings and loan holding company to be acquired:~~

~~(a) Their financial condition and future prospects, including their current and projected capital positions and levels of indebtedness;~~

~~(b) The competence and character of the principals and management of the applicant and the savings and loan associations or savings and loan holding companies concerned; their record of compliance with laws, rules, and regulations; and the applicant's record of fulfilling any commitments to, and any conditions imposed by, the superintendent in connection with prior applications; and~~

~~(c) The convenience and needs of the communities to be served.~~

~~The application and the acquisition to which it relates shall be deemed approved if no action is taken by the superintendent within sixty days of his determination that the application and any other required information is complete.~~

~~If the superintendent denies an application for such acquisition, the order of denial must be accompanied by a written, public opinion setting forth the reasons for denial.~~

~~(D) A nonrefundable fee of six thousand dollars shall accompany each application and an application is not complete without such fee.~~

~~(E) No application for approval of a charter or other acquisition pursuant to the authority granted by this section shall be approved by the superintendent if the superintendent determines that such approval would cause the applicant savings and loan association or savings and loan holding company to control aggregate total deposits in this state exceeding twenty per cent of the total deposits held by all banks, savings banks, and savings and loan associations located in this state as reported in the most recently available reports of condition or similar reports filed with state or federal authorities.~~

~~(F) Unless the shareholders of the Ohio savings and loan association or Ohio savings and loan holding company to be acquired have approved an amendment to its constitution, articles of incorporation, code of regulations,~~

~~or comparable document that provides that this division shall not apply to such Ohio savings and loan association or Ohio savings and loan holding company, any acquisition to be made pursuant to the authority granted by this section which will result in the acquiring savings and loan association or savings and loan holding company directly or indirectly owning or controlling one fifth or more of the voting power of the Ohio savings and loan association or Ohio savings and loan holding company must be authorized by the affirmative vote of the holders of not less than two thirds of the voting power of the Ohio savings and loan association or Ohio savings and loan holding company to be acquired.~~

~~(G) The limitations set forth in this section do not apply to the acquisition of a state-chartered Ohio savings and loan association if, in his discretion, the superintendent determines that an emergency exists with respect to the savings and loan association to be acquired, and that the acquisition is appropriate in order to prevent the probable failure of a savings and loan association which is closed or is in danger of closing.~~

~~(H) Any savings and loan association or savings and loan holding company chartering or acquiring a savings and loan association or savings and loan holding company pursuant to the authority granted by this section shall file with the superintendent copies of the public portions of all regular and periodic reports such savings and loan association or savings and loan holding company is required to file under section 13 or 15(d) of the "Securities Exchange Act of 1934," 48 Stat. 894, 15 U.S.C. 78m or 78o(d), as amended.~~

~~(I) If a savings and loan association or savings and loan holding company that has acquired an Ohio savings and loan association or Ohio savings and loan holding company pursuant to the authority granted by division (B) of this section ceases during the three-year period after October 17, 1985 to have its principal place of business in a state contiguous to this state, or in Delaware, District of Columbia, Florida, Illinois, Maryland, Missouri, New Jersey, Oklahoma, Tennessee, Virginia, Washington, or Wisconsin, such savings and loan association or savings and loan holding company shall divest itself of the Ohio savings and loan association or Ohio savings and loan holding company acquired pursuant to the authority granted by this section upon such terms as the superintendent, in his discretion, determines to be appropriate in the circumstances.~~

~~(J) As used in this section:~~

~~(1) "Acquire" or "acquisition" means ~~any~~ either of the following transactions or actions:~~

~~(a) A merger, consolidation, or combination of or with an Ohio savings~~

~~and loan holding company;~~

~~(b)~~ The acquisition of the direct or indirect ownership or control of voting shares of an Ohio savings and loan holding company or an Ohio savings and loan association if, after such acquisition, the acquiring savings and loan association or savings and loan holding company will ~~directly or indirectly own or control more than five per cent of any class of voting shares~~ be a controlling person of the Ohio savings and loan association or Ohio the savings and loan holding company ~~unless the superintendent determines, in his discretion, that the nature of the acquisition is such that it should not be subject to the limitations of this section;~~

~~(c) The direct or indirect acquisition of all or substantially all of the assets of an Ohio savings and loan association or Ohio savings and loan holding company; or~~

~~(d)~~(b) The taking of any other action that results in the direct or indirect control of an Ohio savings and loan association or Ohio savings and loan holding company.

(2) "Ohio savings and loan association" means a domestic ~~building and loan~~ association as defined in ~~division (B) of~~ section 1151.01 of the Revised Code.

(3) "Savings and loan holding company" means any company ~~which~~ that is a savings and loan holding company as defined in 12 C.F.R. section ~~583.11~~ 583.20, as amended, promulgated ~~by~~ pursuant to section 10 of the federal home loan bank board pursuant to the "Savings and Home Owners' Loan Holding Company Act of 1933," 73 48 Stat. 691 128, 12 U.S.C. 1730a U.S.C.A. 1467a, as amended, or which that will become such an approved savings and loan holding company prior to or upon completion of the acquisition to be made pursuant to the authority granted by this section, ~~and~~ includes a bank holding company as defined in 12 C.F.R. section 225.2 promulgated pursuant to section 2 of the "Bank Holding Company Act of 1956," 70 Stat. 133, 12 U.S.C.A. 1841, as amended.

(4) "Ohio savings and loan holding company" means a savings and loan holding company ~~which~~ that owns or controls one or more Ohio savings and loan associations and has its principal place of business in this state.

(5) "Principal place of business" means, as to a savings and loan association, the state in which its main office is located, and as to a savings and loan holding company, the state or jurisdiction in which the total deposits of all direct and indirect ~~savings and loan insured depository institution~~ subsidiaries of the ~~savings and loan~~ holding company and any other company that has control, ~~within the meaning of 12 C.F.R. section 583.26, as amended, promulgated by the federal home loan bank board~~

~~pursuant to the "Savings and Loan Holding Company Act," 73 Stat. 691, 12 U.S.C. 1730a, as amended, of the savings and loan holding company are the largest, as shown in the most recent report of condition or similar report filed by such savings and loan insured depository institution subsidiaries with state or federal authorities; and, as to a savings and loan association, the state or jurisdiction in which its total deposits or savings accounts and those of all its savings and loan subsidiaries, if any, are the largest, as shown in the most recent report of condition or similar report filed by the savings and loan association and its savings and loan subsidiaries with state or federal authorities.~~

~~(6) "State contiguous to this state" means the state of Pennsylvania, West Virginia, Kentucky, Indiana, or Michigan insured depository institution" has the same meaning as in the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, 1813, as amended.~~

Sec. 1155.09. At least once every ~~eighteen~~ twenty-four months the superintendent of ~~building and loan associations~~ financial institutions, or examiners appointed for that purpose, shall make an examination into the affairs of each ~~building~~ savings and loan association in this state. The examination shall include a review of both of the following:

(A) Compliance with law;

(B) Other matters the superintendent determines.

The expenses of all such examinations shall be paid by the state. Nothing in this section shall prohibit the superintendent from establishing different schedules of examination for different associations.

Sec. 1155.091. (A) In administering Chapters 1151. to 1157. Of the Revised Code and fulfilling the duties imposed by those chapters, including the duty imposed by section 1151.09 Of the Revised Code, the superintendent of financial institutions may do any of the following:

(1) Participate with financial institution regulatory authorities of other states, the United States, and other countries in any of the following:

(a) Programs for alternate examinations of the records and affairs of savings and loan associations over which they have concurrent jurisdiction;

(b) Joint or concurrent examinations of the records and affairs of savings and loan associations over which they have concurrent jurisdiction;

(c) Coordinated examinations of the records and affairs of savings and loan associations over which they have collective jurisdiction.

(2) Conduct, participate in, or coordinate independent, concurrent, joint, or coordinated examinations of the records and affairs of savings and loan associations and otherwise act on behalf of financial institution regulatory authorities of other states, the United States, and other countries having

jurisdiction over the savings and loan associations:

(3) Rely on information leading to, arising from, or obtained in the course of examinations conducted by financial institution regulatory authorities of other states, the United States, and other countries when both of the following apply:

(a) Pursuant to agreement and applicable law, the superintendent may receive and use the information leading to, arising from, or obtained in the course of the other regulatory authorities' examinations in administering Chapters 1151. to 1157. Of the Revised Code and acting under the authority of those chapters:

(b) In the superintendent's judgment the other regulatory authorities' personnel, practices, and authority warrant the superintendent's reliance.

(4) Authorize financial institution regulatory authorities of other states, the United States, and other countries to receive and use information leading to, arising from, or obtained in the course of examinations conducted by the division of financial institutions in the same manner and for the purposes they could use information leading to, arising from, or obtained in the course of their own examinations when both of the following apply:

(a) Pursuant to applicable law, information leading to, arising from, or obtained in the course of examinations the other regulatory authorities conduct is protected from general disclosure and may only be disclosed for purposes similar to those provided in section 1155.16 Of the Revised Code, which are principally regulatory in nature, for disclosure of information leading to, arising from, or obtained in the course of examinations conducted by the division:

(b) Pursuant to agreement and applicable law, information leading to, arising from, or obtained in the course of examinations conducted by the division will, in the other regulatory authorities' possession or the possession of any persons to whom the other regulatory authorities disclosed the information as a part of examinations of those persons, be protected from disclosure to the same extent as information leading to, arising from, or obtained in the course of those regulatory authorities' examinations.

(5) Rely on the actions of financial institution regulatory authorities of other states, the United States, or other countries, or participate with them jointly, in responding to violations of law, unsafe or unsound practices, breaches of fiduciary duty, or other regulatory concerns affecting savings and loan associations over which they have concurrent jurisdiction when the other regulatory authorities have adequate personnel, practices, and authority to warrant the reliance;

(6) Implement other cooperative arrangements with financial institution

regulatory authorities of other states, the United States, and other countries consistent with safety and soundness.

(B) No person shall use any reliance by the superintendent, in whole or in part, on financial institution regulatory authorities of other states, the United States, or other countries in accordance with division (A) of this section to support any assertion of either of the following:

(1) Failure of the superintendent or division to properly administer Chapters 1151. to 1157. Of the Revised Code or fulfill the duties imposed by those chapters:

(2) Disagreement by the superintendent or division with any action taken by financial institution regulatory authorities of other states, the United States, or other countries.

(C) In conducting, participating in, or coordinating independent, concurrent, joint, or coordinated examinations of the records and affairs of savings and loan associations, the superintendent may purchase services from financial institution regulatory authorities of other states, the United States, and other countries, including services provided by employees of other financial institution regulatory authorities. The purchase of services from one or more financial institution regulatory authorities of other states, the United States, and other countries is the purchase of services from a sole source provider and is not the employment of any financial institution regulatory authority or any of its employees.

The authority to purchase services pursuant to this division does not impair the superintendent's authority to purchase services from any other source.

Sec. 1155.13. (A)(1) Each savings and loan association subject to inspection and examination by the superintendent of financial institutions and transacting business in this state as of the thirty-first day of December of the prior fiscal year, or the savings and loan association's successor in interest, shall pay annual assessments to the superintendent as provided in this section.

(2) After determining the budget of the division of financial institutions for examination and regulation of savings and loan associations, but prior to establishing the annual assessment amount necessary to fund that budget, the superintendent shall include any amounts collected but not yet expended or encumbered by the superintendent in the previous fiscal year's budget and remaining in the building and loan associations fund from the amount to be assessed. Based upon the resulting budget amount, the superintendent shall make an assessment upon each savings and loan association based on the total assets as shown on the books of the savings and loan association as of

the thirty-first day of December of the previous fiscal year. The assessments shall be collected on an annual or periodic basis within the fiscal year, as determined by the superintendent.

(3) A savings and loan association authorized by the superintendent to commence business in the period between assessments shall pay the actual reasonable costs of the division's examinations and visitations.

(B) Assessments and fees charged pursuant to this section shall be paid within fourteen days after receiving an invoice for payment of the assessment or fee.

Any assessment or fee collected is not refundable.

(C) The superintendent shall pay all assessments and fees charged pursuant to this section and all forfeitures required to be paid to the superintendent into the state treasury to the credit of the building and loan associations fund.

(D) Any money deposited into the state treasury to the credit of the building and loan associations fund, but not expended or encumbered by the superintendent to defray the costs of administering Chapters 1151. to 1157. Of the Revised Code, shall remain in the building and loan associations fund for expenditures by the superintendent in subsequent years in the administration of Chapters 1151. to 1157. Of the Revised Code.

Sec. 1161.01. (A) In sections of the Revised Code making reference to savings banks and to the division of savings banks or the division of financial institutions:

(1) "Savings bank" means a corporation that has its home office located in this state, that is organized for the purposes of receiving deposits and raising money to be loaned to its members or to others, and that maintains at least sixty per cent of its total assets in the housing-related and other investments set forth in section 7701(a)(19)(C) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. "Savings bank" does not include banks, savings and loan associations, or credit unions.

(2) "Foreign savings bank" means a savings bank organized under the laws of another state, the home office of which is located outside this state.

(3) "Controlling person" means any person or entity which, either directly or indirectly, or acting in concert with one or more other persons or entities, owns, controls, or holds with power to vote, or holds proxies representing, fifteen per cent or more of the voting shares or rights of a savings bank or controls in any manner the election or appointment of a majority of the directors of a savings bank. However, a director of a savings bank is not deemed to be a controlling person of the savings bank based upon the director's voting, or acting in concert with other directors in voting,

proxies obtained in connection with ~~an annual~~ a solicitation of proxies or obtained from savings account holders and borrowers if such proxies are voted as directed by a majority of the entire board of directors of the savings bank, or of a committee of the directors if the committee's composition and authority are controlled by a majority vote of the entire board and if its authority is revocable by such a majority.

(4) "Division of savings banks" may be used interchangeably with, and for all purposes has the same meaning as, "division of financial institutions."

(5) "Another state" means any state of the United States other than this state, and includes the District of Columbia and any other territory, insular possession, or political subdivision of the United States.

(6) "Banking office" means an office or other place at which a savings bank receives money or its equivalent from the public for deposit and conducts the general business of a savings bank. "Banking office" does not include any of the following:

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

(b) Any structure located within five hundred yards of a banking office and operated as an extension of the services of the banking office;

(c) Any remote service unit or automated teller machine owned, leased, or operated by a savings bank;

(d) Any facility located within the geographical limits of a military installation at which a savings bank only accepts deposits and cashes checks;

(e) Any location at which a savings bank takes and processes applications for loans and from which it may disburse loan proceeds, but does not accept deposits;

(f) Any location at which a savings bank is engaged solely in providing administrative services for its own operations or for other financial institutions.

(7) "Branch" means a banking office that is not also the savings bank's principal office consistent with its articles of incorporation.

(8) "Superintendent" or "superintendent of savings banks" means the superintendent of the division of financial institutions of this state. Whenever the division or superintendent of savings banks is referred to or designated in any statute, rule, contract, or other document, the reference or designation shall be deemed to refer to the division or superintendent of financial institutions, as the case may be.

(9) "Savings and loan association" means a domestic association, a

foreign savings association, or a foreign federal association, as defined in section 1151.01 of the Revised Code.

(10) "Bank" has the same meaning as in section 1101.01 of the Revised Code.

(B) For purposes of any chapter of the Revised Code, except Chapters 1101., 1103., 1105., 1107., 1109., 1111., 1113., 1115., 1117., 1119., 1121., 1123., 1125., 1127., 1133., 1151., 1153., 1155., 1157., 1161., 1163., and 1165., and 1181. of the Revised Code, "building and loan association," "savings and loan association," or "financial institution" includes a savings bank as defined in section 1161.01 of the Revised Code, unless the context clearly requires otherwise.

Sec. 1161.05. (A) No savings bank shall establish ~~an~~ more than one banking office, maintain branches, or relocate any branch, except with the prior written approval of the superintendent of ~~savings banks~~ financial institutions.

(B) A savings bank may establish a branch at any of the following locations:

- (1) Any location in this state;
- (2) Any location in another state;
- (3) Any location outside the United States.

(C) The superintendent may condition approval of a branch at a location in another state or outside the United States on an agreement satisfactory to the superintendent that provides for the frequency and method of, and the reimbursement of expenses for, examining the branch.

Sec. 1161.07. (A) Except as otherwise provided in this section and section 1161.76 of the Revised Code, only a savings bank may establish and maintain a branch in this state.

(B)(1) A foreign savings bank may, upon receiving the approval of the superintendent of financial institutions, establish a branch in this state by creating a new branch or by agreeing to assume all or substantially all of the deposit liabilities of an existing branch of a bank, savings bank, foreign savings bank, or savings and loan association, which branch is located in this state. The superintendent shall not grant approval unless both of the following conditions are met:

(a) The foreign savings bank provides evidence to the superintendent that its accounts are insured by the federal deposit insurance corporation.

(b) The superintendent determines, in the superintendent's discretion, that the laws of the state in which the foreign savings bank has its home office, which laws are in effect at the time the foreign savings bank is seeking approval under this section, permit a savings bank organized under

this chapter to establish a new branch or assume all or substantially all of the deposit liabilities of an existing branch of a bank, savings bank, foreign savings bank, or savings and loan association, as the case may be, in that other state on terms that are, on the whole, substantially no more restrictive than those established under this section.

(2) If a foreign savings bank that maintains a branch in this state withdraws from the federal deposit insurance corporation, its authority to maintain a branch in this state is terminated.

(3) A foreign savings bank that seeks to establish additional branches in this state or to relocate branches is subject to divisions (B)(1) and (2) of this section and section 1161.05 Of the Revised Code, unless otherwise provided by federal law.

Sec. 1161.76. (A) For purposes of this section:

(1) "Holding company affiliate" means a holding company of which a savings bank is a subsidiary and any other subsidiary of the holding company other than a subsidiary of the savings bank.

(2) "Merger" includes consolidation and the purchase of substantially all the assets and assumption of liabilities of another institution. "Merger" includes the use of an interim savings bank.

(B) A savings bank may acquire or merge with another savings bank, a foreign savings bank, a domestic association, a foreign savings association, a foreign federal association, a state bank, a national bank, or a holding company affiliate bank organized under the laws of another state, upon application to and written approval of the superintendent of savings banks financial institutions. The superintendent of savings banks shall approve a merger of a savings bank and a holding company affiliate only if the superintendent of savings banks is of the opinion that the rights of all interested parties are protected.

(C) The limitations and conditions of Chapter 1701. of the Revised Code do not apply to a merger of a savings bank the outstanding capital of which consists entirely of withdrawable shares or that is organized under section 1161.11 of the Revised Code, provided the plan of merger is approved by a two-thirds vote of the savings bank's board of directors as evidenced by a merger agreement.

(D) The superintendent shall adopt rules in accordance with Chapter 119. of the Revised Code setting forth criteria that shall be met for the merger of a savings bank and a holding company affiliate that is not a savings bank, a bank, or a savings and loan association.

(E) ~~A savings bank may merge with a bank or a savings and loan association.~~

~~(1) If the savings bank is the acquiror or surviving institution, or the articles of incorporation of the new institution provide that the new institution is a savings bank, an application to and written approval of the superintendent of savings banks is required.~~

~~(2) If the savings bank is not the acquiror or the surviving institution, or the articles of incorporation of the new institution provide that the new institution is a bank or savings and loan association, notice only shall be provided the superintendent of savings banks, and the merger is subject to section 1115.11 or 1151.60 of the Revised Code.~~

~~(3) For purposes of this section, if the surviving institution or new institution is a savings bank organized under this chapter, section 1701.82 of the Revised Code governs the merger or consolidation, except that after the merger or consolidation becomes effective, the surviving or new institution shall possess, of a public or private nature, the rights, privileges, immunities, powers, franchises, and authority of a savings bank organized under this chapter.~~

~~(F) A savings bank may merge with a holding company affiliate upon application to and written approval of the superintendent. The superintendent shall approve such a merger only if the superintendent is of the opinion that the rights of all interested parties are protected.~~

Sec. 1161.79. (A) As used in this section:

(1) "Acquire" or "acquisition" means any of the following transactions or actions:

~~(a) A merger, consolidation, or combination of or with an Ohio savings bank holding company;~~

~~(b) The acquisition of the direct or indirect ownership or control of voting shares of an Ohio savings bank holding company or a an Ohio savings bank if, after the acquisition, the acquiring savings bank or savings bank holding company will directly or indirectly own or control more than five per cent of any class of voting shares be a controlling person of the savings bank or ~~Ohio~~ the savings bank holding company unless the superintendent of savings banks determines, in his discretion, that the nature of the acquisition is such that it should not be subject to the limitations of this section;~~

~~(c) The direct or indirect acquisition of all or substantially all of the assets of a savings bank or Ohio savings bank holding company;~~

~~(d)~~~~(b)~~ The taking of any other action that results in the direct or indirect control of a an Ohio savings bank or Ohio savings bank holding company.

(2) "Insured depository institution" has the same meaning as in the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, 1813,

as amended.

(3) "Ohio savings bank holding company" means a savings bank holding company that owns or controls one or more savings banks and has its principal place of business in this state.

(4) "Principal place of business" means, as to a savings bank, the state in which its main office is located, and as to a savings bank holding company, the state or jurisdiction in which the total deposits of all direct and indirect insured depository institution subsidiaries of the bank holding company and any other company that has control, within the meaning of section 2(a)(2) of the "Bank Holding Company Act of 1956," 70 Stat. 133, 12 U.S.C. 1841(a)(2), as amended, of the bank holding company are the largest, as shown in the most recent report of condition or similar report filed by the insured depository institution subsidiaries with state or federal authorities. ~~"Principal place of business" means as to a savings bank, the state or jurisdiction in which its total deposits or savings accounts and those of all its savings bank subsidiaries, if any, are the largest, as shown in the most recent report of condition or similar report filed by the savings bank and its savings bank subsidiaries with state or federal authorities.~~

(B) Notwithstanding any other provision of the Revised Code, no savings bank incorporated under the laws of any other state or having its main office or principal place of business in any other state shall solicit, receive, or accept deposits or transact any business of any kind in this state other than the lending of money, except as provided in sections 1161.07, 1161.071, and 1161.76 Of the Revised Code.

(C) A savings bank or savings bank holding company with its main office or principal place of business in another state may charter or otherwise acquire a savings bank or Ohio savings bank holding company if the superintendent determines in his discretion that the laws of the other state, as in effect at the time the application referred to in division (D) of this section is filed, permit a savings bank or Ohio savings bank holding company to charter or otherwise acquire a savings bank or savings bank holding company having its principal place of business in the other state on terms that are, on the whole, substantially no more restrictive than those established under this section. If the law of the other state restricts entry by savings banks or Ohio savings bank holding companies to that state by limiting the right to only one or the other means of entry, either by de novo charter or by acquisition, then the authority granted by this section shall be similarly limited for savings banks or savings bank holding companies with their principal places of business located in that state.

(D)(1) Any savings bank or savings bank holding company proposing to

charter a savings bank pursuant to the authority granted by this section shall make application pursuant to and be bound by the requirements of this chapter and the rules adopted thereunder ~~to the extent they are not inconsistent with division (C) of this section.~~

(2) Any savings bank or savings bank holding company proposing to acquire a an Ohio savings bank or Ohio savings bank holding company pursuant to this section shall ~~file concurrently with the superintendent~~ comply with section 1161.78 of the Revised Code. The application filed pursuant to that section shall consist of a copy of the application filed with the appropriate regulator under federal law, and shall provide the superintendent with evidence that its accounts or the accounts of its insured depository institution subsidiaries are insured by the federal deposit insurance corporation, ~~together with.~~ If no application is required to be filed under federal law, the application shall contain such other information as the superintendent may prescribe, by rule, as necessary or appropriate for the purpose of making ~~his~~ a determination under this section and section 1161.78 Of the Revised Code. Withdrawal from the federal deposit insurance corporation terminates the authority of the foreign savings bank or savings bank holding company to do business in Ohio ~~and voids any certificate issued under this section. Within fifteen business days after its receipt, the superintendent shall accept an application for processing, request additional information to complete the application, or return the application if it is substantially incomplete. The superintendent shall give notice to the applicant of the date upon which he has determined that the application and any other required information is complete. The superintendent shall approve the acquisition within sixty days of his determination that the application and any other required information is complete, unless he finds that the applicable criteria set forth in federal reserve regulation Y, 12 C.F.R. Part 225, Subpart B, as amended, promulgated by the federal reserve board pursuant to the "Bank Holding Company Act of 1956," 70 Stat. 133, 12 U.S.C. 1841, as amended, and the criteria set forth in division (D)(2) of this section have not been met. In reaching his determination, the superintendent also shall consider the following factors in relation to the applicant, its subsidiaries, and the savings bank or Ohio savings bank holding company to be acquired:~~

(a) ~~Their financial condition and future prospects, including their current and projected capital positions and levels of indebtedness;~~

(b) ~~The competence and character of the principals and management of the applicant and the savings banks or bank holding companies concerned; their record of compliance with laws, rules, and regulations; and the~~

~~applicant's record of fulfilling any commitments to, and any conditions imposed by, the superintendent in connection with prior applications;~~

~~(c) The convenience and needs of the communities to be served.~~

~~(3) The application and the acquisition to which it relates shall be deemed approved if no action is taken by the superintendent within sixty days of his determination that the application and any other required information is complete.~~

~~(4) If the superintendent denies an application for such acquisition, the order of denial must be accompanied by a written, public opinion setting forth the reasons for denial.~~

~~(E) A nonrefundable fee of six thousand dollars shall accompany each application and an application is not complete without this fee.~~

~~(F) No application for approval of a charter or other acquisition pursuant to the authority granted by this section shall be approved by the superintendent if the superintendent determines that the approval would cause the applicant savings bank or savings bank holding company to control aggregate total deposits in this state exceeding twenty per cent of the total deposits held by all insured depository institutions located in this state as reported in the most recently available reports of condition or similar reports filed with state or federal authorities.~~

~~(G) Unless the members or shareholders of the savings bank or Ohio savings bank holding company to be acquired have approved an amendment to its constitution, articles of incorporation, code of regulations, or comparable document that provides that this division shall not apply to that savings bank or Ohio savings bank holding company, any acquisition to be made pursuant to the authority granted by this section which will result in the acquiring savings bank or savings bank holding company directly or indirectly owning or controlling one fifth or more of the voting power of the savings bank or Ohio savings bank holding company must be authorized by the affirmative vote of the holders of not less than two-thirds of the voting power of the savings bank or Ohio savings bank holding company to be acquired.~~

~~(H) The limitations set forth in this section do not apply to the acquisition of a savings bank if, in his discretion, the superintendent determines that an emergency exists with respect to the savings bank to be acquired, and that the acquisition is appropriate in order to prevent the probable failure of a savings bank which is closed or is in danger of closing.~~

~~(I) Any Notwithstanding any other provision Of the Revised Code, the acquisition of any Ohio savings bank or Ohio savings bank holding company chartering or acquiring by a savings bank or savings bank holding~~

~~company pursuant to the authority granted by this section shall file with the superintendent copies of the public portions of all regular and periodic reports the~~ its main office or principal place of business in another state, which includes a direct or indirect acquisition of a savings bank or electing to be treated as a savings bank holding company is required to file under section 13 or 15(d) of the "Securities Exchange Act of 1934," 48 Stat. 894, 15 U.S.C. 78m or 78o(d), as amended association under section 10(l) of the "Home Owners' Loan Act of 1933," 48 Stat. 128, 12 U.S.C.A. 1467a(l), as amended, shall not be subject to this section, but shall instead be subject to section 1151.71 of the Revised Code as if the savings banks and savings bank holding companies involved were savings and loan associations and savings and loan holding companies.

Sec. 1163.12. At least once every ~~eighteen~~ twenty-four months the superintendent of ~~savings banks~~ financial institutions, or examiners appointed for that purpose, shall make an examination into the affairs of each savings bank in this state. The examination shall include a review of both of the following:

(A) Compliance with law;

(B) Other matters the superintendent determines.

The expenses of these examinations shall be paid by the state. Nothing in this section shall prohibit the superintendent from establishing different schedules of examination for different savings banks.

Sec. 1163.121. (A) In administering Chapters 1161. to 1165. Of the Revised Code and fulfilling the duties imposed by those chapters, including the duty imposed by section 1163.12 Of the Revised Code, the superintendent of financial institutions may do any of the following:

(1) Participate with financial institution regulatory authorities of other states, the United States, and other countries in any of the following:

(a) Programs for alternate examinations of the records and affairs of savings banks over which they have concurrent jurisdiction;

(b) Joint or concurrent examinations of the records and affairs of savings banks over which they have concurrent jurisdiction;

(c) Coordinated examinations of the records and affairs of savings banks over which they have collective jurisdiction.

(2) Conduct, participate in, or coordinate independent, concurrent, joint, or coordinated examinations of the records and affairs of savings banks and otherwise act on behalf of financial institution regulatory authorities of other states, the United States, and other countries having jurisdiction over the savings banks;

(3) Rely on information leading to, arising from, or obtained in the

course of examinations conducted by financial institution regulatory authorities of other states, the United States, and other countries when both of the following apply:

(a) Pursuant to agreement and applicable law, the superintendent may receive and use the information leading to, arising from, or obtained in the course of the other regulatory authorities' examinations in administering Chapters 1161. to 1165. Of the Revised Code and acting under the authority of those chapters;

(b) In the superintendent's judgment the other regulatory authorities' personnel, practices, and authority warrant the superintendent's reliance.

(4) Authorize financial institution regulatory authorities of other states, the United States, and other countries to receive and use information leading to, arising from, or obtained in the course of examinations conducted by the division of financial institutions in the same manner and for the purposes they could use information leading to, arising from, or obtained in the course of their own examinations when both of the following apply:

(a) Pursuant to applicable law, information leading to, arising from, or obtained in the course of examinations the other regulatory authorities conduct is protected from general disclosure and may only be disclosed for purposes similar to those provided in section 1163.20 Of the Revised Code, which are principally regulatory in nature, for disclosure of information leading to, arising from, or obtained in the course of examinations conducted by the division;

(b) Pursuant to agreement and applicable law, information leading to, arising from, or obtained in the course of examinations conducted by the division will, in the other regulatory authorities' possession or the possession of any persons to whom the other regulatory authorities disclosed the information as a part of examinations of those persons, be protected from disclosure to the same extent as information leading to, arising from, or obtained in the course of those regulatory authorities' examinations.

(5) Rely on the actions of financial institution regulatory authorities of other states, the United States, or other countries, or participate with them jointly, in responding to violations of law, unsafe or unsound practices, breaches of fiduciary duty, or other regulatory concerns affecting savings banks over which they have concurrent jurisdiction when the other regulatory authorities have adequate personnel, practices, and authority to warrant the reliance;

(6) Implement other cooperative arrangements with financial institution regulatory authorities of other states, the United States, and other countries consistent with safety and soundness.

(B) No person shall use any reliance by the superintendent, in whole or in part, on financial institution regulatory authorities of other states, the United States, or other countries in accordance with division (A) of this section to support any assertion of either of the following:

(1) Failure of the superintendent or division to properly administer Chapters 1161. to 1165. Of the Revised Code or fulfill the duties imposed by those chapters;

(2) Disagreement by the superintendent or division with any action taken by financial institution regulatory authorities of other states, the United States, or other countries.

(C) In conducting, participating in, or coordinating independent, concurrent, joint, or coordinated examinations of the records and affairs of savings banks, the superintendent may purchase services from financial institution regulatory authorities of other states, the United States, and other countries, including services provided by employees of other financial institution regulatory authorities. The purchase of services from one or more financial institution regulatory authorities of other states, the United States, and other countries is the purchase of services from a sole source provider and is not the employment of any financial institution regulatory authority or any of its employees.

The authority to purchase services pursuant to this division does not impair the superintendent's authority to purchase services from any other source.

Sec. 1163.16. (A)(1) Each savings bank subject to inspection and examination by the superintendent of financial institutions and transacting business in this state as of the thirty-first day of December of the prior fiscal year, or the savings bank's successor in interest, shall pay annual assessments to the superintendent as provided in this section.

(2) After determining the budget of the division of financial institutions for examination and regulation of savings banks, but prior to establishing the annual assessment amount necessary to fund that budget, the superintendent shall include any amounts collected but not yet expended or encumbered by the superintendent in the previous fiscal year's budget and remaining in the savings banks fund from the amount to be assessed. Based upon the resulting budget amount, the superintendent shall make an assessment upon each savings bank based on the total assets as shown on the books of the savings bank as of the thirty-first day of December of the previous fiscal year. The assessments shall be collected on an annual or periodic basis within the fiscal year, as determined by the superintendent.

(3) A savings bank authorized by the superintendent to commence

business in the period between assessments shall pay the actual reasonable costs of the division's examinations and visitations.

(B) Assessments and fees charged pursuant to this section shall be paid within fourteen days after receiving an invoice for payment of the assessment or fee.

Any assessment or fee collected is not refundable.

(C) The superintendent shall pay all assessments and fees charged pursuant to this section and all forfeitures required to be paid to the superintendent into the state treasury to the credit of the savings banks fund.

(D) Any money deposited into the state treasury to the credit of the savings banks fund, but not expended or encumbered by the superintendent to defray the costs of administering Chapters 1161. to 1165. Of the Revised Code, shall remain in the savings banks fund for expenditures by the superintendent in subsequent years in the administration of Chapters 1161. to 1165. Of the Revised Code.

Sec. 1703.01. As used in sections 1703.01 to 1703.31,~~inclusive~~, of the Revised Code:

(A) "Domestic corporation" means a corporation incorporated under the laws of this state; or a bank, savings bank, or savings and loan association chartered under the laws of the United States, the main office of which is located in this state.

(B) "Foreign corporation" means a corporation incorporated under the laws of another state; or a bank, savings bank, or savings and loan association chartered under the laws of the United States, the main office of which is located in another state.

(C) "State" means the United States; any state, territory, insular possession, or other political subdivision of the United States, including the District of Columbia; any foreign country whose political sovereignty is recognized by the United States; and any political subdivision of such foreign country;.

(D) "Articles" means the articles, certificates, or memorandum of incorporation or association, filed pursuant to the laws of any state for the purpose and with the effect of creating a corporation, and any amendments to such articles, certificates, or memorandum of incorporation or association; and a includes any special statute creating a corporation is "articles" within the meaning of this definition;.

(E) "Process" means judicial process and all notices and demands required or permitted by statute to be served upon a corporation.

Sec. 1703.02. Sections 1703.01 to 1703.31 of the Revised Code do not apply to corporations engaged in this state solely in interstate commerce,

including the installation, demonstration, or repair of machinery or equipment sold by them in interstate commerce, by engineers, or by employees especially experienced as to such machinery or equipment, as part thereof; to ~~banks, trust companies, savings and loan associations,~~ credit unions, title guarantee and trust companies, bond investment companies, and insurance companies; or to public utility companies engaged in this state in interstate commerce.

Sec. 1703.031. (A) If the laws of the United States prohibit, preempt, or otherwise eliminate the licensing requirement of sections 1703.01 to 1703.31 of the Revised Code with respect to a corporation that is a bank, savings bank, or savings and loan association chartered under the laws of the United States, the main office of which is located in another state, the bank, savings bank, or savings and loan association shall notify the secretary of state that it is transacting business in this state by submitting a notice in such form as the secretary of state prescribes. The notice shall be verified by the oath of the president, vice-president, secretary, or treasurer of the bank, savings bank, or savings and loan association, and shall set forth all of the following:

(1) The name of the corporation and any trade name under which it will do business in this state;

(2) The location and complete address, including the county, of its main office in another state and its principal office, if any, in this state;

(3) The appointment of a designated agent and the complete address of such agent in this state, which agent may be a natural person who is a resident of this state, or may be a domestic corporation for profit or a foreign corporation for profit holding a license as such under the laws of this state, provided that the domestic or foreign corporation has a business address in this state and is authorized by its articles of incorporation to act as such agent;

(4) The irrevocable consent of the corporation to service of process on such agent so long as the authority of the agent continues and to service of process upon the secretary of state in the events provided for in section 1703.19 of the Revised Code;

(5) A brief summary of the business to be transacted within this state.

(B) The notice required by this section shall be accompanied by a certificate of good standing or subsistence, dated not earlier than sixty days prior to the submission of the notice, under the seal of the proper official of the agency of the United States that incorporated the bank, savings bank, or savings and loan association, setting forth the exact corporate title, the date of incorporation, and the fact that the bank, savings bank, or savings and

loan association is in good standing or is a subsisting bank, savings bank, or savings and loan association.

(C) Upon submission of the notice, a bank, savings bank, or savings and loan association shall pay a filing fee of one hundred dollars to the secretary of state.

(D)(1) No such notice shall be accepted for filing if it appears that the name of the bank, savings bank, or savings and loan association is any of the following:

(a) Prohibited by law;

(b) Not distinguishable upon the records in the office of the secretary of state from the name of a limited liability company, whether domestic or foreign, or any other corporation, whether nonprofit or for profit and whether that of a domestic corporation or of a foreign corporation authorized to transact business in this state, unless there is also filed with the secretary of state the consent of the other limited liability company or corporation to the use of the name, evidenced in a writing signed by any authorized representative or authorized officer of the other limited liability company or corporation;

(c) Not distinguishable upon the records in the office of the secretary of state from a trade name, the exclusive right to which is at the time in question registered in the manner provided in Chapter 1329. of the Revised Code, unless there also is filed with the secretary of state the consent of the other corporation or person to the use of the name, evidenced in a writing signed by any authorized officer of the other corporation or authorized party of the other person owning the exclusive right to the registered trade name.

(2) Notwithstanding division (D)(1)(b) of this section, if a notice is not acceptable for filing solely because the name of the bank, savings bank, or savings and loan association is not distinguishable from the name of another corporation or registered trade name, the bank, savings bank, or savings and loan association may be authorized to transact business in this state by filing with the secretary of state, in addition to those items otherwise prescribed by this section, a statement signed by an authorized officer directing the bank, savings bank, or savings and loan association to transact business in this state under an assumed business name or names that comply with the requirements of division (D) of this section and stating that the bank, savings bank, or savings and loan association will transact business in this state only under the assumed name or names.

(E) The secretary of state shall provide evidence of receipt of notice to each bank, savings bank, or savings and loan association that submits a notice required by this section.

Sec. 1703.08. From the annual report and from such other facts as the secretary of state ascertains from any further investigation ~~which he~~ that the secretary of state may make, ~~he~~ the secretary of state shall determine the number of issued shares of the corporation represented by property owned or used and business transacted in this state, at the beginning of its current annual accounting period, which number shall be the total number of its issued shares, disregarding any fraction of a share, multiplied by a fraction of which the denominator is the sum of divisions (A) and (B) of this section, and the numerator is the sum of divisions (C) and (D) of this section, as follows:

(A) The value of the property owned and used by the corporation, as shown on its books, both within and without the state, exclusive of good will carried as an asset on the books of the corporation;

(B) The total amount of business done by the corporation during its preceding annual accounting period, both within and without the state;

(C) The value of the property owned and used by the corporation within this state;

(D) The amount of business done by the corporation within this state during its preceding annual accounting period.

For purposes of this section, "issued shares" and "total number of its issued shares," when applied to a foreign corporation that is a bank, savings bank, or savings and loan association that does not have permanent nonwithdrawable capital stock, mean such number as is determined by a fraction, the numerator of which is the net capital of the corporation and the denominator of which is the dollar amount required for voting one vote at an annual or special meeting of the corporation, as established by the articles of incorporation or charter of the corporation.

SECTION 2. That existing sections 1101.01, 1101.03, 1101.15, 1101.16, 1111.01, 1115.01, 1115.05, 1115.11, 1115.14, 1117.01, 1121.06, 1121.11, 1151.01, 1151.05, 1151.60, 1151.71, 1155.09, 1161.01, 1161.05, 1161.76, 1161.79, 1163.12, 1703.01, 1703.02, and 1703.08 and sections 1151.052, 1155.13, 1161.07, and 1163.16 of the Revised Code are hereby repealed.

SECTION 3. This act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for such necessity is that this act must become law prior to June 1, 1997, to ensure a fair banking environment for Ohio-chartered banks by enabling them to engage in interstate branching on a competitive basis with national banks under the federal "Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994." Therefore, this act shall go into immediate effect.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____