

As Introduced

131st General Assembly

Regular Session

2015-2016

S. B. No. 317

Senators Hughes, Coley

Cosponsor: Senators Eklund, Beagle, Gardner, Bacon, Patton, Hackett

A BILL

To amend sections 102.02, 109.572, 111.15, 119.01, 1
121.07, 131.11, 135.03, 135.032, 135.32, 2
135.321, 135.51, 135.52, 135.53, 323.134, 3
339.06, 513.17, 749.081, 755.141, 902.01, 4
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1103.18, 1103.19, 1103.20, 1103.21, 1105.01, 9
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1105.11, 1107.03, 1107.05, 1107.07, 1107.09, 11
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1109.49, 1109.53, 1109.54, 1109.55, 1109.59, 18
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1109.69, 1111.01, 1111.02, 1111.03, 1111.04, 20
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1509.225, 1510.09, 1514.04, 1707.03, 1901.31,	40
2335.25, 3351.07, 3767.41, 4303.293, and	41
5814.01; to amend, for the purpose of adopting	42
new section numbers as indicated in parentheses,	43
sections 1103.01 (1113.01), 1103.06 (1113.04),	44
1103.08 (1113.12), 1103.09 (1113.13), 1103.11	45
(1113.11), 1103.13 (1113.14), 1103.14 (1113.15),	46
1103.15 (1113.16), 1103.16 (1113.17), 1103.21	47
(1117.07), and 1113.01 (1113.02) and to enact	48
new section 1121.52 and sections 1101.05,	49
1103.99, 1109.021, 1109.04, 1109.151, 1109.441,	50
1109.62, 1114.01, 1114.02, 1114.03, 1114.04,	51
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1116.12, 1116.13, 1116.16, 1116.18, 1116.19,	56
1116.20, 1116.21, 1121.19, and 1121.31, and to	57
repeal sections 1105.06, 1107.01, 1109.60,	58
1115.18, 1115.19, 1115.25, 1121.52, 1133.01,	59
1133.02, 1133.03, 1133.04, 1133.05, 1133.06,	60
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1165.05, 1165.06, 1165.09, 1165.10, 1165.11,	119

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1165.24, 1165.25, 1165.26, 1165.27, 1165.28,	122
1165.29, 1165.30, 1165.33, 1181.16, 1181.17, and	123
1181.18 of the Revised Code for the purpose of	124
enacting a new banking law for the State of	125
Ohio.	126

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

Section 1. That sections 102.02, 109.572, 111.15, 119.01,	127
121.07, 131.11, 135.03, 135.032, 135.32, 135.321, 135.51,	128
135.52, 135.53, 323.134, 339.06, 513.17, 749.081, 755.141,	129
902.01, 924.10, 924.26, 924.45, 1101.01, 1101.02, 1101.03,	130
1101.15, 1101.16, 1103.01, 1103.02, 1103.03, 1103.06, 1103.07,	131
1103.08, 1103.09, 1103.11, 1103.13, 1103.14, 1103.15, 1103.16,	132
1103.18, 1103.19, 1103.20, 1103.21, 1105.01, 1105.02, 1105.03,	133
1105.04, 1105.08, 1105.10, 1105.11, 1107.01, 1107.03, 1107.05,	134
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1109.44, 1109.45, 1109.47, 1109.48, 1109.49, 1109.53, 1109.54,	139
1109.55, 1109.59, 1109.61, 1109.63, 1109.64, 1109.65, 1109.68,	140
1109.69, 1111.01, 1111.02, 1111.03, 1111.04, 1111.06, 1111.07,	141
1111.08, 1111.09, 1113.01, 1113.03, 1113.05, 1113.06, 1113.08,	142
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1117.04, 1117.05, 1119.11, 1119.17, 1119.23, 1119.26, 1121.01,	145
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1121.16, 1121.17, 1121.18, 1121.21, 1121.23, 1121.26, 1121.30, 147
1121.33, 1121.34, 1121.38, 1121.41, 1121.43, 1121.45, 1121.47, 148
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1125.04, 1125.05, 1125.06, 1125.09, 1125.10, 1125.11, 1125.12, 150
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1181.05, 1181.06, 1181.07, 1181.10, 1181.11, 1181.21, 1181.25, 154
1349.16, 1509.07, 1509.225, 1510.09, 1514.04, 1707.03, 1901.31, 155
2335.25, 3351.07, 3767.41, 4303.293, and 5814.01 be amended; 156
sections 1103.06 (1113.04), 1103.08 (1113.12), 1103.09 157
(1113.13), 1103.11 (1113.11), 1103.13 (1113.14), 1103.14 158
(1113.15), 1103.15 (1113.16), 1103.16 (1113.17), 1103.01 159
(1113.01), 1113.01 (1113.02), and 1103.21 (1117.07) be amended 160
for the purpose of adopting new section numbers as shown in 161
parentheses; and new section 1121.52 and sections 1101.05, 162
1103.99, 1109.021, 1109.04, 1109.151, 1109.441, 1109.62, 163
1114.01, 1114.02, 1114.03, 1114.04, 1114.05, 1114.06, 1114.07, 164
1114.08, 1114.09, 1114.10, 1114.11, 1114.12, 1115.02, 1115.03, 165
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1116.09, 1116.10, 1116.11, 1116.12, 1116.13, 1116.16, 1116.18, 167
1116.19, 1116.20, 1116.21, 1121.19, and 1121.31 of the Revised 168
Code be enacted to read as follows: 169

Sec. 102.02. (A) (1) Except as otherwise provided in 170
division (H) of this section, all of the following shall file 171
with the appropriate ethics commission the disclosure statement 172
described in this division on a form prescribed by the 173
appropriate commission: every person who is elected to or is a 174
candidate for a state, county, or city office and every person 175
who is appointed to fill a vacancy for an unexpired term in such 176
an elective office; all members of the state board of education; 177

the director, assistant directors, deputy directors, division 178
chiefs, or persons of equivalent rank of any administrative 179
department of the state; the president or other chief 180
administrative officer of every state institution of higher 181
education as defined in section 3345.011 of the Revised Code; 182
the executive director and the members of the capitol square 183
review and advisory board appointed or employed pursuant to 184
section 105.41 of the Revised Code; all members of the Ohio 185
casino control commission, the executive director of the 186
commission, all professional employees of the commission, and 187
all technical employees of the commission who perform an 188
internal audit function; the individuals set forth in division 189
(B) (2) of section 187.03 of the Revised Code; the chief 190
executive officer and the members of the board of each state 191
retirement system; each employee of a state retirement board who 192
is a state retirement system investment officer licensed 193
pursuant to section 1707.163 of the Revised Code; the members of 194
the Ohio retirement study council appointed pursuant to division 195
(C) of section 171.01 of the Revised Code; employees of the Ohio 196
retirement study council, other than employees who perform 197
purely administrative or clerical functions; the administrator 198
of workers' compensation and each member of the bureau of 199
workers' compensation board of directors; the bureau of workers' 200
compensation director of investments; the chief investment 201
officer of the bureau of workers' compensation; all members of 202
the board of commissioners on grievances and discipline of the 203
supreme court and the ethics commission created under section 204
102.05 of the Revised Code; every business manager, treasurer, 205
or superintendent of a city, local, exempted village, joint 206
vocational, or cooperative education school district or an 207
educational service center; every person who is elected to or is 208
a candidate for the office of member of a board of education of 209

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) A person who is required to file a statement under this section shall file that statement according to the following deadlines, as applicable: 430
431
432

(a) Except as otherwise provided in divisions (A) (4) (b), (c), and (d) of this section, the person shall file the statement not later than the fifteenth day of May of each year. 433
434
435

(b) A person who is a candidate for elective office shall file the statement no later than the thirtieth day before the primary, special, or general election at which the candidacy is to be voted on, whichever election occurs soonest, except that a person who is a write-in candidate shall file the statement no later than the twentieth day before the earliest election at which the person's candidacy is to be voted on. 436
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(c) A person who is appointed to fill a vacancy for an unexpired term in an elective office shall file the statement within fifteen days after the person qualifies for office. 443
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(d) A person who is appointed or employed after the fifteenth day of May, other than a person described in division (A) (4) (c) of this section, shall file an annual statement within ninety days after appointment or employment. 446
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448
449

(5) No person shall be required to file with the appropriate ethics commission more than one statement or pay more than one filing fee for any one calendar year. 450
451
452

(6) The appropriate ethics commission, for good cause, may 453

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

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

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

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

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

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

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

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

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

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

school district or 545
educational service center \$30 546

(3) No judge of a court of record or candidate for judge 547
of a court of record, and no referee or magistrate serving a 548
court of record, shall be required to pay the fee required under 549
division (E) (1) or (2) or (F) of this section. 550

(4) For any public official who is appointed to a 551
nonelective office of the state and for any employee who holds a 552
nonelective position in a public agency of the state, the state 553
agency that is the primary employer of the state official or 554
employee shall pay the fee required under division (E) (1) or (F) 555
of this section. 556

(F) If a statement required to be filed under this section 557
is not filed by the date on which it is required to be filed, 558
the appropriate ethics commission shall assess the person 559
required to file the statement a late filing fee of ten dollars 560
for each day the statement is not filed, except that the total 561
amount of the late filing fee shall not exceed two hundred fifty 562
dollars. 563

(G) (1) The appropriate ethics commission other than the 564
Ohio ethics commission and the joint legislative ethics 565
committee shall deposit all fees it receives under divisions (E) 566
and (F) of this section into the general revenue fund of the 567
state. 568

(2) The Ohio ethics commission shall deposit all receipts, 569
including, but not limited to, fees it receives under divisions 570
(E) and (F) of this section, investigative or other fees, costs, 571
or other funds it receives as a result of court orders, and all 572
moneys it receives from settlements under division (G) of 573

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

substantially equivalent to such an offense. 910

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

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

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

(B) Subject to division (F) of this section, the 937
superintendent shall conduct any criminal records check to be 938
conducted under this section as follows: 939

(1) The superintendent shall review or cause to be reviewed any relevant information gathered and compiled by the bureau under division (A) of section 109.57 of the Revised Code that relates to the person who is the subject of the criminal records check, including, if the criminal records check was requested under section 113.041, 121.08, 173.27, 173.38, 173.381, 1121.23, ~~1155.03, 1163.05~~, 1315.141, 1321.37, 1321.53, 1321.531, 1322.03, 1322.031, 1733.47, 1761.26, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3772.07, 4749.03, 4749.06, 4763.05, 5104.013, 5164.34, 5164.341, 5164.342, 5123.081, 5123.169, or 5153.111 of the Revised Code, any relevant information contained in records that have been sealed under section 2953.32 of the Revised Code;

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

(3) The superintendent or the superintendent's designee may request criminal history records from other states or the federal government pursuant to the national crime prevention and

privacy compact set forth in section 109.571 of the Revised Code. 971
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(4) The superintendent shall include in the results of the criminal records check a list or description of the offenses listed or described in division (A)(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), or (12) of this section, whichever division requires the superintendent to conduct the criminal records check. The superintendent shall exclude from the results any information the dissemination of which is prohibited by federal law. 973
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(5) The superintendent shall send the results of the criminal records check to the person to whom it is to be sent not later than the following number of days after the date the superintendent receives the request for the criminal records check, the completed form prescribed under division (C)(1) of this section, and the set of fingerprint impressions obtained in the manner described in division (C)(2) of this section: 981
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(a) If the superintendent is required by division (A) of this section (other than division (A)(3) of this section) to conduct the criminal records check, thirty; 988
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(b) If the superintendent is required by division (A)(3) of this section to conduct the criminal records check, sixty. 991
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(C)(1) The superintendent shall prescribe a form to obtain the information necessary to conduct a criminal records check from any person for whom a criminal records check is to be conducted under this section. The form that the superintendent prescribes pursuant to this division may be in a tangible format, in an electronic format, or in both tangible and electronic formats. 993
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(2) The superintendent shall prescribe standard impression sheets to obtain the fingerprint impressions of any person for whom a criminal records check is to be conducted under this section. Any person for whom a records check is to be conducted under this section shall obtain the fingerprint impressions at a county sheriff's office, municipal police department, or any other entity with the ability to make fingerprint impressions on the standard impression sheets prescribed by the superintendent. The office, department, or entity may charge the person a reasonable fee for making the impressions. The standard impression sheets the superintendent prescribes pursuant to this division may be in a tangible format, in an electronic format, or in both tangible and electronic formats.

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

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

(D) The results of a criminal records check conducted under this section, other than a criminal records check specified in division (A) (7) of this section, are valid for the person who is the subject of the criminal records check for a

period of one year from the date upon which the superintendent 1030
completes the criminal records check. If during that period the 1031
superintendent receives another request for a criminal records 1032
check to be conducted under this section for that person, the 1033
superintendent shall provide the results from the previous 1034
criminal records check of the person at a lower fee than the fee 1035
prescribed for the initial criminal records check. 1036

(E) When the superintendent receives a request for 1037
information from a registered private provider, the 1038
superintendent shall proceed as if the request was received from 1039
a school district board of education under section 3319.39 of 1040
the Revised Code. The superintendent shall apply division (A)(1) 1041
(c) of this section to any such request for an applicant who is 1042
a teacher. 1043

(F)(1) All information regarding the results of a criminal 1044
records check conducted under this section that the 1045
superintendent reports or sends under division (A)(7) or (9) of 1046
this section to the director of public safety, the treasurer of 1047
state, or the person, board, or entity that made the request for 1048
the criminal records check shall relate to the conviction of the 1049
subject person, or the subject person's plea of guilty to, a 1050
criminal offense. 1051

(2) Division (F)(1) of this section does not limit, 1052
restrict, or preclude the superintendent's release of 1053
information that relates to the arrest of a person who is 1054
eighteen years of age or older, to an adjudication of a child as 1055
a delinquent child, or to a criminal conviction of a person 1056
under eighteen years of age in circumstances in which a release 1057
of that nature is authorized under division (E)(2), (3), or (4) 1058
of section 109.57 of the Revised Code pursuant to a rule adopted 1059

under division (E) (1) of that section.	1060
(G) As used in this section:	1061
(1) "Criminal records check" means any criminal records	1062
check conducted by the superintendent of the bureau of criminal	1063
identification and investigation in accordance with division (B)	1064
of this section.	1065
(2) "Minor drug possession offense" has the same meaning	1066
as in section 2925.01 of the Revised Code.	1067
(3) "OVI or OVUAC violation" means a violation of section	1068
4511.19 of the Revised Code or a violation of an existing or	1069
former law of this state, any other state, or the United States	1070
that is substantially equivalent to section 4511.19 of the	1071
Revised Code.	1072
(4) "Registered private provider" means a nonpublic school	1073
or entity registered with the superintendent of public	1074
instruction under section 3310.41 of the Revised Code to	1075
participate in the autism scholarship program or section 3310.58	1076
of the Revised Code to participate in the Jon Peterson special	1077
needs scholarship program.	1078
Sec. 111.15. (A) As used in this section:	1079
(1) "Rule" includes any rule, regulation, bylaw, or	1080
standard having a general and uniform operation adopted by an	1081
agency under the authority of the laws governing the agency; any	1082
appendix to a rule; and any internal management rule. "Rule"	1083
does not include any guideline adopted pursuant to section	1084
3301.0714 of the Revised Code, any order respecting the duties	1085
of employees, any finding, any determination of a question of	1086
law or fact in a matter presented to an agency, or any rule	1087
promulgated pursuant to Chapter 119. or division (C) (1) or (2)	1088

of section 5117.02 of the Revised Code. "Rule" includes any 1089
amendment or rescission of a rule. 1090

(2) "Agency" means any governmental entity of the state 1091
and includes, but is not limited to, any board, department, 1092
division, commission, bureau, society, council, institution, 1093
state college or university, community college district, 1094
technical college district, or state community college. "Agency" 1095
does not include the general assembly, the controlling board, 1096
the adjutant general's department, or any court. 1097

(3) "Internal management rule" means any rule, regulation, 1098
bylaw, or standard governing the day-to-day staff procedures and 1099
operations within an agency. 1100

(B)(1) Any rule, other than a rule of an emergency nature, 1101
adopted by any agency pursuant to this section shall be 1102
effective on the tenth day after the day on which the rule in 1103
final form and in compliance with division (B)(3) of this 1104
section is filed as follows: 1105

(a) The rule shall be filed in electronic form with both 1106
the secretary of state and the director of the legislative 1107
service commission; 1108

(b) The rule shall be filed in electronic form with the 1109
joint committee on agency rule review. Division (B)(1)(b) of 1110
this section does not apply to any rule to which division (D) of 1111
this section does not apply. 1112

An agency that adopts or amends a rule that is subject to 1113
division (D) of this section shall assign a review date to the 1114
rule that is not later than five years after its effective date. 1115
If a review date assigned to a rule exceeds the five-year 1116
maximum, the review date for the rule is five years after its 1117

effective date. A rule with a review date is subject to review 1118
under section 106.03 of the Revised Code. This paragraph does 1119
not apply to a rule of a state college or university, community 1120
college district, technical college district, or state community 1121
college. 1122

If an agency in adopting a rule designates an effective 1123
date that is later than the effective date provided for by 1124
division (B)(1) of this section, the rule if filed as required 1125
by such division shall become effective on the later date 1126
designated by the agency. 1127

Any rule that is required to be filed under division (B) 1128
(1) of this section is also subject to division (D) of this 1129
section if not exempted by that division. 1130

If a rule incorporates a text or other material by 1131
reference, the agency shall comply with sections 121.71 to 1132
121.76 of the Revised Code. 1133

(2) A rule of an emergency nature necessary for the 1134
immediate preservation of the public peace, health, or safety 1135
shall state the reasons for the necessity. The emergency rule, 1136
in final form and in compliance with division (B)(3) of this 1137
section, shall be filed in electronic form with the secretary of 1138
state, the director of the legislative service commission, and 1139
the joint committee on agency rule review. The emergency rule is 1140
effective immediately upon completion of the latest filing, 1141
except that if the agency in adopting the emergency rule 1142
designates an effective date, or date and time of day, that is 1143
later than the effective date and time provided for by division 1144
(B)(2) of this section, the emergency rule if filed as required 1145
by such division shall become effective at the later date, or 1146
later date and time of day, designated by the agency. 1147

An emergency rule becomes invalid at the end of the one 1148
hundred twentieth day it is in effect. Prior to that date, the 1149
agency may file the emergency rule as a nonemergency rule in 1150
compliance with division (B) (1) of this section. The agency may 1151
not refile the emergency rule in compliance with division (B) (2) 1152
of this section so that, upon the emergency rule becoming 1153
invalid under such division, the emergency rule will continue in 1154
effect without interruption for another one hundred twenty-day 1155
period. 1156

(3) An agency shall file a rule under division (B) (1) or 1157
(2) of this section in compliance with the following standards 1158
and procedures: 1159

(a) The rule shall be numbered in accordance with the 1160
numbering system devised by the director for the Ohio 1161
administrative code. 1162

(b) The rule shall be prepared and submitted in compliance 1163
with the rules of the legislative service commission. 1164

(c) The rule shall clearly state the date on which it is 1165
to be effective and the date on which it will expire, if known. 1166

(d) Each rule that amends or rescinds another rule shall 1167
clearly refer to the rule that is amended or rescinded. Each 1168
amendment shall fully restate the rule as amended. 1169

If the director of the legislative service commission or 1170
the director's designee gives an agency notice pursuant to 1171
section 103.05 of the Revised Code that a rule filed by the 1172
agency is not in compliance with the rules of the legislative 1173
service commission, the agency shall within thirty days after 1174
receipt of the notice conform the rule to the rules of the 1175
commission as directed in the notice. 1176

(C) All rules filed pursuant to divisions (B) (1) (a) and 1177
(2) of this section shall be recorded by the secretary of state 1178
and the director under the title of the agency adopting the rule 1179
and shall be numbered according to the numbering system devised 1180
by the director. The secretary of state and the director shall 1181
preserve the rules in an accessible manner. Each such rule shall 1182
be a public record open to public inspection and may be 1183
transmitted to any law publishing company that wishes to 1184
reproduce it. 1185

(D) At least sixty-five days before a board, commission, 1186
department, division, or bureau of the government of the state 1187
files a rule under division (B) (1) of this section, it shall 1188
file the full text of the proposed rule in electronic form with 1189
the joint committee on agency rule review, and the proposed rule 1190
is subject to legislative review and invalidation under section 1191
106.021 of the Revised Code. If a state board, commission, 1192
department, division, or bureau makes a revision in a proposed 1193
rule after it is filed with the joint committee, the state 1194
board, commission, department, division, or bureau shall 1195
promptly file the full text of the proposed rule in its revised 1196
form in electronic form with the joint committee. A state board, 1197
commission, department, division, or bureau shall also file the 1198
rule summary and fiscal analysis prepared under section 127.18 1199
of the Revised Code in electronic form along with a proposed 1200
rule, and along with a proposed rule in revised form, that is 1201
filed under this division. If a proposed rule has an adverse 1202
impact on businesses, the state board, commission, department, 1203
division, or bureau also shall file the business impact 1204
analysis, any recommendations received from the common sense 1205
initiative office, and the associated memorandum of response, if 1206
any, in electronic form along with the proposed rule, or the 1207

proposed rule in revised form, that is filed under this 1208
division. 1209

A proposed rule that is subject to legislative review 1210
under this division may not be adopted and filed in final form 1211
under division (B)(1) of this section unless the proposed rule 1212
has been filed with the joint committee on agency rule review 1213
under this division and the time for the joint committee to 1214
review the proposed rule has expired without recommendation of a 1215
concurrent resolution to invalidate the proposed rule. 1216

As used in this division, "commission" includes the public 1217
utilities commission when adopting rules under a federal or 1218
state statute. 1219

This division does not apply to any of the following: 1220

(1) A proposed rule of an emergency nature; 1221

(2) A rule proposed under section 1121.05, 1121.06, 1222
~~1155.18, 1163.22,~~ 1349.33, 1707.201, 1733.412, 4123.29, 4123.34, 1223
4123.341, 4123.342, 4123.40, 4123.411, 4123.44, or 4123.442 of 1224
the Revised Code; 1225

(3) A rule proposed by an agency other than a board, 1226
commission, department, division, or bureau of the government of 1227
the state; 1228

(4) A proposed internal management rule of a board, 1229
commission, department, division, or bureau of the government of 1230
the state; 1231

(5) Any proposed rule that must be adopted verbatim by an 1232
agency pursuant to federal law or rule, to become effective 1233
within sixty days of adoption, in order to continue the 1234
operation of a federally reimbursed program in this state, so 1235

long as the proposed rule contains both of the following: 1236

(a) A statement that it is proposed for the purpose of 1237
complying with a federal law or rule; 1238

(b) A citation to the federal law or rule that requires 1239
verbatim compliance. 1240

(6) An initial rule proposed by the director of health to 1241
impose safety standards and quality-of-care standards with 1242
respect to a health service specified in section 3702.11 of the 1243
Revised Code, or an initial rule proposed by the director to 1244
impose quality standards on a facility listed in division (A) (4) 1245
of section 3702.30 of the Revised Code, if section 3702.12 of 1246
the Revised Code requires that the rule be adopted under this 1247
section; 1248

(7) A rule of the state lottery commission pertaining to 1249
instant game rules. 1250

If a rule is exempt from legislative review under division 1251
(D) (5) of this section, and if the federal law or rule pursuant 1252
to which the rule was adopted expires, is repealed or rescinded, 1253
or otherwise terminates, the rule is thereafter subject to 1254
legislative review under division (D) of this section. 1255

Whenever a state board, commission, department, division, 1256
or bureau files a proposed rule or a proposed rule in revised 1257
form under division (D) of this section, it shall also file the 1258
full text of the same proposed rule or proposed rule in revised 1259
form in electronic form with the secretary of state and the 1260
director of the legislative service commission. A state board, 1261
commission, department, division, or bureau shall file the rule 1262
summary and fiscal analysis prepared under section 127.18 of the 1263
Revised Code in electronic form along with a proposed rule or 1264

proposed rule in revised form that is filed with the secretary 1265
of state or the director of the legislative service commission. 1266

Sec. 119.01. As used in sections 119.01 to 119.13 of the 1267
Revised Code: 1268

(A) (1) "Agency" means, except as limited by this division, 1269
any official, board, or commission having authority to 1270
promulgate rules or make adjudications in the civil service 1271
commission, the division of liquor control, the department of 1272
taxation, the industrial commission, the bureau of workers' 1273
compensation, the functions of any administrative or executive 1274
officer, department, division, bureau, board, or commission of 1275
the government of the state specifically made subject to 1276
sections 119.01 to 119.13 of the Revised Code, and the licensing 1277
functions of any administrative or executive officer, 1278
department, division, bureau, board, or commission of the 1279
government of the state having the authority or responsibility 1280
of issuing, suspending, revoking, or canceling licenses. 1281

Sections 119.01 to 119.13 of the Revised Code do not apply 1282
to the public utilities commission. Sections 119.01 to 119.13 of 1283
the Revised Code do not apply to the utility radiological safety 1284
board; to the controlling board; to actions of the 1285
superintendent of financial institutions and the superintendent 1286
of insurance in the taking possession of, and rehabilitation or 1287
liquidation of, the business and property of banks, savings and 1288
loan associations, savings banks, credit unions, insurance 1289
companies, associations, reciprocal fraternal benefit societies, 1290
and bond investment companies; to any action taken by the 1291
division of securities under section 1707.201 of the Revised 1292
Code; or to any action that may be taken by the superintendent 1293
of financial institutions under section 1113.03, 1121.06, 1294

1121.10, 1125.09, 1125.12, 1125.18, ~~1157.09, 1157.12, 1157.18,~~ 1295
~~1165.09, 1165.12, 1165.18,~~ 1349.33, 1733.35, 1733.361, 1733.37, 1296
or 1761.03 of the Revised Code. 1297

Sections 119.01 to 119.13 of the Revised Code do not apply 1298
to actions of the industrial commission or the bureau of 1299
workers' compensation under sections 4123.01 to 4123.94 of the 1300
Revised Code with respect to all matters of adjudication, or to 1301
the actions of the industrial commission, bureau of workers' 1302
compensation board of directors, and bureau of workers' 1303
compensation under division (D) of section 4121.32, sections 1304
4123.29, 4123.34, 4123.341, 4123.342, 4123.40, 4123.411, 1305
4123.44, 4123.442, 4127.07, divisions (B), (C), and (E) of 1306
section 4131.04, and divisions (B), (C), and (E) of section 1307
4131.14 of the Revised Code with respect to all matters 1308
concerning the establishment of premium, contribution, and 1309
assessment rates. 1310

(2) "Agency" also means any official or work unit having 1311
authority to promulgate rules or make adjudications in the 1312
department of job and family services, but only with respect to 1313
both of the following: 1314

(a) The adoption, amendment, or rescission of rules that 1315
section 5101.09 of the Revised Code requires be adopted in 1316
accordance with this chapter; 1317

(b) The issuance, suspension, revocation, or cancellation 1318
of licenses. 1319

(B) "License" means any license, permit, certificate, 1320
commission, or charter issued by any agency. "License" does not 1321
include any arrangement whereby a person or government entity 1322
furnishes medicaid services under a provider agreement with the 1323

department of medicaid. 1324

(C) "Rule" means any rule, regulation, or standard, having 1325
a general and uniform operation, adopted, promulgated, and 1326
enforced by any agency under the authority of the laws governing 1327
such agency, and includes any appendix to a rule. "Rule" does 1328
not include any internal management rule of an agency unless the 1329
internal management rule affects private rights and does not 1330
include any guideline adopted pursuant to section 3301.0714 of 1331
the Revised Code. 1332

(D) "Adjudication" means the determination by the highest 1333
or ultimate authority of an agency of the rights, duties, 1334
privileges, benefits, or legal relationships of a specified 1335
person, but does not include the issuance of a license in 1336
response to an application with respect to which no question is 1337
raised, nor other acts of a ministerial nature. 1338

(E) "Hearing" means a public hearing by any agency in 1339
compliance with procedural safeguards afforded by sections 1340
119.01 to 119.13 of the Revised Code. 1341

(F) "Person" means a person, firm, corporation, 1342
association, or partnership. 1343

(G) "Party" means the person whose interests are the 1344
subject of an adjudication by an agency. 1345

(H) "Appeal" means the procedure by which a person, 1346
aggrieved by a finding, decision, order, or adjudication of any 1347
agency, invokes the jurisdiction of a court. 1348

(I) "Internal management rule" means any rule, regulation, 1349
or standard governing the day-to-day staff procedures and 1350
operations within an agency. 1351

Sec. 121.07. (A) Except as otherwise provided in this 1352
division, the officers mentioned in sections 121.04 and 121.05 1353
of the Revised Code and the offices and divisions they 1354
administer shall be under the direction, supervision, and 1355
control of the directors of their respective departments, and 1356
shall perform such duties as the directors prescribe. In 1357
performing or exercising any of the examination or regulatory 1358
functions, powers, or duties vested by Title XI, Chapters 1733. 1359
and 1761., and sections 1315.01 to 1315.18 of the Revised Code 1360
in the superintendent of financial institutions, the 1361
superintendent of financial institutions and the division of 1362
financial institutions are independent of and are not subject to 1363
the control of the department or the director of commerce. In 1364
the absence of the superintendent of financial institutions, the 1365
~~director of commerce~~ deputy superintendent for banks may, for a 1366
limited period of time, perform or exercise any of ~~those~~ the 1367
functions, powers, or duties vested by Title XI and sections 1368
1315.01 to 1315.18 of the Revised Code in the superintendent, 1369
and the deputy superintendent for credit unions may, for a 1370
limited period of time, perform or exercise any of the 1371
functions, powers, or duties vested by Chapters 1733. and 1761. 1372
of the Revised Code in the superintendent. 1373

(B) With the approval of the governor, the director of 1374
each department shall establish divisions within the department, 1375
and distribute the work of the department among such divisions. 1376
Each officer created by section 121.04 of the Revised Code shall 1377
be the head of such a division. 1378

With the approval of the governor, the director of each 1379
department may consolidate any two or more of the offices 1380
created in the department by section 121.04 of the Revised Code, 1381
or reduce the number of or create new divisions therein. 1382

The director of each department may prescribe rules for 1383
the government of the department, the conduct of its employees, 1384
the performance of its business, and the custody, use, and 1385
preservation of the records, papers, books, documents, and 1386
property pertaining thereto. 1387

Sec. 131.11. No money held or controlled by any probate 1388
court, juvenile court, clerk of the court of common pleas, clerk 1389
of a county court, sheriff, county recorder, director of a 1390
county department of job and family services, clerk or bailiff 1391
of a municipal court, prosecuting attorney, resident or division 1392
deputy director of highways, or treasurer of a university 1393
receiving state aid, in excess of that covered by federal 1394
deposit insurance as hereinafter described ~~or in excess of that~~ 1395
~~covered by federal savings and loan insurance,~~ shall be 1396
deposited in any bank, or trust company, ~~or building and loan~~ 1397
~~association as defined in section 1151.01 of the Revised Code~~ 1398
until there is a hypothecation of securities as provided for in 1399
section 135.18 of the Revised Code, or until there is executed 1400
by the bank, or trust company, ~~or building and loan association~~ 1401
selected, a good and sufficient undertaking, payable to the 1402
depositor, in such sum as the depositor directs, but not less 1403
than the excess of the sum that is deposited in the depository, 1404
at any one time over and above the portion or amount of the sum 1405
as is at any time insured by the federal deposit insurance 1406
corporation created pursuant to "The Banking Act of 1933," or by 1407
~~the federal savings and loan insurance corporation created~~ 1408
~~pursuant to the "Home Owners' Loan Act of 1933," 40 Stat. 128,~~ 1409
~~12 U.S.C.A. 1461,~~ or by any other agency or instrumentality of 1410
the federal government, pursuant to such acts or any acts of 1411
congress amendatory thereof. 1412

Any funds or securities in the possession or custody of 1413

any county official in an official capacity or any funds or 1414
securities the possession or custody of which is charged to any 1415
county official, including funds or securities in transit to or 1416
from any bank or trust company, may be insured by the board of 1417
county commissioners in such amount as is found necessary in the 1418
public interest. All costs of such insurance shall be paid by 1419
the county as provided in section 307.55 of the Revised Code. 1420

With respect to any insured or secured deposit mentioned 1421
in this section which is active as defined by section 135.01 of 1422
the Revised Code, any depositor named in this section may pay a 1423
service charge which is the same as that customarily made by the 1424
institution or institutions receiving money on deposit subject 1425
to check in the city or village where the bank or trust company 1426
accepting such active deposit is located. 1427

Sec. 135.03. Any national bank, any bank doing business 1428
under authority granted by the superintendent of financial 1429
institutions, or any bank doing business under authority granted 1430
by the regulatory authority of another state of the United 1431
States, located in this state, is eligible to become a public 1432
depository, subject to sections 135.01 to 135.21 of the Revised 1433
Code. No bank shall receive or have on deposit at any one time 1434
public moneys, including public moneys as defined in section 1435
135.31 of the Revised Code, in an aggregate amount in excess of 1436
thirty per cent of its total assets, as shown in its latest 1437
report to the comptroller of the currency, the superintendent of 1438
financial institutions, the federal deposit insurance 1439
corporation, or the board of governors of the federal reserve 1440
system. 1441

~~Any federal savings association, any savings and loan 1442
association or savings bank doing business under authority 1443~~

~~granted by the superintendent of financial institutions,~~ or any 1444
savings and loan association or savings bank doing business 1445
under authority granted by the regulatory authority of another 1446
state of the United States, located in this state, and 1447
authorized to accept deposits is eligible to become a public 1448
depository, subject to sections 135.01 to 135.21 of the Revised 1449
Code. No savings association, savings and loan association, or 1450
savings bank shall receive or have on deposit at any one time 1451
public moneys, including public moneys as defined in section 1452
135.31 of the Revised Code, in an aggregate amount in excess of 1453
thirty per cent of its total assets, as shown in its latest 1454
report to the former office of thrift supervision, the 1455
comptroller of the currency, the superintendent of financial 1456
institutions, the federal deposit insurance corporation, or the 1457
board of governors of the federal reserve system. 1458

Sec. 135.032. No ~~bank or savings and loan association~~ 1459
institution mentioned in section 135.03 of the Revised Code is 1460
eligible to become a public depository or to receive any new 1461
public deposits pursuant to sections 135.01 to 135.21 of the 1462
Revised Code, if: 1463

~~(A) In the case of a bank,~~ the ~~bank~~ institution or any of 1464
its directors, officers, employees, or controlling shareholders 1465
or persons is currently a party to an active final or temporary 1466
cease-and-desist order issued under section 1121.32 of the 1467
Revised Code. 1468

~~(B) In the case of an association,~~ the ~~association or any~~ 1469
~~of its directors, officers, employees, or controlling persons~~ is 1470
~~currently a party to an active final or summary cease and desist~~ 1471
~~order issued under section 1155.02 of the Revised Code~~ or an 1472
active enforcement order issued by a federal regulatory 1473

authority or the regulatory authority of another state. 1474

Sec. 135.32. (A) Any national bank, any bank doing 1475
business under authority granted by the superintendent of 1476
financial institutions, or any bank doing business under 1477
authority granted by the regulatory authority of another state 1478
of the United States, located in this state, is eligible to 1479
become a public depository, subject to sections 135.31 to 135.40 1480
of the Revised Code. No bank shall receive or have on deposit at 1481
any one time public moneys, including public moneys as defined 1482
in section 135.01 of the Revised Code, in an aggregate amount in 1483
excess of thirty per cent of its total assets, as shown in its 1484
latest report to the comptroller of the currency, the 1485
superintendent of financial institutions, the federal deposit 1486
insurance corporation, or the board of governors of the federal 1487
reserve system. 1488

(B) Any federal savings association, ~~any savings and loan~~ 1489
~~association or savings bank doing business under authority~~ 1490
~~granted by the superintendent of financial institutions,~~ or any 1491
savings and loan association or savings bank doing business 1492
under authority granted by the regulatory authority of another 1493
state of the United States, located in this state, and 1494
authorized to accept deposits is eligible to become a public 1495
depository, subject to sections 135.31 to 135.40 of the Revised 1496
Code. No savings association, savings and loan association, or 1497
savings bank shall receive or have on deposit at any one time 1498
public moneys, including public moneys as defined in section 1499
135.01 of the Revised Code, in an aggregate amount in excess of 1500
thirty per cent of its total assets, as shown in its latest 1501
report to the former office of thrift supervision, the 1502
comptroller of the currency, the superintendent of financial 1503
institutions, the federal deposit insurance corporation, or the 1504

board of governors of the federal reserve system. 1505

Sec. 135.321. No ~~bank or savings and loan association~~ 1506
institution mentioned in section 135.32 of the Revised Code is 1507
eligible to become a public depository or to receive any new 1508
public deposits pursuant to sections 135.31 to 135.40 of the 1509
Revised Code, if~~+~~ 1510

~~(A) In the case of a bank,~~ the bank institution or any of 1511
its directors, officers, employees, or controlling shareholders 1512
or persons is currently a party to an active final or temporary 1513
cease-and-desist order issued under section 1121.32 of the 1514
Revised Code~~+~~ 1515

~~(B) In the case of an association,~~ the ~~association or any~~ 1516
~~of its directors, officers, employees, or controlling persons is~~ 1517
~~currently a party to an active final or summary cease and desist~~ 1518
~~order issued under section 1155.02 of the Revised Code~~ or an 1519
active enforcement order issued by a federal regulatory 1520
authority or the regulatory authority of another state. 1521

Sec. 135.51. In case of any default on the part of a bank 1522
~~or domestic building and loan association~~ in its capacity as 1523
depository of the money of any county, municipal corporation, 1524
township, or school district, the board of county commissioners, 1525
the legislative authority of such municipal corporation, the 1526
board of township trustees, and the board of education of such 1527
school district, in lieu of immediately selling the securities 1528
received and held as security for the deposit of such money 1529
under authority of any section of the Revised Code, may retain 1530
the same, collect the interest and any installments of principal 1531
thereafter falling due on such securities, and refund, exchange, 1532
sell, or otherwise dispose of any of them, at such times and in 1533
such manner as such board of county commissioners, legislative 1534

authority, board of township trustees, or board of education 1535
determines to be advisable with a view to conserving the value 1536
of such securities for the benefit of such county, municipal 1537
corporation, township, or school district, and for the benefit 1538
of the depositors, creditors, and stockholders or other owners 1539
of such bank ~~or building and loan association.~~ 1540

Sec. 135.52. In anticipation of the collection of the 1541
principal and interest of securities, or other disposition of 1542
them, as authorized by section 135.51 of the Revised Code, and 1543
of the payment of dividends in the liquidation of the depository 1544
bank ~~or domestic savings and loan association,~~ and for the 1545
purpose of providing public money immediately available for the 1546
needs of the county, municipal corporation, township, or school 1547
district, the taxing authority may issue bonds of the county, 1548
municipal corporation, township, or school district, in an 1549
amount not exceeding the moneys on deposit in the depository 1550
bank ~~or savings and loan association,~~ the payment of which is 1551
secured by such securities, after crediting to such moneys the 1552
amount realized from the sale or other disposition of any other 1553
securities pledged or deposited for such moneys, or in an amount 1554
not exceeding the value or amount ultimately to be realized from 1555
such securities to be determined by valuation made under oath by 1556
two persons who are conversant with the value of the assets 1557
represented by such securities, whichever amount is the lesser, 1558
plus an amount equal to the interest accruing on such securities 1559
during one year from and after the date of default of such bank 1560
~~or savings and loan association~~ in its capacity as a depository. 1561
The maturity of such bonds shall not exceed ten years and they 1562
shall bear interest at a rate not exceeding the rate determined 1563
as provided in section 9.95 of the Revised Code. Such bonds 1564
shall be the general obligations of the county, municipal 1565

corporation, township, or school district issuing them. The 1566
legislation under which such bonds are issued shall comply with 1567
Section 11 of Article XII, Ohio Constitution. The amount of such 1568
bonds issued or outstanding shall not be considered in 1569
ascertaining any of the limitations on the net indebtedness of 1570
such county, municipal corporation, township, or school district 1571
prescribed by law. In all other respects, the issuance, 1572
maturities, and sale of such bonds shall be subject to Chapter 1573
133. of the Revised Code. 1574

A sufficient amount of the moneys received from principal 1575
on the sale of such bonds to cover the interest accruing on such 1576
securities for one year, to the extent determined by the 1577
authority issuing such bonds in the resolution or ordinance of 1578
issuance under this section, shall be paid into the bond 1579
retirement fund from which the bonds are to be redeemed, 1580
together with premiums and accrued interest. The balance of such 1581
principal shall be credited to the funds to which the moneys 1582
represented by such depository balance belong, and in the 1583
respective amounts of such funds. 1584

Sec. 135.53. All principal and interest collected by the 1585
proper officer or agent of the county, municipal corporation, 1586
township, or school district, on account of the securities 1587
mentioned in section 135.51 of the Revised Code, the proceeds of 1588
any sale or other disposition of any of such securities, and any 1589
dividends received from the liquidation of the defaulting bank 1590
~~or domestic building and loan association,~~ shall be paid into 1591
the bond retirement fund from which the bonds provided for in 1592
section 135.52 of the Revised Code are to be redeemed, until the 1593
aggregate of such payments equals the requirements of such fund, 1594
whereupon such securities, and any remaining depository balance, 1595
not anticipated by such bonds, to the extent then retained by 1596

such county, municipal corporation, township, or school 1597
district, shall be assigned and delivered to the defaulting bank 1598
~~or building and loan association,~~ to its liquidating officer, or 1599
to its successor or assignee, together with a release or other 1600
instrument showing full satisfaction of the claim of such 1601
county, municipal corporation, township, or school district 1602
against such bank, ~~building and loan association,~~ or officer. 1603

Sec. 323.134. As used in this section, "financial 1604
institution" means a bank as defined in section 1101.01 of the 1605
Revised Code, ~~a building and loan association as defined in~~ 1606
~~section 1151.01 of the Revised Code,~~ or any other person 1607
regularly engaging in the business of making or brokering 1608
residential mortgage loans on security located in this state. 1609

The county treasurer may request any financial institution 1610
to enter into an agreement with the treasurer for information 1611
exchanges limited exclusively to the purpose of real property 1612
tax billing and payment, including, but not limited to, the 1613
sharing of information that is part of a data processing system. 1614
With the approval of the county automatic data processing board 1615
or if the county has no board, with the approval of the county 1616
auditor, the county treasurer may enter such an agreement with 1617
any consenting financial institution. Where such an agreement 1618
enables the treasurer to collect the proper amounts of such 1619
taxes due without preparing and sending the tax bills required 1620
by section 323.13 of the Revised Code, the treasurer need not 1621
prepare and send such bills for any entries of real property 1622
upon which taxes are properly computed and paid by the use of 1623
such information exchange. 1624

Sec. 339.06. (A) The board of county hospital trustees, 1625
upon completion of construction or leasing and equipping of a 1626

county hospital, shall assume and continue the operation of the 1627
hospital. 1628

(B) The board of county hospital trustees shall have the 1629
entire management and control of the county hospital. The board 1630
may in writing delegate its management and control of the county 1631
hospital to the administrator of the county hospital employed 1632
under section 339.07 of the Revised Code. The board shall 1633
establish such rules for the hospital's government, management, 1634
control, and the admission of persons as are expedient. 1635

(C) The board of county hospital trustees has control of 1636
the property of the county hospital, including management and 1637
disposal of surplus property other than real estate or an 1638
interest in real estate. 1639

(D) With respect to the use of funds by the board of 1640
county hospital trustees and its accounting for the use of 1641
funds, all of the following apply: 1642

(1) The board of county hospital trustees has control of 1643
all funds used in the county hospital's operation, including 1644
moneys received from the operation of the hospital, moneys 1645
appropriated for its operation by the board of county 1646
commissioners, and moneys resulting from special levies 1647
submitted by the board of county commissioners as provided for 1648
in section 5705.22 of the Revised Code. 1649

(2) Of the funds used in the county hospital's operation, 1650
all or part of any amount determined not to be necessary to meet 1651
current demands on the hospital may be invested by the board of 1652
county hospital trustees or its designee in any classifications 1653
of securities and obligations eligible for deposit or investment 1654
of county moneys pursuant to section 135.35 of the Revised Code, 1655

subject to the approval of the board's written investment policy 1656
by the county investment advisory committee established pursuant 1657
to section 135.341 of the Revised Code. If a county hospital is 1658
based in a county that has adopted a charter under Section 3 of 1659
Article X, Ohio Constitution, such funds may be invested by the 1660
board of county hospital trustees as provided in this division 1661
or in an ordinance adopted by the legislative authority of the 1662
county, in either case subject to approval by the county 1663
investment advisory committee, or as provided in section 339.061 1664
of the Revised Code. 1665

(3) Annually, not later than sixty days before the end of 1666
the fiscal year used by the county hospital, the board of county 1667
hospital trustees shall submit its proposed budget for the 1668
ensuing fiscal year to the board of county commissioners for 1669
that board's review. The board of county commissioners shall 1670
review and approve the proposed budget by the first day of the 1671
fiscal year to which the budget applies. If the board of county 1672
commissioners has not approved the budget by the first day of 1673
the fiscal year to which the budget applies, the budget is 1674
deemed to have been approved by the board on the first day of 1675
that fiscal year. 1676

(4) The board of county hospital trustees shall not expend 1677
funds received from taxes collected pursuant to any tax levied 1678
under section 5705.22 of the Revised Code or the amount 1679
appropriated to the county hospital by the board of county 1680
commissioners in the annual appropriation measure for the county 1681
until its budget for the applicable fiscal year is approved in 1682
accordance with division (C) (3) of this section. At any time the 1683
amount received from those sources differs from the amount shown 1684
in the approved budget, the board of county commissioners may 1685
require the board of county hospital trustees to revise the 1686

county hospital budget accordingly. 1687

(5) Funds under the control of the board of county 1688
hospital trustees may be disbursed by the board, consistent with 1689
the approved budget, for the uses and purposes of the county 1690
hospital; for the replacement of necessary equipment; for the 1691
acquisition, leasing, or construction of permanent improvements 1692
to county hospital property; or for making a donation authorized 1693
by division (E) of this section. Each disbursement of funds 1694
shall be made on a voucher signed by signatories designated and 1695
approved by the board of county hospital trustees. 1696

(6) The head of a board of county hospital trustees is not 1697
required to file an estimate of contemplated revenue and 1698
expenditures for the ensuing fiscal year under section 5705.28 1699
of the Revised Code unless the board of county commissioners 1700
levies a tax for the county hospital, or such a tax is proposed, 1701
or the board of county hospital trustees desires that the board 1702
of county commissioners make an appropriation to the county 1703
hospital for the ensuing fiscal year. 1704

(7) All moneys appropriated by the board of county 1705
commissioners or from special levies by the board of county 1706
commissioners for the operation of the hospital, when collected 1707
shall be paid to the board of county hospital trustees on a 1708
warrant of the county auditor and approved by the board of 1709
county commissioners. 1710

(8) The board of county hospital trustees shall provide 1711
for the conduct of an annual financial audit of the county 1712
hospital. Not later than thirty days after it receives the final 1713
report of an annual financial audit, the board shall file a copy 1714
of the report with the board of county commissioners. 1715

(E) For the public purpose of improving the health, 1716
safety, and general welfare of the community, the board of 1717
county hospital trustees may donate to a nonprofit entity any of 1718
the following: 1719

(1) Moneys and other financial assets determined not to be 1720
necessary to meet current demands on the hospital; 1721

(2) Surplus hospital property, including supplies, 1722
equipment, office facilities, and other property that is not 1723
real estate or an interest in real estate; 1724

(3) Services rendered by the hospital. 1725

(F) (1) For purposes of division (F) (2) of this section:— 1726

~~(a) "Bank", "bank" has the same meaning as in section 1727
1101.01 of the Revised Code. 1728~~

~~(b) "Savings and loan association" has the same meaning as 1729
in section 1151.01 of the Revised Code.— 1730~~

~~(c) "Savings bank" has the same meaning as in section— 1731
1161.01 of the Revised Code.— 1732~~

(2) The board of county hospital trustees may enter into a 1733
contract for a secured line of credit with a bank, ~~savings and~~ 1734
~~loan association, or savings bank~~ if the contract meets all of 1735
the following requirements: 1736

(a) The term of the contract does not exceed one year, 1737
except that the contract may provide for the automatic renewal 1738
of the contract for up to four additional one-year periods if, 1739
on the date of automatic renewal, the aggregate outstanding 1740
draws remaining unpaid under the secured line of credit do not 1741
exceed fifty per cent of the maximum amount that can be drawn 1742
under the secured line of credit. 1743

(b) The contract provides that the bank, ~~savings and loan~~ 1744
~~association, or savings bank~~ shall not commence a civil action 1745
against the board of county commissioners, any member of the 1746
board, or the county to recover the principal, interest, or any 1747
charges or other amounts that remain outstanding on the secured 1748
line of credit at the time of any default by the board of county 1749
hospital trustees. 1750

(c) The contract provides that no assets other than those 1751
of the county hospital can be used to secure the line of credit. 1752

(d) The terms and conditions of the contract comply with 1753
all state and federal statutes and rules governing the extension 1754
of a secured line of credit. 1755

(3) Any obligation incurred by a board of county hospital 1756
trustees under division (F)(2) of this section is an obligation 1757
of that board only and not a general obligation of the board of 1758
county commissioners or the county within the meaning of 1759
division (Q) of section 133.01 of the Revised Code. 1760

(4) Notwithstanding anything to the contrary in the 1761
Revised Code, the board of county hospital trustees may secure 1762
the line of credit authorized under division (F)(2) of this 1763
section by the grant of a security interest in any part or all 1764
of its tangible personal property and intangible personal 1765
property, including its deposit accounts, accounts receivable, 1766
or both. 1767

(5) No board of county hospital trustees shall at any time 1768
have more than one secured line of credit under division (F)(2) 1769
of this section. 1770

(G) The board of county hospital trustees shall establish 1771
a schedule of charges for all services and treatment rendered by 1772

the county hospital. It may provide for the free treatment in 1773
the hospital of soldiers, sailors, and marines of the county, 1774
under such conditions and rules as it prescribes. 1775

(H) The board of county hospital trustees may designate 1776
the amounts and forms of insurance protection to be provided, 1777
and the board of county commissioners shall assist in obtaining 1778
such protection. The expense of providing the protection shall 1779
be paid from hospital operating funds. 1780

(I) The board of county hospital trustees may authorize a 1781
county hospital and each of its units, hospital board members, 1782
designated hospital employees, and medical staff members to be a 1783
member of and maintain membership in any local, state, or 1784
national group or association organized and operated for the 1785
promotion of the public health and welfare or advancement of the 1786
efficiency of hospital administration and in connection 1787
therewith to use tax funds for the payment of dues and fees and 1788
related expenses but nothing in this section prohibits the board 1789
from using receipts from hospital operation, other than tax 1790
funds, for the payment of such dues and fees. 1791

(J) The following apply to the board of county hospital 1792
trustees in relation to its employees and the employees of the 1793
county hospital: 1794

(1) The board shall adopt the wage and salary schedule for 1795
employees. 1796

(2) The board may employ the hospital's administrator 1797
pursuant to section 339.07 of the Revised Code, and the 1798
administrator may employ individuals for the hospital in 1799
accordance with that section. 1800

(3) The board may employ assistants as necessary to 1801

perform its clerical work, superintend properly the construction 1802
of the county hospital, and pay the hospital's expenses. Such 1803
employees may be paid from funds provided for the county 1804
hospital. 1805

(4) The board may hire, by contract or as salaried 1806
employees, such management consultants, accountants, attorneys, 1807
engineers, architects, construction managers, and other 1808
professional advisors as it determines are necessary and 1809
desirable to assist in the management of the programs and 1810
operation of the county hospital. Such professional advisors may 1811
be paid from county hospital operating funds. 1812

(5) Notwithstanding section 325.19 of the Revised Code, 1813
the board may grant to employees any fringe benefits the board 1814
determines to be customary and usual in the nonprofit hospital 1815
field in its community, including, but not limited to: 1816

(a) Additional vacation leave with full pay for full-time 1817
employees, including full-time hourly rate employees, after 1818
service of one year; 1819

(b) Vacation leave and holiday pay for part-time employees 1820
on a pro rata basis; 1821

(c) Leave with full pay due to death in the employee's 1822
immediate family, which shall not be deducted from the 1823
employee's accumulated sick leave; 1824

(d) Premium pay for working on holidays listed in section 1825
325.19 of the Revised Code; 1826

(e) Moving expenses for new employees; 1827

(f) Discounts on hospital supplies and services. 1828

(6) The board may provide holiday leave by observing 1829

Martin Luther King day, Washington-Lincoln day, Columbus day, 1830
and Veterans' day on days other than those specified in section 1831
1.14 of the Revised Code. 1832

(7) The board may grant to employees the insurance 1833
benefits authorized by section 339.16 of the Revised Code. 1834

(8) Notwithstanding section 325.19 of the Revised Code, 1835
the board may grant to employees, including hourly rate 1836
employees, such personal holidays as the board determines to be 1837
customary and usual in the hospital field in its community. 1838

(9) The board may provide employee recognition awards and 1839
hold employee recognition dinners. 1840

(10) The board may grant to employees the recruitment and 1841
retention benefits specified under division (K) of this section. 1842

(K) Notwithstanding sections 325.191 and 325.20 of the 1843
Revised Code, the board of county hospital trustees may provide, 1844
without the prior authorization of the board of county 1845
commissioners, scholarships for education in the health care 1846
professions, tuition reimbursement, and other staff development 1847
programs to enhance the skills of health care professionals for 1848
the purpose of recruiting or retaining qualified employees. 1849

The board of county hospital trustees may pay reasonable 1850
expenses for recruiting or retaining physicians and other 1851
appropriate health care practitioners. 1852

(L) The board of county hospital trustees may retain 1853
counsel and institute legal action in its own name for the 1854
collection of delinquent accounts. The board may also employ any 1855
other lawful means for the collection of delinquent accounts. 1856

Sec. 513.17. (A) The board of hospital governors shall, 1857

with the consent and approval of the joint township district hospital board and as provided by sections 513.07 to 513.18 of the Revised Code, prepare plans and specifications, and may employ technical assistance if necessary, and proceed to erect, furnish, and equip necessary buildings for a joint township general hospital. Except where the hospital of the district is leased pursuant to section 513.171 of the Revised Code, such board of governors shall appoint and fix the compensation of a suitable person to be superintendent of the hospital for such period of time as it determines, and shall employ and fix the compensation for such nurses and other employees as are necessary for the proper conduct of the hospital. Subject to the direction of the board of governors and to the rules prescribed by it, any such superintendent shall have complete charge and control of the operation of such hospital. The superintendent shall prepare and submit to the board of governors, quarterly, a statement showing the average daily per capita cost for the current expense of maintaining and operating such hospital, including the cost of ordinary repairs.

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

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

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

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

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

the following requirements: 1887

(a) The term of the contract does not exceed one hundred 1888
eighty days. 1889

(b) The contract provides that any amount extended must be 1890
repaid in full before any additional credit can be extended. 1891

(c) The contract provides that the bank, ~~savings and loan~~ 1892
~~association, or savings bank~~ shall not commence a civil action 1893
against the joint township district hospital board, any member 1894
of the board, board of township trustees, township, or board of 1895
county commissioners to recover the principal, interest, or any 1896
charges or other amounts that remain outstanding on the secured 1897
line of credit at the time of any default by the board of 1898
hospital governors. 1899

(d) The contract provides that no assets other than those 1900
of the hospital can be used to secure the line of credit. 1901

(e) The terms and conditions of the contract comply with 1902
all state and federal statutes and rules governing the extension 1903
of a secured line of credit. 1904

(3) Any obligation incurred by a board of hospital 1905
governors under this division is an obligation of that board 1906
only and not a general obligation of the joint township district 1907
hospital board, board of county commissioners, county, board of 1908
township trustees, or township within the meaning of division 1909
(Q) of section 133.01 of the Revised Code. 1910

(4) No board of hospital governors shall at any time have 1911
more than one secured line of credit under this section. 1912

(C) The board of hospital governors may grant to its 1913
employees such of the following as it determines to be customary 1914

and usual in the nonprofit hospital field in its community:	1915
(1) Paid vacation and holiday leave, for holidays listed	1916
in section 511.10 of the Revised Code, and other benefits for	1917
full-time employees;	1918
(2) Vacation leave and holiday pay for part-time employees	1919
on a pro rata basis;	1920
(3) Leave with full pay due to death in the employee's	1921
immediate family, which shall not be deducted from the	1922
employee's accumulated sick leave;	1923
(4) Premium pay for working on holidays listed in section	1924
511.10 of the Revised Code;	1925
(5) Moving expenses for new employees;	1926
(6) Discounts on purchases from the hospital pharmacy;	1927
(7) Discounts on hospital supplies and services.	1928
The board of hospital governors may provide employee	1929
recognition awards and hold employee recognition dinners.	1930
The board of hospital governors may provide scholarships	1931
for education in the health care professions, tuition	1932
reimbursement, and other staff development programs to enhance	1933
the skills of health care professionals for the purpose of	1934
recruiting or retaining qualified employees.	1935
The board of hospital governors may pay reasonable	1936
expenses for recruiting physicians into the district or for	1937
retaining them if all or part of the district has been	1938
designated as an area with a shortage of personal health	1939
services under the "Health Maintenance Organization Act of	1940
1973," 87 Stat. 914, 42 U.S.C. 300e, as amended.	1941

(D) The members of the board of governors shall serve 1942
without compensation, but their necessary expenses, when engaged 1943
in the business of the hospital board, shall be paid by the 1944
joint township district hospital board. 1945

(E) The board of hospital governors with the approval of 1946
the county commissioners may employ counsel and institute legal 1947
action in its own name for the collection of delinquent 1948
accounts. The board may also employ any other lawful means for 1949
the collection of delinquent accounts. Counsel employed under 1950
this section shall be paid from the hospital's funds. 1951

Sec. 749.081. (A) For purposes of this section: 1952

~~(1) "Bank", "bank" has the same meaning as in section 1953
1101.01 of the Revised Code. 1954~~

~~(2) "Savings and loan association" has the same meaning as 1955
in section 1151.01 of the Revised Code. 1956~~

~~(3) "Savings bank" has the same meaning as in section 1957
1161.01 of the Revised Code. 1958~~

(B) The board of hospital commissioners may enter into a 1959
contract for a secured line of credit with a bank, ~~savings and 1960
loan association, or savings bank~~ if the contract meets all of 1961
the following requirements: 1962

(1) The term of the contract does not exceed one hundred 1963
eighty days; 1964

(2) The board's secured line of credit does not exceed 1965
five hundred thousand dollars; 1966

(3) The contract provides that any amount extended must be 1967
repaid in full before any additional credit can be extended; 1968

(4) The contract provides that the bank, ~~savings and loan association, or savings bank~~ shall not commence a civil action against the legislative authority of a municipal corporation or any member thereof, or the municipal corporation to recover the principal, interest, or any charges or other amounts that remain outstanding on the secured line of credit at the time of any default by the board of hospital commissioners;

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

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

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

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

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

horticulture producers, the following provisions shall apply, in 1998
addition to the provisions of sections 755.12 to 755.18 of the 1999
Revised Code: 2000

(A) The governor, speaker of the house of representatives, 2001
and president of the senate shall each appoint one member to the 2002
board of trustees of the district. These members may be members 2003
of the general assembly, but any members of the general assembly 2004
appointed to the board of trustees shall be nonvoting members 2005
and shall serve only while they remain members of the general 2006
assembly. Members appointed under this division shall serve 2007
terms of three years and serve without pay, and all vacancies in 2008
their positions on the board, whether for an unexpired term or 2009
at the end of a term, shall be filled in the same manner as the 2010
original appointments. 2011

(B) The board of trustees of a joint recreation district 2012
may designate the amounts and forms of property and casualty 2013
insurance protection to be provided. The expense of providing 2014
the protection shall be paid from operating funds of the joint 2015
recreation district. 2016

(C) The board of trustees of a joint recreation district 2017
may acquire, construct, maintain, and operate horticultural 2018
facilities, public banquet facilities, greenhouses, and such 2019
other facilities as are authorized in section 755.16 of the 2020
Revised Code. 2021

(D) (1) By resolution of its board of trustees, the joint 2022
recreation district may issue revenue bonds beyond the limit of 2023
bonded indebtedness provided by law, for the acquisition, 2024
construction, furnishing, or equipping of any real or personal 2025
property, or any combination thereof which it is authorized to 2026
acquire, construct, furnish, or equip, including all costs in 2027

connection with or incidental thereto. 2028

(2) The revenue bonds of the joint recreation district 2029
shall be secured only by a pledge of and a lien on the revenues 2030
of the joint recreation district that are designated in the 2031
resolution, including, but not limited to, any property to be 2032
acquired, constructed, furnished, or equipped with the proceeds 2033
of the bond issue, after provision only for the reasonable cost 2034
of operating, maintaining, and repairing the property of the 2035
joint recreation district so designated. The bonds may further 2036
be secured by the covenant of the joint recreation district to 2037
maintain rates or charges that will produce revenues sufficient 2038
to meet the costs of operating, maintaining, and repairing such 2039
property and to meet the interest and principal requirements of 2040
the bonds and to establish and maintain reserves for the 2041
foregoing purposes. The board of trustees of the joint 2042
recreation district, by resolution, may provide for the issuance 2043
of additional revenue bonds from time to time, to be secured 2044
equally and ratably, without preference, priority, or 2045
distinction, with outstanding revenue bonds, but subject to the 2046
terms and limitations of any trust agreement described in this 2047
section, and of any resolution authorizing bonds then 2048
outstanding. The board of trustees, by resolution, may designate 2049
additional property of the district, the revenues of which shall 2050
be pledged and be subject to a lien for the payment of the debt 2051
charges on revenue bonds theretofore authorized by resolution of 2052
the board of trustees, to the same extent as the revenues above 2053
described. 2054

(3) In the discretion of the board of trustees, the 2055
revenue bonds of the district may be secured by a trust 2056
agreement between the joint recreation district and a corporate 2057
trustee, that may be any trust company or bank having powers of 2058

a trust company, within or without the state. 2059

(4) The trust agreement may provide for the pledge or 2060
assignment of the revenues to be received, but shall not pledge 2061
the general credit and taxing power of the joint recreation 2062
district. The trust agreement or the resolution providing for 2063
the issuance of revenue bonds may set forth the rights and 2064
remedies of the bondholders and trustees, and may contain other 2065
provisions for protecting and enforcing their rights and 2066
remedies that are determined in the discretion of the board of 2067
trustees to be reasonable and proper. The agreement or 2068
resolution may provide for the custody, investment, and 2069
disbursement of all moneys derived from the sale of such bonds, 2070
or from the revenues of the joint recreation district, other 2071
than those moneys received from taxes levied pursuant to section 2072
755.171 of the Revised Code, and may provide for the deposit of 2073
such funds without regard to Chapter 135. of the Revised Code. 2074

(5) All bonds issued under authority of this section, 2075
regardless of form or terms and regardless of any other law to 2076
the contrary, shall have all qualities and incidents of 2077
negotiable instruments, subject to provisions for registration, 2078
and may be issued in coupon, fully registered, or other form, or 2079
any combination thereof, as the board of trustees determines. 2080
Provision may be made for the registration of any coupon bonds 2081
as to principal alone or as to both principal and interest, and 2082
for the conversion into coupon bonds of any fully registered 2083
bonds or bonds registered as to both principal and interest. 2084

(6) The revenue bonds shall bear interest at such rate or 2085
rates, shall bear such date or dates, and shall mature within 2086
thirty years following the date of issuance and in such amount, 2087
at such time or times, and in such number of installments, as 2088

may be provided in or pursuant to the resolution authorizing 2089
their issuance. Any original issue of revenue bonds shall mature 2090
not later than thirty years from their date of issue. Such 2091
resolution also shall provide for the execution of the bonds, 2092
which may be by facsimile signatures unless prohibited by the 2093
resolution, and the manner of sale of the bonds. The resolution 2094
shall provide for, or provide for the determination of, any 2095
other terms and conditions relative to the issuance, sale, and 2096
retirement of the bonds that the board of trustees in its 2097
discretion determines to be reasonable and proper. 2098

(7) Whenever a joint recreation district considers it 2099
expedient, it may issue renewal notes and refund any bonds, 2100
whether the bonds to be refunded have or have not matured. The 2101
final maturity of any notes, including any renewal notes, shall 2102
not be later than five years from the date of issue of the 2103
original issue of notes. The final maturity of any refunding 2104
bonds shall not be later than the later of thirty years from the 2105
date of issue of the original issue of bonds or the date by 2106
which it is expected, at the time of issuance of the refunding 2107
bonds, that the useful life of all of the property, other than 2108
interests in land, refinanced with proceeds of the bonds will 2109
have expired. The refunding bonds shall be sold and the proceeds 2110
applied to the purchase, redemption, or payment of the bonds to 2111
be refunded and the costs of issuance of the refunding bonds. 2112
The bonds and notes issued under this section, their transfer, 2113
and the income therefrom, shall at all times be free from 2114
taxation within the state. 2115

(E) A joint recreation district described in this section 2116
may do all of the following: 2117

(1) Operate or appoint agents to operate, or otherwise 2118

provide for the operation of, its properties and its facilities, 2119
activities, and programs and to enter into agreements and 2120
arrangements related thereto, and to receive and apply the net 2121
proceeds thereof solely to the management, operation, 2122
development, maintenance, and repair of its properties, its 2123
buildings, facilities, improvements, and grounds; 2124

(2) Impose and collect a charge for admission for 2125
selective events, exhibits, and facilities; 2126

(3) Offer memberships of various denominations for 2127
selective activities or facilities; 2128

(4) Form advisory and other support committees to the 2129
board of trustees to provide counsel and assistance to the board 2130
in the management, operation, and development of its properties, 2131
buildings, facilities, improvements, and grounds; 2132

(5) Grant licenses, or enter into leases or contracts, for 2133
the use of any part of its properties, facilities, buildings, 2134
and grounds for such length of time and upon such terms and 2135
conditions as the board of trustees deems appropriate and 2136
necessary, and grant easements in, through, or over its 2137
property; 2138

(6) Receive and accept from any federal, state, county, 2139
municipal, or local government or agency, any grant or 2140
contribution of money, property, labor, or other things of 2141
value, to be held, used, and applied for the purpose for which 2142
such grants and contributions are made; and 2143

(7) Accept and expend gifts, grants, devises, and bequests 2144
of money and property on behalf of the board of trustees and 2145
hold, use, and apply such gifts, grants, devises, and bequests 2146
according to the terms thereof. 2147

(F) (1) For purposes of division (F) (2) of this section+ 2148

~~(a) "Bank", "bank" has the same meaning as in section 2149~~
1101.01 of the Revised Code. 2150

~~(b) "Savings and loan association" has the same meaning as 2151~~
~~in section 1151.01 of the Revised Code. 2152~~

~~(c) "Savings bank" has the same meaning as in section 2153~~
~~1161.01 of the Revised Code. 2154~~

(2) The board of trustees may enter into a contract for a 2155
secured line of credit with a bank, ~~savings and loan 2156~~
~~association, or savings bank~~ if the contract meets all of the 2157
following requirements: 2158

(a) The term of the contract does not exceed one year, 2159
except that the contract may provide for the automatic renewal 2160
of the contract for up to four additional one-year periods. 2161

(b) The contract provides that the bank, ~~savings and loan 2162~~
~~association, or savings bank~~ shall not commence a civil action 2163
against the board, any member of the board, or the county or the 2164
municipal corporation to recover the principal, interest, or any 2165
charges or other amounts that remain outstanding on the secured 2166
line of credit at the time of any default by the board. 2167

(c) The contract provides that no assets other than those 2168
of the joint recreation district can be used to secure the line 2169
of credit. 2170

(d) The terms and conditions of the contract comply with 2171
all state and federal statutes and rules governing the extension 2172
of a secured line of credit. 2173

(3) Any obligation incurred by a board of trustees of a 2174
joint recreation district pursuant to division (B) of this 2175

section is an obligation of that board only and not a general 2176
obligation of the board of county commissioners, the county, or 2177
the municipal corporation within the meaning of division (Q) of 2178
section 133.01 of the Revised Code. 2179

(G) (1) For purposes of division (G) (2) of this section, 2180
"lease-purchase agreement" has the same meaning as a lease with 2181
an option to purchase. 2182

(2) For any purpose for which a board of trustees of a 2183
joint recreation district described in this section is 2184
authorized to acquire real or personal property, that board may 2185
enter into a lease-purchase agreement in accordance with this 2186
section to acquire the property. 2187

The lease-purchase agreement shall provide for a series of 2188
terms in which no term extends beyond the end of the fiscal year 2189
of the joint recreation district in which that term commences. 2190
In total, the terms provided for in the agreement shall be for 2191
not more than the useful life of the real or personal property 2192
that is the subject of the agreement. A property's useful life 2193
shall be determined either by the maximum number of installment 2194
payments permitted under the statute that authorizes the board 2195
to acquire the property or, if there is no such provision, by 2196
the maximum number of years to maturity provided for the 2197
issuance of bonds in division (B) of section 133.20 of the 2198
Revised Code if bonds were to be issued by a subdivision under 2199
that section to finance such facilities. If the useful life 2200
cannot be determined under either of those statutes, it shall be 2201
estimated as provided in division (C) of section 133.20 of the 2202
Revised Code. 2203

The lease-purchase agreement shall provide that, at the 2204
end of the final term in the agreement, if all obligations of 2205

the joint recreation district have been satisfied, the title to 2206
the leased property shall vest in the joint recreation district 2207
if that title has not vested in the joint recreation district 2208
before or during the lease terms; except that the lease-purchase 2209
agreement may require the joint recreation district to pay an 2210
additional lump sum payment as a condition of obtaining that 2211
title. 2212

(3) A board of trustees of a joint recreation district 2213
that enters into a lease-purchase agreement under this section 2214
may do any of the following with the property that is the 2215
subject of the agreement: 2216

(a) If the property is personal property, assign the 2217
board's rights to that property; 2218

(b) Grant the lessor a security interest in the property; 2219

(c) If the property is real property, grant leases, 2220
easements, or licenses for underlying land or facilities under 2221
the board's control for terms not exceeding five years beyond 2222
the final term of the lease-purchase agreement. 2223

(4) The authority granted in division (G) of this section 2224
is in addition to and not in derogation of, any other financing 2225
authority provided by law. 2226

(H) The board of trustees of a joint recreation district 2227
described in this section may exercise such other powers as 2228
shall have been granted to it in the agreement between the 2229
municipal corporation and the board of county commissioners 2230
establishing the joint recreation district entered into pursuant 2231
to division (C) of section 755.14 of the Revised Code. 2232

Sec. 902.01. As used in this chapter: 2233

(A) "Bonds" means bonds, notes, or other forms of 2234
evidences of obligation issued in temporary or definitive form, 2235
including refunding bonds and notes and bonds and notes issued 2236
in anticipation of the issuance of bonds and renewal notes. 2237

(B) "Bond proceedings" means the resolution or ordinance 2238
or the trust agreement or indenture of mortgage, or combination 2239
thereof, authorizing or providing for the terms and conditions 2240
applicable to bonds issued under authority of this chapter. 2241

(C) "Borrower" means the recipient of a loan or the lessee 2242
or purchaser of a project under this chapter and is limited to a 2243
sole proprietor, or to a partnership, joint venture, firm, 2244
association, or corporation, a majority of whose stockholders, 2245
partners, members, or associates are persons or the spouses of 2246
persons related to each other within the fourth degree of 2247
kinship, according to law, provided that the sole proprietor or 2248
at least one of such related persons resides or will reside on 2249
or is or will actively operate the project or the farm or 2250
agricultural enterprise composed, in whole or in part, of the 2251
project, and provided further that the sole proprietor or all of 2252
the stockholders, members, partners, or associates are natural 2253
persons. The agricultural financing commission may establish 2254
procedures for the determination of the eligibility of borrowers 2255
under this chapter which determinations are conclusive in 2256
relation to the validity and enforceability of bonds issued 2257
under bond proceedings authorized in connection therewith, and 2258
in relation to security interests given and leases, subleases, 2259
sale agreements, loan agreements, and other agreements made in 2260
connection therewith, all in accordance with their terms. 2261

(D) "Composite financing arrangement" means the sale of a 2262
single issue of bonds to finance two or more projects, 2263

including, but not limited to, a single issue of bonds for a 2264
group of loans submitted by or through a single lending 2265
institution or with credit enhancement from a single lending 2266
institution, or the sale by or on behalf of one or more issuers 2267
of two or more issues or lots of bonds under or pursuant to a 2268
single sale agreement, single marketing arrangement, or single 2269
official statement, offering circular, or other marketing 2270
document. 2271

(E) "Issuer" means the state, or any county or municipal 2272
corporation of the state. 2273

(F) "Issuing authority" means in the case of a municipal 2274
corporation, the legislative authority thereof; and in the case 2275
of a county, the board of county commissioners or whatever 2276
officers, board, commission, council, or other body might 2277
succeed to or assume the legislative powers of the board of 2278
county commissioners. 2279

(G) "Lending institution" means ~~any domestic building and~~ 2280
~~loan association as defined in section 1151.01 of the Revised~~ 2281
~~Code, any service corporation the entire stock of which is owned~~ 2282
~~by one or more such building and loan associations, a bank which~~ 2283
that has its principal place of business located in this state, 2284
a bank subsidiary corporation that is wholly owned by a bank 2285
having its principal place of business located in this state, 2286
any state or federal governmental agency or instrumentality 2287
including without limitation the federal land bank, production 2288
credit association, or bank for cooperatives, or any of their 2289
local associations, or any other financial institution or entity 2290
authorized to make mortgage loans and qualified to do business 2291
in this state. 2292

(H) "Loan" includes a loan made to or through, or a 2293

deposit with, a lending institution or a loan made directly to 2294
the owner or operator of a project to finance one or more 2295
projects. Notwithstanding any other provision of this chapter, 2296
loans from proceeds of bonds issued under a composite financing 2297
arrangement shall be made only to or through, or by a deposit 2298
with, a lending institution, including the purchase of loans 2299
from lending institutions, or be made in any other manner in 2300
which a lending institution has been or is involved in the 2301
origination or credit enhancement of the loan. 2302

(I) "Mortgage loan" means a loan secured by a mortgage, 2303
deed of trust, or other security interest. 2304

(J) "Pledged facilities" means the project or projects 2305
mortgaged or facilities the rentals, revenues, and other income, 2306
charges, and moneys from which are pledged, or both, for the 2307
payment of the principal of and interest on the bonds issued 2308
under authority of section 902.04 of the Revised Code, and 2309
includes a project for which a loan has been made under 2310
authority of this chapter, in which case, references in this 2311
chapter to revenues of such pledged facilities or from the 2312
disposition thereof include payments made or to be made to or 2313
for the account of the issuer pursuant to such loan. 2314

(K) "Project" means real or personal property, or both, 2315
including undivided and other interests therein, acquired by 2316
gift or purchase, constructed, reconstructed, enlarged, 2317
improved, furnished, or equipped, or any combination thereof, by 2318
an issuer, or by others from the proceeds of bonds, located 2319
within the boundaries of the issuer, and used or to be used by a 2320
borrower for agricultural purposes as provided in division (D) 2321
of this section. A project is hereby determined to qualify as 2322
facilities for industry, commerce, distribution, or research 2323

described in Section 13 of Article VIII, Ohio Constitution. 2324

(L) "Purchase" means, with respect to loans, the purchase 2325
of loans from, or other acquisition by an issuer of loans of, 2326
lending institutions. 2327

(M) "Revenues" means the rentals, revenues, payments, 2328
repayments, income, charges, and moneys derived or to be derived 2329
from the use, lease, sublease, rental, sale, including 2330
installment sale or conditional sale, or other disposition of 2331
pledged facilities, or derived or to be derived pursuant to a 2332
loan made for a project, bond proceeds to the extent provided in 2333
the bond proceedings for the payment of principal of, or 2334
premium, if any, or interest on the bonds, proceeds from any 2335
insurance, condemnation, or guaranty pertaining to pledged 2336
facilities or the financing thereof, any income and profit from 2337
the investment of the proceeds of bonds or of any revenues, any 2338
fees and charges received by or on behalf of an issuer for the 2339
services of or commitments by the issuer, and moneys received in 2340
repayment of and for interest on any loan made or purchased by 2341
an issuer, moneys received by an issuer upon the sale of any 2342
bonds of the issuer under section 902.04 of the Revised Code, 2343
any moneys received from investment of funds of an issuer or 2344
from the sale of collateral securing loans made or purchased by 2345
the issuer, including collateral acquired by foreclosure or 2346
other action to enforce a security interest, and any moneys 2347
received in payment of a claim under insurance, guarantees, 2348
letters of credit, or otherwise with respect to any loans made 2349
or purchased by an issuer or any collateral held by the issuer 2350
of any bonds issued under this chapter. 2351

(N) "Security interest" means a mortgage, lien, or other 2352
encumbrance on, or pledge or assignment of, or other security 2353

interest with respect to all or any part of pledged facilities, 2354
revenues, reserve funds, or other funds established under the 2355
bond proceedings, or on, of, or with respect to, a lease, 2356
sublease, sale, conditional sale, or installment sale agreement, 2357
loan agreement, or any other agreement pertaining to the lease, 2358
sublease, sale, or other disposition of a project or pertaining 2359
to a loan made for a project, or any guaranty or insurance 2360
agreement made with respect thereto, or any interest of the 2361
issuer therein, or any other interest granted, assigned, 2362
purchased, or released to secure payments of the principal of, 2363
premium, if any, or interest on any bonds or to secure any other 2364
payments to be made by an issuer under the bond proceedings. Any 2365
security interest under this chapter may be prior or subordinate 2366
to or on a parity with any other mortgage, lien, encumbrance, 2367
pledge, assignment, or other security interest. 2368

Sec. 924.10. (A) There is hereby established in the state 2369
treasury a fund for each marketing program that is established 2370
by the director of agriculture pursuant to this chapter. Except 2371
as authorized in division (B) of this section, all moneys 2372
collected by the department of agriculture from each marketing 2373
program pursuant to section 924.09 of the Revised Code shall be 2374
paid into the fund for the marketing program and shall be 2375
disbursed only pursuant to a voucher approved by the director 2376
for use in defraying the costs of administration of the 2377
marketing program and for carrying out sections 924.02, 924.03, 2378
and 924.13 of the Revised Code. 2379

(B) In lieu of deposits in the fund established pursuant 2380
to division (A) of this section, the operating committee of any 2381
marketing program established pursuant to this chapter may 2382
deposit all moneys collected pursuant to section 924.09 of the 2383
Revised Code with a bank ~~or a savings and loan association~~ as 2384

defined in ~~sections~~section 1101.01 and ~~1151.01~~ of the Revised 2385
Code. All moneys collected pursuant to section 924.09 of the 2386
Revised Code and deposited pursuant to this division also shall 2387
be used only in defraying the costs of administration of the 2388
marketing program and for carrying out sections 924.02, 924.03, 2389
and 924.13 of the Revised Code. 2390

(C) Each operating committee shall establish a fiscal year 2391
for its marketing program and shall publish within sixty days of 2392
the end of each fiscal year an activity and financial report and 2393
make such report available to each producer who pays an 2394
assessment or otherwise contributes to the marketing program 2395
which the committee administers, and to other interested 2396
persons. 2397

(D) In addition to the reports required by division (C) of 2398
this section, any marketing program that deposits moneys in 2399
accordance with division (B) of this section shall submit to the 2400
director both of the following: 2401

(1) Annually, a financial statement prepared by a 2402
certified public accountant holding a live permit from the 2403
accountancy board issued pursuant to Chapter 4701. of the 2404
Revised Code. The marketing program shall file the financial 2405
statement with the director not more than sixty days after the 2406
end of each fiscal year. 2407

(2) Monthly, an unaudited financial statement. 2408

Sec. 924.26. (A) The grain marketing program operating 2409
committee shall levy on producers and, as provided in division 2410
(B) of this section, handlers the following assessments, as 2411
applicable: 2412

(1) One-half of one per cent of the per-bushel price of 2413

wheat at the first point of sale;	2414
(2) One-half of one per cent of the per-bushel price of barley at the first point of sale;	2415 2416
(3) One-half of one per cent of the per-bushel price of rye at the first point of sale;	2417 2418
(4) One-half of one per cent of the per-bushel price of oats at the first point of sale.	2419 2420
(B) The director may require a handler to withhold assessments from any amounts that the handler owes to producers and to remit them to the director. A handler who pays for a producer an assessment that is levied under this section may deduct the amount of the assessment from any money that the handler owes to the producer.	2421 2422 2423 2424 2425 2426
(C) The operating committee shall deposit all money collected under this section with a bank or savings and loan association as defined in sections <u>section 1101.01 and 1151.01</u> of the Revised Code. All money so collected and deposited shall be used only for defraying the costs of administration of the marketing program and for carrying out sections 924.20 to 924.30 of the Revised Code. The operating committee shall not use any assessments that it levies for any political or legislative purpose or for preferential treatment of one person to the detriment of any other person affected by the grain marketing program.	2427 2428 2429 2430 2431 2432 2433 2434 2435 2436 2437
(D) The operating committee shall refund to a producer the assessments that it collects from the producer not later than thirty days after receipt of a valid application by the producer for a refund, provided that the producer complies with the procedures for a refund established by the committee under	2438 2439 2440 2441 2442

section 924.24 of the Revised Code. 2443

An application for a refund shall be made on a form 2444
provided by the director. The operating committee shall ensure 2445
that refund forms are available where assessments for the grain 2446
marketing program are collected. 2447

Sec. 924.45. (A) (1) After a marketing agreement takes 2448
effect, a board of directors that will administer the marketing 2449
agreement shall be established in accordance with the terms of 2450
the marketing agreement. Except for the director of agriculture 2451
or the director's designee who shall serve as an ex officio 2452
member of the board of directors, members of the board shall be 2453
selected only from individuals who are producers that signed the 2454
marketing agreement. 2455

(2) The provisional board of directors created pursuant to 2456
division (B) (1) of section 924.42 of the Revised Code shall 2457
verify that the board of directors is established in accordance 2458
with the terms of the marketing agreement. If the provisional 2459
board of directors determines that the board of directors was 2460
not established in accordance with the terms of the marketing 2461
agreement, the provisional board shall notify the director who 2462
shall take appropriate actions to ensure that the board of 2463
directors is established in accordance with the terms of the 2464
marketing agreement. If the provisional board of directors 2465
determines that the board of directors was established in 2466
accordance with the terms of the marketing agreement, the 2467
provisional board shall cease to exist. 2468

(B) A board of directors that is established to administer 2469
a marketing agreement shall do all of the following: 2470

(1) Establish priorities of the board that are consistent 2471

with the estimated financial resources that will be generated 2472
under the terms of the marketing agreement and with the scope of 2473
the marketing agreement; 2474

(2) Prepare a budget that is consistent with the estimated 2475
financial resources that will be generated under the terms of 2476
the marketing agreement and with the scope of the marketing 2477
agreement; 2478

(3) Deposit all money collected pursuant to the marketing 2479
agreement with a bank as defined in section 1101.01 of the 2480
~~Revised Code or with a savings and loan association as defined~~ 2481
~~in section 1151.01 of the Revised Code.~~ The board shall use the 2482
money only to pay the costs of the board in administering the 2483
marketing agreement and of the activities authorized under the 2484
marketing agreement and under sections 924.40 to 924.45 of the 2485
Revised Code. 2486

(4) Establish a fiscal year for purposes of marketing 2487
activities performed under the terms of the marketing agreement; 2488

(5) Publish an activity and financial report not later 2489
than sixty days after the end of a fiscal year. The board shall 2490
make the report available to each producer that signed the 2491
marketing agreement and to other interested parties. 2492

(6) Provide annually to the director of agriculture and to 2493
each producer that signed the marketing agreement a financial 2494
statement that is prepared by a person who holds a current 2495
certificate as a certified public accountant issued under 2496
Chapter 4701. of the Revised Code. The board shall provide the 2497
financial statement to the director not later than sixty days 2498
after the end of a fiscal year. 2499

(7) Reimburse the department of agriculture for actual 2500

administrative costs incurred by the department in the 2501
administration of sections 924.40 to 924.45 of the Revised Code. 2502
However, the amount reimbursed in a fiscal year shall not exceed 2503
ten per cent of the total amount of money collected in that 2504
fiscal year by the board of directors under the authority of the 2505
marketing agreement. 2506

(8) Perform all other acts and exercise all other powers 2507
that are reasonably necessary, proper, or advisable to 2508
effectuate the purposes of sections 924.40 to 924.45 of the 2509
Revised Code. 2510

(C) A board of directors that is established to administer 2511
a marketing agreement may do all of the following: 2512

(1) Propose to the director rules that are necessary for 2513
the board to perform its duties under the requirements of the 2514
marketing agreement and under sections 924.40 to 924.45 of the 2515
Revised Code; 2516

(2) Hire personnel and contract for services that are 2517
necessary for the implementation and administration of the 2518
marketing agreement; 2519

(3) Receive and investigate, or cause to be investigated, 2520
a complaint concerning an alleged violation of a term of the 2521
marketing agreement. If the board determines that such a 2522
violation has occurred, the board shall refer the matter to the 2523
director for enforcement. 2524

(4) Amend the marketing agreement in accordance with the 2525
terms of the marketing agreement and with sections 924.40 to 2526
924.45 of the Revised Code; 2527

(5) Terminate the marketing agreement with the approval of 2528
a majority of the participating producers that are signatories 2529

to the marketing agreement. If the marketing agreement is 2530
terminated, the board shall distribute any remaining unobligated 2531
money collected under the authority of the marketing agreement 2532
to each participating producer in the same proportion that the 2533
producer paid assessments under the marketing agreement. 2534

Sec. 1101.01. As used in Chapters 1101. to 1127. of the 2535
Revised Code, unless the context requires otherwise: 2536

(A) "Affiliate" has the same meaning as in division (A)(1) 2537
of section 1109.53 of the Revised Code and includes a subsidiary 2538
of a bank. 2539

(B) "Bank" ~~or "banking corporation"~~ means ~~a corporation an~~ 2540
entity that solicits, receives, or accepts money or its 2541
equivalent for deposit as a business, whether the deposit is 2542
made by check or is evidenced by a certificate of deposit, 2543
passbook, note, receipt, ledger card, or otherwise. "Bank" ~~also~~ 2544
~~or "banking corporation"~~ includes a state bank or ~~a corporation~~ 2545
any entity doing business as a bank ~~or~~, savings bank, or 2546
savings association under authority granted by the office of the 2547
comptroller of the currency or the former office of thrift 2548
supervision, the appropriate bank regulatory authority of 2549
another state of the United States, or the appropriate bank 2550
regulatory authority of another country, but does not include a 2551
~~savings association, savings bank, or~~ credit union. 2552

(C) "Bank holding company" has the same meaning as in the 2553
"Bank Holding Company Act of 1956," 70 Stat. 133, 12 U.S.C. 2554
1841, as amended. 2555

(D) "Banking office" means an office or other place 2556
established by a bank at which ~~a~~ the bank receives money or its 2557
equivalent from the public for deposit and conducts a general 2558

banking business. "Banking office" does not include any of the 2559
following: 2560

(1) Any location at which a bank receives, but does not 2561
accept, cash or other items for subsequent deposit, such as by 2562
mail or armored car service or at a lock box or night 2563
depository; 2564

(2) Any structure located within five hundred yards of ~~a~~ 2565
an approved banking office of a bank and operated as an 2566
extension of the services of the banking office; 2567

(3) Any automated teller machine, remote service unit, or 2568
other money transmission device owned, leased, or operated by a 2569
bank; 2570

(4) Any facility located within the geographical limits of 2571
a military installation at which a bank only accepts deposits 2572
and cashes checks; 2573

(5) Any location at which a bank takes and processes 2574
applications for loans and may disburse loan proceeds, but does 2575
not accept deposits; 2576

(6) Any location at which a bank is engaged solely in 2577
providing administrative support services for its own operations 2578
or for other depository institutions. 2579

~~(D)~~ (E) "Branch" means a banking office that is not also 2580
the bank's principal place of business consistent with its 2581
articles of incorporation or articles of association. 2582

~~(E)~~ (F) "Capital" means the sum of a stock state bank's: 2583

(1) Paid-in capital and surplus relating to common stock; 2584

(2) To the extent permitted by the superintendent of 2585

financial institutions, paid-in capital and surplus relating to	2586
preferred stock;	2587
(3) Undivided profits; and	2588
(4) To the extent permitted by the superintendent the	2589
proceeds of the sale of debt securities and other assets and	2590
reserves.	2591
(F) <u>(G) "Code of regulations" includes a constitution</u>	2592
<u>adopted by a state bank for similar purposes.</u>	2593
<u>(H) "Control" has the same meaning as in division (H) of</u>	2594
<u>section 1109.53 of the Revised Code.</u>	2595
(G) "Controlling shareholder" means a person who, directly	2596
or indirectly, controls a bank.	2597
(H) <u>(I) "Debt securities" means obligations issued by a</u>	2598
bank the holders of which, in the event of the insolvency or	2599
liquidation of the bank, are subordinated in right of payment to	2600
the bank's depositors and general creditors.	2601
(I) <u>(J) "Deposit" has the same meaning as in 12 C.F.R.</u>	2602
<u>204.2, as amended.</u>	2603
<u>(K) "Entity" has the same meaning as in section 1701.01 of</u>	2604
<u>the Revised Code.</u>	2605
<u>(L) "Federal savings association" means a federal savings</u>	2606
and loan association or a federal savings bank doing business	2607
under authority granted by the <u>office of the comptroller of the</u>	2608
<u>currency or the former office of thrift supervision.</u>	2609
<u>(M) "Mutual holding company" means either of the</u>	2610
<u>following:</u>	2611
<u>(1) A mutual state bank or an affiliate of a mutual state</u>	2612

bank reorganized in accordance with Chapter 1116. of the Revised 2613
Code to hold all or part of the shares of the capital stock of a 2614
subsidiary state bank; 2615

(2) A mutual holding company organized in accordance with 2616
12 U.S.C. 1467a(o) that has converted to a mutual holding 2617
company under Chapter 1116. of the Revised Code. 2618

(N) "Mutual state bank" means a state bank the earnings 2619
and net worth of which inure to the ultimate benefit of its 2620
members, unless otherwise provided by law. 2621

~~(J)~~(O) "National bank" means a bank doing business under 2622
authority granted by the office of the comptroller of the 2623
currency. 2624

~~(K)~~(P) "Net income" means all income realized or earned 2625
less all expenses realized or accrued. 2626

~~(L)~~(Q) "Paid-in capital" means the aggregate par value of 2627
all of a stock state bank's outstanding shares of all classes. 2628

~~(M)~~(R) "Person" means an individual, sole proprietorship, 2629
partnership, joint venture, association, trust, estate, business 2630
trust, limited liability company, corporation, or any similar 2631
entity or organization. 2632

(S) "Reorganization" means a consolidation, merger, or 2633
transfer of assets and liabilities pursuant to Chapter 1115. or 2634
1116. of the Revised Code. 2635

~~(N)~~(T) "Savings and loan holding company" has the same 2636
meaning as in 12 U.S.C. 1467a. 2637

(U) "Savings association" means a savings and loan 2638
association doing business under authority granted by the 2639
~~superintendent of financial institutions pursuant to Chapter~~ 2640

~~1151. of the Revised Code, a savings and loan association doing~~ 2641
~~business under authority granted by the regulatory authority of~~ 2642
another state, or a federal savings association. "Savings 2643
association" also includes a state bank that elects to operate 2644
as a savings and loan association under section 1109.021 of the 2645
Revised Code. 2646

~~(O)~~ (V) "Savings bank" means a savings bank doing business 2647
under authority granted by the ~~superintendent of financial~~ 2648
~~institutions pursuant to Chapter 1161. of the Revised Code or a~~ 2649
~~savings bank doing business under authority granted by the~~ 2650
regulatory authority of another state. 2651

~~(P)~~ (W) "Shares" means any equity interest, including a 2652
limited partnership interest and any other equity interest in 2653
which liability is limited to the amount of the investment. 2654
"Shares" does not include a general partnership interest or any 2655
other interest involving general liability. 2656

(X) "State bank" means a bank doing business under 2657
authority granted by the superintendent of financial 2658
institutions. 2659

~~(Q)~~ (Y) "Stock state bank" means a state bank that has an 2660
ownership structure represented by shares of stock. 2661

(Z) "Subsidiary" has the same meaning as in section 2662
1109.53 of the Revised Code. 2663

~~(R)~~ (AA) "Surplus" means the total of amounts paid for 2664
shares in excess of their respective par values, amounts 2665
contributed other than for shares, and amounts transferred from 2666
undivided profits, less amounts transferred to stated capital. 2667

~~(S)~~ (BB) "Trust company" means a corporation an entity 2668
qualified and licensed under section 1111.06 of the Revised Code 2669

to solicit or engage in trust business in this state, or a 2670
person that is required by Chapter 1111. of the Revised Code to 2671
be ~~a corporation~~ an entity qualified and licensed under section 2672
1111.06 of the Revised Code to solicit or engage in trust 2673
business in this state. 2674

~~(T)~~ (CC) "Undivided profits" means the cumulative 2675
undistributed amount of a bank's net income not otherwise 2676
allocated. 2677

Sec. 1101.02. It is hereby declared to be the purpose of 2678
the general assembly in enacting Chapters 1101. to 1127. of the 2679
Revised Code to do all of the following: 2680

(A) Delegate to the division of financial institutions 2681
rule-making power and administrative discretion, subject to 2682
Chapters 1101. to 1127. of the Revised Code, to assure the 2683
supervision and regulation of banks chartered under the laws of 2684
this state may be flexible and readily responsive to changes in 2685
economic conditions, banking practices, and the financial 2686
services industry; 2687

(B) Provide for the protection of the interests of 2688
depositors, creditors, shareholders, members, and the general 2689
public in banks doing business in this state; 2690

(C) Permit banks to effectively serve the convenience and 2691
needs of their depositors, borrowers, and others, and permit the 2692
continued improvement of the products and services banks 2693
provide; 2694

(D) Provide the opportunity for the boards and management 2695
of banks to exercise their business judgment, subject to the 2696
provisions of Chapters 1101. to 1127. and 1701. of the Revised 2697
Code; 2698

(E) <u>Provide state banks with competitive parity with other types of financial institutions doing business in this state;</u>	2699 2700
(F) Sustain the viability of the state bank charter option and the dual banking system in this state and the United States;	2701 2702
(F) -(G) Clarify and modernize the laws governing banking.	2703
Sec. 1101.03. (A) Except as otherwise provided in this section, every bank existing on or incorporated after January 1, 1997, <u>the effective date of this amendment</u> is subject to Chapters 1101. to 1127. of the Revised Code.	2704 2705 2706 2707
(B) <u>Except as otherwise provided in this section,</u> 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 January 1, 1997 <u>the effective date of this amendment</u> .	2708 2709 2710 2711 2712
(C) <u>Except as otherwise provided in this section,</u> Chapters 1101. to 1127. of the Revised Code do not affect the status of any bank organized, or any banking office established or authorized, before January 1, 1997 <u>the effective date of this amendment</u> .	2713 2714 2715 2716 2717
(D) Chapters 1101. to 1127. of the Revised Code do not apply to persons in their fiduciary capacities, as follows:	2718 2719
(1) Any person who, on January 1, 1997 <u>the effective date of this amendment</u> , is serving as a fiduciary under a trust instrument, will, or other document executed before January 1, 1997 <u>the effective date of this amendment</u> ;	2720 2721 2722 2723
(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 <u>the effective</u>	2724 2725 2726

date of this amendment. 2727

(E) Both of the following apply to every savings bank and 2728
savings and loan association that is organized under the laws of 2729
this state and is in existence as of the effective date of this 2730
amendment: 2731

(1) The powers, privileges, duties, and restrictions 2732
conferred and imposed in the charter or act of incorporation of 2733
such an institution are hereby abridged, enlarged, or otherwise 2734
modified so that each charter or act of incorporation conforms 2735
to the provisions of this title. 2736

(2) Notwithstanding any contrary provision in its charter 2737
or act of incorporation, every such institution possesses the 2738
powers, rights, and privileges and is subject to the duties, 2739
restrictions, and liabilities conferred and imposed by this 2740
title. 2741

(F) Any state bank that wishes to become or remain an 2742
affiliate of a savings and loan holding company may do so by 2743
complying with section 1109.021 of the Revised Code. 2744

Sec. 1101.05. Except as otherwise expressly provided, the 2745
provisions of Chapters 1101. to 1127. of the Revised Code and 2746
any rules adopted under those chapters: 2747

(A) Are enforceable only by the superintendent of 2748
financial institutions, the superintendent's designee, or, with 2749
respect to Chapter 1127. of the Revised Code, a prosecuting 2750
attorney; and 2751

(B) Do not create or provide a private right of action or 2752
defense for or on behalf of any party other than the 2753
superintendent or the superintendent's designee. 2754

Sec. 1101.15. (A) (1) Except as provided in division (A) (2) 2755
of this section, no person other than a bank doing business 2756
under authority granted by the superintendent of financial 2757
institutions, the bank chartering authority of another state, 2758
the office of the comptroller of the currency, or the bank 2759
chartering authority of a foreign country shall do either of the 2760
following: 2761

(a) Use "bank," "banker," ~~or~~ "banking," "savings 2762
association," "savings and loan," "building and loan," or 2763
"savings bank," or a word or combination of words of similar 2764
meaning in any other language, in a designation or name, or as 2765
any part of a designation or name, under which business is or 2766
may be conducted in this state; 2767

(b) Represent itself as a bank. 2768

~~(2) (a) A corporation doing business under Chapter 1151. of~~ 2769
~~the Revised Code may use the word "bank," "banker," or~~ 2770
~~"banking," or a word or words of similar meaning in any other~~ 2771
~~language, in or as part of a designation or name under which~~ 2772
~~business is or may be conducted in this state, as provided in~~ 2773
~~section 1151.07 of the Revised Code.~~ 2774

~~(b) A corporation doing business under Chapter 1161. of~~ 2775
~~the Revised Code may use the word "bank," "banker," or~~ 2776
~~"banking," or a word or words of similar meaning in any other~~ 2777
~~language, in or as part of a designation or name under which~~ 2778
~~business is or may be conducted in this state, as provided in~~ 2779
~~section 1161.09 of the Revised Code.~~ 2780

~~(c) A corporation doing business under authority granted~~ 2781
~~by the office of thrift supervision may use the word "bank,"~~ 2782
~~"banker," or "banking," or a word or words of similar meaning in~~ 2783

~~any other language, in or as part of a designation or name under
which business is or may be conducted in this state.~~ 2784
2785

(d) A person, whether operating for profit or not, may use 2786
the ~~word words~~ "bank," "banker," ~~or~~ "banking," "savings 2787
association," "savings and loan," "building and loan," or 2788
"savings bank," or a word or combination of words of similar 2789
meaning in any other language, in or as part of a designation or 2790
name under which business is or may be conducted if the 2791
superintendent determines the name, on its face, is not likely 2792
to mislead the public and authorizes the use of the name. 2793

(B) (1) Except as provided in division (B) (2) of this 2794
section, no person, other than a corporation licensed in 2795
accordance with authority granted in Chapter 1111. of the 2796
Revised Code as a trust company, a national bank with trust 2797
powers, or a federal savings association with trust powers, 2798
shall do either of the following: 2799

(a) Use the word "trust," or a word or words of similar 2800
meaning in any other language, in a designation or name, or as 2801
any part of a designation or name, under which business is or 2802
may be conducted in this state; 2803

(b) Otherwise represent itself as a fiduciary or trust 2804
company. 2805

(2) (a) A person that is not required to be licensed under 2806
Chapter 1111. of the Revised Code may serve as a fiduciary and, 2807
when acting in that fiduciary capacity, otherwise represent such 2808
person as a fiduciary. 2809

(b) A person licensed by another state to serve as a 2810
fiduciary and exempt from licensure under Chapter 1111. of the 2811
Revised Code may serve as a fiduciary to the extent permitted by 2812

the exemption. 2813

~~(c) A savings and loan association may serve as a trustee to the extent authorized by section 1151.191 of the Revised Code.~~ 2814
2815
2816

~~(d) A savings bank may serve as a trustee to the extent authorized by section 1161.24 of the Revised Code.~~ 2817
2818

~~(e)~~ A charitable trust, business trust, real estate investment trust, personal trust, or other bona fide trust may use the word "trust" or a word or words of similar meaning in any other language, in a designation or name, or as part of a designation or name, under which business is or may be conducted. 2819
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~~(f)~~ (d) A person, whether operating for profit or not, may use "trust" or a word or words of similar meaning in any other language, in a designation or name, or as part of a designation or name, under which business is or may be conducted, if the superintendent determines the name, on its face, is not likely to mislead the public and authorizes the use of the name. 2825
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(C) No bank or trust company shall use "state" as part of a designation or name under which it transacts business in this state, unless the bank or trust company is doing business under authority granted by the superintendent or the bank chartering authority of another state. 2831
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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 by applicable law to accept deposits in 2836
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this state, and except as provided in sections 1115.05~~7~~, and 2842
1117.01, ~~1151.052, 1151.053, 1151.60, 1161.07, 1161.071, and~~ 2843
~~1161.76~~ of the Revised Code. 2844

(B) No bank ~~or~~, bank holding company, or savings and loan 2845
holding company incorporated under the laws of another state or 2846
having its principal place of business in another state shall 2847
~~solicit, receive, or~~ accept deposits in this state unless it has 2848
established or acquired a banking office pursuant to section 2849
1117.01 of the Revised Code or through a transaction under 2850
section 1115.05 of the Revised Code, or transact any banking 2851
business of any kind in this state other than lending money, 2852
trust business in accordance with Chapter 1111. of the Revised 2853
Code, or through or as an agent pursuant to section 1117.05 of 2854
the Revised Code. 2855

(C) No bank having its principal place of business outside 2856
this state shall establish or open a deposit account with or for 2857
a person in this state by means of an automated teller machine, 2858
remote service unit, or other money transmission device located 2859
in this state. 2860

(D) No bank having its principal place of business in a 2861
foreign country shall solicit, receive, or accept deposits or 2862
transact any banking business of any kind in this state, except 2863
in accordance with Chapter 1115. or 1119. of the Revised Code. 2864

~~(D)~~ (E) Nothing in this section prohibits a person from 2865
making a deposit in that person's own account with a depository 2866
institution having its principal place of business outside this 2867
state by means of an automated teller machine, remote service 2868
unit, or other money transmission device located in this state, 2869
the internet, or an electronic deposit. However, no depository 2870
institution outside this state shall establish a deposit account 2871

~~with or for a person in this state by means of an automated- 2872
teller machine or other money transmission device in this state. 2873~~

Sec. 1103.02. When the articles of incorporation and the 2874
superintendent of financial institutions' certificate of 2875
approval are filed with the secretary of state, the persons who 2876
have subscribed them or their successors and assigns shall 2877
become a body corporate by the name designated in the articles 2878
of incorporation, with succession. The legal existence of the 2879
state bank begins upon the filing of the articles of 2880
incorporation and, unless the articles of incorporation 2881
otherwise provide, its period of existence is perpetual. 2882

Sec. 1103.03. Except where the law of this state, the 2883
articles of incorporation, or the code of regulations require 2884
action to be authorized or taken by shareholders, all of the 2885
authority of a state bank shall be exercised by or under the 2886
direction of the board of directors in accordance with Chapter 2887
1105. of the Revised Code. 2888

Sec. 1103.07. (A) The name of a state bank: 2889

(1) Shall include ~~"bank,"~~ either of the following: 2890

(a) "Bank," "banking," "company," or "co."; 2891

(b) "Savings," "loan," "savings and loan," "building and 2892
loan," or "thrift." 2893

(2) May include the word "state," "federal," 2894
"association," or, if approved by the superintendent of 2895
financial institutions, another term; 2896

(3) Shall not, as determined by the superintendent ~~of- 2897
financial institutions,~~ be likely to mislead the public as to 2898
the bank's character or purpose; 2899

(4) Shall, as determined by the superintendent, be 2900
distinguishable from all names already recorded by existing 2901
financial institutions in this state or for which reservations 2902
under this section are in effect, unless the existing financial 2903
institution that earliest recorded a name from which the 2904
proposed name is not distinguishable, or the person that 2905
reserved a name from which the proposed name is not 2906
distinguishable, has filed its written consent with the 2907
superintendent and with the secretary of state pursuant to 2908
division (C) of section 1701.05 of the Revised Code. 2909

(B) To reserve a name for a state bank to be organized 2910
under Chapter 1113. or 1114. of the Revised Code or for an 2911
existing state bank, a person shall submit to the superintendent 2912
a written application for the exclusive right to use a specified 2913
name. If the superintendent finds that the specified name 2914
satisfies the requirements for a state bank name and is 2915
available for use in accordance with this section, the 2916
superintendent shall endorse approval on the application and 2917
forward the reservation to the secretary of state for filing. 2918

(C) (1) Reservation of a name pursuant to division (B) of 2919
this section gives the applicant the exclusive right to use the 2920
name as follows: 2921

(a) If the reservation application is submitted to the 2922
superintendent prior to submitting an application to incorporate 2923
a new state bank or amended articles of incorporation or an 2924
amendment to the articles of incorporation, for one hundred 2925
eighty days after the date on which the secretary of state filed 2926
the reservation endorsed by the superintendent, and for one year 2927
after the date on which the secretary of state filed the 2928
reservation endorsed by the superintendent if the superintendent 2929

extends the reservation; 2930

(b) If an application to incorporate a new state bank or 2931
amended articles of incorporation or an amendment to the 2932
articles of incorporation for an existing state bank is 2933
submitted to the superintendent concurrently with the 2934
reservation application or during the time a previously filed 2935
reservation remains in effect, from the date on which the 2936
secretary of state filed the reservation endorsed by the 2937
superintendent until the superintendent approves or disapproves 2938
the incorporation of the new state bank or the amended articles 2939
of incorporation or amendment to the articles of incorporation 2940
for an existing state bank. 2941

(2) The superintendent shall, on behalf of a state bank or 2942
other person that has reserved a name pursuant to this section, 2943
endorse and forward to the secretary of state any additional 2944
name reservations required to maintain the reservation of the 2945
name under section 1701.05 of the Revised Code for as long as 2946
the name reservation is in effect pursuant to division (C)(1) of 2947
this section. 2948

(D) For purposes of this section, a name is recorded if it 2949
is either of the following: 2950

(1) The name of a ~~financial institution bank, savings~~ 2951
bank, or savings association in its articles of incorporation or 2952
articles of association on the records of the secretary of 2953
state, superintendent of financial institutions, office of the 2954
comptroller of the currency, ~~office of thrift supervision,~~ or 2955
any of their successors; 2956

(2) Registered as, or as part of, a trade name or service 2957
mark with the secretary of state. 2958

(E) (1) Absent the express written permission of the state bank, no person shall use the name of a state bank in an advertisement, solicitation, promotional, or other material in a way that may mislead another person into believing that the person issuing the advertisement, solicitation, promotional, or other material is associated or affiliated with the state bank. 2959
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(2) A state bank injured by a violation of division (E) (1) of this section may bring an action in law or equity for recovery of damages, a temporary restraining order, an injunction, or any other available remedy. 2965
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(3) A state bank injured by a violation of division (E) (1) of this section may be awarded punitive damages. 2969
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Sec. 1103.18. (A) Instead of a treasurer, as required by section 1701.64 of the Revised Code, a state bank may have a cashier, controller, comptroller, or other officer whose authority and duties the superintendent of financial institutions determines are essentially equivalent to those of a treasurer. 2971
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(B) For any state bank that has a cashier, controller, comptroller, or other officer instead of a treasurer, as authorized by division (A) of this section, the cashier, controller, comptroller, or other officer may execute, acknowledge, or verify any instrument or take any other action that by law a treasurer of the state bank would be authorized to execute, acknowledge, verify, or take. 2977
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Sec. 1103.19. When the signatures of ~~two officers~~ authorized representatives of a state bank are required, as for a certificate for an amendment of the state bank's articles of incorporation or amended articles of incorporation pursuant to 2984
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section ~~1103.08 or 1103.09~~1113.12, 1113.13, or 1114.11 of the 2988
Revised Code or for certification of a conversion pursuant to 2989
section 1115.01 of the Revised Code, a consolidation or merger 2990
pursuant to section 1115.11 of the Revised Code, or a transfer 2991
of assets and liabilities pursuant to section 1115.14 of the 2992
Revised Code, one of the ~~officers~~ authorized representatives 2993
signing shall be the chairperson of the board of directors, the 2994
president, or a vice-president, as determined by the board of 2995
directors. The other ~~officer~~ authorized representative signing 2996
shall be the secretary or an assistant secretary, as determined 2997
by the board of directors. 2998

Sec. 1103.20. (A) When any provision in Chapters 1101. to 2999
1127. or Chapter 1701. of the Revised Code requires a document 3000
regarding an existing, previously existing, or proposed state 3001
bank to be filed with the secretary of state, all of the 3002
following apply: 3003

(1) The person responsible for producing the document 3004
shall deliver the document, properly completed, to the 3005
superintendent of financial institutions, along with payment for 3006
any fee required for filing the document with the secretary of 3007
state. 3008

(2) The superintendent shall file the document, and any 3009
required approval by the superintendent, with the secretary of 3010
state. 3011

(3) The secretary of state shall send a certified copy of 3012
the document to both the superintendent and the state bank or 3013
other person on whose behalf the superintendent filed the 3014
document. 3015

(B) If the person responsible for producing the document 3016

to be filed fails to comply with division (A) (1) of this 3017
section, the action or transaction to which the document relates 3018
is not authorized or effective. 3019

Sec. 1103.99. Whoever violates division (E) (1) of section 3020
1103.07 of the Revised Code shall be subject to a civil penalty 3021
of one thousand dollars for each day the violation is committed, 3022
repeated, or continued. 3023

Sec. 1105.01. (A) Except where the Revised Code, the 3024
articles of incorporation, or the code of regulations require 3025
action to be authorized or taken by shareholders or members, all 3026
of the authority of a state bank shall be exercised by or under 3027
the direction of the bank's board of directors. The board of 3028
directors shall consist of not less than five directors. 3029

(B) Unless the articles of incorporation or the code of 3030
regulations provide for a different term, which may not exceed 3031
three years from the date of the director's election and until 3032
the director's successor is elected and qualified, each director 3033
shall hold office until the next annual meeting of the 3034
shareholders or members and until the director's successor is 3035
elected and qualified, or until the director's earlier 3036
resignation, removal from office, or death. 3037

(C) The articles of incorporation or the code of 3038
regulations may provide for the classification of directors into 3039
either two or three classes consisting of not less than ~~three~~ 3040
two directors each. The terms of office of the several classes 3041
need not be uniform, except that no term shall exceed the 3042
maximum time specified in division (B) of this section. 3043

Sec. 1105.02. (A) (1) Of the directors on the board of 3044
directors of a state bank: 3045

(a) A majority of the directors shall be outside 3046
directors. However, in the case of a stock state bank, if eighty 3047
per cent or more of any class of the bank's voting shares are 3048
owned by a company, a majority of the directors may be officers 3049
or directors of one or more affiliates of the bank. 3050

~~(b) A majority of the directors shall be residents of this~~ 3051
~~state or live within one hundred miles of this state.~~ 3052
For 3053
purposes of this section, anyone who is not an employee of the 3054
state bank or the bank holding company shall be considered an 3055
outside director.

(2) (a) If during a term of office a director causes the 3056
total membership of the board to be ~~in violation of~~ out of 3057
compliance with division (A) (1) (a) ~~or (b)~~ of this section, the 3058
director forfeits the directorship, and the director's office is 3059
then vacant. 3060

~~(b) If the membership of a board of directors of a bank on~~ 3061
~~July 14, 1987, is composed in violation of division (A) (1) (a) or~~ 3062
~~(b) of this section, the directors who are holding office on~~ 3063
~~that date may continue to hold office, and may be reelected or~~ 3064
~~reappointed if there is no interruption in their respective~~ 3065
~~service.~~ 3066

~~(c)~~ No new director, or former director who is elected or 3067
appointed to the board after an interruption in service, shall 3068
be elected or appointed ~~in violation of~~ if it causes the total 3069
membership of the board to be out of compliance with division 3070
(A) (1) (a) ~~or (b)~~ of this section. 3071

(B) (1) No person who has been convicted of, or has pleaded 3072
guilty to, a felony or any crime involving an act of fraud, 3073
~~dishonesty or,~~ breach of trust, theft, or money laundering 3074

~~shall take office~~ serve as a director of a bank or a subsidiary 3075
or affiliate of a bank. The superintendent of financial 3076
institutions may waive this restriction if the crime the person 3077
was convicted of or pleaded guilty to bears no relation to 3078
finance or was a misdemeanor or minor misdemeanor or the 3079
equivalent thereof. 3080

(2) If during a term of office any director is convicted 3081
of, or pleads guilty to, a ~~felony crime~~ described under division 3082
(B) (1) of this section, the director forfeits the directorship, 3083
and the director's office is then vacant. 3084

Sec. 1105.03. (A) To qualify as a director, each person 3085
elected or appointed to the board of directors shall, within 3086
sixty days after election or appointment, take and subscribe an 3087
oath to diligently and honestly perform the duties of a director 3088
and to not knowingly violate or permit to be violated any 3089
federal banking law or any provision of Chapters 1101. to 1127. 3090
of the Revised Code. 3091

(B) Promptly upon execution, and within sixty days of the 3092
person's election or appointment, the oath shall be filed with 3093
the secretary of the state bank. 3094

Sec. 1105.04. Each officer and employee of a state bank, 3095
prior to the discharge of the officer's or employee's duties, 3096
shall be covered by an individual, schedule, or blanket fidelity 3097
bond in favor of the bank, with terms and issuing insurer 3098
approved by the board of directors. The amount of the bond shall 3099
be set by the board of directors, and shall be reasonable given 3100
the size of the bank and nature of its business. The board of 3101
directors are not required to provide a bond covering their 3102
duties as directors. 3103

Sec. 1105.08. (A) (1) A state bank's board of directors 3104
shall meet monthly unless the bank's code of regulations 3105
provides for a different frequency of meetings, which shall not 3106
be less than quarterly. 3107

(2) Division (A) (1) of this section does not prohibit 3108
either of the following: 3109

(a) A state bank's board of directors meeting more 3110
frequently than required by division (A) (1) of this section or 3111
the bank's code of regulations; 3112

(b) The superintendent of financial institutions requiring 3113
a state bank's board of directors to meet more frequently than 3114
required by division (A) (1) of this section or the bank's code 3115
of regulations if the superintendent determines more frequent 3116
meetings are appropriate because of circumstances regarding the 3117
bank. 3118

(B) Unless prohibited by the articles of incorporation, 3119
the code of regulations, or, in the case of a committee of the 3120
board of directors, an order of the board of directors, meetings 3121
of the board of directors or a committee of the board of 3122
directors may be held ~~through~~ in any manner permitted by the 3123
laws of this state, including by communications equipment, if 3124
all persons participating can communicate with each of the 3125
others. Participation in a meeting in accordance with this 3126
division constitutes presence at the meeting. 3127

(C) Minutes shall be kept of all meetings of a state 3128
bank's board of directors and of any committees of the board of 3129
directors, and shall be recorded in a readable and reproducible 3130
form and kept at the bank. The minutes shall show the action of 3131
the board of directors or any committee of the board of 3132

directors on loans, discounts, and investments made or 3133
authorized, but need not include issues discussed while the 3134
board of directors or any committee of the board of directors 3135
was in executive session. The minutes of all committees of the 3136
board of directors shall be submitted to the board of directors 3137
for review at each meeting of the board of directors. 3138

Sec. 1105.10. (A) Once elected or appointed, a director 3139
may be removed ~~by~~ as follows: 3140

(1) By the board of directors or the superintendent of 3141
financial institutions if ~~either~~ any of the following applies: 3142

~~(1)~~ (a) The director has filed for relief or is a debtor 3143
in a case filed under Title XI of the United States Code; 3144

~~(2)~~ (b) A court has determined the director is 3145
incompetent; 3146

(c) The director has been removed in accordance with 3147
federal law. 3148

(2) By the board of directors for any of the grounds set 3149
forth in the state bank's code of regulations or bylaws; 3150

(3) By a majority of the disinterested directors if they 3151
determine the director has a conflict of interest. 3152

(B) (1) (a) Except as provided in division (B) (1) (b) of this 3153
section, unless the articles of incorporation or the code of 3154
regulations of the state bank expressly provide that removal of 3155
members of the board of directors shall require a greater vote, 3156
the shareholders or members may remove all the directors, all 3157
the directors of a particular class, or any individual director 3158
from office, without assigning any cause, by the vote of the 3159
holders of a majority of the voting power entitling them to 3160

elect directors in place of those to be removed. 3161

(b) If the shareholders or members have the right to vote 3162
cumulatively in the election of directors of the bank, unless 3163
all the directors or all the directors of a particular class are 3164
removed, the vote of shareholders or members does not remove an 3165
individual director if the votes cast against the director's 3166
removal, if cumulatively voted at an election of all the 3167
directors or all the directors of a particular class, as the 3168
case may be, would be sufficient to elect at least one director. 3169

(2) If one or more directors is removed pursuant to 3170
division (B) (1) of this section, the shareholders or members may 3171
elect a new director at the same meeting for the unexpired term 3172
of each director removed. Failure of the shareholders or members 3173
to elect a director to fill the unexpired term of any director 3174
removed is deemed to create a vacancy in the board. 3175

(C) Unless the articles of incorporation or the code of 3176
regulations otherwise provide, the remaining directors, though 3177
less than a majority of the whole authorized number of 3178
directors, may, by the vote of a majority of their number, fill 3179
any vacancy in the board for the unexpired term. 3180

(1) A vacancy exists if the shareholders or members 3181
increase the authorized number of directors but fail at the 3182
meeting at which the increase is authorized, or an adjournment 3183
of the meeting, to elect the additional directors provided for, 3184
or if the shareholders or members fail at any time to elect the 3185
whole authorized number of directors. 3186

(2) The office of a member of the board of directors 3187
becomes vacant if the director dies ~~or~~, resigns, or is removed. 3188
A resignation takes effect immediately unless the director 3189

specifies another time. 3190

(D) If a vacancy created on the board of directors causes 3191
the number of directors to be less than that fixed by the 3192
articles of incorporation or code of regulations, the vacancy 3193
shall not be required to be filled until such time as an 3194
appropriate candidate is identified and duly appointed or 3195
elected. 3196

(E) Notwithstanding divisions (B) and (C) of this section, 3197
the requirement for a quorum set forth in section 1701.62 of the 3198
Revised Code applies to a state bank's board of directors. 3199

Sec. 1105.11. ~~Any~~ (A) A director, officer, employee, or 3200
other institution-affiliated party of a bank who knowingly 3201
violates or knowingly permits any of the officers, agents, or 3202
employees of the bank to violate any provision of Chapters 1101. 3203
to 1127. of the Revised Code shall not be liable personally and 3204
individually liable for all direct or indirect damages the bank, 3205
its shareholders or members, or any other person sustains in 3206
consequence of the a violation of or failure to comply with any 3207
provision of Chapters 1101. to 1127. of the Revised Code or the 3208
rules adopted under those chapters, including any civil money 3209
penalties, unless it can be shown that the director, officer, 3210
employee, or other institution-affiliated party knowingly 3211
violated or failed to comply with that provision of law. 3212

(B) Nothing in this section shall be construed to deprive 3213
a director of the defenses set forth in section 1701.59 of the 3214
Revised Code. 3215

Sec. 1107.03. No state bank shall operate without adequate 3216
capital as determined by the superintendent of financial 3217
institutions. In evaluating the adequacy of a state bank's 3218

capital, the superintendent may consider any of the following:	3219
(A) The nature and volume of the bank's business;	3220
(B) The amount, nature, quality, and liquidity of the bank's assets;	3221 3222
(C) The amount and nature of the bank's liabilities, including those that are not presently due or are contingent;	3223 3224
(D) The amount and nature of the bank's fixed costs;	3225
(E) The history of and prospects for the bank to earn and retain income;	3226 3227
(F) The quality of the bank's operations, <u>including risk management</u> ;	3228 3229
(G) The quality of the bank's management;	3230
(H) The nature and quality of the bank's ownership;	3231
(I) Any other factor the superintendent finds to be relevant under the circumstances.	3232 3233
Sec. 1107.05. (A) A <u>state</u> bank may issue debt securities at the times, in the amounts, and subject to the terms approved in writing by the superintendent of financial institutions.	3234 3235 3236
(B) The <u>In the case of a stock state bank, the</u> terms of debt securities may include either of the following:	3237 3238
(1) Options to subscribe to or purchase the bank's shares at not less than par value;	3239 3240
(2) The right to convert the debt securities to the bank's shares, if the par value of the shares resulting from the conversion does not exceed the value on the bank's books of the debt securities being converted.	3241 3242 3243 3244

(C) The terms of any option granted in connection with the 3245
issuance of debt securities or any right to convert debt 3246
securities to shares shall not permit or require the holders of 3247
the debt securities to be held individually responsible for the 3248
state bank's debts, contracts, or engagements, ~~or for~~ 3249
~~assessments for restoration of the bank's paid in capital,~~ on 3250
the basis of their status as holders of the debt securities. 3251

Sec. 1107.07. ~~(A)~~ All stock state bank shares shall have 3252
par value, whether they are common shares or preferred shares. 3253

~~(B) (1) Except as otherwise provided in division (B) (2) of~~ 3254
~~this section:~~ 3255

~~(a) Bank shares still held as treasury shares one year~~ 3256
~~after being acquired are deemed retired and to be authorized and~~ 3257
~~unissued shares.~~ 3258

~~(b) Authorized and unissued bank shares that are not~~ 3259
~~issued or reissued and fully paid in one year after being~~ 3260
~~authorized or otherwise becoming authorized and unissued shares~~ 3261
~~are deemed canceled.~~ 3262

~~(2) Division (B) (1) of this section does not apply to bank~~ 3263
~~shares authorized or acquired and held as treasury shares for~~ 3264
~~purposes of meeting conversion rights or options, employee stock~~ 3265
~~purchase or ownership plans, mergers, consolidations, other~~ 3266
~~reorganizations, or acquisitions, purchases of real estate the~~ 3267
~~board of directors considers necessary or convenient for~~ 3268
~~transaction of the bank's business, or any other specific~~ 3269
~~purpose, in accordance with division (D) of section 1103.08 or~~ 3270
~~division (A) (1) of section 1103.09 of the Revised Code.~~ 3271

~~(C) Preferred shares retired by a bank shall be canceled~~ 3272
~~and not reissued, whether or not provision for cancellation is~~ 3273

~~made in the bank's articles of incorporation.~~ 3274

~~(D) Both common shares and preferred shares of a bank~~ 3275
~~shall be assessable, on a pro rata basis, for restoration of the~~ 3276
~~bank's paid-in capital.~~ 3277

Sec. 1107.09. (A) A stock state bank may, with the 3278
approval of the bank's board of directors, the holders of a 3279
majority of the bank's voting shares, and the superintendent of 3280
financial institutions, adopt and carry out plans for the 3281
offering or sale of, the grant of, or the grant of options on, 3282
the bank's shares to any or all employees, officers, or 3283
directors of the bank or any of the bank's subsidiaries or 3284
affiliates, or to other parties, or to a trustee on their 3285
behalf. 3286

(B) A plan may be adopted under this section for any 3287
unissued shares, treasury shares, or shares to be purchased or 3288
granted. A plan may provide for the payment or issuance of the 3289
shares at one time or in installments or for the establishment 3290
of special funds in which employees or other parties approved 3291
under division (A) of this section may participate. 3292

(C) Shares otherwise subject to pre-emptive rights may be 3293
offered or sold under a plan only when released from pre-emptive 3294
rights. Shares authorized for the purpose of carrying out a plan 3295
adopted under this section shall, ~~in accordance with division~~ 3296
~~(D) of section 1103.08 of the Revised Code,~~ be deemed released 3297
from pre-emptive rights. 3298

Sec. 1107.11. (A) Unless otherwise provided in the 3299
articles of incorporation, the holders of any class of a stock 3300
state bank's shares, other than shares that are limited as to 3301
dividend rate and liquidation price, shall, upon the offering or 3302

sale for cash of shares of the same class, have the right, 3303
during a reasonable time and on reasonable terms fixed by the 3304
directors, to purchase the shares in proportion to their 3305
respective holdings of shares of that class, at not less than 3306
par value, unless the shares offered or sold are any of the 3307
following: 3308

(1) Treasury shares; 3309

(2) Released from pre-emptive rights by the affirmative 3310
vote or written consent of the holders of either of the 3311
following: 3312

(a) Two-thirds of the shares entitled to the pre-emptive 3313
rights; 3314

(b) A majority of the shares entitled to the pre-emptive 3315
rights, if for offering and sale or granting options to any or 3316
all employees of the bank or any of the bank's subsidiaries or 3317
to a trustee on their behalf, under a plan adopted under section 3318
1107.09 of the Revised Code; 3319

(3) Offered to shareholders in satisfaction of their pre- 3320
emptive rights and not purchased by the shareholders, and 3321
thereupon issued or agreed to be issued for a consideration not 3322
less than that at which the shares were offered to the 3323
shareholders, less reasonable expenses, compensation, or 3324
discount paid or allowed for the sale, underwriting, or purchase 3325
of the shares. 3326

(B) An action arising from the offering or sale of shares 3327
under division (A) of this section shall be brought within two 3328
years after the date on which written notice or other 3329
communication of the transaction is mailed or otherwise given to 3330
the person entitled to bring the action. In no event shall any 3331

such action be brought later than four years after the cause of
action accrued. 3332
3333

(C) Pre-emptive rights with respect to shares issued by a 3334
stock state bank chartered on or after the effective date of 3335
this amendment shall be governed by section 1701.15 of the 3336
Revised Code. 3337

Sec. 1107.13. (A) ~~A~~ With the prior written approval of the 3338
superintendent of financial institutions, a stock state bank may 3339
purchase its own shares ~~only in the following circumstances:~~ 3340

~~(1) To avoid the issuance of, or to eliminate, fractional~~ 3341
~~shares;~~ 3342

~~(2) From a shareholder who, by reason of dissent, is~~ 3343
~~entitled to be paid the fair cash value of the shares;~~ 3344

~~(3) With the approval of the superintendent of financial~~ 3345
~~institutions, pursuant to authority in the bank's articles of~~ 3346
~~incorporation to purchase its shares~~ accordance with section 3347
1701.35 of the Revised Code. 3348

(B) A stock state bank that acquires shares of its stock 3349
shall retire or dispose of the shares at the time and in the 3350
manner required by the superintendent. 3351

Sec. 1107.15. A stock state bank's board of directors may 3352
declare dividends and distributions on the bank's outstanding 3353
shares, subject to all of the following conditions: 3354

(A) Except as otherwise provided in division (B) of this 3355
section, payment of a dividend or distribution may only be 3356
funded from undivided profits or, subject to the approval of the 3357
superintendent of financial institutions, from a special reserve 3358
created from proceeds from the sale of bank stock. 3359

(B) A dividend or distribution may be funded, in whole or 3360
in part, from surplus with the approval of both of the 3361
following: 3362

(1) The holders of at least two-thirds of the outstanding 3363
shares of each class of the bank's stock; 3364

(2) ~~The superintendent of financial institutions.~~ 3365

(C) A dividend or distribution may be paid in treasury 3366
shares or in authorized but unissued shares, if the board makes 3367
the required transfers to surplus and paid-in capital. 3368

(D) The approval of the superintendent is required for the 3369
declaration of dividends and distributions if the total of all 3370
dividends and distributions declared on the bank's shares in any 3371
year, and not paid in shares, exceeds the total of its net 3372
income for that year combined with its retained net income of 3373
the preceding two years. 3374

(E) Prior to the declaration of any dividend or 3375
distribution the bank has made all required allocations to 3376
reserves for losses or contingencies. 3377

Sec. 1109.01. (A) A state bank may use, exercise, and 3378
enjoy all of the powers, rights, and privileges of a corporation 3379
as set forth in section 1701.13 of the Revised Code, unless 3380
otherwise provided in its articles of incorporation and except 3381
as otherwise expressly limited by Chapters 1101. to 1127. of the 3382
Revised Code. The powers authorized under this division include 3383
the power to receive any property of any description, or any 3384
interest in property, by gift, devise, or bequest, and to make 3385
donations for the public welfare or for charitable, scientific, 3386
or educational purposes. 3387

(B) A state bank may perform all acts necessary to carry 3388

into effect the powers authorized by Title XI of the Revised 3389
Code and the purposes for which the bank was created. 3390

Sec. 1109.02. (A) In addition to exercising the powers and 3391
performing the acts authorized under Chapters 1101. to 1127. of 3392
the Revised Code, a state bank has and may exercise all powers 3393
and perform all acts attendant to the business of banking as set 3394
forth in those chapters. 3395

(B) A state bank has and may exercise all powers, perform 3396
all acts, and provide all services that are otherwise a part of 3397
or incidental to the business of banking. 3398

(C) In addition to what is otherwise authorized under 3399
Chapters 1101. to 1127. of the Revised Code, a state bank has 3400
and may exercise all powers, perform all acts, and provide all 3401
services that are permitted for national banks and federal 3402
savings associations. 3403

Sec. 1109.021. (A) As used in this section, "portfolio 3404
assets" and "qualified thrift investments" have the same 3405
meanings as in 12 U.S.C. 1467a, as amended. 3406

(B) A state bank may elect to operate as a savings and 3407
loan association by filing a written notice of that election 3408
with the superintendent of financial institutions. 3409

(C) Upon filing an election notice, a state bank shall be 3410
considered a savings and loan association if both of the 3411
following conditions are met: 3412

(1) Its qualified thrift investments equal or exceed 3413
sixty-five per cent of its portfolio assets. 3414

(2) Its qualified thrift investments continue to equal or 3415
exceed sixty-five per cent of its assets on a monthly average 3416

basis in nine out of every ten months. 3417

(D) A state bank may revoke its election notice at any 3418
time by submitting a written notice thereof to the 3419
superintendent. 3420

Sec. 1109.03. (A) No bank shall transact business in this 3421
state unless its deposit accounts are insured by the federal 3422
deposit insurance corporation, except a bank that by the terms 3423
of its articles of incorporation or articles of association is 3424
not permitted to solicit or accept deposits other than trust 3425
funds. Each bank whose deposit accounts are insured by the 3426
federal deposit insurance corporation shall maintain that 3427
insurance as a condition of doing business in this state. 3428

(B) Each bank doing business in this state shall comply 3429
with the reserve requirements of the "Federal Reserve Act of 3430
1913," as amended. 3431

(C) Any bank doing business in this state may become a 3432
member of the federal reserve system as permitted under federal 3433
law and do all things necessary to maintain that membership in 3434
accordance with the "Federal Reserve Act of 1913," as amended. 3435

(D) Any bank doing business in this state may become a 3436
member of a federal home loan bank and do all things necessary 3437
to maintain that membership in accordance with the "Federal Home 3438
Loan Bank Act of 1932," 47 Stat. 725, 12 U.S.C.A. 1421, as 3439
amended. A bank may purchase and hold stock in a federal home 3440
loan bank in excess of the amount required for membership, if 3441
that purchase and holding of stock is consistent with the 3442
financial condition of the bank and prudent banking practice. 3443

Sec. 1109.04. (A) A bank may, in good faith, rely without 3444
further investigation: 3445

(1) On any and all information, agreements, documents, and 3446
signatures provided by its customers as being true, accurate, 3447
complete, and authentic and representing what they purport to 3448
represent; and 3449

(2) That the persons signing have full capacity and 3450
complete authority to execute and deliver any and all such 3451
documents and agreements and to act in such capacity as may be 3452
represented to the bank. 3453

As used in this division, "good faith" has the same 3454
meaning as in section 1301.201 of the Revised Code. 3455

(B) A bank may, with the customer's consent, provide 3456
electronically any statement, notice, or report required to be 3457
provided customers under this chapter. A customer's consent may 3458
be obtained electronically or in writing. 3459

(C) A bank customer may, with the bank's consent, provide 3460
electronically any notice required to be provided to the bank 3461
under this chapter. A bank's consent may be obtained 3462
electronically or in writing. 3463

Sec. 1109.05. (A) A bank may receive money on deposit and 3464
may establish the terms and conditions of each deposit contract. 3465
A bank may receive demand deposits subject to withdrawal or to 3466
payment upon the depositor's check, order, or other 3467
authorization. 3468

(B) At the time of opening a deposit account, a bank shall 3469
provide the depositor a statement containing the existing terms 3470
and conditions of the deposit contract. The statement may be set 3471
forth on the depositor's signature card, which card may be 3472
electronic or in writing. Before effecting any change in the 3473
terms and conditions of a deposit contract, a bank shall ~~send~~ 3474

~~written provide notice, in written or electronic form,~~ of the 3475
change to each depositor with whom the bank has a deposit 3476
contract of the kind to be changed. Depositors and any other 3477
owners of interests in deposit accounts shall be bound by all 3478
changes banks make in their deposit contracts. 3479

(C) For each deposit account a bank shall, at minimum, do 3480
either of the following: 3481

(1) Periodically ~~send~~ make available to each deposit 3482
customer a ~~written report, in written or electronic form,~~ of the 3483
customer's deposit account activity since the last report was 3484
provided, unless the account is a certificate of deposit with no 3485
activity except for compounding interest; 3486

(2) Issue a passbook on which deposits, interest, 3487
payments, and withdrawals can be recorded. 3488

(D) A bank may secure deposits in the manner and to the 3489
extent provided or authorized by law or any lawful order of a 3490
court having custody of money and ordering money to be 3491
deposited. 3492

(E) (1) A bank may serve as a depository for public funds 3493
of this state, other states of the United States, political 3494
subdivisions of this state and other states of the United 3495
States, the United States, agencies of the United States, 3496
foreign nations, political subdivisions of foreign nations, 3497
multinational organizations, and subdivisions of multinational 3498
organizations. 3499

(2) (a) A bank may provide security for the public funds 3500
described in division (E) (1) of this section if that is a 3501
condition imposed by law for their deposit. 3502

(b) Depositors of public funds that are collateralized by 3503

securities pledged by a bank in accordance with Chapter 135. of 3504
the Revised Code and any applicable federal law shall have and 3505
maintain a first and best lien and security interest in and to 3506
such securities, any substitute securities, and the proceeds of 3507
those securities, in favor of such depositors. 3508

Sec. 1109.08. (A) A bank may provide safes, vaults, safe 3509
deposit boxes, night depositories, and other secure receptacles 3510
for the uses, purposes, and benefits of its customers, on the 3511
terms and conditions the bank prescribes. 3512

(B) A bank may, on the terms and conditions the bank 3513
prescribes, receive tangible property and evidence of tangible 3514
or intangible property for safekeeping using any of the 3515
following: 3516

(1) The bank's safes, vaults, and other secure 3517
receptacles; 3518

(2) The safes, vaults, and other secure receptacles of 3519
another bank or of a safekeeping agent or custodian that is 3520
qualified under rules adopted by the superintendent of financial 3521
institutions; 3522

(3) The bank's own safekeeping system or the safekeeping 3523
system of another bank or of a safekeeping agent or custodian 3524
that is qualified under rules adopted by the superintendent; 3525

(4) A recognized title or registration system, on the 3526
terms and conditions the bank prescribes. 3527

(C) Unless agreed to in writing by the bank, nothing in 3528
this section creates a bailment between a customer and the bank. 3529

Sec. 1109.10. If any claim not clearly consistent with the 3530
terms of any applicable authority on file with a bank is made to 3531

any deposit, safe deposit box, property held in safekeeping, 3532
security, obligation, or other property in the bank's possession 3533
or control, in whole or in part, by any person, including any 3534
depositor, individual, or group of individuals, whether or not 3535
authorized to draw on or exercise any right or control with 3536
respect to the property, the bank is not required to recognize 3537
the claim without one of the following: 3538

(A) A court order, issued by a court of competent 3539
jurisdiction and served on the bank, enjoining or restraining 3540
the bank from taking any action with respect to the property or 3541
instructing the bank to pay some or all of the balance of the 3542
account, provide access to the safe deposit box, or deliver the 3543
property as provided in the order; 3544

(B) A bond in the form and amount and with sureties 3545
satisfactory to the bank, indemnifying the bank against any 3546
liabilities, loss, and expenses it might incur because of its 3547
recognition of the claim or because of its refusal, due to the 3548
claim, to honor or recognize any right with respect to the 3549
property. 3550

Sec. 1109.15. (A) (1) Subject to the restrictions and 3551
limitations of the Revised Code, a state bank may do any of the 3552
following: 3553

(a) Loan money, with or without security, and payable on 3554
demand, at maturity, in installments, or by any combination of 3555
these; 3556

(b) Issue, advise, and confirm letters of credit 3557
authorizing the beneficiaries of the letters to draw upon the 3558
bank or its correspondents; 3559

(c) Purchase open accounts, whether or not the accounts 3560

represent an evidence of debt. 3561

(2) Subject to the margin requirements the superintendent 3562
of financial institutions may prescribe by rule, a state bank 3563
may make loans secured by stocks, bonds, or other securities. 3564

(B) Subject to sections 1109.22, 1109.32, and 1109.47 of 3565
the Revised Code and any rules the superintendent prescribes, a 3566
state bank may purchase obligations of any kind with or without 3567
recourse. 3568

(C) A state bank may acquire personal property for lease 3569
to others, if the transaction, as a whole, has the character of 3570
an extension of credit. 3571

(D) (1) Subject to division (D) (2) of this section, any 3572
other restrictions and limitations of the Revised Code, and any 3573
conditions, restrictions, or requirements established by the 3574
superintendent, a state bank may enter into a debt suspension 3575
agreement or debt cancellation contract with a borrower or 3576
borrowers in connection with any loan or extension of credit. 3577

(2) A state bank shall not offer or finance, directly or 3578
indirectly, a debt suspension agreement or debt cancellation 3579
contract requiring a lump sum, single payment for the agreement 3580
or contract payable at the outset of the agreement or contract, 3581
if the debt subject to the agreement or contract is secured by 3582
one to four family, residential real property. 3583

(3) For purposes of division (D) of this section, "debt 3584
cancellation contract" and "debt suspension agreement" have the 3585
same meanings as in 12 C.F.R part 37, as amended. 3586

~~(E) Unless otherwise expressly agreed in writing, the 3587
relationship between a bank and its obligor, with respect to any 3588
extension of credit, is that of a creditor and debtor, and 3589~~

~~creates no fiduciary or other relationship between the parties.~~ 3590

Sec. 1109.151. Unless otherwise expressly agreed to in 3591
writing by the bank, the relationship between a bank and its 3592
obligor, or a bank and its customer, creates no fiduciary or 3593
other relationship between the parties or any special duty on 3594
the part of the bank to the customer or any other party. 3595

Sec. 1109.16. (A) The superintendent of financial 3596
institutions shall adopt rules prescribing standards for 3597
extensions of credit that are either of the following: 3598

(1) Secured by liens on interests in real estate; 3599

(2) Made for the purpose of financing the construction of 3600
either a building or improvements to real estate. 3601

(B) In prescribing the standards required by division (A) 3602
of this section, the superintendent shall consider all of the 3603
following: 3604

(1) The risk the extensions of credit pose to the federal 3605
deposit insurance funds; 3606

(2) The need for state banks to operate in a safe and 3607
sound manner; 3608

(3) The availability of credit; 3609

(4) Any other factors the superintendent considers 3610
appropriate. 3611

(C) In prescribing the standards required by division (A) 3612
of this section, the superintendent may differentiate among 3613
types of loans on the basis of any of the following: 3614

(1) Statutory requirements; 3615

(2) Risk to the federal deposit insurance funds; 3616

(3) The safety and soundness of state banks. 3617

(D) The superintendent shall not adversely evaluate an 3618
investment or a loan made by a state bank, or consider a loan to 3619
be nonperforming, solely because the loan is secured by or the 3620
investment is in commercial, residential, or industrial 3621
property, unless the investment or loan may affect the bank's 3622
safety and soundness. 3623

Sec. 1109.17. (A) (1) A state bank may accept drafts or 3624
bills of exchange drawn on it and may purchase acceptances of 3625
drafts or bills of exchange issued by other banks and 3626
participations in acceptances of drafts or bills of exchange 3627
issued by other banks, subject to the following limitations: 3628

(a) For acceptances of drafts or bills of exchange 3629
described in division (B) (1) of this section, the limitations in 3630
division (B) (2) of this section apply. 3631

(b) For acceptances of drafts or bills of exchange 3632
satisfying the requirements of division (C) (1) of this section, 3633
the limitations in division (C) (2) apply. 3634

(c) For all other acceptances of drafts or bills of 3635
exchange, the limitations on loans and extensions of credit to a 3636
person in section 1109.22 of the Revised Code apply to both of 3637
the following: 3638

(i) A state bank's total outstanding obligations for any 3639
one person on acceptances of drafts or bills of exchange that 3640
the bank has issued and on acceptances of drafts or bills of 3641
exchange and participations in acceptances of drafts or bills of 3642
exchange issued by other banks and that the bank has purchased; 3643

(ii) A state bank's total outstanding obligations on 3644
acceptances of drafts or bills of exchange issued by any one 3645

other bank. 3646

(2) For purposes of applying the limitations imposed by 3647
division (A)(1) of this section, a state bank's obligation on an 3648
acceptance of a draft or bill of exchange does not include the 3649
portion of an acceptance of a draft or bill of exchange issued 3650
by the bank that is covered by a participation agreement sold to 3651
another. 3652

(B)(1) Subject to the limitations in division (B)(2) of 3653
this section, a state bank may accept drafts or bills of 3654
exchange drawn upon it having not more than six months' sight to 3655
run, exclusive of days of grace, that are any of the following: 3656

(a) From transactions involving the importation or 3657
exportation of goods; 3658

(b) From transactions involving the domestic shipment of 3659
goods; 3660

(c) Secured at the time of acceptance by a warehouse 3661
receipt or other documentation conveying or securing title 3662
covering readily marketable staples. 3663

(2)(a) Except as provided in division (B)(2)(b) of this 3664
section, no state bank shall accept drafts or bills of exchange, 3665
or be obligated for a participation share for drafts or bills of 3666
exchange under division (B)(1) of this section, in an amount 3667
equal at any time in the aggregate to more than one hundred 3668
fifty per cent of the bank's capital. 3669

(b) The superintendent of financial institutions, under 3670
conditions the superintendent may prescribe, may authorize a 3671
state bank to accept or be obligated for a participation share 3672
in drafts or bills of exchange under division (B)(1) of this 3673
section, in an amount not exceeding at any time in the aggregate 3674

two hundred per cent of the bank's capital. 3675

(3) Notwithstanding division (B) (2) of this section, a 3676
state bank's aggregate acceptances of drafts or bills of 3677
exchange, including obligations for a participation share in 3678
drafts or bills of exchange, under division (B) (1) of this 3679
section, that arise from domestic transactions shall not exceed 3680
fifty per cent of the aggregate of all acceptances of drafts or 3681
bills of exchange, including obligations for a participation 3682
share in drafts or bills of exchange, the bank is permitted 3683
under division (B) of this section. 3684

(4) No state bank shall accept drafts or bills of exchange 3685
or be obligated for a participation share in drafts or bills of 3686
exchange under division (B) (1) of this section, whether from a 3687
foreign or domestic transaction, for any one person, 3688
partnership, corporation, association, or other entity in an 3689
amount equal at any time in the aggregate to more than ten per 3690
cent of the bank's capital, unless the bank is secured either by 3691
attached documents or by some other actual security arising from 3692
the same transaction as the acceptance. 3693

(C) (1) Subject to the limitations set forth in division 3694
(C) (2) of this section, a state bank may accept drafts or bills 3695
of exchange drawn upon it having not more than three months' 3696
sight to run, exclusive of days of grace, and drawn under 3697
conditions the superintendent may prescribe, by banks or bankers 3698
in foreign countries or dependencies or insular possessions of 3699
the United States, for the purpose of furnishing dollar exchange 3700
as required by the usages of trade in the respective countries, 3701
dependencies, or insular possessions. 3702

(2) (a) No state bank shall accept drafts or bills of 3703
exchange under division (C) (1) of this section for any one bank 3704

in an aggregate amount exceeding ten per cent of the accepting 3705
bank's capital, unless the draft or bill of exchange is 3706
accompanied by documents conveying or securing title or other 3707
adequate security. 3708

(b) No state bank shall accept drafts or bills of exchange 3709
under division (C) (1) of this section in an aggregate amount 3710
exceeding fifty per cent of the accepting bank's capital. 3711

Sec. 1109.22. (A) As used in this section: 3712

(1) "Derivative transaction" includes any transaction that 3713
is a contract, agreement, swap, warrant, note, or option that is 3714
based, in whole or in part, on the value of, any interest in, or 3715
any quantitative measure or the occurrence of any event relating 3716
to, one or more commodities, securities, currencies, interest or 3717
other rates, indices, or other assets. 3718

(2) "Loans and extensions of credit" shall include all of 3719
the following: 3720

(a) All direct or indirect advances of funds made on the 3721
basis of any obligation of a person to repay the funds or 3722
repayable from specific property pledged by or on behalf of the 3723
person; 3724

(b) To the extent specified by the superintendent of 3725
financial institutions, any liability of a bank to advance funds 3726
to or on behalf of a person pursuant to a contractual 3727
commitment; 3728

(c) Any credit exposure to a person arising from a 3729
derivative transaction between the person and a bank. 3730

(3) "Person" includes an individual; sole proprietorship; 3731
partnership; joint venture; association; trust; estate; business 3732

trust; corporation; government; agency, instrumentality, or 3733
political subdivision of a government; limited liability 3734
company; or any similar entity or organization. 3735

(B) Except as provided in divisions (C), (D), (E), and (F) 3736
of this section: 3737

(1) The total loans and extensions of credit by a state 3738
bank to a person outstanding at any one time and not fully 3739
secured, as determined in a manner consistent with division (B) 3740
(2) of this section, by collateral having a market value at 3741
least equal to the amount of the loans and extensions of credit 3742
to that person that are outstanding shall not exceed fifteen per 3743
cent of the unimpaired capital of the bank. 3744

(2) The total loans and extensions of credit by a state 3745
bank to a person outstanding at one time and fully secured by 3746
readily marketable collateral having a market value, as 3747
determined by reliable and continuously available price 3748
quotations, at least equal to the amount of the loans and 3749
extensions of credit to that person that are outstanding shall 3750
not exceed ten per cent of the unimpaired capital of the bank. 3751

(3) The limitation set forth in division (B)(2) of this 3752
section is separate from and in addition to the limitation set 3753
forth in division (B)(1) of this section. 3754

(4) Notwithstanding the limitations set forth in divisions 3755
(B)(1) and (2) of this section, any state bank may grant one or 3756
more loans in an aggregate amount of up to five hundred thousand 3757
dollars to one person, subject to any applicable restrictions 3758
under federal law. 3759

(C) No limitation based on capital applies to loans and 3760
extensions of credit by a bank to a person that are any of the 3761

following types:	3762
(1) Loans or extensions of credit arising from the discount of commercial or business paper evidencing an obligation to the person negotiating it with recourse;	3763 3764 3765
(2) The purchase of bankers' acceptances of the kinds described in division (B) or (C) of section 1109.17 of the Revised Code and issued by other banks;	3766 3767 3768
(3) Loans or extensions of credit secured by bonds, notes, certificates of indebtedness, treasury bills of the United States, or other obligations fully guaranteed as to principal and interest by the United States;	3769 3770 3771 3772
(4) Loans or extensions of credit to or secured by unconditional takeout commitments or guarantees of any department, agency, bureau, board, commission, or establishment of the United States or any corporation wholly owned, directly or indirectly, by the United States;	3773 3774 3775 3776 3777
(5) Loans or extensions of credit secured by a segregated deposit account in the lending bank;	3778 3779
(6) Loans or extensions of credit to any financial institution or to any receiver, conservator, superintendent of financial institutions, or other agent in charge of the business and property of a financial institution, when the loans or extensions of credit are approved by the superintendent of financial institutions of this state;	3780 3781 3782 3783 3784 3785
(7) Loans or extensions of credit to the student loan marketing association.	3786 3787
(D) A <u>state</u> bank may make loans and extensions of credit secured by bills of lading, warehouse receipts, or similar	3788 3789

documents transferring or securing title to readily marketable 3790
staples subject to the general limitations of division (B) of 3791
this section, and may make additional loans and extensions of 3792
credit secured by bills of lading, warehouse receipts, or 3793
similar documents transferring or securing title to readily 3794
marketable staples, if all of the following apply: 3795

(1) The market value of the staples securing each 3796
additional loan or extension of credit at all times equals or 3797
exceeds one hundred fifteen per cent of the outstanding amount 3798
of the loan or extension of credit. 3799

(2) The staples are fully covered by insurance whenever it 3800
is customary to insure staples of that kind. 3801

(3) The total amount of the bank's additional loans and 3802
extensions of credit outstanding to one person at any time does 3803
not exceed thirty-five per cent of the bank's capital. 3804

(E) Subject to divisions (E) (1) and (2) of this section, a 3805
state bank may make loans and extensions of credit arising from 3806
the discount of negotiable or nonnegotiable installment consumer 3807
paper. 3808

(1) If the paper carries a full recourse endorsement or 3809
unconditional guarantee by the person transferring the paper, 3810
the total amount of the installment consumer paper transferred 3811
by one person a state bank may hold at one time shall not exceed 3812
twenty-five per cent of the bank's capital, and the collateral 3813
requirements of division (B) (2) of this section do not apply. 3814

(2) The limitations set forth in division (B) of this 3815
section apply only to the loans and extensions of credit of each 3816
maker of negotiable or nonnegotiable installment consumer paper, 3817
and not to obligations arising from any full or partial recourse 3818

endorsement or guarantee by the transferor discounting the 3819
consumer paper to the state bank, if both of the following 3820
apply: 3821

(a) The state bank's files are, or the knowledge of its 3822
officers of the financial condition of each maker of the 3823
consumer paper is, reasonably adequate. 3824

(b) An officer of the state bank designated for that 3825
purpose by the bank's board of directors certifies in writing 3826
that the bank is relying primarily upon the responsibility of 3827
each maker for payment of the loans or extensions of credit and 3828
not upon any full or partial recourse endorsement or guarantee 3829
by the transferor. 3830

(F) Without regard to the collateral requirements of 3831
division (B) of this section, a state bank may have loans and 3832
extensions of credit to one person outstanding at one time not 3833
exceeding twenty-five per cent of the bank's capital of the 3834
following types: 3835

(1) Loans and extensions of credit secured by shipping 3836
documents or instruments transferring or securing title covering 3837
livestock or giving a lien on livestock, when the market value 3838
of the livestock securing the obligation is not at any time less 3839
than one hundred fifteen per cent of the face amount of the note 3840
covered; 3841

(2) Loans and extensions of credit that arise from the 3842
discount by dealers in dairy cattle of paper given in payment 3843
for dairy cattle, if the paper carries a full recourse 3844
endorsement or unconditional guarantee of the seller, and the 3845
loans and extensions of credit are secured by the cattle being 3846
sold. 3847

(G) (1) The superintendent may adopt rules to administer 3848
and carry out the purposes of this section, including, but not 3849
limited to, the following: 3850

(a) Rules defining or further defining terms used in this 3851
section, including expanding or limiting the definition of 3852
"person" defined in division (A) of this section; 3853

(b) Rules establishing limits or requirements other than 3854
those specified in this section for particular classes or 3855
categories of loans or extensions of credit; 3856

(c) Rules relating to credit exposure arising from 3857
derivative transactions. 3858

(2) The superintendent may determine when a loan 3859
putatively made to a person is, for purposes of this section, to 3860
be attributed to another person. 3861

Sec. 1109.23. (A) No state bank may extend credit to any 3862
of its executive officers, directors, or principal shareholders, 3863
or to any of their related interests, except as authorized by 3864
this section and, with respect to executive officers, as 3865
authorized by section 1109.24 of the Revised Code. 3866

(B) (1) A state bank may extend credit to any of its 3867
executive officers, directors, or principal shareholders, or to 3868
any of their related interests, only if all of the following 3869
apply to the extension of credit: 3870

(a) The extension of credit is made on substantially the 3871
same terms, including interest rates and collateral, as those 3872
terms prevailing at the time for comparable transactions by the 3873
bank with persons who are not executive officers, directors, 3874
principal shareholders, or employees of the bank. 3875

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

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

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

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

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

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

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

(2) The executive officer, director, or principal shareholder, who or whose related interest would be obligated on

the extension of credit, has abstained from participating, 3905
directly or indirectly, in the deliberations or voting on the 3906
extension of credit. 3907

(D) A state bank may extend credit to any of its executive 3908
officers, directors, or principal shareholders, or to any of 3909
their related interests, only if the extension of credit is in 3910
an amount that, when aggregated with the amount of all 3911
outstanding extensions of credit by the bank to the executive 3912
officer, director, or principal shareholder and that person's 3913
related interests, would not exceed the limit on loans to a 3914
single borrower established by section 1109.22 of the Revised 3915
Code. 3916

(E) (1) A state bank may extend credit to any of its 3917
executive officers, directors, or principal shareholders, or to 3918
any of their related interests, if the extension of credit is in 3919
an amount that, when aggregated with the amount of all 3920
outstanding extensions of credit by the bank to all of its 3921
executive officers, directors, principal shareholders, and their 3922
related interests, would not exceed the bank's unimpaired 3923
capital. 3924

(2) The superintendent may prescribe a limit that is more 3925
stringent than the limit contained in division (E) (1) of this 3926
section. 3927

(3) The superintendent may make exceptions to division (E) 3928
(1) of this section for state banks with less than one hundred 3929
million dollars in deposits, if the superintendent determines 3930
that the exceptions are important to avoid constricting the 3931
availability of credit in small communities or to attract 3932
directors to those banks. In no case may the aggregate amount of 3933
all outstanding extensions of credit by a state bank to all of 3934

its executive officers, directors, principal shareholders, and 3935
their related interests, be more than two times the bank's 3936
unimpaired capital. 3937

(F) (1) If any executive officer or director of a state 3938
bank has an account at the bank, the bank may not pay from that 3939
account an amount exceeding the funds on deposit in the account. 3940

(2) Division (F) (1) does not prohibit the bank from paying 3941
funds in accordance with either of the following: 3942

(a) A written, preauthorized, interest-bearing extension 3943
of credit specifying a method of repayment; 3944

(b) A written preauthorized transfer of funds from another 3945
account of the executive officer or director at that bank. 3946

(G) No executive officer, director, or principal 3947
shareholder shall knowingly receive, or knowingly permit any of 3948
that person's related interests to receive, from a state bank, 3949
directly or indirectly, any extension of credit not authorized 3950
under this section. 3951

(H) (1) Subject to division (H) (2) of this section, for 3952
purposes of this section, any executive officer, director, or 3953
principal shareholder of any company of which the state bank is 3954
a subsidiary, or of any other subsidiary of that company, is 3955
deemed to be an executive officer, director, or principal 3956
shareholder, respectively, of the bank. 3957

(2) The superintendent may make exceptions to the 3958
application of division (H) (1) of this section for any person 3959
who is an executive officer or director of a subsidiary of a 3960
company that controls a state bank, if both of the following 3961
apply: 3962

(a) The person does not have authority to participate, and 3963
does not participate, in major policymaking functions of the 3964
bank. 3965

(b) The assets of the subsidiary do not exceed ten per 3966
cent of the consolidated assets of the company that controls the 3967
bank, and the subsidiary is not controlled by any other company. 3968

(I) For purposes of this section: 3969

(1) ~~Bank~~ "State bank" includes any subsidiary of a state 3970
bank. 3971

(2) (a) "Company" means any corporation, limited liability 3972
company, partnership, business or other trust, association, 3973
joint venture, pool syndicate, sole proprietorship, 3974
unincorporated organization, or other business entity. 3975

(b) "Company" does not include either of the following: 3976

(i) A bank, savings bank, or savings association, the 3977
deposits of which are insured by the federal deposit insurance 3978
corporation; 3979

(ii) A corporation the majority of the shares of which are 3980
owned by the United States or by any state of the United States. 3981

(3) "Control" of a company or state bank by a person means 3982
the person, directly or indirectly, or acting through or in 3983
concert with one or more persons, meets any of the following: 3984

(a) The person owns, controls, or has the power to vote 3985
twenty-five per cent or more of any class of the company's or, 3986
in the case of a stock state bank, the bank's voting securities. 3987

(b) The person controls in any manner the election of a 3988
majority of the company's or state bank's directors. 3989

(c) The person has the power to exercise a controlling influence over the company's or state bank's management or policies. 3990
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(4) "Executive officer" means a person who participates or has the authority to participate, other than as a director, in major policymaking functions of a company or state bank. 3993
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(5) To "extend credit" or to make an "extension of credit" means to make or renew any loan, to grant a line of credit, or to enter into any similar transaction as a result of which an executive officer, director, or principal shareholder, or any of that person's related interests, becomes obligated, directly, indirectly, or by any means whatsoever, to pay money or its equivalent to the state bank. 3996
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(6) "Principal shareholder" means a person who, directly or indirectly, or acting through or in concert with one or more persons, owns, controls, or has the power to vote more than ten per cent of any class of voting securities of a stock state bank or company, other than a company of which the bank is a subsidiary. 4003
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(7) "Related interest" of a person means either of the following: 4009
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(a) Any company controlled by that person; 4011

(b) Any political committee or campaign committee that is controlled by that person or the funds or services of which will benefit that person. 4012
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(8) "Subsidiary" means any company of which a state bank or company meets any of the following: 4015
4016

(a) The bank or company owns twenty-five per cent or more 4017

of the voting shares of the company. 4018

(b) The bank or company controls in any manner the 4019
election of a majority of the directors of the company. 4020

(c) The bank or company has the power, directly or 4021
indirectly, to exercise a controlling influence with respect to 4022
the management or policies of the company. 4023

Sec. 1109.24. (A) Except as authorized by this section or 4024
section 1109.23 of the Revised Code, no state bank may extend 4025
credit in any manner to any of its own executive officers. No 4026
executive officer of a state bank may become indebted to that 4027
bank except by means of an extension of credit the bank is 4028
authorized by this section to make. Any extension of credit made 4029
pursuant to this section shall be promptly reported to the 4030
bank's board of directors and may be made only if all of the 4031
following apply: 4032

(1) The state bank would be authorized to make the 4033
extension of credit to other borrowers. 4034

(2) The extension of credit is on terms that are not more 4035
favorable than those afforded to other non-executive borrowers. 4036

(3) The executive officer has submitted a detailed, 4037
current financial statement. 4038

(4) The extension of credit is made on the condition that 4039
it shall become due and payable on demand of the state bank at 4040
any time when the executive officer is indebted to any other 4041
bank or banks on account of extensions of credit of any one of 4042
the three categories referred to in divisions (B), (C), and (D) 4043
of this section in an aggregate amount greater than the amount 4044
of credit of the same category the state bank being served as an 4045
executive officer could extend to the executive officer. 4046

(B) With the specific prior approval of its board of 4047
directors, a state bank may make a loan to any of its executive 4048
officers if, at the time the loan is made, both of the following 4049
apply: 4050

(1) The loan is secured by a first lien on a dwelling that 4051
is expected, after the loan is made, to be owned by the 4052
executive officer and used as the executive officer's residence. 4053

(2) No other loan by the bank to the executive officer 4054
under the authority of this division is outstanding. 4055

(C) A state bank may make extensions of credit to any 4056
executive officer of the bank to finance the education of the 4057
executive officer's children. 4058

(D) A state bank may make extensions of credit not 4059
otherwise specifically authorized by this section to any of the 4060
bank's executive officers in an amount prescribed by the 4061
superintendent of financial institutions. 4062

(E) Except to the extent permitted by division (D) of this 4063
section, a state bank may not extend credit to a partnership in 4064
which one or more of the bank's executive officers are partners 4065
having, individually or together, a majority interest. For 4066
purposes of division (D) of this section, the full amount of the 4067
credit extended shall be considered to have been extended to 4068
each executive officer of the bank who is a member of the 4069
partnership. 4070

~~(F) Whenever an executive officer of a bank becomes 4071
indebted to any bank or banks, other than the bank served as an 4072
executive officer, on account of extensions of credit of any one 4073
of the categories referred to in divisions (B), (C), and (D) of 4074
this section in an aggregate amount greater than the aggregate 4075~~

~~amount of credit of the same category that could lawfully be~~ 4076
~~extended to the executive officer by the bank served as an~~ 4077
~~executive officer, the executive officer shall make a written~~ 4078
~~report to the board of directors of the bank stating all of the~~ 4079
~~following:~~ 4080

~~(1) The date and amount of each extension of credit by any~~ 4081
~~other bank or banks to the executive officer;~~ 4082

~~(2) The security for each extension of credit;~~ 4083

~~(3) The purposes for which the proceeds of the extensions~~ 4084
~~of credit have been or are to be used.~~ 4085

~~(C)~~ This section does not prohibit any executive officer 4086
of a state bank from endorsing or guaranteeing any loan or other 4087
asset previously acquired by the bank in good faith, for the 4088
protection of the bank, or incurring any indebtedness to the 4089
bank for the purpose of either protecting the bank against loss 4090
or giving financial assistance to the bank. 4091

~~(H)~~ (G) Each state bank shall include with, but not as 4092
part of, each report of condition made to the superintendent 4093
pursuant to section 1121.21 of the Revised Code, a report of all 4094
loans made under the authority of this section by the bank since 4095
the bank's previous report of condition. 4096

~~(I)~~ (H) Each day any extension of credit in violation of 4097
this section exists is a continuation of the violation for 4098
purposes of section 1121.35 of the Revised Code. 4099

Sec. 1109.25. (A) No stock state bank shall lend money on 4100
the security of shares of its own stock or accept shares of its 4101
own stock in satisfaction of a debt, unless necessary to prevent 4102
loss on a debt previously contracted in good faith. 4103

(B) A stock state bank that accepts shares of its own 4104
stock as allowed by division (A) of this section shall retire or 4105
dispose of the shares at the time and in the manner required by 4106
the superintendent of financial institutions. 4107

(C) For purposes of this section, the superintendent may 4108
determine that stock of a person that controls a stock state 4109
bank, if the stock is not readily marketable, is the functional 4110
equivalent of stock of the bank and, therefore, subject to 4111
divisions (A) and (B) of this section. 4112

Sec. 1109.26. (A) (1) A state bank may own or hold for not 4113
more than five years any real estate it acquires by foreclosure, 4114
conveyance in lieu of foreclosure, or other legal proceedings 4115
relating to loan security interests or otherwise in satisfaction 4116
of a debt previously contracted. The superintendent of financial 4117
institutions may, upon application by a state bank, grant the 4118
bank the power to hold the real estate for a longer time. 4119

(2) The superintendent may, at any time, require a state 4120
bank to obtain an independent qualified appraisal of real estate 4121
the bank owns or holds in accordance with division (A) (1) of 4122
this section. 4123

(3) Real estate sold on contract, but with title remaining 4124
in the name of the state bank, shall not be considered real 4125
estate held by the bank for the purpose of divisions (A) (1) and 4126
(2) of this section. 4127

(B) (1) A state bank may own or hold for not more than five 4128
years ~~stock shares~~ of companies either acquired in securing 4129
satisfaction of a debt previously contracted in good faith or 4130
taken on a refinancing plan involving an investment that was 4131
legal at the time it was made. The superintendent may, upon 4132

application by a state bank, grant the bank the power to hold 4133
the ~~stock~~ shares for a longer time. 4134

(2) The superintendent may, at any time, require a state 4135
bank to obtain an independent qualified appraisal of the ~~stock~~ 4136
shares the bank owns or holds in accordance with ~~this~~ division 4137
(B) of this section. 4138

(C) The limitations set forth in this section shall not 4139
apply to real estate or shares owned or held by a state bank 4140
affiliate. 4141

Sec. 1109.31. (A) A state bank may purchase, acquire by 4142
lease, or otherwise invest in the real estate and interests in 4143
real estate the board of directors considers necessary or 4144
convenient for transaction of the bank's business, including by 4145
ownership of ~~stock of a wholly owned subsidiary corporation~~ an 4146
entity having as its exclusive authority the ownership and 4147
management of the bank's real estate interests. 4148

(B) A state bank may invest an amount equal to the greater 4149
of the bank's capital or ten per cent of its total assets in any 4150
other real estate. This limitation does not apply, however, to 4151
real estate acquired by foreclosure, conveyance in lieu of 4152
foreclosure, or other legal proceedings relating to loan 4153
security interests or otherwise in satisfaction of a debt 4154
previously contracted. 4155

Sec. 1109.32. (A) A state bank may invest in any of the 4156
following: 4157

(1) Bonds, bills, notes, or other debt securities of the 4158
United States or for which the full faith and credit of 4159
the ~~united states~~ United States is pledged for payment of 4160
principal and interest; 4161

(2) Bonds, notes, or other debt securities issued by this 4162
state, or any state of the United States, that are the direct 4163
obligation of the issuer and for which the full faith and credit 4164
of the issuer is pledged to provide payment of the principal and 4165
interest; 4166

(3) Bonds, notes, or other debt securities of any county, 4167
municipal corporation, township, school district, improvement 4168
district, sewer district, or other subdivision of this state or 4169
any other state of the United States, that are the direct 4170
obligation of the county or the subdivision issuing them and for 4171
which the full faith and credit of the issuing county or 4172
subdivision is pledged to provide payment of principal and 4173
interest; 4174

(4) Bonds or other debt obligations issued or guaranteed 4175
by agencies or instrumentalities of the United States, 4176
regardless of the guarantee of payment of principal and interest 4177
by the United States; 4178

(5) Subject to conditions and restrictions the 4179
superintendent of financial institutions may prescribe, bonds, 4180
debentures, and other debt securities issued by any country or 4181
multinational organization that are the direct obligation of the 4182
issuing country or multinational organization and for which the 4183
full faith and credit of the issuing country or multinational 4184
organization is pledged to provide payment of principal and 4185
interest; 4186

(6) Bankers' acceptances of the kinds described in 4187
divisions (B) and (C) of section 1109.17 of the Revised Code; 4188

(7) Subject to conditions and restrictions the 4189
superintendent may prescribe, bonds, debentures, and other debt 4190

securities and obligations of any state or political subdivision 4191
of a state, a public corporation, or governmental agency that 4192
are payable solely out of anticipated revenues, commonly 4193
referred to as revenue bonds; 4194

(8) As defined and restricted by the superintendent, 4195
marketable obligations evidencing the indebtedness of any 4196
corporation in the form of bonds, notes, debentures, or 4197
equipment trust certificates, commonly referred to as investment 4198
securities. 4199

(B) In addition to any other provision of this chapter 4200
authorizing state banks to invest in bonds, debentures, or other 4201
debt securities, ~~the superintendent a state bank may approve~~ 4202
~~banks' investment invest~~ in bonds, debentures, and other debt 4203
securities and obligations in which ~~national other banks,~~ 4204
savings banks, and savings associations insured by the federal 4205
deposit insurance corporation, or federal or state-chartered 4206
credit unions, are permitted to invest. 4207

Sec. 1109.33. A state bank may apply to the superintendent 4208
of financial institutions for permission to invest, subject to 4209
the conditions and requirements prescribed by the 4210
superintendent, an amount, in the aggregate, not exceeding ten 4211
per cent of ~~the a stock state bank's~~ paid-in capital and surplus 4212
or a mutual state bank's retained earnings in the stock of banks 4213
or corporations chartered or incorporated under the laws of the 4214
United States, including section 25a of the "Federal Reserve Act 4215
of 1913," 12 U.S.C. 611, as amended, and principally engaged in 4216
international or foreign banking, or in banking in a dependency 4217
or insular possession of the United States, either directly or 4218
through the agency, ownership, or control of local institutions 4219
in foreign countries, dependencies, or insular possessions. 4220

Sec. 1109.34. (A) A state bank may invest in the 4221
securities of a domestic insurance company organized under 4222
Chapter 3907. or 3925. of the Revised Code, regulated by the 4223
superintendent of insurance under Title XXXIX of the Revised 4224
Code and engaged exclusively in the business of reinsuring 4225
risks, to the extent permitted by and subject to limitations and 4226
restrictions imposed by the superintendent of financial 4227
institutions by rules adopted in accordance with Chapter 119. of 4228
the Revised Code. 4229

(B) (1) The total amount any state bank may invest in the 4230
common and preferred stock, obligations, and other securities of 4231
domestic insurance companies pursuant to division (A) of this 4232
section shall not exceed ten per cent of the bank's assets. 4233

(2) A state bank may file an application with the 4234
superintendent of financial institutions for permission to 4235
invest, subject to the conditions and requirements prescribed by 4236
the superintendent of financial institutions, an amount in 4237
excess of ten per cent of the bank's capital in the common and 4238
preferred stock, bonds, debentures, and other obligations of one 4239
domestic insurance company pursuant to division (A) of this 4240
section. 4241

(C) A state bank making investments pursuant to division 4242
(A) of this section shall report the investments annually on the 4243
first day of March to the superintendent of financial 4244
institutions and the superintendent of insurance. The report 4245
shall include, for each reinsurer in which the bank has made an 4246
investment, information as to the amount of reinsurance written 4247
in this state by each line of insurance designated by the 4248
superintendent of insurance. 4249

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

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

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

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

(2) A stock state bank may invest, in the aggregate, five
per cent of its paid-in capital and surplus, and a mutual state
bank may invest, in the aggregate, five per cent of its retained
earnings, in shares issued by the following:

(a) Venture capital firms organized under the laws of the
United States or of this state and having an office within this
state, if, as a condition of a bank making an investment in a
venture capital firm, the firm agrees to use its best efforts to
make investments, in an aggregate amount at least equal to the
investment to be made by the bank in that venture capital firm,

in small businesses having their principal office within this 4280
state and having either more than one-half of their assets 4281
within this state or more than one-half of their employees 4282
employed within this state; 4283

(b) Small businesses having more than half of their assets 4284
or employees within this state. 4285

(B) (1) A state bank may invest in the following: 4286

(a) The stocks, bonds, debentures, notes, or other 4287
evidences of indebtedness of any of the following: 4288

(i) A community improvement corporation, organized under 4289
Chapters 1702. and 1724. of the Revised Code for the sole 4290
purpose of advancing, encouraging, and promoting the industrial, 4291
economic, commercial, and civic development of a community or 4292
area; 4293

(ii) A development corporation, organized under Chapter 4294
1726. of the Revised Code to promote agricultural, industrial, 4295
and business developments within the state; 4296

(iii) A community urban redevelopment corporation, 4297
organized under Chapter 1701. or 1702. of the Revised Code and 4298
qualified to operate under Chapter 1728. of the Revised Code to 4299
initiate and conduct projects for the clearance, replanning, 4300
development, and redevelopment of blighted areas within 4301
municipal corporations. 4302

(b) Other investments similar to the investments described 4303
in division (B) (1) (a) of this section and acceptable to the 4304
superintendent of financial institutions. 4305

(2) A state bank's investment in any one corporation or 4306
other entity pursuant to division (B) (1) of this section shall 4307

not exceed five per cent of the bank's capital, unless the 4308
superintendent determines additional investment does not pose 4309
significant risk to the bank. A state bank's investments 4310
pursuant to division (B) (1) of this section shall not in the 4311
aggregate exceed ten per cent of the bank's capital. 4312

Sec. 1109.36. To the extent permitted by and subject to 4313
any limitations and restrictions the superintendent of financial 4314
institutions may impose, a state bank may underwrite and deal in 4315
investments in the form of bonds, notes, debentures, or other 4316
debt securities that are any of the following: 4317

(A) The direct obligation of or guaranteed by the United 4318
States; 4319

(B) The direct obligation of or guaranteed by any state of 4320
the United States or any political subdivision of any state of 4321
the United States; 4322

(C) Acceptable to the superintendent. 4323

Sec. 1109.39. In addition to the specific investments 4324
authorized in this chapter, a state bank may also invest, in the 4325
aggregate, no more than ten per cent of its assets in the common 4326
or preferred stock, obligations, or other securities of any 4327
corporations, as authorized by the bank's board of directors. 4328

Sec. 1109.40. (A) In addition to the other loan and 4329
investment authority provided for banks in Chapter 1109. of the 4330
Revised Code, but subject to all other provisions of the Revised 4331
Code, a state bank may invest up to fifteen per cent of its 4332
total assets in loans or investments authorized by the bank's 4333
board of directors. 4334

(B) If a loan or other investment is authorized under more 4335
than one section of Chapter 1109. of the Revised Code, a state 4336

bank may designate under which section the loan or investment 4337
has been or will be made. The loan or investment may be 4338
apportioned among appropriate categories, and may be moved in 4339
whole or in part from one category to another. 4340

Sec. 1109.43. (A) For purposes of this section: 4341

(1) "Bankers' bank" means a bank organized to engage 4342
exclusively in providing services to other depository 4343
institutions and depository institution holding companies and 4344
their officers, directors, and employees. 4345

(2) "Bankers' bank holding company" means a corporation 4346
that owns or controls, directly or indirectly, a majority of the 4347
shares of the capital stock of a bankers' bank, or controls in 4348
any manner the election of a majority of the directors of a 4349
bankers' bank. 4350

(3) "Depository institution" means a bank, savings and 4351
loan association, savings bank, or credit union. 4352

(B) A state bank may invest, in the aggregate, up to ten 4353
per cent of its capital in shares of ~~a bankers' bank~~ banks ~~or a~~ 4354
bankers' bank holding ~~company, or both~~ companies. 4355

(C) (1) The voting shares of a bankers' bank shall be owned 4356
by twenty or more depository institutions or depository 4357
institution holding companies, and no depository institution or 4358
depository institution holding company shall own, directly or 4359
indirectly, more than fifteen per cent of the voting shares of a 4360
bankers' bank. 4361

(2) The voting shares of a bankers' bank shall be owned, 4362
directly or indirectly, exclusively by depository institutions, 4363
depository institution holding companies, and persons who hold 4364
the shares under, or initially acquired them through, a plan for 4365

the benefit of the bankers' bank's officers and employees. 4366

~~(D) No bank or affiliate of a bank shall, directly, 4367
indirectly, or acting through one or more other persons, own or 4368
control or have the power to vote shares of any of the 4369
following: 4370~~

~~(1) More than one bankers' bank; 4371~~

~~(2) More than one bankers' bank holding company; 4372~~

~~(3) Both a bankers' bank and a bankers' bank holding 4373
company, unless the bankers' bank is an affiliate of that 4374
bankers' bank holding company. 4375~~

Sec. 1109.44. (A) A state bank may invest, in the 4376
aggregate, twenty-five per cent of its assets in the stock, 4377
obligations, and other securities of bank subsidiary 4378
corporations and bank service corporations. 4379

(B) A state bank shall obtain the approval of the 4380
superintendent of financial institutions prior to investing in, 4381
acquiring, or establishing a bank subsidiary corporation or bank 4382
service corporation, or performing any new activities in a bank 4383
subsidiary corporation or bank service corporation. 4384

(C) (1) A bank subsidiary corporation that is a wholly 4385
owned subsidiary of the state bank may engage in any activities, 4386
except taking deposits, that are a part or an extension of the 4387
business of banking. 4388

(2) A bank service corporation shall be owned solely by 4389
one or more ~~depository institutions~~ banks, and may, at any 4390
location, do any of the following: 4391

(a) Provide clerical, bookkeeping, accounting, 4392
statistical, or similar services; 4393

(b) Engage in any activities, except taking deposits, that 4394
all of its owner ~~depository institutions~~ banks are authorized to 4395
engage in; 4396

(c) Engage in any activity, except taking deposits, the 4397
board of governors of the federal reserve system has determined 4398
to be permissible for a ~~bank~~ financial holding company under 4399
section 4~~(e)(8)~~ (k)(1) of the "Bank Holding Company Act of 4400
1956," as amended, 70 Stat. 133, 12 U.S.C.A. 1843~~(e)(8)~~ (k)(1). 4401

(D) Bank subsidiary corporations and bank service 4402
corporations are subject to examination and regulation by the 4403
superintendent. 4404

~~(E) Only if the company in which the investment is to be~~ 4405
~~made qualifies as either a~~ A bank subsidiary corporation or a 4406
bank service corporation under this section may a bank invest in 4407
securities pursuant to section 1109.39 of the Revised Code or 4408
make investments pursuant to section 1109.40 of the Revised Code 4409
that result in any of the following: 4410

~~(1) The bank, directly or indirectly, or acting through~~ 4411
~~one or more other persons, owns, controls, or has the power to~~ 4412
~~vote twenty five per cent or more of any class of voting~~ 4413
~~securities of the company in which the investment is being made.~~ 4414

~~(2) The bank controls in any manner the election of a~~ 4415
~~majority of the directors or trustees of the company in which~~ 4416
~~the investment is being made.~~ 4417

~~(3) As determined by the superintendent after notice and~~ 4418
~~opportunity for a hearing, the bank directly or indirectly~~ 4419
~~exercises a controlling influence over the management or~~ 4420
~~policies of the company in which the investment is being made~~ a 4421
lower-tier bank subsidiary corporation or bank service 4422

corporation, subject to the requirements of this section. 4423

Sec. 1109.441. Only for investments made under section 4424
1109.44 of the Revised Code may a state bank invest in 4425
securities pursuant to section 1109.39 of the Revised Code or 4426
make investments pursuant to section 1109.40 of the Revised Code 4427
that result in any of the following: 4428

(A) The state bank, directly or indirectly, or acting 4429
through one or more other persons, owning, controlling, or 4430
having the power to vote twenty-five per cent or more of any 4431
class of voting securities of the company in which the 4432
investment is being made; 4433

(B) The state bank controlling in any manner the election 4434
of a majority of the directors or trustees of the company in 4435
which the investment is being made; 4436

(C) As determined by the superintendent of financial 4437
institutions after notice and opportunity for a hearing, the 4438
state bank directly or indirectly exercising a controlling 4439
influence over the management or policies of the company in 4440
which the investment is being made. 4441

Sec. 1109.45. A state bank may invest in the shares of a 4442
clearing corporation as defined by section 1308.01 of the 4443
Revised Code. 4444

Sec. 1109.47. (A) Except as provided in division (B) of 4445
this section, a state bank shall not invest more than fifteen 4446
per cent of its capital in the ~~stock~~shares, obligations, or 4447
other securities of any one issuer. 4448

(B) Division (A) of this section does not apply to any of 4449
the following: 4450

(1) Bonds or other obligations enumerated in divisions (A)	4451
(1) to (6) of section 1109.32 of the Revised Code;	4452
(2) Investment in a bank subsidiary corporation engaged	4453
solely in the business of holding title to real estate described	4454
in division (A) of section 1109.31 of the Revised Code;	4455
(3) Obligations or securities, <u>other than stock</u> , of the	4456
federal national mortgage association, the student loan	4457
marketing association, the government national mortgage	4458
association, or the federal home loan mortgage corporation, or	4459
their successors;	4460
(4) Common and preferred stock, obligations, and other	4461
securities of one domestic reinsurance company with the written	4462
permission of the superintendent of financial institutions as	4463
required by division (B) of section 1109.34 of the Revised Code;	4464
<u>(5) Shares, obligations, securities, or other interests of</u>	4465
<u>any other issuer with the written approval of the</u>	4466
<u>superintendent.</u>	4467
(C) For purposes of this section, no purchase by a <u>state</u>	4468
bank of stock in a federal reserve bank or federal home loan	4469
bank is an investment.	4470
(D) If a state or political subdivision of a state issues	4471
securities, acting solely as a conduit for the transmission of	4472
the proceeds of the sale of the securities to one or more	4473
private entities for economic development purposes and to be	4474
repaid solely by the private entity or entities that received	4475
the proceeds of the sale of the securities, then both of the	4476
following apply for purposes of determining the amount a <u>state</u>	4477
bank may invest in accordance with division (A) of this section:	4478
(1) The securities are obligations of the private entity	4479

or entities in proportion to their receipt of the proceeds. 4480

(2) The securities are not obligations of the issuing 4481
state or political subdivision. 4482

Sec. 1109.48. In exercising its investment authority, a 4483
state bank shall give equal consideration to investments that 4484
involve firms owned and controlled by minorities and firms owned 4485
and controlled by women, either alone or in joint venture with 4486
other firms, where the investments offer quality, return, and 4487
safety comparable to other investments currently available to 4488
the bank. 4489

Sec. 1109.49. A state bank investing in the securities of 4490
a bank or corporation pursuant to this chapter shall furnish 4491
information concerning the financial condition of the bank or 4492
corporation to the superintendent of financial institutions upon 4493
the superintendent's demand. 4494

Sec. 1109.53. For purposes of this section and sections 4495
1109.54, 1109.55, and 1109.56 of the Revised Code: 4496

(A) (1) "Affiliate" means any of the following: 4497

(a) A company that controls the state bank and any other 4498
company controlled by the company that controls the state bank; 4499

(b) A bank subsidiary of the state bank; 4500

(c) A company that is controlled directly or indirectly, 4501
by a trust or otherwise, by or for the benefit of shareholders 4502
who beneficially or otherwise control, directly or indirectly, 4503
by trust or otherwise, the state bank or any company that 4504
controls the state bank; 4505

(d) A company in which a majority of the directors or 4506
trustees constitute a majority of the directors or trustees of 4507

the state bank or any company that controls the state bank; 4508

(e) A company, including a real estate investment trust, 4509
that is sponsored and advised on a contractual basis by the 4510
state bank or a subsidiary of the state bank; 4511

(f) An investment company to which the state bank or one 4512
of its affiliates is an investment advisor as defined in section 4513
2(a) (20) of the "Investment Company Act of 1940," 54 Stat. 789, 4514
15 U.S.C. 80a-2(a) (20), as amended; 4515

(g) A company the superintendent of financial institutions 4516
determines by rule or order to have a relationship with the 4517
state bank or one of its subsidiaries or affiliates such that 4518
covered transactions by the state bank or its subsidiary with 4519
that company may be affected by the relationship to the 4520
detriment of the state bank or its subsidiary. 4521

(2) "Affiliate" does not include any of the following: 4522

(a) A company, other than a bank, that is a subsidiary of 4523
a state bank, unless a determination is made under division (A) 4524
(1)(g) of this section not to exclude the subsidiary company 4525
from the definition of affiliate; 4526

(b) A company engaged solely in holding the premises of 4527
the state bank; 4528

(c) A company engaged solely in conducting a safe-deposit 4529
business; 4530

(d) A company engaged solely in holding obligations of the 4531
United States or its agencies or instrumentalities or 4532
obligations fully guaranteed as to principal and interest by the 4533
United States or its agencies or instrumentalities; 4534

(e) A company where control results from the exercise of 4535

rights arising out of a bona fide debt previously contracted, 4536
but only for a period of two years from the date the rights are 4537
exercised, subject to extensions granted by the superintendent 4538
of not more than one year at a time nor three years in the 4539
aggregate. 4540

(B) "Aggregate covered transactions" means the amount of 4541
the covered transactions about to be engaged in added to the 4542
current amount of all outstanding covered transactions. 4543

(C) "Company" means a corporation, limited liability 4544
company, partnership, business, trust, association, or similar 4545
organization and, unless specifically excluded by this section 4546
or section 1109.54, 1109.55, or 1109.56 of the Revised Code, a 4547
bank. 4548

(D) (1) "Covered transaction" means, with respect to an 4549
affiliate of a state bank, any of the following: 4550

(a) A loan or extension of credit to the affiliate; 4551

(b) A purchase of or an investment in securities issued by 4552
the affiliate; 4553

(c) A purchase of assets, including assets subject to an 4554
agreement to repurchase, from the affiliate, except the purchase 4555
of real or personal property as specifically exempted by the 4556
superintendent by rule or order; 4557

(d) The acceptance of securities issued by the affiliate 4558
as collateral security for a loan or extension of credit to any 4559
person or company; 4560

(e) The issuance of a guarantee, acceptance, or letter of 4561
credit, including an endorsement or standby letter of credit to 4562
any person or company. 4563

(2) "Covered transaction" does not include any of the following:	4564 4565
(a) A transaction with another bank if either of the following apply:	4566 4567
(i) One of the banks controls eighty per cent or more of the voting shares of the other bank.	4568 4569
(ii) The same company controls eighty per cent or more of the voting shares of both banks.	4570 4571
(b) Making deposits in an affiliated bank or affiliated foreign bank in the ordinary course of correspondent business, subject to any restrictions the superintendent may prescribe by rule or order;	4572 4573 4574 4575
(c) Giving immediate credit to an affiliate for uncollected items received in the ordinary course of business;	4576 4577
(d) Making a loan or extension of credit to, or issuing a guarantee, acceptance, or letter of credit on behalf of, an affiliate that is fully secured by one of the following:	4578 4579 4580
(i) Obligations of the United States or its agencies or instrumentalities;	4581 4582
(ii) Obligations fully guaranteed as to principal and interest by the United States or its agencies or instrumentalities;	4583 4584 4585
(iii) A segregated, earmarked deposit account with the <u>state</u> bank.	4586 4587
(e) Purchasing securities issued by a company engaged solely in one or more of the following activities:	4588 4589
(i) Holding or operating properties used or to be used	4590

wholly or substantially by any bank subsidiary of a company that	4591
controls the <u>state bank</u> in the operations of the bank	4592
subsidiary;	4593
(ii) Conducting a safe-deposit business;	4594
(iii) Furnishing services to or performing services for a	4595
company that controls the <u>state bank</u> or its subsidiaries;	4596
(iv) Liquidating assets acquired from a company that	4597
controls the <u>state bank</u> or its banking subsidiaries.	4598
(f) Purchasing assets having a readily identifiable and	4599
publicly available market quotation and purchased at that market	4600
quotation or purchasing loans on a nonrecourse basis from	4601
affiliated banks;	4602
(g) Purchasing from an affiliate a loan or extension of	4603
credit that was originated by the <u>state bank</u> and sold to the	4604
affiliate subject to a repurchase agreement or with recourse.	4605
(E) "Low quality asset" means an asset that is one or more	4606
of the following:	4607
(1) An asset classified as "substandard," "doubtful," or	4608
"loss," or treated as "other loans especially mentioned" in the	4609
most recent report of examination or inspection of an affiliate	4610
prepared by any of the federal deposit insurance corporation,	4611
the federal reserve, the office of the comptroller of the	4612
currency, the office of thrift supervision, the division of	4613
financial institutions, or the financial institution regulators	4614
of other states of the United States;	4615
(2) An asset in a nonaccrual status;	4616
(3) An asset on which principal or interest payments are	4617
more than thirty days past due;	4618

(4) An asset whose terms have been renegotiated or 4619
compromised due to the deteriorating financial condition of the 4620
obligor. 4621

(F) "Securities" means, except as provided in section 4622
1109.55 of the Revised Code, stocks, bonds, debentures, notes, 4623
or other similar obligations. 4624

(G) "Subsidiary" means, with respect to a specified 4625
company, a company that is controlled by the specified company. 4626

(H) (1) Subject to division (H) (2) of this section, a 4627
company or shareholder is deemed to have control over another 4628
company, if any of the following apply: 4629

(a) The company or shareholder, directly or indirectly, or 4630
acting through one or more other persons, owns, controls, or has 4631
the power to vote twenty-five per cent or more of any class of 4632
voting securities of the other company. 4633

(b) The company or shareholder controls in any manner the 4634
election of a majority of the directors or trustees of the other 4635
company. 4636

(c) The superintendent determines, after notice and 4637
opportunity for a hearing, the company or shareholder, directly 4638
or indirectly, exercises a controlling influence over the 4639
management or policies of the other company. 4640

(2) No company shall be found to own or control another 4641
company by virtue of the ownership or control of securities in a 4642
fiduciary capacity, except either as provided in divisions (A) 4643
(1) (c) and (d) of this section or if the company owning or 4644
controlling the securities is a business trust. 4645

(I) Any transaction by a state bank with any person shall 4646

be considered a transaction with an affiliate to the extent the
proceeds of the transaction are used for the benefit of, or
transferred to, an affiliate.

Sec. 1109.54. (A) A state bank and its subsidiaries may
engage in a covered transaction with an affiliate only if both
of the following apply:

(1) The aggregate amount of covered transactions by the
bank and its subsidiaries with the particular affiliate will not
exceed ten per cent of the bank's capital.

(2) The aggregate amount of all covered transactions by
the bank and its subsidiaries with all of the bank's affiliates
will not exceed twenty per cent of the bank's capital.

(B) A state bank and its subsidiaries may not purchase a
low quality asset from an affiliate unless the bank or its
subsidiary, pursuant to an independent credit evaluation,
committed itself to purchase the asset prior to the time the
asset was acquired by the affiliate.

(C) Any covered transactions and any transactions between
a state bank and an affiliate shall be on terms and conditions
that are consistent with safe and sound banking practices.

(D) Except as provided in division (E) (4) of this section,
any loan or extension of credit to, or guarantee, acceptance, or
letter of credit issued on behalf of, an affiliate by a state
bank or its subsidiary shall be secured at the time of the
transaction by collateral having a market value equal to any of
the following:

(1) One hundred per cent of the amount of the loan or
extension of credit, guarantee, acceptance, or letter of credit,
if the collateral is composed of any of the following:

(a) Obligations of the United States or its agencies or instrumentalities;	4676 4677
(b) Obligations fully guaranteed as to principal and interest by the United States or its agencies or instrumentalities;	4678 4679 4680
(c) Notes, drafts, bills of exchange, or bankers' acceptances described in division (B) or (C) (C) of section 1109.17 of the Revised Code;	4681 4682 4683
(d) A segregated, earmarked deposit account with the bank.	4684
(2) One hundred ten per cent of the amount of the loan or extension of credit, guarantee, acceptance, or letter of credit, if the collateral is composed of obligations of any state or political subdivision of any state;	4685 4686 4687 4688
(3) One hundred twenty per cent of the amount of the loan or extension of credit, guarantee, acceptance, or letter of credit, if the collateral is composed of other debt instruments, including receivables;	4689 4690 4691 4692
(4) One hundred thirty per cent of the amount of the loan or extension of credit, guarantee, acceptance, or letter of credit, if the collateral is composed of stock, leases, or other real or personal property.	4693 4694 4695 4696
(E) For purposes of division (D) of this section:	4697
(1) Any collateral that is subsequently retired or amortized shall be replaced by additional eligible collateral as needed to keep the percentage of the collateral value relative to the amount of the outstanding loan or extension of credit, guarantee, acceptance, or letter of credit equal to the minimum percentage required at the inception of the transaction.	4698 4699 4700 4701 4702 4703

(2) A low quality asset is not acceptable as collateral 4704
for a loan or extension of credit to, or guarantee, acceptance, 4705
or letter of credit issued on behalf of, an affiliate. 4706

(3) The securities issued by an affiliate of the state 4707
bank are not acceptable as collateral for a loan or extension of 4708
credit to, or guarantee, acceptance, or letter of credit issued 4709
on behalf of, that affiliate or any other affiliate of the bank. 4710

(4) The collateral requirements set forth in divisions (D) 4711
and (E)(1) of this section do not apply to any acceptance that 4712
is fully secured by either attached documents or other property 4713
that is involved in the transaction and that has an 4714
ascertainable market value. 4715

Sec. 1109.55. (A) A state bank and its subsidiaries may 4716
engage in any of the transactions described in division (B) of 4717
this section only if one of the following applies: 4718

(1) The transaction is on terms and under circumstances, 4719
including credit standards, that are substantially the same, or 4720
at least as favorable to the bank or its subsidiary, as those 4721
prevailing at the time for comparable transactions with or 4722
involving other nonaffiliated companies. 4723

(2) In the absence of comparable transactions, the 4724
transaction is on terms and under circumstances, including 4725
credit standards, that in good faith would be offered to, or 4726
would apply to, nonaffiliated companies. 4727

(B) Division (A) of this section applies to all of the 4728
following: 4729

(1) A covered transaction with an affiliate; 4730

(2) The sale of securities or other assets to an 4731

affiliate, including assets subject to an agreement to 4732
repurchase; 4733

(3) The payment of money or the furnishing of services to 4734
an affiliate under contract, lease, or otherwise; 4735

(4) Any transaction in which an affiliate acts as an agent 4736
or broker or receives a fee for its services to the bank or to 4737
any other person. 4738

(C) No state bank or its subsidiary shall do either of the 4739
following: 4740

(1) Purchase as fiduciary any securities or other assets 4741
from an affiliate unless the purchase is permitted by one of the 4742
following: 4743

(a) The instrument creating the fiduciary relationship; 4744

(b) A court order; 4745

(c) The law of the jurisdiction governing the fiduciary 4746
relationship. 4747

(2) Whether acting as principal or fiduciary, knowingly 4748
purchase or otherwise acquire, during the existence of any 4749
underwriting or selling syndicate, any security if a principal 4750
underwriter of the security is an affiliate. 4751

Division (C) (2) of this section does not apply if the 4752
purchase or acquisition of the securities has been approved, 4753
before the securities are initially offered for sale to the 4754
public, by a majority of the directors of the bank who are not 4755
officers or employees of the bank or any of its affiliates. 4756

(D) No state bank or affiliate or subsidiary of a state 4757
bank shall publish any advertisement or enter into any agreement 4758

stating or suggesting the bank shall in any way be responsible 4759
for the obligations of its affiliates. 4760

(E) For purposes of division (C) of this section: 4761

(1) "Principal underwriter" means any underwriter, in 4762
connection with a primary distribution of securities, that is 4763
any of the following: 4764

(a) In privity of contract with the issuer or an 4765
affiliated person of the issuer; 4766

(b) Acting alone or in concert with one or more other 4767
persons, initiates or directs the formation of an underwriting 4768
syndicate; 4769

(c) Allowed a rate of gross commission, spread, or other 4770
profit greater than the rate allowed another underwriter 4771
participating in the distribution. 4772

(2) "Security" has the same meaning as in section 3(a)(10) 4773
of the "Securities Exchange Act of 1934," 48 Stat. 881, 15 4774
U.S.C. 78c(a)(10), as amended. 4775

Sec. 1109.59. A state bank may borrow money in any sum 4776
consistent with safety and soundness. Borrowing by means of the 4777
issuance of debt securities is subject to the approval of the 4778
superintendent of financial institutions in accordance with 4779
section 1107.05 of the Revised Code. 4780

Sec. 1109.61. No state bank shall contract to pay, or pay 4781
to any person, any fees for management or consulting services, 4782
including fees for legal, accounting, brokerage, or other 4783
similar professional services, that do not have a direct 4784
relationship to the value of the services rendered or to be 4785
rendered, based on reasonable costs consistent with current 4786

market values for services of the kind contracted for. 4787

Sec. 1109.62. A state bank may engage in the business of 4788
selling insurance through a subsidiary insurance agency subject 4789
to licensing under the law of this state and the law of every 4790
other state in which services are provided by the bank or its 4791
subsidiary. 4792

Sec. 1109.63. A state bank may buy, sell, and exchange 4793
coin and bullion. 4794

Sec. 1109.64. Subject to the limitations and restrictions 4795
of Chapters 1101. to 1127. of the Revised Code, a state bank 4796
shall have the power to do both of the following: 4797

(A) Operate travel agencies; 4798

(B) Engage in the sale of tickets for passage on common 4799
carriers, such as airlines, railroads, ships, and buses, to 4800
points within and outside the United States. 4801

Sec. 1109.65. In order to protect its interest in a 4802
property, a state bank may purchase a tax certificate under 4803
section 5721.32 or 5721.33 of the Revised Code. 4804

Sec. 1109.68. (A) A bank may, for any business purpose, 4805
retain a document, paper, or other instrument or record by use 4806
of a process to record, copy, photograph, or store a 4807
representation of the original document, paper, or other 4808
instrument or record, if all of the following apply: 4809

(1) The process correctly and accurately copies or 4810
reproduces, or provides a means for correctly and accurately 4811
copying or reproducing, the original document, paper, or other 4812
instrument or record with regard to both its substance and 4813
appearance, except the copy or reproduction need not reflect the 4814

original paper or other medium, size, or color, unless the 4815
medium, size, or color is necessary to establish the 4816
authenticity of the original. 4817

(2) The process does not permit the recording, copy, 4818
photographic image, or stored representation of the original 4819
document, paper, or other instrument or record to be altered or 4820
manipulated. 4821

(3) Any medium the process uses to record, copy, 4822
photograph, or store a representation of the original document, 4823
paper, or other instrument or record is a durable medium for 4824
retaining and reproducing records. 4825

(B) The superintendent of financial institutions shall 4826
identify and publish a list of processes that satisfy the 4827
conditions of division (A) of this section. 4828

(C) Each bank that uses a process authorized by this 4829
section to preserve any of its records shall also provide for 4830
safekeeping and for examining, viewing, or projecting the 4831
records preserved, and for producing reproductions of the 4832
original records. 4833

(D) Recordings, copies, photographic images, or stored 4834
representations of original documents, papers, or other 4835
instruments or records made in accordance with this section, or 4836
reproductions of original documents, papers, or other 4837
instruments or records produced from recordings, copies, 4838
photographic images, or stored representations made in 4839
accordance with this section, when properly identified by the 4840
officer by whom or under whose supervision they were made or who 4841
has custody of them, have the same effect at law as the original 4842
records or records made by any other legally authorized means. 4843

They may be offered in the same manner and shall be received in 4844
evidence in any court where the original records, or records 4845
made by other legally authorized means, could have been 4846
introduced and received. Certified or authenticated duplicates 4847
of recordings, copies, photographic images, or stored 4848
representations of original documents, papers, or other 4849
instruments or records made in accordance with this section, or 4850
of reproductions of original documents, papers, or other 4851
instruments or records produced from recordings, copies, 4852
photographic images, or stored representations made in 4853
accordance with this section, shall be admitted in evidence in 4854
the same manner as the original documents, papers, or other 4855
instruments or records. 4856

Sec. 1109.69. (A) Every Unless a longer record retention 4857
period is required by applicable federal law or regulation, each 4858
bank shall retain or preserve the following bank records and 4859
supporting documents for only the following periods of time: 4860

(1) For one year: 4861

(a) Broker's confirmations, invoices, and statements 4862
relating to security transactions of the bank or for or with its 4863
customers, after date of transaction; 4864

(b) Corporate resolutions, partnership authorizations, and 4865
similar authorizations relating to closed accounts, loans that 4866
have been paid, or other completed transactions, after date of 4867
closing, payment, or completion; 4868

(c) Ledger records of safe deposit accounts, after date of 4869
last entry on the ledger; 4870

(d) Night depository records, after their date; 4871

(e) Records relating to closed Christmas club or similar 4872

limited duration special purpose accounts, after date of closing;	4873 4874
(f) Records relating to customer collection accounts, after date of transaction;	4875 4876
(g) Stop payment orders, after their date;	4877
(h) All records relating to closed consumer credit loans and discounts, after date of closing;	4878 4879
(i) Deposit tickets relating to demand deposit accounts, after their date;	4880 4881
(2) For six years:	4882
(a) Deposit and withdrawal tickets relating to open or closed savings accounts, after their date;	4883 4884
(b) Individual ledger sheets or other records serving the same purpose that show a zero balance and that relate to demand, time, or savings deposit accounts, and safekeeping accounts, after date of last entry, or, where the ledger sheets or other records show an open balance, after date of transfer of the amount of the balance to another ledger sheet or record;	4885 4886 4887 4888 4889 4890
(c) Official checks, drafts, money orders, and other instruments for the payment of money issued by the bank and that have been canceled, after date of issue;	4891 4892 4893
(d) Records relating to closed escrow accounts, after date of closing;	4894 4895
(e) Records, other than corporate resolutions, partnership authorizations, and similar authorizations relating to closed loans and discounts other than consumer credit loans and discounts, after date of closing;	4896 4897 4898 4899

(f) Safe deposit access tickets and correspondence or documents relating to access, after their date;	4900 4901
(g) Lease or contract records relating to closed safe deposit accounts, after date of closing;	4902 4903
(h) Signature cards relating to closed demand, savings, or time accounts, closed safe deposit accounts, and closed safekeeping accounts, after date of closing;	4904 4905 4906
(i) Undelivered statements for demand deposit, negotiable order of withdrawal, savings, agency, brokerage, or other accounts for which customer statements are prepared, and canceled checks or other items, after date of statement, provided the bank has attempted to send the statements and checks or other items to its customer, has held them pursuant to the instructions of or an agreement with its customer, or has made them available to its customer.	4907 4908 4909 4910 4911 4912 4913 4914
(B) The superintendent of financial institutions may designate a retention period of either one year or six years for any record maintained by a bank but not listed in division (A) of this section. Records that are not listed in division (A) of this section and for which the superintendent has not designated a retention period shall be retained or preserved for six years from the date of completion of the transaction to which the record relates or, if the last entry has been transferred to a new record showing the continuation of a transaction not yet completed, from the date of the last entry.	4915 4916 4917 4918 4919 4920 4921 4922 4923 4924
(C) The requirements of divisions (A) and (B) of this section may be complied with by the preservation of records in the manner prescribed in section 1109.68 of the Revised Code.	4925 4926 4927
(D) In construing the terms set forth in division (A) of	4928

this section, reference may be made to general banking usage. 4929

(E) A bank may dispose of any records that have been 4930
retained or preserved for the period set forth in divisions (A) 4931
and (B) of this section. 4932

(F) Any action by or against a bank based on, or the 4933
determination of which would depend on, the contents of records 4934
for which a period of retention or preservation is set forth in 4935
divisions (A) and (B) of this section shall be brought within 4936
the time for which the record must be retained or preserved. 4937

(G) Where a record may be classified under either division 4938
(A) (1) or (2) of this section, the record shall be retained or 4939
preserved for the period set forth in division (A) (2) of this 4940
section. 4941

(H) The provisions of this section do not apply to those 4942
records maintained by a bank in its capacity as a trust company. 4943

Sec. 1111.01. As used in this chapter: 4944

(A) "Charitable trust" means a charitable remainder 4945
annuity trust as defined in section 664(d) of the Internal 4946
Revenue Code, a charitable remainder unitrust as defined in 4947
section 664(d) of the Internal Revenue Code, a charitable lead 4948
or other split interest trust subject to the governing 4949
instrument requirements of section 508(e) of the Internal 4950
Revenue Code, a pooled income fund as defined in section 642(c) 4951
of the Internal Revenue Code, a trust that is a private 4952
foundation as defined in section 509 of the Internal Revenue 4953
Code, or a trust of which each beneficiary is a charity. 4954

For purposes of this division and division (B) of this 4955
section, "Internal Revenue Code" means the "Internal Revenue 4956
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 4957

(B) "Charity" means a state university as defined in 4958
section 3345.011 of the Revised Code, a community college as 4959
defined in section 3354.01 of the Revised Code, a technical 4960
college as defined in section 3357.01 of the Revised Code, a 4961
state community college as defined in section 3358.01 of the 4962
Revised Code, a private college or university that possesses a 4963
certificate of authorization issued by the Ohio board of regents 4964
pursuant to Chapter 1713. of the Revised Code, a trust or 4965
organization exempt from taxation under section 501(c)(3) or 4966
section 501(c)(13) of the Internal Revenue Code, or a 4967
corporation, trust, or organization described in section 170(c) 4968
(2) of the Internal Revenue Code. The term "charities" means 4969
more than one trust or organization that is a charity. 4970

(C) "Collective investment fund" means a fund established 4971
by a trust company or an affiliate of a trust company for the 4972
collective investment of assets held in a fiduciary capacity, 4973
either alone or with one or more cofiduciaries, by the 4974
establishing trust company and its affiliates. 4975

(D) "Fiduciary investment company" means a corporation 4976
that is both of the following: 4977

(1) An investment company; 4978

(2) Incorporated, owned, and operated in accordance with 4979
rules adopted by the superintendent of financial institutions 4980
for the investment of funds held by trust companies in a 4981
fiduciary capacity and for true fiduciary purposes, either alone 4982
or with one or more cofiduciaries. 4983

(E) "Instrument" includes any will, declaration of trust, 4984
agreement of trust, agency, or custodianship, or court order 4985
creating a fiduciary relationship. 4986

(F) "Investment company" means any investment company as 4987
defined in section 3 and registered under section 8 of the 4988
"Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a- 4989
3 and 80a-8, as amended. 4990

(G) "Trust business" means accepting and executing trusts 4991
of property, serving as a trustee, executor, administrator, 4992
guardian, receiver, or conservator, and providing fiduciary 4993
services as a business. "Trust business" does not include any of 4994
the following: 4995

(1) Any natural person acting as a trustee, executor, 4996
administrator, guardian, receiver, or conservator pursuant to 4997
appointment by a court of competent jurisdiction; 4998

(2) Any natural person serving as a trustee who does not 4999
hold self out to the public as willing to act as a trustee for 5000
hire. For purposes of division (G) of this section, the 5001
solicitation or advertisement of legal or accounting services by 5002
a person licensed in this state as an attorney or a person 5003
holding an Ohio permit to practice public accounting issued 5004
under division (A) of section 4701.10 of the Revised Code shall 5005
not be considered to be the act of holding self out to the 5006
public as willing to act as a trustee for hire. 5007

(3) A charity, an officer or employee of a charity, or a 5008
person affiliated with a charity, serving as trustee of a 5009
charitable trust of which the charity, or another charity with a 5010
similar purpose, is a beneficiary; 5011

(4) Other fiduciary activities the superintendent 5012
determines are not undertaken as a business. 5013

Sec. 1111.02. (A) Except as provided in ~~divisions~~division 5014
(B) ~~and (C)~~ of this section, no person shall solicit or engage 5015

in trust business in this state except a corporation that is one 5016
of the following: 5017

(1) A corporation licensed under section 1111.06 of the 5018
Revised Code that is one of the following: 5019

(a) A bank doing business under authority granted by the 5020
superintendent of financial institutions; 5021

~~(b) A savings and loan association doing business under 5022
authority granted by the superintendent of financial 5023
institutions; 5024~~

~~(c) A savings bank doing business under authority granted 5025
by the superintendent of financial institutions; 5026~~

~~(d) A bank authorized to accept and execute trusts and 5027
doing business under authority granted by the bank chartering 5028
authority of another state or country; 5029~~

~~(e) (c) A corporation organized under the laws of another 5030
state or country and authorized to accept and execute trusts in 5031
that state or country. 5032~~

(2) A national bank or federal savings association 5033
authorized to accept and execute trusts and doing business under 5034
authority granted by the office of the comptroller of the 5035
currency; 5036

~~(3) A savings association authorized to accept and execute 5037
trusts and doing business under authority granted by the office 5038
of thrift supervision. 5039~~

(B) This chapter shall not apply to ~~any of the following~~: 5040

~~(1) A savings and loan association serving as a trustee to 5041
the extent authorized by section 1151.191 of the Revised Code; 5042~~

~~(2) A savings bank serving as a trustee to the extent authorized by section 1161.24 of the Revised Code;~~ 5043
5044

~~(3) A corporation that is incorporated under the laws of another state or the United States, has its principal place of business in another state, is currently qualified to do and is engaging in trust business in the state where the corporation has its principal place of business, and is doing any of the following:~~ 5045
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~~(a) (1) Serving as ancillary executor or administrator of property in this state that is in the estate of a decedent, after appointment as executor or administrator of the estate by the courts of the decedent's state of residence;~~ 5051
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5054

~~(b) (2) As trustee, acquiring, holding, or transferring a security interest in lands or other property in this state, by mortgage, deed of trust, or other instrument, to secure any evidence of indebtedness;~~ 5055
5056
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~~(c) (3) Certifying to any evidence of indebtedness.~~ 5059

~~(C) The following persons shall not be subject to this chapter until July 1, 1997:~~ 5060
5061

~~(1) Any person, other than a person described in division (A) or (B) of this section, that is serving as a fiduciary under a trust instrument, will, or other document executed before July 1, 1997;~~ 5062
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~~(2) Any person, other than a person described in division (A) or (B) of this section, that is named as a fiduciary in, or is nominated as a fiduciary under, a trust instrument, will, or other document executed before July 1, 1997.~~ 5066
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Sec. 1111.03. (A) Notwithstanding any other provision of 5070

the Revised Code, any national bank or federal savings 5071
association that has been granted fiduciary powers by the office 5072
of the comptroller of the currency ~~or any federal savings~~ 5073
~~association that has been granted fiduciary powers by the office~~ 5074
~~of thrift supervision~~ may act in this state as trustee, 5075
executor, administrator, registrar of stocks and bonds, guardian 5076
of estates, assignee, receiver, or in any other fiduciary 5077
capacity in which trust companies qualified and licensed under 5078
section 1111.06 of the Revised Code are authorized to act in 5079
this state. For such purpose, a national bank or federal savings 5080
association shall have the same powers and rights, including but 5081
not limited to, the same right to make and accept transfers of 5082
fiduciary appointments, as are granted by the laws of this state 5083
to trust companies qualified and licensed under section 1111.06 5084
of the Revised Code, and may solicit trust business, accept 5085
trust deposits, and maintain nonbranch trust offices in this 5086
state. A national bank or federal savings association shall not, 5087
by virtue of conducting such trust activity in this state, be 5088
subject to examination or inspection by the superintendent of 5089
financial institutions, nor shall it be required to obtain any 5090
approval, authorization, licenses, or certification from, or pay 5091
any fee or assessment to, the superintendent in order to conduct 5092
trust activities in this state. 5093

(B) Notwithstanding the provisions of division (A) of this 5094
section, section 1111.04, division (B) of section 1111.07, and 5095
section 1111.08 of the Revised Code shall apply to national 5096
banks and federal savings associations. 5097

Sec. 1111.04. (A) Prior to soliciting or engaging in trust 5098
business in this state, a trust company shall pledge to the 5099
treasurer of state interest bearing securities authorized in 5100
division (B) of this section, having a par value, not including 5101

unaccrued interest, of one hundred thousand dollars, and 5102
approved by the superintendent of financial institutions. The 5103
trust company may pledge the securities either by delivery to 5104
the treasurer of state or by placing the securities with a 5105
qualified trustee for safekeeping to the account of the 5106
treasurer of state, the corporate fiduciary, and any other 5107
person having an interest in the securities under Chapter 1109. 5108
of the Revised Code, as their respective interests may appear 5109
and be asserted by written notice to or demand upon the 5110
qualified trustee or by order of judgment of a court. 5111

(B) Securities pledged by a trust company to satisfy the 5112
requirements of division (A) of this section shall be one or 5113
more of the following: 5114

(1) Bonds, notes, or other obligations of or guaranteed by 5115
the United States or for which the full faith and credit of the 5116
United States is pledged for the payment of principal and 5117
interest; 5118

(2) Bonds, notes, debentures, or other obligations or 5119
securities issued by any agency or instrumentality of the United 5120
States; 5121

(3) General obligations of this or any other state of the 5122
United States or any subdivision of this or any other state of 5123
the United States. 5124

(C) The treasurer of state shall accept delivery of 5125
securities pursuant to this section when accompanied by the 5126
superintendent's approval of the securities or the written 5127
receipt of a qualified trustee describing the securities and 5128
showing the superintendent's approval of the securities, and 5129
shall issue a written acknowledgment of the delivery of the 5130

securities or the qualified trustee's receipt and the 5131
superintendent's approval to the trust company. 5132

(D) The superintendent shall approve securities to be 5133
pledged by a trust company pursuant to this section if the 5134
securities are all of the following: 5135

(1) Interest bearing and of the value required by division 5136
(A) of this section; 5137

(2) Of one or more of the kinds authorized by division (B) 5138
of this section and not a derivative of or merely an interest in 5139
any of those securities; 5140

(3) Not in default. 5141

(E) The treasurer of state shall, with the approval of the 5142
superintendent, permit a trust company to pledge securities in 5143
substitution for securities pledged pursuant to this section and 5144
the withdrawal of the securities substituted for so long as the 5145
securities remaining pledged satisfy the requirements of 5146
division (A) of this section. The treasurer of state shall 5147
permit a trust company to collect interest paid on securities 5148
pledged pursuant to this section so long as the trust company is 5149
solvent. The treasurer of state shall, with the approval of the 5150
superintendent, permit a trust company to withdraw securities 5151
pledged pursuant to this section when the trust company has 5152
ceased to solicit or engage in trust business in this state. 5153

(F) For purposes of this section, a qualified trustee is a 5154
federal reserve bank, a federal home loan bank, a trust company 5155
as defined in section 1101.01 of the Revised Code, or a national 5156
bank or federal savings association that has pledged securities 5157
pursuant to this section, is authorized to accept and execute 5158
trusts, and is doing business under authority granted by the 5159

~~office of the comptroller of the currency, or a savings-~~ 5160
~~association that has pledged securities pursuant to this-~~ 5161
~~section, is authorized to accept and execute trusts, and is-~~ 5162
~~doing business under authority granted by the office of thrift-~~ 5163
~~supervision except that.~~ However, a national bank or federal 5164
savings association doing business under authority granted by 5165
the office of the comptroller of the currency, ~~a savings-~~ 5166
~~association doing business under authority granted by the office-~~ 5167
~~of thrift supervision,~~ or a trust company may not act as a 5168
qualified trustee for securities it or any of its affiliates is 5169
pledging pursuant to this section. 5170

(G) The superintendent, with the approval of the treasurer 5171
of state and the attorney general, shall prescribe the form of 5172
all receipts and acknowledgments provided for by this section, 5173
and upon request shall furnish a copy of each form, with the 5174
superintendent's certification attached, to each qualified 5175
trustee eligible to hold securities for safekeeping under this 5176
section. 5177

Sec. 1111.06. (A) Any person, other than a national bank 5178
with trust powers or a federal savings association with trust 5179
powers, proposing to solicit or engage in trust business in this 5180
state shall apply to the superintendent of financial 5181
institutions to be licensed as a trust company. The 5182
superintendent shall approve or disapprove the application 5183
within sixty days after accepting it. 5184

(B) In determining whether to approve or disapprove an 5185
application for a trust company license, the superintendent 5186
shall consider all of the following: 5187

(1) Whether the applicant is a corporation described in 5188
division (A) (1) of section 1111.02 of the Revised Code; 5189

(2) Whether the applicant's articles of incorporation or association authorize the applicant to serve as a trustee;	5190 5191
(3) If the applicant is not a <u>state bank</u> , savings and loan association, or savings bank doing business under authority granted by the superintendent , whether the applicant is currently qualified to do and is engaging in trust business in the state or country under the laws of which the applicant is organized;	5192 5193 5194 5195 5196 5197
(4) Whether the applicant satisfies the requirements of section 1111.05 of the Revised Code;	5198 5199
(5) Whether it is reasonable to believe the applicant will comply with applicable laws and observe sound fiduciary standards in conducting trust business in this state;	5200 5201 5202
(6) If the applicant is not a <u>state bank</u> , savings and loan association, or savings bank doing business under authority granted by the superintendent , whether the applicant is subject to comprehensive supervision and regulation of its fiduciary activities by appropriate authorities of the state or country under the laws of which the applicant is organized.	5203 5204 5205 5206 5207 5208
(C) In approving an application for a trust company license, the superintendent may impose any condition the superintendent determines to be appropriate.	5209 5210 5211
(D) When an applicant has satisfied all prior conditions imposed by the superintendent in approving the applicant's application for a trust company license and has pledged securities as required by section 1111.04 of the Revised Code, the superintendent shall issue the applicant a trust company license. A license issued pursuant to this section shall remain in force and effect until surrendered by the licensee pursuant	5212 5213 5214 5215 5216 5217 5218

to section 1111.31 of the Revised Code or suspended or revoked 5219
by the superintendent pursuant to section 1111.32 of the Revised 5220
Code. 5221

Sec. 1111.07. (A) A trust company's license to solicit or 5222
engage in trust business in this state is not transferable or 5223
assignable. 5224

(B) Subject to section 2109.28 of the Revised Code, if any 5225
trust company enters into a merger or consolidation in which the 5226
trust company is not the surviving corporation, or transfers all 5227
or substantially all of its assets and liabilities to another 5228
corporation, the resulting, surviving, or transferee corporation 5229
shall succeed the trust company as fiduciary as a matter of law 5230
and without necessity to do anything further, if the resulting, 5231
surviving, or transferee corporation is a trust company ~~or~~ or a 5232
national bank or federal savings association authorized to 5233
accept and execute trusts and doing business under authority 5234
granted by the office of the comptroller of the currency, ~~or a~~ 5235
~~federal savings association authorized to accept and execute~~ 5236
~~trusts and doing business under authority granted by the office~~ 5237
~~of thrift supervision~~. If the trust company is not the surviving 5238
corporation of a merger, enters a consolidation, or after 5239
transferring substantially all of its assets and liabilities 5240
ceases to solicit or engage in trust business in this state, the 5241
trust company shall surrender its trust company license in 5242
accordance with section 1111.31 of the Revised Code. 5243

Sec. 1111.08. (A) A trust company, or a national bank or 5244
federal savings association authorized to accept and execute 5245
trusts and doing business under authority granted by the office 5246
of the comptroller of the currency, ~~or a federal savings~~ 5247
~~association authorized to accept and execute trusts and doing~~ 5248

~~business under authority granted by the office of thrift-
supervision~~ may transfer all or part of its trust business in
this state to another trust company or to a national bank or
federal savings association authorized to accept and execute
trusts and doing business under authority granted by the office
of the comptroller of the currency, ~~or to a federal savings-
association authorized to accept and execute trusts and doing-
business under authority granted by the office of thrift-
supervision~~, if all of the following have occurred:

(1) Not less than sixty days before consummation of the
transfer, either the transferor or transferee, or both, for each
fiduciary account or relationship to be transferred, has given
written notice, by regular mail to the most recent address shown
on the records of the transferor, to all of the following that
apply:

(a) Each court having jurisdiction over the fiduciary
account or relationship;

(b) Each cofiduciary of the fiduciary account or
relationship;

(c) Each surviving settlor of the trust;

(d) Each person that, alone or in conjunction with others,
has the power to remove the trust company as fiduciary or
appoint a successor fiduciary;

(e) Except in the case of a trust described in section
401(a) of the "Internal Revenue Code of 1986," 100 Stat. 2085,
26 U.S.C.A. 401(a), as amended, each adult beneficiary currently
receiving or entitled as a matter of right to receive a
distribution of principal or income from the trust, estate, or
fund;

(f) In the case of a trust described in section 401(a) of 5278
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 5279
401(a), as amended, the employer or employee organization, or 5280
both, responsible for the maintenance of the trust. 5281

(2) The transferor has filed a certified copy of the 5282
agreement for the sale with the superintendent of financial 5283
institutions. 5284

(B)(1) The transfer of a fiduciary account or relationship 5285
pursuant to division (A) of this section results in the 5286
transferee being substituted for the transferor as fiduciary as 5287
a matter of law and without necessity to do anything further. 5288

(2) The transfer of a fiduciary account or relationship 5289
pursuant to division (A) of this section does neither of the 5290
following: 5291

(a) Impair the right of any person that, alone or in 5292
conjunction with others, has the power to remove a fiduciary or 5293
appoint a successor fiduciary; 5294

(b) Absolve or discharge a transferor from any liability 5295
arising out of its breach of any fiduciary duty or obligation to 5296
the account prior to the transfer. 5297

Sec. 1111.09. (A)(1) A trust service office is any 5298
location established by a trust company as a place for either of 5299
the following: 5300

(a) Persons seeking the services of the trust company, or 5301
information about those services, to contact representatives of 5302
the trust company regarding the trust company's business. 5303

(b) The trust company's representatives to contact the 5304
trust company's customers, or potential customers, and their 5305

representatives. 5306

(2) None of the following is a trust service office: 5307

(a) Any location where a trust company conducts its 5308
operations but does not provide facilities for contact with its 5309
customers or contact by the public with the trust company; 5310

(b) Any location that is the home or place of work or 5311
business or used for the convenience of the trust company's 5312
customer, potential customer, or a representative of a customer 5313
or potential customer where the trust company's representative's 5314
contact with its customer, potential customer, or a 5315
representative of a customer or potential customer is merely 5316
incidental to the purposes for which the location is maintained 5317
and to the activities conducted there; 5318

(c) Any location where another person, including a 5319
financial institution, conducts its business and persons 5320
inquiring about trust services are merely referred to a trust 5321
company, even if referrals to a particular trust company are by 5322
exclusive arrangement and compensated. 5323

(B) A trust company may, consistent with the trust 5324
company's safe and sound operation and the law, establish and 5325
maintain trust service offices at any location, including the 5326
following: 5327

(1) If clearly identified and distinguished, at a location 5328
where another person, including a financial institution, also 5329
conducts business; 5330

(2) If the trust company is a bank, savings and loan 5331
association, or savings bank, at any of its approved banking 5332
offices or main office or branches. 5333

(C) (1) A trust company shall give notice in writing to the
superintendent of financial institutions prior to establishing,
relocating, or closing a trust service office in this state.

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

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

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

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

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

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

(3) The location and a description of the proposed initial banking office; 5363
5364

(4) Information to demonstrate the proposed bank will satisfy the requirements of division (C) of section 1113.03 and any other provision of the Revised Code identified by the superintendent. 5365
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(C) Notwithstanding division (A) of this section, a corporation may act as the sole incorporator of a stock state bank if either of the following applies: 5369
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(1) The corporation is registered with the board of governors of the federal reserve system as a bank holding company; 5372
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(2) The superintendent determines the corporation is intending to form either of the following: 5375
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(a) A stock state bank that functions solely in a trust or fiduciary capacity and that meets all of the requirements set forth in section 2(c)(2)(D) of the "Bank Holding Company Act of 1956," 70 Stat. 133, 12 U.S.C. 1841(c)(2)(D), as amended; 5377
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(b) A stock state bank that engages only in credit card operations, does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others, does not accept any savings or time deposit of less than one hundred thousand dollars, maintains only one office that accepts deposits, and does not engage in the business of making commercial loans. 5381
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Sec. 1113.03. (A) Within ten days after receipt from the superintendent of financial institutions of notice of acceptance of an application for approval to incorporate a stock state bank, the incorporators shall publish, in print or in a 5388
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comparable electronic format, notice of the proposed 5392
incorporation in a newspaper of general circulation in the 5393
county where the bank's initial banking office is to be located. 5394
The incorporators shall publish the notice once a week for two 5395
weeks and furnish a certified copy of it to the superintendent. 5396
The notice shall specify the name of the proposed bank, its 5397
location, the amount of the proposed capital, the names of the 5398
incorporators, the address of the superintendent, and the date 5399
by which comments on the application must be filed with the 5400
superintendent, which date shall be thirty days after the date 5401
of the first publication of the notice. 5402

(B) If any comments on the application are filed with the 5403
superintendent within the thirty-day period prescribed in 5404
division (A) of this section, the superintendent shall determine 5405
whether the comments are relevant to the requirements for 5406
incorporation of a stock state bank and, if so, investigate the 5407
comments in the manner the superintendent considers appropriate. 5408

(C) The superintendent shall examine all of the facts 5409
connected with the application to determine if all of the 5410
following requirements are met: 5411

(1) The proposed articles of incorporation and code of 5412
regulations, application for reservation of name, applicable 5413
fees, and other items required meet the requirements of the 5414
Revised Code. 5415

(2) The convenience and needs of the public will be served 5416
by the proposed bank. 5417

(3) The population and economic characteristics of the 5418
area primarily to be served afford reasonable promise of 5419
adequate support for the proposed bank. 5420

(4) The competence, experience, and integrity of the proposed directors and officers are such as to command the confidence of the community and warrant the belief that the business of the proposed bank will be honestly and efficiently conducted.

(5) The capital of the proposed bank is adequate in relation to the amount and character of the anticipated business of the bank and the safety of prospective depositors.

(D) Within one hundred eighty days following the date of acceptance of the application, the superintendent shall approve or disapprove the incorporation of the proposed bank upon the basis of the examination. In giving approval, the superintendent may impose conditions to be met prior to the issuance of a certificate of authority to commence business under section 1113.09 of the Revised Code.

(E) If the superintendent approves the application, the superintendent shall make a certificate to that effect and forward the certificate and the articles of incorporation of the proposed bank to the secretary of state for filing.

Sec. ~~1103.06~~ 1113.04. (A) A stock state bank's articles of incorporation shall contain all of the following:

(1) The name of the bank;

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

(3) The purpose or purposes for which the bank is formed;

(4) The maximum number and the par value of shares the bank is authorized to have outstanding and their express terms, if any. The articles of incorporation shall not authorize shares

without par value. If the shares are to be classified, the 5449
designation of each class, the number and par value of the 5450
shares of each class, and the express terms, if any, of the 5451
shares of each class shall be included. 5452

(B) The articles of incorporation may also set forth any 5453
lawful provision for the purpose of defining, limiting, or 5454
regulating the exercise of the authority of the stock state 5455
bank, the incorporators, the directors, the officers, the 5456
shareholders, or the holders of any class of shares, and any 5457
provision that may be set forth in the bank's code of 5458
regulations. 5459

Sec. 1113.05. (A) Before any subscription to shares has 5460
been received, the incorporators may, by unanimous written 5461
action and subject to ~~division (E)~~ the requirements of this 5462
section, adopt amendments to the stock state bank's articles of 5463
incorporation or amended articles of incorporation to change any 5464
provision of, or add any provision that may properly be included 5465
in, the articles of incorporation. 5466

(B) Amended articles of incorporation shall set forth all 5467
provisions required in, and only provisions that may properly be 5468
in, original articles of incorporation or amendments to articles 5469
of incorporation at the time the amended articles of 5470
incorporation are adopted, and shall state that they supersede 5471
the existing articles of incorporation. 5472

(C) (1) If the incorporators propose the adoption of any 5473
amendment to a stock state bank's articles of incorporation or 5474
amended articles of incorporation, the bank shall send to the 5475
superintendent of financial institutions a copy of the proposed 5476
amendment or amended articles of incorporation for review and 5477
approval prior to adoption by the incorporators. 5478

(2) Upon receiving a proposed amendment or amended 5479
articles of incorporation, the superintendent shall conduct 5480
whatever examination the superintendent considers necessary to 5481
determine if both of the following conditions are satisfied: 5482

(a) The proposed amendment or amended articles of 5483
incorporation comply with the requirements of the Revised Code. 5484

(b) The proposed amendment or amended articles of 5485
incorporation will not adversely affect the interests of the 5486
bank's depositors and creditors and the convenience and needs of 5487
the public. 5488

(3) Within thirty days after receiving the proposed 5489
amendment or amended articles of incorporation, the 5490
superintendent shall notify the bank of the superintendent's 5491
approval or disapproval unless the superintendent determines 5492
additional information is required. In that event, the 5493
superintendent shall request the information in writing within 5494
fifteen days after the date the proposed amendment or amended 5495
articles of incorporation were received. The bank shall have 5496
thirty days to submit the information to the superintendent. The 5497
superintendent shall notify the bank of the superintendent's 5498
approval or disapproval of the proposed amendment or amended 5499
articles of incorporation within thirty days after the date the 5500
additional information is received. If the proposed amendment or 5501
amended articles of incorporation are disapproved by the 5502
superintendent, the superintendent shall notify the bank of the 5503
reasons for the disapproval. 5504

(4) If the superintendent fails to approve or disapprove 5505
the proposed amendment or amended articles of incorporation 5506
within the time period required under division (C) (3) of this 5507
section, the proposed amendment or amended articles of 5508

incorporation shall be considered approved. 5509

(D) (1) Upon their adoption of any approved amendment to a 5510
stock state bank's articles of incorporation, the incorporators 5511
shall send to the superintendent ~~of financial institutions~~ a 5512
certificate, signed by all the incorporators, containing a copy 5513
of the resolution adopting the amendment and a statement of the 5514
manner of and basis for its adoption. 5515

(2) Upon their adoption of approved amended articles of 5516
incorporation, the incorporators shall send to the 5517
superintendent a copy of the amended articles of incorporation, 5518
accompanied by a certificate, signed by all the incorporators, 5519
containing a copy of the resolution adopting the amended 5520
articles of incorporation and a statement of the manner of and 5521
basis for its adoption. 5522

~~(D)~~ (E) Upon receiving a certificate required by division 5523
~~(C)~~ (D) of this section, the superintendent shall conduct 5524
whatever examination the superintendent considers necessary to 5525
determine if ~~both of the following conditions are satisfied:~~ 5526

~~(1) The~~ the manner of and basis for the adoption of the 5527
amendment or amended articles of incorporation ~~and the manner of~~ 5528
~~and basis for adoption~~ comply with the requirements of the 5529
Revised Code. 5530

~~(2) The amendment or amended articles of incorporation~~ 5531
~~will not adversely affect the interests of the bank's depositors~~ 5532
~~and creditors and the convenience and needs of the public.~~ 5533

~~(E)~~ (F) (1) Within ~~sixty~~ thirty days after receiving a 5534
certificate required by division ~~(C)~~ (D) of this section, the 5535
superintendent shall approve or disapprove the amendment or 5536
amended articles of incorporation. If the superintendent 5537

approves the amendment or amended articles of incorporation, the 5538
superintendent shall forward a certificate of that approval, a 5539
copy of the certificate required by division ~~(C)~~ (D) of this 5540
section, and, ~~in the case of amended articles of incorporation,~~ 5541
a copy of the amendment or amended articles of incorporation, 5542
to the secretary of state, who shall file the documents. Upon 5543
filing by the secretary of state, the amendment or amended 5544
articles of incorporation shall be effective. 5545

(2) If the superintendent fails to approve or disapprove 5546
the amendment or amended articles of incorporation within ~~sixty-~~ 5547
thirty days after receiving a certificate required by division 5548
~~(C)~~ (D) of this section, the bank shall forward a copy of the 5549
certificate and, ~~in the case of amended articles of~~ 5550
~~incorporation,~~ a copy of the amendment or amended articles of 5551
incorporation, to the secretary of state, who shall file the 5552
documents. Upon filing by the secretary of state, the amendment 5553
or amended articles of incorporation shall be effective. 5554

Sec. 1113.06. (A) After the secretary of state has filed 5555
the articles of incorporation and certificate of approval of the 5556
superintendent of financial institutions, the incorporators, or 5557
a majority of them, shall order books to be opened for 5558
subscription to the stock state bank's shares. An installment of 5559
not less than ten per cent of the subscription price of each 5560
share shall be payable at the time of making the subscription, 5561
and the balance shall be payable as soon thereafter as the board 5562
of directors requires. 5563

(B) When the stock state bank's shares have been fully 5564
subscribed, the incorporators, or a majority of them, shall 5565
certify this fact in writing to the superintendent. The 5566
superintendent shall file the certification with the secretary 5567

of state. 5568

(C) Upon their compliance with division (B) of this 5569
section, at least a majority of the incorporators shall give not 5570
less than ten days' notice in writing by mail to the 5571
shareholders who have not waived the notice to meet at a 5572
specified time and place for the purpose of adopting a code of 5573
regulations, electing directors, and transacting any other 5574
business authorized by section 1113.08 of the Revised Code. The 5575
shareholders shall meet for those purposes at the time and place 5576
specified. 5577

(D) The incorporators shall not receive any subscriptions 5578
for shares after the election of directors. 5579

Sec. 1113.08. (A) A stock state bank organized under 5580
Chapter 1113. of the Revised Code shall not accept deposits, 5581
incur indebtedness, or transact any business except business 5582
that is incidental to its organization or to the obtaining of 5583
subscriptions to or payment for its shares until the bank 5584
receives a certificate of authority to commence business issued 5585
by the superintendent of financial institutions. 5586

(B) The bank shall file a report with the superintendent 5587
when it has done everything required before it can be authorized 5588
to commence business and when the subscriptions for the bank's 5589
shares have been fully paid in, in the amounts fixed by the 5590
superintendent. 5591

(C) Upon receipt of the report referred to in division (B) 5592
of this section, the superintendent shall examine the affairs of 5593
the bank and determine whether the bank has complied with all 5594
requirements necessary to entitle it to engage in business. 5595

Sec. 1113.09. (A) The superintendent of financial 5596

institutions shall issue a certificate of authority to commence 5597
business if: 5598

(1) The superintendent is satisfied, based upon the 5599
examination conducted pursuant to section 1113.08 of the Revised 5600
Code and any other facts within the knowledge of the 5601
superintendent, that the stock state bank is otherwise entitled 5602
to commence business~~+~~. 5603

(2) With respect to a stock state bank that, upon 5604
commencing business, would be authorized to accept deposits 5605
other than trust funds, the superintendent has received from the 5606
federal deposit insurance corporation (FDIC) confirmation that 5607
the FDIC has approved the bank's application to become an 5608
insured bank as defined in section 3(h) of the "Federal Deposit 5609
Insurance Act," 92 Stat. 614 (1978), 12 U.S.C.A. 1813(h). A 5610
stock state bank is not required to become an insured bank as 5611
defined in section 3(h) of the "Federal Deposit Insurance Act" 5612
if, by the terms of its articles of incorporation, it is not 5613
permitted to solicit or accept deposits other than trust funds. 5614

(B) The bank shall cause the certificate of authority to 5615
commence business to be published, in print or in a comparable 5616
electronic format, once a week for two successive weeks in a 5617
newspaper of general circulation in the county where the bank's 5618
initial banking office is located. 5619

(C) For purposes of this section, "trust funds" means 5620
funds held in a fiduciary capacity and includes, but is not 5621
limited to, funds held as trustee, executor, administrator, 5622
guardian, or agent. 5623

Sec. ~~1103.11~~ 1113.11. (A) Each stock state bank shall have 5624
a code of regulations for its governance as a corporation, the 5625

conduct of its affairs, and the management of its property. The 5626
code of regulations shall be consistent with the law of this 5627
state and the bank's articles of incorporation. 5628

~~(B) A bank's original code of regulations shall be adopted- 5629
at a meeting of shareholders held for that purpose by the- 5630
affirmative vote of the holders of shares entitling them to- 5631
exercise a majority of the voting power of the bank on the- 5632
proposal. 5633~~

~~(C) The shareholders may amend a bank's code of- 5634
regulations or adopt a new code of regulations in any of the- 5635
following ways: 5636~~

~~(1) At a meeting of shareholders by the affirmative vote- 5637
of the holders of shares entitling them to exercise a majority- 5638
of the voting power of the bank on the proposal; 5639~~

~~(2) Without a meeting by the written consent of the- 5640
holders of shares entitling them to exercise two thirds of the- 5641
voting power of the bank on the proposal; 5642~~

~~(3) If the bank's articles of incorporation or code of- 5643
regulations so provide or permit, by the affirmative vote or- 5644
written consent of the holders of shares entitling them to- 5645
exercise a greater or lesser proportion, but not less than a- 5646
majority, of the voting power of the bank on the proposal. 5647~~

~~(D) Notice of a shareholders' meeting to adopt any- 5648
amendment to the code of regulations, or a new code of- 5649
regulations, shall be given in the manner provided in section- 5650
1103.13 of the Revised Code. Notice by the incorporators of the- 5651
first meeting of shareholders in accordance with section 1113.06- 5652
of the Revised Code shall be sufficient for the adoption of the- 5653
original code of regulations of a new bank. 5654~~

~~(E) Without limiting the generality of this authority, the code of regulations may include provisions with respect to any of the following:~~ 5655
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~~(1) The time and place for holding, the manner of and authority for calling, giving notice of, and conducting, and the requirements of a quorum for, meetings of shareholders;~~ 5658
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~~(2) The taking of a record of shareholders or the temporary closing of books against transfers of shares;~~ 5661
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~~(3) The number, classification, manner of fixing or changing the number, qualifications, term of office, and compensation or manner of fixing compensation of directors;~~ 5663
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~~(4) The terms on which new certificates for shares may be issued in the place of lost, stolen, or destroyed certificates;~~ 5666
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~~(5) The time and place for holding, the manner of and authority for calling, giving notice of, and conducting, and the requirements of a quorum for, meetings of the directors;~~ 5668
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~~(6) The appointment and authority of an executive and other committees of the directors;~~ 5671
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~~(7) The titles, qualifications, duties, term of office, compensation or manner of fixing compensation, and removal of officers;~~ 5673
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~~(8) Defining, limiting, or regulating the exercise of the authority of the bank, the directors, the officers, or all the shareholders;~~ 5676
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~~(9) The manner in and conditions upon which a certificated security, and the conditions upon which an uncertificated security, and the shares represented by a certificated or uncertificated security, may be transferred, restrictions on the~~ 5679
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~~right to transfer the shares, and reservations of liens on the~~ 5683
~~shares.~~ 5684

~~(F) Unless either a bank's articles of incorporation or~~ 5685
~~code of regulations provides otherwise, if the code of~~ 5686
~~regulations is to be amended or a new code of regulations is~~ 5687
~~proposed for adoption without a meeting of the shareholders, at~~ 5688
~~least ten days prior to the last day a shareholder may consent~~ 5689
~~to or deny consent to the proposed amendments or new code of~~ 5690
~~regulations, the secretary of the bank shall mail a copy of the~~ 5691
~~proposed amendments or new code of regulations to each~~ 5692
~~shareholder who would be entitled, as of the date of the~~ 5693
~~mailing, to vote on the amendment or adoption.~~ 5694

~~(G) If the code of regulations is amended or a new code of~~ 5695
~~regulations is adopted without a meeting of the shareholders,~~ 5696
~~the secretary of the bank shall mail a copy of the amendment or~~ 5697
~~the new code of regulations, or notice of the adoption of the~~ 5698
~~amendment or new code of regulations, to each shareholder who~~ 5699
~~would have been entitled to vote on the amendment or adoption.~~ 5700

Sec. ~~1103.08~~ 1113.12. (A) After subscriptions to shares 5701
have been received by the incorporators, the shareholders of a 5702
stock state bank may, subject to ~~division (H) the requirements~~ 5703
of this section, adopt amendments to the bank's articles of 5704
incorporation or adopt amended articles of incorporation to 5705
change any provision of, or add any provision that may properly 5706
be included in, the articles of incorporation. 5707

(1) The shareholders may adopt an amendment to the bank's 5708
articles of incorporation or amended articles of incorporation 5709
at a meeting held for that purpose, as follows: 5710

(a) By the affirmative vote of the holders of shares 5711

entitling them to exercise two-thirds of the voting power of the 5712
bank on the proposal or, if the articles of incorporation 5713
provide or permit, by the affirmative vote of a greater or 5714
lesser proportion, but not less than a majority, of the voting 5715
power; 5716

(b) When the holders of shares of a particular class are 5717
entitled to vote as a class, by the affirmative vote of the 5718
holders of at least two-thirds or, if the articles of 5719
incorporation provide or permit, a greater or lesser portion, 5720
but not less than a majority, of the shares of the class. 5721

(2) The shareholders may adopt amended articles of 5722
incorporation to consolidate the original articles of 5723
incorporation and all previously adopted amendments to the 5724
articles of incorporation at a meeting held for that purpose by 5725
the affirmative vote of holders of shares entitling them to 5726
exercise a majority of the voting power of the bank on the 5727
proposal. 5728

(3) The shareholders may adopt an amendment to the bank's 5729
articles of incorporation or amended articles of incorporation 5730
without a meeting by the written consent of all of the holders 5731
of shares who would be entitled to vote at a meeting held for 5732
that purpose. 5733

(B) Any amendment or amended articles of incorporation of 5734
a stock state bank that would eliminate cumulative voting 5735
rights, as permitted by section 1701.69 of the Revised Code, 5736
shall not be adopted if the votes of a sufficient number of 5737
shares are cast against the amendment or amended articles of 5738
incorporation that, if cumulatively voted at an election of all 5739
directors or all directors of a particular class, would be 5740
sufficient, at the time the shareholders vote on the proposal, 5741

to elect at least one director. 5742

(C) The shareholders of a stock state bank may adopt an 5743
amendment to the bank's articles of incorporation to authorize 5744
the purchase of the bank's shares, if the amendment states that 5745
the superintendent of financial institutions must approve the 5746
purchase in writing prior to each purchase of shares. 5747

(D) The shareholders of a stock state bank may adopt an 5748
amendment to the bank's articles of incorporation to permit the 5749
bank to have authorized and unissued shares or treasury shares 5750
~~for any of the following purposes:~~ 5751

~~(1) Meeting conversion rights or options;~~ 5752

~~(2) Employee stock purchase or ownership plans;~~ 5753

~~(3) Mergers, consolidations, or other reorganizations, or~~ 5754
~~acquisitions;~~ 5755

~~(4) The purchase of real estate the board of directors~~ 5756
~~considers necessary or convenient for transaction of the bank's~~ 5757
~~business;~~ 5758

~~(5) Any other specific purpose.~~ 5759

~~Shares shall be considered authorized for these purposes~~ 5760
~~only if the shareholder resolutions authorizing the shares~~ 5761
~~specifically state the purposes for which the shares are~~ 5762
~~authorized. Shares authorized specifically for any of these~~ 5763
~~purposes shall not be issued for any other purpose. Shares~~ 5764
~~authorized for these purposes shall be deemed released from pre-~~ 5765
~~emptive rights.~~ 5766

(E) Amended articles of incorporation shall set forth all 5767
provisions required in, and only provisions that may properly be 5768
in, original articles of incorporation or amendments to articles 5769

of incorporation at the time the amended articles of 5770
incorporation are adopted, and shall state that they supersede 5771
the existing articles of incorporation. 5772

(F) (1) If the shareholders propose the adoption of any 5773
amendment to a stock state bank's articles of incorporation or 5774
amended articles of incorporation, the bank shall send to the 5775
superintendent a copy of the proposed amendment or amended 5776
articles of incorporation for review and approval prior to 5777
adoption by the shareholders. 5778

(2) Upon receiving a proposed amendment or amended 5779
articles of incorporation, the superintendent shall conduct 5780
whatever examination the superintendent considers necessary to 5781
determine if both of the following conditions are satisfied: 5782

(a) The proposed amendment or amended articles of 5783
incorporation comply with the requirements of the Revised Code. 5784

(b) The proposed amendment or amended articles of 5785
incorporation will not adversely affect the interests of the 5786
bank's depositors and creditors and the convenience and needs of 5787
the public. 5788

(3) Within thirty days after receiving the proposed 5789
amendment or amended articles of incorporation, the 5790
superintendent shall notify the bank of the superintendent's 5791
approval or disapproval unless the superintendent determines 5792
additional information is required. In that event, the 5793
superintendent shall request the information in writing within 5794
fifteen days after the date the proposed amendment or amended 5795
articles of incorporation were received. The bank shall have 5796
thirty days to submit the information to the superintendent. The 5797
superintendent shall notify the bank of the superintendent's 5798

approval or disapproval of the proposed amendment or amended 5799
articles of incorporation within thirty days after the date the 5800
additional information is received. If the proposed amendment or 5801
amended articles of incorporation are disapproved by the 5802
superintendent, the superintendent shall notify the bank of the 5803
reasons for the disapproval. 5804

(4) If the superintendent fails to approve or disapprove 5805
the proposed amendment or amended articles of incorporation 5806
within the time period required under division (F) (3) of this 5807
section, the proposed amendment or amended articles of 5808
incorporation shall be considered approved. 5809

(G) (1) Upon adoption by the shareholders of any approved 5810
amendment to a stock state bank's articles of incorporation, the 5811
bank shall send to the superintendent a certificate containing a 5812
copy of the shareholders' resolution adopting the amendment and 5813
a statement of the manner of its adoption. If the directors 5814
proposed the amendment, the certificate shall include a copy of 5815
the resolution adopted by the directors to propose the amendment 5816
to the shareholders. The certificate shall be signed by ~~bank-~~ 5817
~~officers~~ the bank's authorized representatives in accordance 5818
with section 1103.19 of the Revised Code. 5819

(2) Upon adoption by the shareholders of approved amended 5820
articles of incorporation, the bank shall send to the 5821
superintendent a copy of the amended articles of incorporation, 5822
accompanied by a certificate containing a copy of the 5823
shareholders' resolution adopting the amended articles of 5824
incorporation and a statement of the manner of its adoption. If 5825
the directors proposed the amended articles of incorporation, 5826
the certificate shall include a copy of the resolution adopted 5827
by the directors to propose the amended articles of 5828

incorporation to the shareholders. The certificate shall be 5829
signed by ~~bank officers~~ the bank's authorized representatives in 5830
accordance with section 1103.19 of the Revised Code. 5831

~~(G)~~ (H) Upon receiving a certificate required by division 5832
~~(F)~~ (G) of this section, the superintendent shall conduct 5833
whatever examination the superintendent considers necessary to 5834
determine if ~~both of the following conditions are satisfied:~~ 5835

~~(1) The~~ the manner of adoption of the amendment or amended 5836
articles of incorporation ~~and the manner of adoption comply~~ 5837
complies with the requirements of the Revised Code. 5838

~~(2) The amendment or amended articles of incorporation~~ 5839
~~will not adversely affect the interests of the bank's depositors~~ 5840
~~and creditors and the convenience and needs of the public.~~ 5841

~~(H)~~ (I) (1) Within ~~sixty~~ thirty days after receiving a 5842
certificate required by division ~~(F)~~ (G) of this section, the 5843
superintendent shall approve or disapprove the amendment or 5844
amended articles of incorporation. If the superintendent 5845
approves the amendment or amended articles of incorporation, the 5846
superintendent shall forward a certificate of that approval, a 5847
copy of the certificate required by division ~~(F)~~ (G) of this 5848
section, and, ~~in the case of amended articles of incorporation,~~ 5849
a copy of the amendment or amended articles of incorporation, 5850
to the secretary of state, who shall file the documents. Upon 5851
filing by the secretary of state, the amendment or amended 5852
articles of incorporation shall be effective. 5853

(2) If the superintendent fails to approve or disapprove 5854
the amendment or amended articles of incorporation within ~~sixty~~ 5855
thirty days after receiving a certificate required by division 5856
~~(F)~~ (G) of this section, the bank shall forward a copy of the 5857

certificate and, ~~in the case of amended articles of~~ 5858
~~incorporation,~~ a copy of the amendment or amended articles of 5859
incorporation, to the secretary of state, who shall file the 5860
documents. Upon filing by the secretary of state, the amendment 5861
or amended articles of incorporation shall be effective. 5862

Sec. ~~1103.09~~ 1113.13. (A) After subscriptions to shares 5863
have been received by the incorporators, the board of directors 5864
of a stock state bank may, subject to ~~division (F)~~ the 5865
requirements of this section, adopt amendments to the bank's 5866
articles of incorporation to do any of the following: 5867

(1) Authorize the shares necessary to meet conversion or 5868
option rights when all of the following apply: 5869

(a) The bank has issued shares of one class convertible 5870
into shares of another class or obligations convertible into 5871
shares of the bank, or has granted options to purchase shares. 5872

(b) The conversion or option rights are set forth in the 5873
articles of incorporation or have been approved by the same vote 5874
of shareholders as, at the time of the approval, would have been 5875
required to amend the articles of incorporation to authorize the 5876
shares required for that purpose. 5877

(c) The bank does not have sufficient authorized and 5878
unissued shares available to satisfy the conversion or option 5879
rights. 5880

(2) Reduce the authorized number of shares of a class by 5881
the number of shares of that class that have been redeemed, or 5882
have been surrendered to or acquired by the bank upon 5883
conversion, exchange, purchase, or otherwise, or to eliminate 5884
from the articles of incorporation all references to the shares 5885
of a class, and to make any other change required, when all of 5886

the authorized shares of that class have been redeemed, or 5887
surrendered to or acquired by the bank; 5888

(3) Reduce the authorized number of shares of a class by 5889
the number of shares of that class that were canceled, ~~pursuant~~ 5890
~~to section 1107.07 of the Revised Code,~~ for not being issued or 5891
reissued and for not being fully paid in within one year after 5892
the date they were authorized or otherwise became authorized and 5893
unissued shares. 5894

(B) The board of directors of a stock state bank may adopt 5895
amended articles of incorporation to consolidate the original 5896
articles of incorporation and all previously adopted amendments 5897
to the articles of incorporation that are in force at the time. 5898

(C) Amended articles of incorporation shall set forth all 5899
provisions required in, and only provisions that may properly be 5900
in, original articles of incorporation or amendments to articles 5901
of incorporation at the time the amended articles of 5902
incorporation are adopted, and shall state that they supersede 5903
the existing articles of incorporation. 5904

(D) (1) If the board of directors propose the adoption of 5905
any amendment to a stock state bank's articles of incorporation 5906
or amended articles of incorporation, the bank shall send to the 5907
superintendent of financial institutions a copy of the proposed 5908
amendment or amended articles of incorporation for review and 5909
approval prior to adoption by the board. 5910

(2) Upon receiving a proposed amendment or amended 5911
articles of incorporation, the superintendent shall conduct 5912
whatever examination the superintendent considers necessary to 5913
determine if both of the following conditions are satisfied: 5914

(a) The proposed amendment or amended articles of 5915

incorporation comply with the requirements of the Revised Code. 5916

(b) The proposed amendment or amended articles of 5917
incorporation will not adversely affect the interests of the 5918
bank's depositors and creditors. 5919

(3) Within thirty days after receiving the proposed 5920
amendment or amended articles of incorporation, the 5921
superintendent shall notify the bank of the superintendent's 5922
approval or disapproval unless the superintendent determines 5923
additional information is required. In that event, the 5924
superintendent shall request the information in writing within 5925
fifteen days after the date the proposed amendment or amended 5926
articles of incorporation were received. The bank shall have 5927
thirty days to submit the information to the superintendent. The 5928
superintendent shall notify the bank of the superintendent's 5929
approval or disapproval of the proposed amendment or amended 5930
articles of incorporation within thirty days after the date the 5931
additional information is received. If the proposed amendment or 5932
amended articles of incorporation are disapproved by the 5933
superintendent, the superintendent shall notify the bank of the 5934
reasons for the disapproval. 5935

(4) If the superintendent fails to approve or disapprove 5936
the proposed amendment or amended articles of incorporation 5937
within the time period required by division (D)(3) of this 5938
section, the proposed amendment or amended articles of 5939
incorporation shall be considered approved. 5940

(E) (1) Upon adoption by the board of directors of any 5941
approved amendment to a stock state bank's articles of 5942
incorporation, the bank shall send to the superintendent ~~of~~ 5943
~~financial institutions~~ a certificate containing a copy of the 5944
directors' resolution adopting the amendment and a statement of 5945

the manner of and basis for its adoption. The certificate shall 5946
be signed by ~~bank officers~~ the bank's authorized representatives 5947
in accordance with section 1103.19 of the Revised Code. 5948

(2) Upon adoption by the board of directors of approved 5949
amended articles of incorporation, the bank shall send to the 5950
superintendent a copy of the amended articles of incorporation, 5951
accompanied by a certificate containing a copy of the directors' 5952
resolution adopting the amended articles of incorporation and a 5953
statement of the manner of and basis for its adoption. The 5954
certificate shall be signed by ~~bank officers~~ the bank's 5955
authorized representatives in accordance with section 1103.19 of 5956
the Revised Code. 5957

~~(E)~~ (F) Upon receiving a certificate required by division 5958
~~(D)~~ (E) of this section, the superintendent shall conduct 5959
whatever examination the superintendent considers necessary to 5960
determine if ~~both of the following conditions are satisfied:~~ 5961

~~(1) The~~ the manner of and basis for adoption of the 5962
amendment or amended articles of incorporation ~~and the manner of~~ 5963
~~and basis for adoption~~ comply with the requirements of the 5964
Revised Code. 5965

~~(2) The amendment or amended articles of incorporation~~ 5966
~~will not adversely affect the interests of the bank's depositors~~ 5967
~~and creditors and the convenience and needs of the public.~~ 5968

~~(F)~~ (G) (1) Within ~~sixty~~ thirty days after receiving a 5969
certificate required by division ~~(D)~~ (E) of this section, the 5970
superintendent shall approve or disapprove the amendment or 5971
amended articles of incorporation. If the superintendent 5972
approves the amendment or amended articles of incorporation, the 5973
superintendent shall forward a certificate of that approval, a 5974

copy of the certificate required by division ~~(D)~~ (E) of this 5975
section, and, ~~in the case of amended articles of incorporation,~~ 5976
a copy of the amendment or amended articles of incorporation, to 5977
the secretary of state, who shall file the documents. Upon 5978
filing by the secretary of state, the amendment or amended 5979
articles of incorporation shall be effective. 5980

(2) If the superintendent fails to approve or disapprove 5981
the amendment or amended articles of incorporation within ~~sixty-~~ 5982
thirty days after receiving a certificate required by division 5983
~~(D)~~ (E) of this section, the bank shall forward a copy of the 5984
certificate and, ~~in the case of amended articles of~~ 5985
~~incorporation,~~ a copy of the amendment or amended articles of 5986
incorporation, to the secretary of state, who shall file the 5987
documents. Upon filing by the secretary of state, the amendment 5988
or amended articles of incorporation shall be effective. 5989

Sec. ~~1103.13~~ 1113.14. (A) A stock state bank's 5990
shareholders shall hold an annual meeting in accordance with 5991
this section and the bank's articles of incorporation and code 5992
of regulations. The purposes of the annual meeting shall include 5993
the election of directors and the presentation of the financial 5994
statements. 5995

(B) The financial statements presented at the annual 5996
meeting shall satisfy the requirements of one of the following: 5997

(1) The basic financial information required to be made 5998
available to shareholders of a stock state bank prior to the 5999
annual meeting pursuant to section ~~1103.14~~ 1113.15 of the 6000
Revised Code; 6001

(2) The financial statements required to be presented at 6002
the annual meeting of a corporation pursuant to section 1701.38 6003

of the Revised Code;

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(3) The financial statements required under federal law
for a bank subject to the registration requirements of section
12 of the "Securities Exchange Act of 1934," 48 Stat. 892, 15
U.S.C.A. 781, as amended.

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~~(C) Written notice stating the time, place, and purpose or
purposes of any meeting Meetings of the shareholders shall be
given either by personal delivery or by first class mail not
less than seven nor more than sixty days before the date of the
meeting, unless the articles of incorporation or the code of
regulations specify a longer period, to each shareholder of
record entitled to notice of the meeting. The notice shall be
given by or at the direction of the president, a vice president,
the secretary, any two directors, or any other officer
designated by the bank's code of regulations. If notice is given
by mail, the notice shall be addressed to the shareholder at the
address as it appears on the records of the bank, and shall be
deemed to have been given when deposited in the mail. In
computing the period of time for the giving of notice required
under this division, the date on which the notice is given shall
be excluded, and the day of the meeting shall be included may be
called for any of the reasons and in the manner set forth in
section 1701.40 of the Revised Code. Notice of adjournment of a
meeting need not be given if the time and place to which it is
adjourned are fixed and announced at the meeting any meeting
shall be provided in accordance with section 1701.41 of the
Revised Code.~~

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(D) The requirements of this section shall not apply with
respect to annual or special meetings of shareholders of a stock
state bank that is wholly owned, except for directors'

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qualifying shares, if any, by a bank holding company or savings 6034
and loan holding company. 6035

Sec. ~~1103.14~~ 1113.15. (A) Prior to each annual meeting of 6036
its shareholders, each stock state bank shall make basic 6037
financial information available to its shareholders in 6038
accordance with this section unless the bank is either of the 6039
following: 6040

(1) Subject to the registration requirements of section 12 6041
of the "Securities Exchange Act of 1934," 48 Stat. 892, 15 6042
U.S.C.A. 781, as amended. 6043

(2) Wholly owned, except for directors' qualifying shares, 6044
by a bank holding company. 6045

(B) The basic financial information required to be made 6046
available under this section shall include, at a minimum, 6047
information substantially similar to both of the following: 6048

(1) Those portions of the consolidated reports of income 6049
made to the superintendent of financial institutions for each of 6050
the two preceding full years covering all of the following: 6051

(a) Sources and disposition of income; 6052

(b) Changes in equity capital; 6053

(c) Allowance for possible loan losses. 6054

(2) The balance sheet portion of the consolidated reports 6055
of condition made to the superintendent at the end of each of 6056
the two preceding years. 6057

(C) The bank may present the basic financial information 6058
in any format it determines suitable, including copies of the 6059
relevant portions of the consolidated reports of condition and 6060

income or an annual report. 6061

(D) The bank shall make the basic financial information 6062
available by doing either of the following: 6063

(1) Sending the information to each shareholder prior to, 6064
or concurrently with, the notice of the annual meeting of 6065
shareholders; 6066

(2) Including in, or sending with, the notice of the 6067
annual meeting of shareholders a statement indicating that basic 6068
financial information concerning the bank for the two years 6069
preceding the meeting may be obtained from the bank without 6070
charge, accompanied by the address, telephone number, and name 6071
or title of the bank employee or officer whom shareholders 6072
should contact for the information, and promptly mailing, 6073
delivering, or otherwise sending the information to any 6074
shareholder who requests it. 6075

Sec. ~~1103.15~~ 1113.16. Each Except as otherwise expressly 6076
provided in the terms for any class of shares issued by a stock 6077
state bank, every holder of a the bank's voting shares, in 6078
elections of directors and in deciding other questions at 6079
meetings of shareholders, is entitled to one vote for each share 6080
held and shall not accumulate the votes unless otherwise 6081
provided in the articles of incorporation. Any shareholder 6082
eligible to vote may vote by proxy authorized in writing. An 6083
appointment of a proxy shall expire in accordance with division 6084
(C) of section 1701.48 of the Revised Code. Unless the articles 6085
of incorporation, the code of regulations, or the contract of 6086
subscription otherwise provides, a subscriber for authorized 6087
shares is a shareholder for the purposes of this section, but no 6088
shares upon which an installment of the purchase price is 6089
overdue and unpaid shall be voted. 6090

Sec. ~~1103.16~~ 1113.17. (A) Each stock state bank shall keep 6091
correct and complete books and records of account, together with 6092
records of the proceedings, including minutes of any meetings, 6093
of its incorporators, shareholders, directors, and committees of 6094
the directors, and records of its shareholders showing their 6095
names and addresses and the number and class of shares issued or 6096
transferred of record to or by them from time to time. 6097

(B) Upon request of any shareholder eligible to attend and 6098
vote at any meeting of the bank's shareholders, the board of 6099
directors shall produce at the meeting an alphabetically 6100
arranged list, or classified lists, of the shareholders of 6101
record as of the applicable record date, showing their 6102
respective addresses and the number and class of shares held by 6103
each, and certified by the officer or agent responsible for 6104
registering issues and transfers of shares. The list or lists, 6105
certified by the officer or agent, shall be prima facie evidence 6106
of the facts shown in the list or lists. 6107

(C) Any shareholder of the bank, upon written demand 6108
stating the specific purpose of the demand, has the right to 6109
examine in person or by agent or attorney at any reasonable time 6110
and for any reasonable and proper purpose, the books and records 6111
of the bank, except books and records of deposit, agency or 6112
fiduciary accounts, loan records, and other records relating to 6113
customer services or transactions. 6114

(D) The authority granted under Title XI of the Revised 6115
Code to inspect the books and records of a stock state bank 6116
shall apply solely to the superintendent of financial 6117
institutions and to the shareholders of record of the bank. 6118

Sec. 1114.01. A mutual state bank shall be created, 6119
organized, governed, and its business conducted in all respects 6120

in the same manner as is provided by Chapter 1701. of the 6121
Revised Code, for corporations generally, to the extent that it 6122
is not inconsistent with this chapter, Chapters 1101. to 1113., 6123
and 1115. to 1127. of the Revised Code and the rules adopted 6124
under those chapters. 6125

Sec. 1114.02. (A) Five or more natural persons, at least 6126
one of whom is a resident of this state, may, with the approval 6127
of the superintendent of financial institutions, incorporate a 6128
mutual state bank. 6129

(B) The persons proposing to incorporate a mutual state 6130
bank shall apply for approval to incorporate the bank by 6131
submitting the application prescribed by the superintendent, 6132
which application shall include all of the following: 6133

(1) The proposed articles of incorporation and code of 6134
regulations; 6135

(2) An application for reservation of a name in accordance 6136
with section 1103.07 of the Revised Code, if reservation is 6137
desired by the incorporators and has not been previously filed; 6138

(3) The location and a description of the proposed initial 6139
banking office; 6140

(4) Information to demonstrate the proposed bank will 6141
satisfy the requirements of division (C) of section 1114.03 and 6142
any other provision of the Revised Code identified by the 6143
superintendent; 6144

(5) Any other information the superintendent requires. 6145

Sec. 1114.03. (A) Within ten days after receipt from the 6146
superintendent of financial institutions of notice of acceptance 6147
of an application for approval to incorporate a mutual state 6148

bank, the incorporators shall publish, in print or in a 6149
comparable electronic format, notice of the proposed 6150
incorporation in a newspaper of general circulation in the 6151
county where the bank's initial banking office is to be located. 6152
The incorporators shall publish the notice once a week for two 6153
weeks and furnish a certified copy of it to the superintendent. 6154
The notice shall specify the name of the proposed bank, its 6155
location, the amount of the proposed capital, the names of the 6156
incorporators, the address of the superintendent, and the date 6157
by which comments on the application must be filed with the 6158
superintendent, which date shall be thirty days after the date 6159
of the first publication of the notice. 6160

(B) If any comments on the application are filed with the 6161
superintendent within the thirty-day period prescribed in 6162
division (A) of this section, the superintendent shall determine 6163
whether the comments are relevant to the requirements for 6164
incorporation of a mutual state bank and, if so, investigate the 6165
comments in the manner the superintendent considers appropriate. 6166

(C) The superintendent shall examine all of the facts 6167
connected with the application to determine if all of the 6168
following requirements are met: 6169

(1) The proposed articles of incorporation and code of 6170
regulations, application for reservation of name, applicable 6171
fees, and other items required meet the requirements of the 6172
Revised Code. 6173

(2) The population and economic characteristics of the 6174
area primarily to be served afford reasonable promise of 6175
adequate support for the proposed bank. 6176

(3) The competence, experience, and integrity of the 6177

proposed directors and officers are such as to command the 6178
confidence of the community and warrant the belief that the 6179
business of the proposed bank will be honestly and efficiently 6180
conducted. 6181

(4) The capital of the proposed bank is adequate in 6182
relation to the amount and character of the anticipated business 6183
of the bank and the safety of prospective depositors. 6184

(D) Within one hundred eighty days following the date of 6185
acceptance of the application, the superintendent shall approve 6186
or disapprove the incorporation of the proposed bank upon the 6187
basis of the examination. In giving approval, the superintendent 6188
may impose conditions to be met prior to the issuance of a 6189
certificate of authority to commence business under section 6190
1114.07 of the Revised Code. 6191

(E) If the superintendent approves the application, the 6192
superintendent shall make a certificate to that effect and 6193
forward the certificate and the articles of incorporation of the 6194
proposed bank to the secretary of state for filing. 6195

Sec. 1114.04. (A) A mutual state bank's articles of 6196
incorporation shall contain all of the following: 6197

(1) The name of the bank; 6198

(2) The place in this state where the bank's principal 6199
place of business is to be located; 6200

(3) The purpose or purposes for which the bank is formed. 6201

(B) The articles of incorporation may also set forth any 6202
lawful provision for the purpose of defining, limiting, or 6203
regulating the exercise of the authority of the bank, the 6204
incorporators, the directors, the officers, the members, and any 6205

provision that may be set forth in the bank's code of 6206
regulations. 6207

Sec. 1114.05. (A) As used in the section, "authorized 6208
capital" means the initial funding required to organize a mutual 6209
state bank. 6210

(B) The authorized capital of a mutual state bank shall be 6211
of such amount as the superintendent of financial institutions 6212
may determine based upon the amount and character of the 6213
anticipated business of the bank and the safety of prospective 6214
depositors. In addition, the superintendent may, in the 6215
superintendent's discretion, fix the amount of the expense fund 6216
for operating losses to be created by nonrefundable 6217
contributions. 6218

(C) The organization of the mutual state bank may be 6219
completed when a sum equal to five per cent of the authorized 6220
capital, as determined by the superintendent, is paid in and the 6221
names and addresses of its officers, its code of regulations, 6222
and its bylaws have been filed with and approved by the 6223
superintendent. 6224

(D) Five years after the mutual state bank commences 6225
business, any remaining balance in the expense fund shall be 6226
transferred to retained earnings, if the bank is on a profitable 6227
operating basis as determined by the superintendent. 6228

Sec. 1114.06. (A) A mutual state bank organized under this 6229
chapter shall not accept deposits, incur indebtedness, or 6230
transact any business other than business that is incidental to 6231
its organization until the bank receives a certificate of 6232
authority to commence business issued by the superintendent of 6233
financial institutions under section 1114.07 of the Revised 6234

Code. 6235

(B) The bank shall file a report with the superintendent 6236
when it has done everything required by the superintendent 6237
before it can be authorized to commence business. 6238

(C) Upon receipt of the report referred to in division (B) 6239
of this section, the superintendent shall examine the affairs of 6240
the bank and determine whether the bank has complied with all of 6241
the requirements necessary to entitle it to engage in business. 6242

Sec. 1114.07. (A) The superintendent of financial 6243
institutions shall issue a certificate of authority to commence 6244
business if both of the following conditions are met: 6245

(1) The superintendent is satisfied, based upon the 6246
examination conducted pursuant to section 1114.06 of the Revised 6247
Code and any other facts within the knowledge of the 6248
superintendent, that the mutual state bank is otherwise entitled 6249
to commence business. 6250

(2) The superintendent has received from the federal 6251
deposit insurance corporation written confirmation that it has 6252
approved the bank's application to become an insured bank as 6253
defined in section 3(h) of the "Federal Deposit Insurance Act," 6254
92 Stat. 614 (1978), 12 U.S.C. 1813(h), as amended. 6255

(B) The mutual state bank shall cause the certificate of 6256
authority to commence business to be published, in print or in a 6257
comparable electronic format, once a week for two consecutive 6258
weeks in a newspaper of general circulation in the county where 6259
the bank's initial banking office is located. 6260

Sec. 1114.08. (A) (1) A depositor of a mutual state bank 6261
shall be a voting member and shall have such ownership interest 6262
in the bank as may be provided in the terms and conditions set 6263

forth in the articles of incorporation, code of regulations, and 6264
bylaws of the bank. 6265

(2) The code of regulations of a mutual state bank may 6266
provide that all borrowers from the bank are members and, if so, 6267
shall provide for their rights and privileges. 6268

(3) Unless otherwise provided in the articles of 6269
incorporation or code of regulations, a proxy granted by a 6270
depositor to the officers and directors of a mutual state bank 6271
shall expire on the date specified in the proxy. If no date is 6272
so specified, the authority granted by the proxy shall be 6273
perpetual. 6274

(B) The capital of a mutual state bank shall be in the 6275
form of either of the following: 6276

(1) Retained earnings; 6277

(2) At the discretion of the superintendent of financial 6278
institutions, any other form of capital, subject to any 6279
applicable federal and state laws. 6280

(C) In the event of a liquidation or dissolution of a 6281
mutual state bank, the priority of claims shall be established 6282
by section 1125.24 of the Revised Code. 6283

Sec. 1114.09. (A) Before any member deposits have been 6284
received, the incorporators may, by unanimous written action and 6285
subject to the requirements of this section, adopt amendments to 6286
the mutual state bank's articles of incorporation or amended 6287
articles of incorporation to change any provision of, or add any 6288
provision that may properly be included in, the articles of 6289
incorporation. 6290

(B) Amended articles of incorporation shall set forth all 6291

provisions required in, and only provisions that may properly be 6292
in, original articles of incorporation or amendments to articles 6293
of incorporation at the time the amended articles of 6294
incorporation are adopted, and shall state that they supersede 6295
the existing articles of incorporation. 6296

(C) (1) If the incorporators propose the adoption of any 6297
amendment to a mutual state bank's articles of incorporation or 6298
amended articles of incorporation, the bank shall send to the 6299
superintendent of financial institutions a copy of the proposed 6300
amendment or amended articles of incorporation for review and 6301
approval prior to adoption by the incorporators. 6302

(2) Upon receiving a proposed amendment or amended 6303
articles of incorporation, the superintendent shall conduct 6304
whatever examination the superintendent considers necessary to 6305
determine if both of the following conditions are satisfied: 6306

(a) The proposed amendment or amended articles of 6307
incorporation comply with the requirements of the Revised Code. 6308

(b) The proposed amendment or amended articles of 6309
incorporation will not adversely affect the interests of the 6310
bank's depositors and creditors. 6311

(3) Within thirty days after receiving the proposed 6312
amendment or amended articles of incorporation, the 6313
superintendent shall notify the bank of the superintendent's 6314
approval or disapproval of the proposed amendment or amended 6315
articles of incorporation unless the superintendent determines 6316
additional information is required. In that event, the 6317
superintendent shall request the information in writing within 6318
fifteen days after the date the proposed amendment or amended 6319
articles of incorporation were received. The bank shall have 6320

thirty days to submit the information to the superintendent. The 6321
superintendent shall notify the bank of the superintendent's 6322
approval or disapproval of the proposed amendment or amended 6323
articles of incorporation within thirty days after the date the 6324
additional information is received. If the proposed amendment or 6325
amended articles of incorporation are disapproved by the 6326
superintendent, the superintendent shall notify the bank of the 6327
reasons for the disapproval. 6328

(4) If the superintendent fails to approve or disapprove 6329
the proposed amendment or amended articles of incorporation 6330
within the time period required under division (C)(3) of this 6331
section, the proposed amendment or amended articles of 6332
incorporation shall be considered approved. 6333

(D)(1) Upon their adoption of any approved amendment to a 6334
mutual state bank's articles of incorporation, the incorporators 6335
shall send to the superintendent a certificate, signed by all 6336
the incorporators, containing a copy of the resolution adopting 6337
the amendment and a statement of the manner of and basis for its 6338
adoption. 6339

(2) Upon their adoption of approved amended articles of 6340
incorporation, the incorporators shall send to the 6341
superintendent a copy of the amended articles of incorporation, 6342
accompanied by a certificate, signed by all the incorporators, 6343
containing a copy of the resolution adopting the amended 6344
articles of incorporation and a statement of the manner of and 6345
basis for its adoption. 6346

(E) Upon receiving a certificate required by division (D) 6347
of this section, the superintendent shall conduct whatever 6348
examination the superintendent considers necessary to determine 6349
if the manner of and basis for the adoption of the amendment or 6350

amended articles of incorporation comply with the requirements 6351
of the Revised Code. 6352

(F)(1) Within thirty days after receiving a certificate 6353
required by division (D) of this section, the superintendent 6354
shall approve or disapprove the amendment or amended articles of 6355
incorporation. If the superintendent approves the amendment or 6356
amended articles of incorporation, the superintendent shall 6357
forward a certificate of that approval, a copy of the 6358
certificate required by division (D) of this section, and a copy 6359
of the amendment or amended articles of incorporation to the 6360
secretary of state, who shall file the documents. Upon filing by 6361
the secretary of state, the amendment or amended articles of 6362
incorporation shall be effective. 6363

(2) If the superintendent fails to approve or disapprove 6364
the amendment or amended articles of incorporation within thirty 6365
days after receiving a certificate required by division (D) of 6366
this section, the bank shall forward a copy of the certificate 6367
and a copy of the amendment or amended articles of incorporation 6368
to the secretary of state, who shall file the documents. Upon 6369
filing by the secretary of state, the amendment or amended 6370
articles of incorporation shall be effective. 6371

Sec. 1114.10. Each mutual state bank shall have a code of 6372
regulations for its governance as a corporation, the conduct of 6373
its affairs, and the management of its property. The code of 6374
regulations shall be consistent with the law of this state and 6375
the bank's articles of incorporation. 6376

Sec. 1114.11. (A)(1) The code of regulations of a mutual 6377
state bank may provide for the amendment of its articles of 6378
incorporation or code of regulations, or the adoption of amended 6379
articles of incorporation or code of regulations, at any meeting 6380

of the members for which notice has been properly given in 6381
accordance with section 1114.12 of the Revised Code. The 6382
amendment or amended articles of incorporation or code of 6383
regulations shall be adopted by a two-thirds vote of the votes 6384
cast in person or by proxy at the meeting or, if the articles of 6385
incorporation or code of regulations provide or permit, by the 6386
affirmative vote of a greater or lesser proportion, but not less 6387
than a majority, of the voting members represented at such 6388
meeting. The number of votes that each member may cast shall be 6389
determined by the code of regulations. 6390

(2) Unless precluded by its articles of incorporation or 6391
code of regulations, a mutual state bank may adopt an amendment 6392
to its articles of incorporation or code of regulations, or 6393
amended articles of incorporation or code of regulations, at any 6394
meeting authorized in writing by a majority of its members of 6395
record if all of the following conditions are met: 6396

(a) Written notice of the meeting is made in accordance 6397
with section 1701.41 of the Revised Code. 6398

(b) The notice of the proposed action to be taken at the 6399
meeting is in a form approved by the superintendent of financial 6400
institutions. 6401

(c) The proposed action is approved by a two-thirds vote 6402
of the votes cast authorizing the meeting. 6403

(d) A majority of the members of record are present in 6404
person or by proxy at the meeting. 6405

(B) The board of directors of a mutual state bank may 6406
adopt amended articles of incorporation or code of regulations 6407
to consolidate the original articles of incorporation or code of 6408
regulations and all previously adopted amendments to the 6409

articles of incorporation or code of regulations that are in 6410
force at the time. 6411

(C) (1) Amended articles of incorporation shall set forth 6412
all provisions required in, and only provisions that may 6413
properly be in, original articles of incorporation or amendments 6414
to articles of incorporation at the time the amended articles of 6415
incorporation are adopted, and shall state that they supersede 6416
the existing articles of incorporation. 6417

(2) An amended code of regulations shall set forth all 6418
provisions required in, and only provisions that may properly be 6419
in, an original code of regulations or amendments to a code of 6420
regulations at the time the amended code of regulations is 6421
adopted, and shall state that it supersedes the existing code of 6422
regulations. 6423

(D) (1) If the members or board of directors propose the 6424
adoption of any amendment to the mutual state bank's articles of 6425
incorporation or code of regulations, or amended articles of 6426
incorporation or amended code of regulations, the bank shall 6427
send to the superintendent a copy of the proposed amendment, or 6428
the proposed amended articles of incorporation or code of 6429
regulations, for review and approval prior to adoption by the 6430
members or directors. 6431

(2) Upon receiving a proposed amendment or proposed 6432
amended articles of incorporation or code of regulations, the 6433
superintendent shall conduct whatever examination the 6434
superintendent considers necessary to determine if both of the 6435
following conditions are satisfied: 6436

(a) The proposed amendment or amended articles of 6437
incorporation or code of regulations comply with the 6438

requirements of the Revised Code. 6439

(b) The proposed amendment or amended articles of 6440
incorporation or code of regulations will not adversely affect 6441
the interests of the bank's depositors and creditors. 6442

(3) Within thirty days after receiving the proposed 6443
amendment, or the proposed amended articles of incorporation or 6444
code of regulations, the superintendent shall notify the bank of 6445
the approval or disapproval unless the superintendent determines 6446
that additional information is required. In that event, the 6447
superintendent shall request the information in writing within 6448
fifteen days after the date the proposed amendment, or the 6449
proposed amended articles of incorporation or code of 6450
regulations, was received. The bank shall have thirty days to 6451
submit the information to the superintendent. The superintendent 6452
shall notify the bank of the superintendent's approval or 6453
disapproval of the proposed amendment, or the proposed amended 6454
articles of incorporation or code of regulations, within thirty 6455
days after the date the additional information is received. If 6456
the proposed amendment or proposed amended articles of 6457
incorporation or code of regulations are disapproved by the 6458
superintendent, the superintendent shall notify the bank of the 6459
reasons for the disapproval. 6460

(4) If the superintendent fails to approve or disapprove 6461
the proposed amendment or proposed amended articles of 6462
incorporation or code of regulations within the time period 6463
required under division (D) (3) of this section, the proposed 6464
amendment or proposed amended articles of incorporation or code 6465
of regulations shall be considered approved. 6466

(E) (1) Upon adoption by the members of any approved 6467
amendment to a mutual state bank's articles of incorporation or 6468

code of regulations, or approved amended articles of 6469
incorporation or code of regulations, the bank shall send to the 6470
superintendent a certificate containing a copy of the members' 6471
resolution adopting the amendment or amended articles of 6472
incorporation or code of regulations and a statement of the 6473
manner of and basis for its adoption. If the board of directors 6474
proposed the amendment or the amended articles of incorporation 6475
or code of regulations, the certificate shall include a copy of 6476
the resolution adopted by the directors to propose the amendment 6477
or amended articles of incorporation or code of regulations to 6478
the members. The certificate shall be signed by the bank's 6479
authorized representatives in accordance with section 1103.19 of 6480
the Revised Code. 6481

(2) Upon adoption by the board of directors of any 6482
approved amendment to a mutual state bank's articles of 6483
incorporation or code of regulations, or approved amended 6484
articles of incorporation or code of regulations, the bank shall 6485
provide to the superintendent a copy of the amendment or amended 6486
articles of incorporation or code of regulations, accompanied by 6487
a certificate containing a copy of the directors' resolution 6488
adopting the amendment or amended articles of incorporation or 6489
code of regulations and a statement of the manner of and basis 6490
for its adoption. The certificate shall be signed by the bank's 6491
authorized representatives in accordance with section 1103.19 of 6492
the Revised Code. 6493

(F) Upon receiving a certificate required by division (E) 6494
of this section, the superintendent shall conduct whatever 6495
examination the superintendent considers necessary to determine 6496
if the manner of and basis for adoption of the amendment or 6497
amended articles of incorporation or code of regulations comply 6498
with the requirements of the Revised Code. 6499

(G) (1) Within thirty days after receiving a certificate 6500
required by division (E) of this section, the superintendent 6501
shall approve or disapprove the amendment or amended articles of 6502
incorporation or code of regulations. If the superintendent 6503
approves the amendment or amended articles of incorporation or 6504
code of regulations, the superintendent shall forward a 6505
certificate of that approval, a copy of the certificate required 6506
by division (E) of this section, and a copy of the amendment or 6507
amended articles of incorporation or code of regulations to the 6508
secretary of state, who shall file the documents. Upon filing by 6509
the secretary of state, the amendment or amended articles of 6510
incorporation or code of regulations shall be effective. 6511

(2) If the superintendent fails to approve or disapprove 6512
the amendment or amended articles of incorporation or code of 6513
regulations within thirty days after receiving a certificate 6514
required by division (E) of this section, the bank shall forward 6515
a copy of the certificate and a copy of the amendment or amended 6516
articles of incorporation or code of regulations to the 6517
secretary of state, who shall file the documents. Upon filing by 6518
the secretary of state, the amendment or amended articles of 6519
incorporation or code of regulations shall be effective. 6520

Sec. 1114.12. Whenever members of a mutual state bank are 6521
required or authorized to elect directors or to take any other 6522
action at a meeting, either annual or special, a notice of the 6523
meeting shall be given by notice served upon or mailed to 6524
members as provided in section 1701.41 of the Revised Code. 6525

Sec. 1115.01. (A) (1) A stock state bank may do any of the 6526
following: 6527

(a) Convert into a national bank or a federal savings 6528
association if the conversion is approved by both the office of 6529

the comptroller of the currency and the affirmative vote or 6530
written consent of the holders of two-thirds, or such other 6531
proportion not less than a majority as the stock state bank's 6532
articles of incorporation require, of the outstanding shares of 6533
each class of the bank's stock; 6534

~~(b) Convert into a federal savings association if the~~ 6535
~~conversion is approved by both the office of thrift supervision~~ 6536
~~and the affirmative vote or written consent of the holders of~~ 6537
~~two thirds, or such other proportion not less than a majority as~~ 6538
~~the bank's articles of incorporation require, of the outstanding~~ 6539
~~shares of each class of the bank's stock;~~ 6540

~~(c) Convert into a bank, savings bank, or savings and loan~~ 6541
~~association pursuant to section 1151.64 of the Revised Code or~~ 6542
~~the laws of another state if the conversion is approved by both~~ 6543
~~the regulatory authority of the other state and the affirmative~~ 6544
~~vote or written consent of the holders of two-thirds, or such~~ 6545
~~other proportion not less than a majority as the stock state~~ 6546
~~bank's articles of incorporation require, of the outstanding~~ 6547
~~shares of each class of the bank's stock;~~ 6548

~~(d) Convert into a savings bank pursuant to section~~ 6549
~~1161.631 of the Revised Code or the laws of another state if the~~ 6550
~~conversion is approved by the affirmative vote or written~~ 6551
~~consent of the holders of two thirds, or such other proportion~~ 6552
~~not less than a majority as the bank's articles of incorporation~~ 6553
~~require, of the outstanding shares of each class of the bank's~~ 6554
~~stock;~~ 6555

~~(e) Convert into a bank doing business under authority~~ 6556
~~granted by the bank regulatory authority of another state,~~ 6557
~~pursuant to the laws of that state, if the conversion is~~ 6558
~~approved by the affirmative vote or written consent of the~~ 6559

~~holders of two thirds, or such other proportion not less than a~~ 6560
~~majority as the bank's articles of incorporation require, of the~~ 6561
~~outstanding shares of each class of the bank's stock.~~ 6562

(2) A mutual state bank may do any of the following: 6563

(a) Convert into a national bank or a federal savings 6564
association if the conversion is approved by the office of the 6565
comptroller of the currency, the affirmative vote of two-thirds 6566
of the mutual state bank's board of directors, and the 6567
affirmative vote of two-thirds of the total outstanding votes 6568
eligible to be cast at the meeting at which the plan of 6569
conversion is presented to the members for adoption; 6570

(b) Convert into a bank, savings bank, or savings 6571
association pursuant to the laws of another state if the 6572
conversion is approved by the regulatory authority of the other 6573
state, the affirmative vote of two-thirds of the mutual state 6574
bank's board of directors, and the affirmative vote of two- 6575
thirds of the total outstanding votes eligible to be cast at the 6576
meeting at which the plan of conversion is presented to the 6577
members for adoption. 6578

(B) A state bank that converts into a national bank, a 6579
federal savings association, or a bank, savings bank, or savings 6580
association doing business under authority granted by the bank 6581
regulatory authority of another state, ~~or a federal savings-~~ 6582
~~association~~ shall, immediately upon the conversion being 6583
effective, file with the superintendent of financial 6584
institutions all information the superintendent determines is 6585
necessary to reflect in the state's records that the bank ~~or~~ 6586
~~federal savings association~~ is no longer a corporation organized 6587
and doing business under the laws of this state. 6588

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

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

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

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

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

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

~~(3) Within ten business days after receiving an application required under division (B) (2) of this section, the superintendent shall determine whether to accept the application. Within ninety days after accepting an application required under division (B) (2) of this section, the superintendent shall approve or disapprove the application. In~~

~~determining whether to approve the bank's, savings- 6618
association's, or savings bank's conversion into a state bank, 6619
the superintendent shall consider all of the following: 6620~~

~~(a) The adequacy of the capital and paid-in capital of the 6621
proposed state bank; 6622~~

~~(b) Whether the competence, experience, and integrity of 6623
each director, executive officer, and controlling shareholder of 6624
the proposed state bank meet the criteria for acquiring control 6625
of a state bank as provided in section 1115.06 of the Revised 6626
Code; 6627~~

~~(c) Whether the proposed state bank affords reasonable 6628
promise of successful operation; 6629~~

~~(d) Whether the proposed state bank meets the requirements 6630
of Chapters 1101. to 1127. of the Revised Code. 6631~~

~~(4) The superintendent may condition an approval of the 6632
conversion of a national bank, bank doing business under 6633
authority granted by the bank regulatory authority of another 6634
state, savings association, or savings bank into a state bank in 6635
any manner the superintendent considers appropriate. 6636~~

~~(5) (a) If the superintendent approves a conversion of a 6637
national bank, bank doing business under authority granted by 6638
the bank regulatory authority of another state, savings- 6639
association, or savings bank into a state bank, the 6640
superintendent shall forward a certificate of the approval of 6641
the conversion and the state bank's articles of incorporation to 6642
the secretary of state, and shall issue to the new state bank a 6643
certificate of authority to commence business as a state bank. 6644~~

~~(b) (i) In the case of a state bank resulting from the 6645
conversion of a savings association organized under Chapter 6646~~

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

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

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

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

accordance with rules adopted by the superintendent for this 6677
purpose. 6678

Sec. 1115.03. (A) (1) A mutual state bank may convert into 6679
a stock state bank if the conversion is approved by the 6680
superintendent of financial institutions, the affirmative vote 6681
of two-thirds of the mutual state bank's board of directors, and 6682
the affirmative vote of two-thirds of the total outstanding 6683
votes eligible to be cast at the meeting at which the plan of 6684
conversion is presented to the members for adoption. 6685

(2) A stock state bank may convert into a mutual state 6686
bank if the conversion is approved by both the superintendent 6687
and the affirmative vote or written consent of two-thirds, or 6688
such other proportion not less than a majority as the stock 6689
state bank's article of incorporation require, of the 6690
outstanding shares of each class of the bank's stock. 6691

(B) A conversion under this section shall be effective on 6692
the date indicated in the materials filed with the secretary of 6693
state by the converting bank. Without further act or deed, the 6694
bank resulting from the conversion shall have all the property, 6695
rights, interests, and powers of its predecessor bank within the 6696
limits of the charter of the resulting bank, and all duties, 6697
trusts, obligations, and liabilities of the predecessor bank 6698
shall continue in the bank resulting from the conversion. 6699

Sec. 1115.05. (A) As used in this section: 6700

(1) "Acquire" or "acquisition" means any of the following 6701
transactions or actions: 6702

(a) A merger or consolidation with, or purchase of assets 6703
from, a bank holding company that has acquired an Ohio bank; 6704

(b) The acquisition of the direct or indirect ownership or 6705

control of voting shares of an Ohio bank if, after the 6706
acquisition, the acquiring bank holding company will directly or 6707
indirectly own or control the Ohio bank, unless the 6708
superintendent of financial institutions determines, in the 6709
superintendent's discretion, due to the nature of the 6710
acquisition, it should not be subject to the limitations of this 6711
section; 6712

(c) The merger or consolidation of an Ohio bank with, or 6713
the transfer of assets from an Ohio bank to, another bank, 6714
whether previously existing or chartered for the purpose of the 6715
transaction; 6716

(d) Any other action that results in the direct or 6717
indirect control of an Ohio bank. 6718

(2) "Ohio bank" means a state bank or a national bank 6719
whose principal place of business is in this state. 6720

(B) Subject to ~~divisions~~ division (C) ~~and (D)~~ of this 6721
section, a bank or bank holding company whose principal place of 6722
business is in this state or any other state may charter or 6723
otherwise acquire an Ohio bank, and a bank may acquire banking 6724
offices in this state by merger or consolidation with or 6725
transfer of assets and liabilities from a bank, savings bank, or 6726
savings association that has offices in this state, if, upon 6727
consummation of the acquisition, both of the following will 6728
apply: 6729

(1) The acquiring bank with, or the acquiring bank holding 6730
company through, its affiliate banks, savings banks, and savings 6731
associations, does not control more than ten per cent of the 6732
total deposits of banks, savings banks, and savings associations 6733
in the United States, and either of the following applies: 6734

(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. 6735
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(b) The acquiring bank with, or the acquiring bank holding company through, its affiliate banks, savings banks, and savings associations, controls more than thirty per cent of the total deposits of banks, savings banks, and savings associations in this state, and the superintendent approved the acquisition after determining the anticompetitive effects of the acquisition were clearly outweighed in the public interest by the probable effect of the transaction. 6740
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(2) Except in the case of a foreign bank subject to Chapter 1119. of the Revised Code or a bank that by the terms of its articles of incorporation or association is not permitted to solicit or accept deposits other than trust funds, the Ohio bank or any bank that has banking offices in this state will be an insured bank as defined in section 3(h) of the "Federal Deposit Insurance Act," 92 Stat. 614 (1978), 12 U.S.C.A. 1813(h). 6748
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(C) (1) Any bank holding company proposing to charter a state bank under this section shall comply with Chapter 1113. or 1114. of the Revised Code and any rules adopted to implement that chapter. 6755
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(2) If, after the proposed acquisition, the acquiring bank or bank holding company will control an existing state bank the acquiring bank or bank holding company did not control before the acquisition, and the acquisition does not include the merger or consolidation of the existing state bank with another bank, the acquiring bank or bank holding company shall comply with 6759
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section 1115.06 of the Revised Code and any rules adopted to 6765
implement that section. 6766

(3) If the proposed acquisition will be accomplished by 6767
means of a merger or consolidation with a state bank and the 6768
resulting bank of the merger or consolidation will be a state 6769
bank, the state bank shall comply with section 1115.11 of the 6770
Revised Code and any rules adopted to implement that section. 6771

(4) If the proposed acquisition will be accomplished by 6772
means of a transfer of assets and liabilities to a state bank, 6773
the state bank shall comply with section 1115.14 of the Revised 6774
Code and any rules adopted to implement that section. 6775

(5) If the proposed acquisition will be accomplished by 6776
forming a bank to which the bank to be acquired will transfer 6777
assets and liabilities, or with which the bank to be acquired 6778
will be merged or consolidated and the resulting bank will be a 6779
state bank, the acquiring bank holding company shall comply with 6780
section 1115.23 of the Revised Code and any rules adopted to 6781
implement that section. 6782

~~(D) (1) If the acquiring bank is a bank doing business 6783
under authority granted by the bank regulatory authority of 6784
another state and the acquisition will be accomplished by 6785
agreeing to assume all or substantially all of the deposit 6786
liabilities of an existing branch located in this state of a 6787
savings association doing business under authority granted by 6788
the superintendent pursuant to Chapter 1151. of the Revised 6789
Code, the acquisition shall be subject to the superintendent's 6790
approval, which shall include a determination that the laws of 6791
the state in which the acquiring bank has its principal place of 6792
business permit a bank with its principal place of business in 6793
ohio to acquire all or substantially all of the deposit 6794~~

~~liabilities of an existing branch of a savings association- 6795
located in that state on terms that are, on the whole,- 6796
substantially no more restrictive than those established under- 6797
section 1151.052 of the Revised Code. 6798~~

~~(2) If the acquiring bank is a bank doing business under 6799
authority granted by the bank regulatory authority of another 6800
state and the acquisition will be accomplished by agreeing to 6801
assume all or substantially all of the deposit liabilities of an 6802
existing branch located in this state of a savings bank doing 6803
business under authority granted by the superintendent pursuant 6804
to Chapter 1161. of the Revised Code, the acquisition shall be 6805
subject to the superintendent's approval, which shall include a 6806
determination that the laws of the state in which the acquiring 6807
bank has its principal place of business permit a bank with its 6808
principal place of business in Ohio to acquire all or 6809
substantially all of the deposit liabilities of an existing 6810
branch of a savings bank located in that state on terms that 6811
are, on the whole, substantially no more restrictive than those 6812
established under section 1161.07 of the Revised Code. 6813~~

Sec. 1115.06. (A) As used in this section: 6814

(1) "Control" of a state bank means either of the 6815
following: 6816

(a) Power, directly or indirectly, to direct the 6817
management or policies of a state bank; 6818

(b) Ownership or control of or power to vote twenty-five 6819
per cent or more of any class of voting securities of a state 6820
bank. 6821

(2) "State bank" includes any bank holding company that 6822
controls a state bank, and any other company that controls a 6823

state bank and is not a bank holding company. 6824

(B) (1) No person, acting directly or indirectly or through 6825
or in concert with one or more other persons, shall acquire 6826
control of a state bank through a purchase, assignment, 6827
transfer, pledge, or other disposition of voting securities of a 6828
state bank unless the superintendent of financial institutions 6829
has been given sixty days' prior written notice of the proposed 6830
acquisition and within that sixty days the superintendent has 6831
not done either of the following: 6832

(a) Disapproved the acquisition; 6833

(b) Extended the time during which the superintendent may 6834
disapprove the acquisition, as provided in division (B) (2) of 6835
this section. 6836

(2) The superintendent may extend the time during which 6837
the superintendent may disapprove a proposed acquisition of 6838
control, as follows: 6839

(a) For an additional thirty days in the discretion of the 6840
superintendent; 6841

(b) For two additional extensions of not more than forty- 6842
five days each, if any of the following applies: 6843

(i) The superintendent determines any acquiring party has 6844
not furnished all of the information required under division (C) 6845
of this section. 6846

(ii) In the superintendent's judgment, any material 6847
information submitted is substantially inaccurate. 6848

(iii) The superintendent has been unable to complete the 6849
investigation of an acquiring person under division (E) (1) of 6850
this section because of any delay caused by, or the inadequate 6851

cooperation of, that acquiring person. 6852

(iv) The superintendent determines additional time is 6853
needed to investigate and determine whether any acquiring person 6854
has a record of failing to comply with the requirements of 6855
subchapter II of chapter 53 of subtitle IV of Title 31 of the 6856
United States Code. 6857

(3) An acquisition may be made prior to the expiration of 6858
the disapproval period if the superintendent issues written 6859
notice of the superintendent's intent not to disapprove the 6860
acquisition of control. 6861

(C) ~~Except as the superintendent otherwise provides by~~ 6862
~~rule, a~~ A notice required under division (B) of this section 6863
shall contain ~~the following~~ such information: 6864

~~(1) The identity, personal history, and business~~ 6865
~~background and experience of each person by whom or on whose~~ 6866
~~behalf the acquisition is to be made, including each person's~~ 6867
~~material business activities and affiliations during the past~~ 6868
~~five years; a description of any material pending legal or~~ 6869
~~administrative proceedings in which each person is a party; and~~ 6870
~~any criminal indictment or conviction of each person by a state~~ 6871
~~or federal court.~~ 6872

~~(2) A statement of the assets and liabilities of each~~ 6873
~~person by whom or on whose behalf the acquisition is to be made,~~ 6874
~~as of the end of the fiscal year for each of the five years~~ 6875
~~immediately preceding the date of the notice, together with~~ 6876
~~related statements of income and source and application of funds~~ 6877
~~for each of the fiscal years then concluded, all prepared in~~ 6878
~~accordance with generally accepted accounting principles~~ 6879
~~consistently applied; and an interim statement of the assets and~~ 6880

~~liabilities for each person, together with related statements of~~ 6881
~~income and source and application of funds, as of a date not~~ 6882
~~more than ninety days prior to the date of the filing of the~~ 6883
~~notice.~~ 6884

~~(3) The terms and conditions of the proposed acquisition~~ 6885
~~and the manner in which the acquisition is to be made.~~ 6886

~~(4) The identity, source, and amount of the funds or other~~ 6887
~~consideration used or to be used in making the acquisition and,~~ 6888
~~if any part of these funds or other consideration has been or is~~ 6889
~~to be borrowed or otherwise obtained for the purpose of making~~ 6890
~~the acquisition, a description of the transaction, the names of~~ 6891
~~the parties, and any arrangements, agreements, or understandings~~ 6892
~~with the parties.~~ 6893

~~(5) Any plans or proposals any acquiring person may have~~ 6894
~~to liquidate the state bank, to sell its assets or merge it with~~ 6895
~~any company, or to make any other major change in its business~~ 6896
~~or corporate structure or management.~~ 6897

~~(6) The identification of any person employed, retained,~~ 6898
~~or to be compensated by an acquiring person, or by any person on~~ 6899
~~an acquiring person's behalf, to make solicitations or~~ 6900
~~recommendations to shareholders for the purpose of assisting in~~ 6901
~~the acquisition, and a brief description of the terms of the~~ 6902
~~employment, retainer, or arrangement for compensation.~~ 6903

~~(7) Copies of all invitations or tenders or advertisements~~ 6904
~~making a tender offer to stockholders for purchase of their~~ 6905
~~stock to be used in connection with the proposed acquisition.~~ 6906

~~(8) Any additional relevant information in the form as the~~ 6907
~~superintendent may require by rule or by specific request in~~ 6908
~~connection with any particular notice.~~ 6909

(D) Unless the superintendent determines an emergency 6910
exists or disclosure of a proposed acquisition of control would 6911
seriously threaten the safety or soundness of the state bank, 6912
each person who gives a notice required under division (B) of 6913
this section shall, within a reasonable time after receiving the 6914
superintendent's acceptance of the notice, do both of the 6915
following: 6916

(1) Publish the name of the state bank proposed to be 6917
acquired and the name of each person identified in the notice as 6918
a person by whom or for whom the acquisition is to be made; 6919

(2) Solicit public comment on the proposed acquisition, 6920
particularly from persons in the geographic area where the state 6921
bank proposed to be acquired is located, before final 6922
consideration of the notice by the superintendent. 6923

(E) Upon accepting a notice required under division (B) of 6924
this section, the superintendent shall do both of the following: 6925

(1) Conduct an investigation of the competence, 6926
experience, integrity, and financial ability of each person 6927
named in the notice as a person by whom or for whom the 6928
acquisition is to be made; 6929

(2) Make an independent determination of the accuracy and 6930
completeness of all information required to be in the notice. 6931

(F) The superintendent may disapprove any proposed 6932
acquisition of control if the superintendent finds any of the 6933
following: 6934

~~(1) The proposed acquisition of control would result in a 6935
monopoly or further any combination or conspiracy to monopolize 6936
or to attempt to monopolize the business of banking in any part 6937
of this state or any markets served by the state bank. 6938~~

~~(2) The effect of the proposed acquisition of control in any part of this state and any markets served by the state bank may be to substantially lessen competition, tend to create a monopoly, or in any other manner restrain trade, and the anticompetitive effects of the proposed acquisition of control are not clearly outweighed in the public interest by the probable effect of the acquisition in meeting the convenience and needs of the community to be served.~~ 6939
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~~(3) The financial condition of any acquiring person might jeopardize the financial stability of the state bank or prejudice the interests of the depositors of the state bank.~~ 6947
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~~(4)(2) The competence, experience, or integrity of any acquiring person or of any of the proposed management personnel indicates that it would not be in the interest of the depositors of the state bank, or in the interest of the public, to permit the acquiring person to control the state bank.~~ 6950
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~~(5)(3) The acquiring person neglects, fails, or refuses to furnish to the superintendent all of the information required by the superintendent.~~ 6955
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~~(6)(4) The superintendent determines the proposed transaction would have an adverse effect on the bank deposit insurance fund ~~or the savings association insurance fund~~ administered by the federal deposit insurance corporation.~~ 6958
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(G) Within three days after deciding to disapprove any proposed acquisition of control of a state bank, the superintendent shall notify the acquiring person in writing of the disapproval. The notice of disapproval shall provide a statement of the basis for the disapproval. 6962
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(H) Within ten days after receipt of a notice of the 6967

disapproval, the acquiring person may, in accordance with 6968
Chapter 119. of the Revised Code, request a hearing conducted in 6969
accordance with that chapter on the proposed acquisition. 6970

(I) Whenever a change in control of a state bank occurs, 6971
the state bank shall promptly report to the superintendent any 6972
changes in or replacement of its chief executive officer or of 6973
any director that occurs in the next twelve-month period, and 6974
include in the report a statement of the past and current 6975
business and professional affiliations of the new chief 6976
executive officer or director. 6977

(J) (1) The superintendent may exercise any authority 6978
vested in the superintendent under Chapter 1121. of the Revised 6979
Code in the course of conducting any investigation under 6980
division (E) of this section or any other investigation the 6981
superintendent, in the superintendent's discretion, considers 6982
necessary to determine whether any person has filed inaccurate, 6983
incomplete, or misleading information under this section or 6984
otherwise is violating, has violated, or is about to violate any 6985
provision of this section or any rule implementing this section. 6986

(2) Whenever it appears to the superintendent any person 6987
is violating, has violated, or is about to violate any provision 6988
of this section or any rule implementing this section, the 6989
superintendent may, in the superintendent's discretion, apply to 6990
the court of common pleas of any county in which the state bank 6991
is doing business for either of the following: 6992

(a) A temporary or permanent injunction or restraining 6993
order enjoining the person from violating this section or any 6994
rule implementing this section; 6995

(b) Other equitable relief, including divestiture, that 6996

may be necessary to prevent violation of this section or of any 6997
rule implementing this section. 6998

(3) (a) The courts of this state have the same jurisdiction 6999
and power in connection with the exercise of any authority by 7000
the superintendent under this section as they have under Chapter 7001
1121. of the Revised Code. 7002

(b) The courts of this state have jurisdiction and power 7003
to issue any injunction or restraining order or grant any 7004
equitable relief described in division (J)(2) of this section. 7005
When a court finds it appropriate, the court may grant the 7006
injunction, order, or other equitable relief without requiring 7007
the posting of any bond. 7008

(K) The resignation, termination of employment or 7009
participation, divestiture of control, or separation of or by a 7010
regulated person, including a separation caused by the closing 7011
of a state bank, shall not affect the jurisdiction and authority 7012
of the superintendent to issue any notice and otherwise proceed 7013
under this section against the regulated person, if the notice 7014
is issued no later than six years after the date of the 7015
regulated person's resignation, termination of employment or 7016
participation, or separation from or divestiture of control of a 7017
state bank. 7018

For purposes of this division, "regulated person" has the 7019
same meaning as in section 1121.01 of the Revised Code. 7020

Sec. 1115.07. (A) As used in this section: 7021

(1) "Credit outstanding" means any loan, extension of 7022
credit, issuance of a guarantee, acceptance, or letter of 7023
credit, including an endorsement or standby letter of credit, or 7024
other transaction that extends financing to a person or group of 7025

persons. 7026

(2) "Financial institution" means a state bank, national 7027
bank, savings bank, savings association, or a bank doing 7028
business under authority granted by the bank regulatory 7029
authority of another state of the United States or another 7030
country. 7031

(3) "Group of persons" includes any number of persons the 7032
financial institution reasonably believes are either of the 7033
following: 7034

(a) Persons who are acting together, in concert, or with 7035
one another to acquire or control shares of the same stock state 7036
bank, including an acquisition of shares of the same stock state 7037
bank at approximately the same time under substantially the same 7038
terms. 7039

(b) Persons who have made, or have proposed to make, a 7040
joint filing under section 13 of Title I of the "Securities 7041
Exchange Act of 1934," 48 Stat. 881, 15 U.S.C.A. 78m, as 7042
amended, regarding ownership of the shares of the same stock 7043
state bank. 7044

(B) (1) Except as provided in division (D) of this section, 7045
any financial institution or any affiliate of a financial 7046
institution that has credit outstanding to any person or group 7047
of persons that is secured, directly or indirectly, by shares of 7048
a stock state bank shall file a consolidated report with the 7049
superintendent of financial institutions if the credits 7050
outstanding are, in the aggregate, secured, directly or 7051
indirectly, by twenty-five per cent or more of the outstanding 7052
shares of any class of the same stock state bank. 7053

(2) For purposes of division (B) (1) of this section, any 7054

shares of the stock state bank held by the financial institution 7055
or any of its affiliates as principal shall be included in the 7056
calculation of the number of shares in which the financial 7057
institution or its affiliates has a security interest. 7058

(C) The report required under division (B) (1) of this 7059
section shall be a consolidated report on behalf of the 7060
financial institution and all its affiliates, and shall be filed 7061
in writing within thirty days after the date on which the 7062
financial institution or any of its affiliates first believes 7063
the security for any outstanding credit consists of twenty-five 7064
per cent or more of the outstanding shares of any class of a 7065
stock state bank. 7066

The report shall indicate the number and percentage of 7067
shares securing each credit outstanding, the identity of the 7068
borrower, and the number of shares held as principal by the 7069
financial institution or any of its affiliates. It also shall 7070
contain all of the information required in a notice under 7071
section 1115.06 of the Revised Code, and any other relevant 7072
information the superintendent may require by rule or by 7073
specific request in connection with a particular report. 7074

(D) A financial institution and its affiliates shall not 7075
be required to report a transaction under this section if either 7076
of the following applies: 7077

(1) The person or group of persons to whom the credit is 7078
outstanding has disclosed to the superintendent the amount 7079
borrowed from the financial institution or its affiliate and the 7080
security interest of the financial institution or its affiliate 7081
in connection with a notice given under section 1115.06 of the 7082
Revised Code or with any other application filed with the 7083
superintendent, such as an application for an interim bank 7084

charter. 7085

(2) The transaction involves either of the following: 7086

(a) A person or group of persons that has been the owner 7087
of record of the shares for at least one year; 7088

(b) Shares issued by a newly chartered stock state bank 7089
before the ~~state~~ bank's opening. 7090

Sec. 1115.11. (A) A state bank may consolidate or merge 7091
with another state bank, a bank, savings bank, or savings 7092
association doing business under authority granted by the bank 7093
regulatory authority of another state, ~~or~~ a national bank, 7094
~~savings bank,~~ or a federal savings association, regardless of 7095
where it maintains its principal place of business, with the 7096
approval of all of the following: 7097

(1) The directors of both constituent corporations; 7098

(2) (a) The shareholders of each constituent state bank 7099
that is a stock state bank, by the affirmative vote or written 7100
consent of the holders of two-thirds, or such other proportion 7101
not less than a majority as the ~~state~~ bank's articles of 7102
incorporation or code of regulations provide, of the outstanding 7103
shares of each class of the ~~state~~ bank's stock; 7104

(b) The members of each constituent state bank that is a 7105
mutual state bank, by the affirmative vote of two-thirds, or 7106
such other proportion not less than a majority as the bank's 7107
articles of incorporation or code of regulations provide, of the 7108
voting members. 7109

(3) The shareholders or members of the other constituent 7110
bank, savings bank, or savings association as required by the 7111
applicable state or federal law, articles of incorporation, or 7112

code of regulations; 7113

(4) One of the following, as applicable: 7114

(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; 7115
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(b) If the resulting corporation will be a national bank or federal savings association, the office of the comptroller of the currency; 7121
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(c) ~~If the resulting corporation will be a federal savings association, the director of the office of thrift supervision;~~ 7124
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~~(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. 7126
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(B) For a merger or consolidation in which the resulting or surviving corporation will be a state bank, the constituent corporations, in the case of a consolidation, and the constituent corporation that will be the surviving corporation, in the case of a merger, shall file with the superintendent an application for the superintendent's approval that includes ~~all of the following:~~ 7131
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~~(1) An officers' certification that the transaction has been approved by the directors and shareholders of each constituent corporation in accordance with the applicable state or federal law, articles of incorporation or association, code~~ 7138
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~~of regulations, or bylaws;~~ 7142

~~(2) A a copy of the consolidation or merger agreement;~~ 7143

~~(3) Any and any other information the superintendent~~ 7144
requires. 7145

(C) The consolidation or merger agreement required under 7146
division (B) ~~(2)~~ of this section shall include all of the 7147
following: 7148

(1) The names of the constituent corporations; 7149

(2) The agreement that the named constituent corporations 7150
will consolidate into a new state bank or the other named 7151
constituent corporations will merge with or into one specified 7152
constituent corporation; 7153

(3) Subject to the limitations set forth in section 7154
1103.07 of the Revised Code, the name of the state bank 7155
resulting from the consolidation or surviving the merger; 7156

(4) The place in this state where the resulting or 7157
surviving bank's principal place of business is to be located; 7158

(5) In the case of a consolidation, the contents of the 7159
resulting bank's articles of incorporation, consistent with 7160
section ~~1103.06~~ 1113.04 of the Revised Code; 7161

(6) In the case of a merger, any amendment to the 7162
surviving bank's articles of incorporation; 7163

(7) The names and addresses of the directors of the 7164
resulting or surviving bank; 7165

(8) The terms of the consolidation or merger, how the 7166
consolidation or merger will be effected, and how ~~any~~ 7167
consideration provided for, if any, will be distributed to the 7168

shareholders or members of the constituent corporations. 7169

(D) Within ten business days after receiving an 7170
application required under division (B) of this section, the 7171
superintendent shall determine whether to accept the 7172
application. If the transaction is with a bank, savings bank, or 7173
savings association doing business under authority granted by a 7174
regulatory authority other than the superintendent, the 7175
superintendent shall notify the regulatory authority under which 7176
the bank, savings bank, or savings association is doing business 7177
of the application and solicit that regulatory authority's 7178
comments. Within ninety days after accepting an application 7179
required under division (B) of this section, the superintendent 7180
shall approve or disapprove the application. In making that 7181
determination, the superintendent shall consider all of the 7182
following: 7183

~~(1) Whether the transaction would result in a monopoly or 7184
would further any combination or conspiracy to monopolize or to 7185
attempt to monopolize the business of banking in any part of 7186
this state and any markets served by the resulting or surviving 7187
bank;~~ 7188

~~(2) Whether the effect of the proposed transaction in any 7189
part of this state and any markets served by the resulting or 7190
surviving bank may be to substantially lessen competition, tend 7191
to create a monopoly, or in any other manner restrain trade, 7192
unless the superintendent finds the anticompetitive effects of 7193
the transaction would clearly be outweighed in the public 7194
interest by the probable effect of the transaction in meeting 7195
the convenience and needs of the community to be served;~~ 7196

~~(3) The financial and managerial resources and future 7197
prospects of the banks involved;~~ 7198

~~(4)~~ (2) The convenience and needs of the communities to be served; 7199
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~~(5)~~ (3) 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; 7201
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~~(6)~~ (4) The comments of any regulatory authority notified in accordance with division (D) of this section. 7204
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(E) The superintendent may condition approval of an application under division (D) of this section in any manner the superintendent considers appropriate. 7206
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(F) Before consummating a consolidation or merger authorized under division (A) of this section, a state bank shall deliver to the superintendent a certificate of consolidation or merger that satisfies the requirements of section 1701.81 of the Revised Code. The superintendent shall file the certificate of consolidation or merger with the secretary of state and, if the resulting or surviving bank of the consolidation or merger is a state bank, shall file a certified copy of the superintendent's approval of the consolidation or merger with the certificate. 7209
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(G) In the case of a consolidation or merger in which the resulting or surviving corporation is a state bank, the directors and other officers named in the agreement of consolidation or merger shall serve until the date fixed in the agreement or provided in the resulting or surviving bank's code of regulations or by statute for the next annual meeting. 7219
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(H) (1) When a consolidation or merger becomes effective, ~~the both of the following apply:~~ 7225
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(a) The existence of each of the constituent corporations 7227

ceases as a separate entity, but continues in the resulting or 7228
surviving corporation, within the limits of the charter of the 7229
resulting or surviving corporation and subject to section 7230
1115.20 of the Revised Code, without further act or deed ~~and~~ 7231
~~within.~~ 7232

(b) Within the limits of the charter of the resulting or 7233
surviving corporation, the resulting or surviving corporation 7234
has all assets and property, the rights, privileges, immunities, 7235
powers, franchises, and authority, and all obligations and 7236
~~trusts~~ fiduciary relationships of each party to the merger or 7237
consolidation and the duties and liabilities connected with 7238
them. ~~The~~ 7239

(2) The resulting or surviving corporation shall perform 7240
every ~~trust or relation~~ fiduciary relationship it has in the 7241
same manner as if it had itself originally assumed the ~~trust or~~ 7242
~~relation~~ fiduciary relationship and the obligations and 7243
liabilities connected with it. 7244

(I) Shareholders of the nonsurviving stock state bank 7245
shall have a right to dissent and shall be entitled to relief as 7246
dissenting shareholders under section 1701.85 of the Revised 7247
Code for those transactions requiring prior shareholder approval 7248
under division (A) (2) of this section. 7249

Sec. 1115.111. (A) Except as provided in division (C) of 7250
this section, no bank shall pay to any person, other than 7251
reasonable compensation for services provided in ~~his~~ the 7252
person's capacity as an employee, any management or consulting 7253
fee, including fees for legal, accounting, brokerage, or other 7254
similar professional services, not having a direct relationship 7255
to the value of actual services rendered, based on reasonable 7256
costs consistent with current market values for such services. 7257

(B) The records of the bank shall contain adequate information to permit a determination as to what services are being provided and on what basis they are being priced. At a minimum the records shall disclose a thorough review by the board of directors demonstrating all of the following:

(1) That such fees are paid for specific services provided, as detailed in a fee analysis presented to the board;

(2) The basis for the cost for each function or service;

(3) A conclusion by the board of directors that the fees are reasonable.

(C) This section does not prevent a bank from paying any of the following:

(1) Dividends to shareholders that have been properly declared by the bank;

(2) Reasonable compensation to officers and employees of the bank for services rendered to the bank in their capacities as officers or employees of the bank;

(3) Fees to directors for their attendance at meetings of the board of directors, the executive committee, or other committees established by the board.

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

(1) The directors of both constituent corporations;

(2) (a) If the assets to be transferred equal more than fifty per cent of the assets of a transferring or acquiring state bank at the time of the transfer and the institution is a stock state bank, the shareholders of the state bank by the affirmative vote or written consent of the holders of two-thirds, or such other proportion not less than a majority as the state bank's articles of incorporation provide, of the outstanding shares of each class of the state bank's stock;

(b) If the assets to be transferred equal more than fifty per cent of the assets of a transferring or acquiring state bank at the time of the transfer and the institution is a mutual state bank, the members of the state bank by the affirmative vote of two-thirds, or such other proportion not less than a majority as the bank's articles of incorporation or code of regulations provide, of the voting members.

(3) The shareholders or members of the other constituent bank, savings bank, or savings association as required by the applicable state or federal law, the articles of incorporation, or the code of regulations;

(4) If the assets to be transferred equal more than fifty per cent of the assets of the acquiring state bank, the superintendent of financial institutions.

(B) In the case of a transfer of assets and liabilities for which the superintendent's approval is required under division (A) (4) of this section, the acquiring state bank shall file with the superintendent an application that includes ~~all of the following:~~

~~(1) An officers' certification that the transaction has been approved by the directors and shareholders of each~~

~~constituent corporation in accordance with the applicable state- 7315
or federal law, articles of incorporation or association, code- 7316
of regulations, or bylaws; 7317~~

~~(2) A a copy of the transfer agreement; 7318~~

~~(3) Any and any other information the superintendent 7319
requires. 7320~~

(C) The transfer agreement required under division (B) ~~(2)- 7321
of this section shall include all of the following: 7322~~

(1) The names of the constituent corporations; 7323

(2) The agreement of the named constituent corporations 7324
that specified assets and liabilities of one will be transferred 7325
to the other in exchange for specified consideration; 7326

(3) Any changes to be made in the directors ~~of~~ or officers 7327
of the acquiring state bank; 7328

(4) Any amendments to the acquiring state bank's articles 7329
of incorporation; 7330

(5) The terms of the transfer, how the transfer will be 7331
effected, and how any consideration provided for will be 7332
distributed to the transferring corporation or its shareholders 7333
or members. 7334

(D) Within ten business days after receiving an 7335
application required under division (B) of this section, the 7336
superintendent shall determine whether to accept the 7337
application. If the transaction is with a bank, savings bank, or 7338
savings association doing business under authority granted by a 7339
regulatory authority other than the superintendent, the 7340
superintendent shall notify the regulatory authority that 7341
granted the authority under which the bank, savings bank, or 7342

savings association is doing business of the application and 7343
solicit that regulatory authority's comments. Within ninety days 7344
after accepting an application required under division (B) of 7345
this section, the superintendent shall approve or disapprove the 7346
application. In making that determination, the superintendent 7347
shall consider all of the following: 7348

~~(1) Whether the transaction would result in a monopoly or 7349
would further any combination or conspiracy to monopolize or to 7350
attempt to monopolize the business of banking in any part of 7351
this state and any markets served by the acquiring bank;~~ 7352

~~(2) Whether the effect of the proposed transaction in any 7353
part of this state and any markets served by the acquiring bank 7354
may be to substantially lessen competition, tend to create a 7355
monopoly, or in any other manner restrain trade, unless the 7356
superintendent finds that the anticompetitive effects of the 7357
transaction would clearly be outweighed in the public interest 7358
by the probable effect of the transaction in meeting the 7359
convenience and needs of the community to be served;~~ 7360

~~(3) The financial and managerial resources and future 7361
prospects of the banks involved;~~ 7362

~~(4) (2) The convenience and needs of the communities to be 7363
served;~~ 7364

~~(5) (3) Whether, upon completion of the transaction, the 7365
acquiring state bank will meet the requirements of Chapters 7366
1101. to 1127. of the Revised Code;~~ 7367

~~(6) (4) The comments of any regulatory authority notified 7368
in accordance with division (D) of this section.~~ 7369

(E) The superintendent may condition approval of an 7370
application under division (D) of this section in any manner the 7371

superintendent considers appropriate. 7372

(F) In the case of a transfer of assets and liabilities 7373
involving a state bank that is not the acquiring corporation and 7374
that will not continue operations after the transaction, the 7375
state bank shall, immediately upon the transfer of assets and 7376
liabilities being effective, provide the superintendent with the 7377
necessary dissolution certificates and affidavits for the 7378
superintendent to file the dissolution with the secretary of 7379
state. 7380

(G) When a bank, savings bank, or savings association 7381
transfers its assets and liabilities to a state bank, the 7382
acquiring state bank shall be possessed of the rights, 7383
privileges, and powers of the transferor with respect to the 7384
transferred assets within the limits of the charter of the 7385
acquiring state bank. 7386

(H) Shareholders of a state bank whose assets have been 7387
transferred shall have a right to dissent and shall be entitled 7388
to relief as dissenting shareholders under section 1701.85 of 7389
the Revised Code for those transactions requiring prior 7390
shareholder approval under division (A) (2) of this section. 7391

Sec. 1115.15. Whenever an emergency, as defined by the 7392
superintendent of financial institutions, exists with regard to 7393
a state bank, national bank, savings bank, or savings 7394
association that warrants, in the opinion of the superintendent 7395
and of a majority of the members of the respective boards of 7396
directors of the constituent corporations concerned, an 7397
immediate transfer of assets and liabilities, the board of 7398
directors of a state bank may, by majority vote, transfer the 7399
assets and liabilities of the state bank or acquire the assets 7400
and liabilities of another state bank or a national bank, 7401

savings bank, or savings association without the vote or 7402
approval of the shareholders of each constituent corporation 7403
involved in the proposed transfer. No transfer pursuant to this 7404
section involving a state bank shall be made without the written 7405
consent of the superintendent. Certified copies of all 7406
proceedings of its board of directors shall be filed with the 7407
superintendent by each constituent corporation involved in the 7408
transfer. A copy of the agreement between the constituent 7409
corporations shall accompany the copies of the proceedings of 7410
the boards of directors. 7411

Sec. 1115.20. (A) In any transfer, ~~consolidation, or~~ 7412
~~merger~~ under this chapter, the rights of creditors shall be 7413
preserved unimpaired, and, unless otherwise provided, the 7414
constituent corporations shall be deemed to continue their 7415
separate existence if the continuation is necessary to preserve 7416
any creditor's rights. 7417

(B) In any consolidation or merger under section 1115.11 7418
of the Revised Code, the rights and obligations of the surviving 7419
or new bank shall be governed by section 1701.82 of the Revised 7420
Code. 7421

Sec. 1115.23. (A) Any person, singly or jointly with 7422
others, may, with the approval of the superintendent of 7423
financial institutions, incorporate an interim bank for the 7424
purpose of facilitating the creation of a bank holding company, 7425
the acquisition of or transaction with an existing bank, savings 7426
association, or savings bank, or any other transaction the 7427
superintendent may approve. Prior to commencing business, an 7428
interim bank shall be a party to a reorganization with an 7429
existing bank, savings association, or savings bank pursuant to 7430
this chapter. 7431

(B) The person or persons proposing to incorporate an interim bank under this section shall make application for approval of the proposed interim bank in the manner and form prescribed by the superintendent, which shall include delivering to the division of financial institutions the items required in divisions (B) (1) and (2) of section ~~1113.01~~1113.02 of the Revised Code.

(C) Approval of the interim bank pursuant to this section does not authorize the interim bank to commence business. Approval of the interim bank shall be specifically conditioned on approval of the subsequent reorganization. The approval of the interim bank becomes void, and the interim bank shall be dissolved, if the reorganization is not approved and consummated within one year after the approval of the interim bank, unless the superintendent grants one or more extensions in writing. If no extension is granted or upon the expiration of the last extension granted, the interim bank shall provide the superintendent with the necessary dissolution certificates and affidavits for the superintendent to file the dissolution with the secretary of state.

(D) The superintendent shall not disapprove an interim bank charter solely because the interim bank's paid-in capital and surplus do not aggregate more than five hundred dollars.

Sec. 1115.24. (A) As used in this section:

(1) "Applicant" means the person or persons seeking a shelf charter under this section.

(2) "Control" has the same meaning as in section 1115.06 of the Revised Code and any rules adopted under that section.

(3) "Shelf charter" means the preliminary conditional

approval of a charter. 7461

(B) The superintendent of financial institutions may, at 7462
the superintendent's sole discretion, grant a shelf charter to 7463
an applicant intending or desiring to enter into a transaction 7464
resulting in any of the following: 7465

(1) Formation of an interim bank under this chapter to be 7466
used for the transactions contemplated by this section; 7467

(2) Acquisition of control of a designated or undesignated 7468
state bank; 7469

(3) Acquisition of control of a designated or undesignated 7470
bank chartered by the banking authority of any other state or 7471
the United States that the person or persons intend to convert 7472
to a state bank; 7473

(4) Acquisition of assets from and assumption of 7474
liabilities, pursuant to this chapter, of a bank or from the 7475
federal deposit insurance corporation as receiver of a 7476
designated or undesignated bank headquartered in this state or 7477
any other state that the person or persons intend to convert to 7478
a state bank; 7479

(5) Formation of a de novo bank pursuant to Title XI of 7480
the Revised Code. 7481

(C) The superintendent shall prescribe the form for an 7482
application for a shelf charter. After reviewing an application, 7483
the superintendent may require the applicant to submit any 7484
additional information or documentation the superintendent 7485
considers necessary and appropriate. Factors to be considered by 7486
the superintendent shall include all of the following: 7487

(1) The availability of adequate capital for the 7488

<u>transaction;</u>	7489
<u>(2) The existence of acceptable business plans;</u>	7490
<u>(3) Whether acceptable management, directors, and control persons are identified;</u>	7491
<u>(4) Whether all necessary approvals from state and federal agencies have been secured.</u>	7492
<u>(D) (1) A shelf charter granted under this section, and any final approval for a transaction described in division (B) of this section, shall be subject to such conditions and ongoing requirements as the superintendent considers appropriate.</u>	7493
<u>(2) An applicant granted a shelf charter under this section shall not exercise control over the bank or consummate the transaction authorized by the charter until the superintendent gives final approval of the transaction.</u>	7494
<u>(E) A shelf charter shall expire twenty-four months after the date it is granted, subject to the following:</u>	7495
<u>(1) The superintendent may extend the expiration date at any time sua sponte or upon approval by the superintendent of a written request for an extension submitted by the person or persons to whom the shelf charter was granted.</u>	7496
<u>(2) The person or persons to whom the shelf charter was granted may withdraw it at any time.</u>	7497
<u>(3) The superintendent may modify, suspend, or revoke any shelf charter granted under this section.</u>	7498
<u>(F) Pursuant to the authority granted under section 1121.03 of the Revised Code, the superintendent may adopt rules and issue interpretive guidelines the superintendent considers</u>	7499
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necessary and appropriate for the implementation of this 7516
section. 7517

Sec. 1115.27. (A) A state bank may merge with any of its 7518
affiliates with the approval of all of the following: 7519

(1) The directors of all constituent corporations to the 7520
merger; 7521

(2) (a) The shareholders of each constituent stock state 7522
bank by the affirmative vote or written consent of the holders 7523
of two-thirds, or any other proportion not less than a majority 7524
as the bank's articles of incorporation provide, of the 7525
outstanding shares of each class of the bank's stock; 7526

(b) The members of each constituent mutual state bank, by 7527
the affirmative vote of two-thirds, or such other proportion not 7528
less than a majority as the bank's articles of incorporation or 7529
code of regulations provide, of the voting members. 7530

(3) The shareholders or members of each other constituent 7531
to the merger as required by the applicable state or federal 7532
law, the articles of incorporation, or the code of regulations; 7533

(4) The superintendent of financial institutions. 7534

(B) The bank that will be the surviving bank in the merger 7535
shall file with the superintendent an application for the 7536
superintendent's approval that includes ~~all of the following:~~ 7537

~~(1) An officers' certification that the transaction has~~ 7538
~~been approved by the directors and shareholders of each~~ 7539
~~constituent corporation in accordance with the applicable state~~ 7540
~~or federal law, articles of incorporation or association, code~~ 7541
~~of regulations, or bylaws;~~ 7542

~~(2) A copy of the merger agreement;~~ 7543

~~(3) Any and any~~ other information the superintendent requires. 7544
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(C) The merger agreement required under division (B) ~~(2)~~ of this section shall include all of the following: 7546
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(1) The names of the constituent corporations; 7548

(2) The agreement of the other named constituent corporations to merge with or into one specified bank; 7549
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(3) Subject to the limitations set forth in section 1103.07 of the Revised Code, the name of the bank surviving from the merger. 7551
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(4) The place in this state where the surviving bank's principal place of business is to be located; 7554
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(5) Any amendment to the surviving bank's articles of incorporation; 7556
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(6) The names and addresses of the directors of the surviving bank; 7558
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(7) The terms of the merger, how it will be effected, and how ~~any~~ consideration, if any, provided for will be distributed to the shareholders or members of the constituent corporations. 7560
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(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. 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: 7563
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(1) The financial and managerial resources and future prospects of the surviving bank; 7571
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(2) The convenience and needs of the communities to be served; 7573
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(3) Whether, upon completion of the merger, the surviving bank will meet the requirements of Chapters 1101. to 1127. of the Revised Code; 7575
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(4) Whether any of the constituents to the merger are subject to limitations that are inconsistent with the merger. 7578
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(E) The superintendent may condition approval of an application under division (D) of this section in any manner the superintendent considers appropriate. 7580
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(F) Before consummating a merger authorized under division (A) of this section, the bank that is to be the surviving bank of the merger shall deliver to the superintendent a certificate of merger that satisfies the requirements of section 1701.81 of the Revised Code. The superintendent shall file the certificate of merger and a certified copy of the superintendent's approval of the merger with the secretary of state. 7583
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(G) The directors and other officers named in the agreement of merger shall serve until the date fixed in the agreement or provided in the surviving bank's code of regulations or by statute for the next annual meeting. 7590
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(H) When a merger authorized by division (A) of this section becomes effective, the existence of each of the constituent corporations ceases as a separate entity, but continues in the surviving bank, within the limits of the charter of the surviving bank and subject to section 1115.20 of the Revised Code. Without further act or deed and within the 7594
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limits of the charter of the surviving bank, the surviving bank 7600
has all assets and property, the rights, privileges, immunities, 7601
powers, franchises, and authority, and all obligations and 7602
~~trusts~~ fiduciary relationships of each party to the merger and 7603
the duties and liabilities connected with them. The surviving 7604
bank shall perform every ~~trust or relation~~ fiduciary 7605
relationship it has in the same manner as if it had itself 7606
originally assumed the ~~trust or relation~~ fiduciary relationship 7607
and the obligations and liabilities connected with it. 7608

Sec. 1116.01. As used in this chapter, unless the context 7609
requires otherwise: 7610

(A) "Acquiree mutual bank" means any state bank, savings 7611
association, or savings bank that meets both of the following 7612
conditions: 7613

(1) It is acquired by a mutual holding company as part of, 7614
and concurrently with, a mutual holding company reorganization. 7615

(2) It is in the mutual form immediately prior to the 7616
acquisition. 7617

(B) "Reorganization plan" means the plan to reorganize 7618
into a mutual holding company structure described in section 7619
1116.07 of the Revised Code. 7620

(C) "Reorganizing mutual state bank" means a mutual state 7621
bank that proposes to reorganize into a mutual holding company 7622
structure in accordance with this chapter. 7623

(D) "Resulting mutual holding company" means a bank 7624
holding company organized in mutual form under this chapter and, 7625
unless otherwise indicated, a subsidiary holding company 7626
controlled by a mutual holding company organized under this 7627
chapter. 7628

(E) "Resulting stock state bank" means a stock state bank 7629
that is organized as a subsidiary of a reorganizing mutual state 7630
bank to receive a substantial part of the assets and 7631
liabilities, including all deposit accounts, of the reorganizing 7632
mutual state bank upon consummation of the reorganization. 7633

(F) "Stock bank" means a bank that has an ownership 7634
structure in the form of shares of stock and is doing business 7635
under authority granted by the superintendent of financial 7636
institutions or the bank regulatory authority of another state 7637
or the United States. 7638

(G) "Subsidiary holding company" means a stock company 7639
that is controlled by a mutual holding company and that owns the 7640
stock of a stock state bank whose depositors have membership 7641
rights in the parent mutual holding company. 7642

Sec. 1116.02. (A) A mutual holding company and any 7643
subsidiary of a mutual holding company shall be created, 7644
organized, and governed, and its business shall be conducted, in 7645
all respects in the same manner as is provided under Chapter 7646
1701. of the Revised Code, for corporations generally, to the 7647
extent that it is not inconsistent with this chapter, Chapters 7648
1101. to 1115., and Chapters 1117. to 1127. of the Revised Code 7649
or the rules adopted under those chapters. 7650

(B) A mutual holding company and any subsidiary of a 7651
mutual holding company organized under this chapter is subject 7652
to all powers, remedies, and sanctions provided to the 7653
superintendent of financial institutions and the division of 7654
financial institutions by Chapters 1101. to 1127. of the Revised 7655
Code. 7656

(C) Notwithstanding division (A) of this section, a 7657

nonbank subsidiary of a mutual holding company may be organized 7658
under the general corporate laws of another state of the United 7659
States. 7660

Sec. 1116.05. (A) A mutual state bank may, with the 7661
approval of the superintendent of financial institutions, 7662
reorganize to become a mutual holding company, in one of the 7663
following manners: 7664

(1) By organizing one or more subsidiary stock state 7665
banks, one or more of which may be an interim stock state bank, 7666
the ownership of which shall be evidenced by shares of stock to 7667
be owned by the reorganizing mutual state bank and by 7668
transferring a substantial portion of its assets, all of its 7669
insured deposits, and part or all of its other liabilities to 7670
one or more subsidiary stock state banks; 7671

(2) By organizing a first tier subsidiary stock state 7672
bank, causing that subsidiary to organize a second tier 7673
subsidiary stock state bank, and transferring, by merger of the 7674
reorganizing mutual state bank with the second tier subsidiary, 7675
a substantial portion of its assets, all of its insured 7676
deposits, and part or all of its other liabilities to the 7677
resulting stock state bank at which time the first tier 7678
subsidiary stock state bank becomes a mutual holding company; 7679

(3) In any other manner approved by the superintendent. 7680

(B) As a part of its mutual holding company 7681
reorganization, a mutual state bank may organize as a subsidiary 7682
holding company of the mutual holding company, which subsidiary 7683
holding company shall own all of the outstanding voting stock of 7684
the resulting stock state bank. 7685

(C) Before reorganizing into a mutual holding company, a 7686

reorganizing mutual state bank shall do all of the following: 7687

(1) Obtain approval of a reorganization plan by a two- 7688
thirds vote of the board of directors of the reorganizing mutual 7689
state bank and any acquiree mutual bank; 7690

(2) Obtain approval of the reorganization plan by a two- 7691
thirds vote, or such other proportion not less than a majority 7692
as the reorganizing mutual state bank's or any acquiree mutual 7693
bank's articles of incorporation or code of regulations provide, 7694
of the members' votes cast in person or by proxy at the annual 7695
meeting or at a special meeting of members called by the board 7696
of directors for the purpose of approving the reorganization 7697
plan; 7698

(3) File a reorganization application in the form 7699
prescribed by the superintendent that includes all of the 7700
following: 7701

(a) An officers' certification that the reorganization 7702
plan has been approved by the directors and members in 7703
accordance with applicable state law, articles of incorporation, 7704
code of regulations, or bylaws; 7705

(b) A copy of the reorganization plan; 7706

(c) Any other information the superintendent requires. 7707

Sec. 1116.06. (A) Within ten business days after receipt 7708
of an application for a mutual holding company reorganization 7709
under division (C) (3) of section 1116.05 of the Revised Code, 7710
the superintendent of financial institutions shall do one of the 7711
following: 7712

(1) Accept the application for processing; 7713

(2) Request additional information to complete the 7714

application; 7715

(3) Return the application if it is substantially 7716
incomplete. 7717

(B) Within one hundred eighty days after an application is 7718
accepted for processing, the superintendent shall approve or 7719
disapprove the application and, if approved, impose any 7720
conditions the superintendent determines appropriate. 7721

(C) In approving or disapproving an application, the 7722
superintendent, after conducting an appropriate examination or 7723
investigation, shall consider whether: 7724

(1) The reorganizing mutual state bank and any acquiree 7725
mutual bank will operate in a safe, sound, and prudent manner. 7726

(2) The applicant has demonstrated that the reorganization 7727
plan is fair to the members of the reorganizing mutual state 7728
bank and any acquiree mutual bank. 7729

(3) The interests of the reorganizing mutual state bank's 7730
depositors and creditors and the general public will not be 7731
jeopardized by the proposed reorganization into a mutual holding 7732
company; 7733

(4) The proposed reorganization will result in a 7734
reorganizing mutual state bank or any acquiree state bank that 7735
has adequate capital, satisfactory management, and good earnings 7736
prospects; 7737

(5) A stock issuance proposed in connection with the 7738
mutual holding company reorganization plan meets the standards 7739
established by the superintendent and any applicable state and 7740
federal securities laws; and 7741

(6) The reorganizing mutual state bank or any acquiree 7742

mutual bank has furnished all information required in the 7743
reorganization plan and any other information requested by the 7744
superintendent regarding the proposed reorganization. 7745

Sec. 1116.07. Each reorganization plan submitted with a 7746
mutual holding company reorganization application shall contain 7747
a description of all significant terms of the proposed 7748
reorganization and include all of the following: 7749

(A) Any proposed stock issuance plan; 7750

(B) An opinion of counsel, or a ruling from the United 7751
States internal revenue service and the Ohio department of 7752
taxation, as to the federal and state tax treatment of the 7753
proposed reorganization; 7754

(C) A copy of the articles of incorporation and code of 7755
regulations of the proposed mutual holding company, the 7756
resulting stock state bank, and any affiliate organizations in 7757
the holding company structure; 7758

(D) A description of the method of reorganization under 7759
this chapter; 7760

(E) A statement that, upon consummation of the 7761
reorganization, certain assets and liabilities, including all 7762
deposit accounts of the reorganizing mutual state bank, shall be 7763
transferred to the resulting stock state bank, which bank shall 7764
immediately become a stock state bank subsidiary of the mutual 7765
holding company or subsidiary holding company; 7766

(F) A summary of the expenses to be incurred in connection 7767
with the reorganization; 7768

(G) Any other information required by the superintendent 7769
of financial institutions. 7770

Sec. 1116.08. After approving a mutual holding company reorganization application, the superintendent of financial institutions shall, to effect the reorganization, forward the articles of incorporation to the secretary of state for filing. 7771
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Sec. 1116.09. (A) A mutual holding company shall do all of the following: 7775
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(1) Confer upon existing and future depositors of the resulting stock state bank the same membership rights in the mutual holding company as were conferred upon depositors by the articles of incorporation or code of regulations of the reorganizing mutual state bank in effect immediately prior to the reorganization; 7777
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(2) Confer upon existing and future depositors of any acquiree mutual bank or any bank that is in the mutual form when acquired by the mutual holding company, the same membership rights in the mutual holding company as were conferred upon depositors by the articles of incorporation or code of regulations of the acquired mutual bank in effect immediately prior to the acquisition, provided that if the acquired mutual bank is merged into another subsidiary state bank from which the mutual holding company draws members, the depositors of the acquired mutual bank shall receive the same membership rights as the depositors of the subsidiary state bank into which the acquired mutual bank is merged; 7783
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(3) Confer upon the borrowers of the resulting stock state bank who are borrowers at the time of reorganization the same membership rights in the mutual holding company as were conferred upon them by the articles of incorporation or code of regulations of the reorganizing mutual state bank in effect immediately prior to the reorganization, but not any membership 7795
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rights in connection with any borrowings made after the 7801
reorganization; 7802

(4) Confer upon the borrowers of any acquiree mutual bank 7803
or any bank that is in the mutual form when acquired by the 7804
mutual holding company who are borrowers at the time of the 7805
acquisition, the same membership rights in the mutual holding 7806
company as were conferred on them by the articles of 7807
incorporation or code of regulations of the acquired mutual bank 7808
in effect immediately prior to the acquisition, but not any 7809
membership rights in connection with any borrowings made after 7810
the acquisition; provided, however, that if the acquired mutual 7811
bank is merged into another bank from which the mutual holding 7812
company draws members, the borrowers of the acquired mutual bank 7813
shall instead receive the same grandfathered membership rights 7814
as the borrowers of the subsidiary state bank into which the 7815
acquired mutual bank is merged. 7816

(B) A mutual holding company that acquires a bank in the 7817
stock form, other than a resulting stock state bank or an 7818
acquiree mutual bank, shall not confer any membership rights 7819
upon the depositors and borrowers of the stock bank, unless such 7820
stock bank is merged into a subsidiary stock state bank from 7821
which the mutual holding company draws its members, in which 7822
case the depositors of the stock bank shall receive the same 7823
membership rights as other depositors of the subsidiary stock 7824
state bank into which the stock bank is merged. 7825

Sec. 1116.10. (A) A mutual holding company and any 7826
subsidiary holding company shall be governed by a board of 7827
directors and in accordance with the articles of incorporation 7828
and code of regulations adopted in connection with the 7829
reorganization, or as amended in accordance with law or rule 7830

after the reorganization. 7831

(B) The board of the mutual holding company and any 7832
subsidiary holding company shall have at least five members who, 7833
initially, shall consist of the board of directors of the 7834
reorganizing mutual state bank. Such members, after the 7835
formation of the mutual holding company and any subsidiary 7836
holding company, shall continue to serve as directors for the 7837
balance of the terms to which they were elected. 7838

Sec. 1116.11. All assets, rights, obligations, and 7839
liabilities of a reorganizing mutual state bank that are not 7840
expressly retained by the mutual holding company shall be 7841
transferred to the resulting stock state bank. 7842

Sec. 1116.12. Each person who holds a deposit account in a 7843
reorganizing mutual state bank or any acquiree mutual state bank 7844
immediately before the reorganization shall receive, upon 7845
consummation of the reorganization, without payment, an 7846
identical deposit account in the resulting stock state bank or 7847
acquiree mutual state bank. 7848

Sec. 1116.13. The following apply to a reorganization plan 7849
adopted by the board of directors of the reorganizing mutual 7850
state bank or any acquiree mutual bank: 7851

(A) It may be amended by those boards as a result of any 7852
regulator's comments before any solicitation of proxies from the 7853
members to vote on the reorganization plan or, with the written 7854
consent of the superintendent of financial institutions, at any 7855
later time. 7856

(B) It may be terminated by either board at any time 7857
before the meeting at which the members vote on the 7858
reorganization plan or, with the written consent of the 7859

superintendent, at any later time. 7860

Sec. 1116.16. (A) A mutual holding company organized under 7861
the laws of another state or the United States may, with the 7862
approval of the superintendent of financial institutions, 7863
convert to a mutual holding company organized under this chapter 7864
by submitting an application in accordance with rules adopted by 7865
the superintendent under section 111.15 of the Revised Code. 7866

(B) State banks existing as of the effective date of this 7867
section that are affiliates of a mutual holding company 7868
organized under the laws of another state or the United States 7869
and that submit an application pursuant to division (A) of this 7870
section within one year after the effective date of this section 7871
shall be eligible for an expedited review process. 7872

Sec. 1116.18. Subject to all necessary regulatory notices 7873
or approvals, a mutual holding company organized under this 7874
chapter may do all of the following: 7875

(A) Acquire a bank organized in mutual or stock form by 7876
merger of such bank with the subsidiary stock state bank, 7877
interim subsidiary stock bank, or subsidiary stock holding 7878
company of the mutual holding company; 7879

(B) Merge with or acquire another holding company provided 7880
that such holding company has, as one of its subsidiaries, a 7881
subsidiary banking corporation; 7882

(C) Exercise any power of, or engage in any activity 7883
permitted for, a mutual state bank; 7884

(D) Engage directly or indirectly only in such activities 7885
as are permissible activities for bank holding companies under 7886
applicable state and federal law or regulations; 7887

(E) Invest in the stock of a bank; 7888

(F) Exercise any rights, waive any rights, or take or 7889
wave any other action with respect to any securities of any 7890
subsidiary stock state bank or subsidiary stock holding company 7891
that are held by the mutual holding company. 7892

Sec. 1116.19. (A) The board of directors of a mutual 7893
holding company may from time to time, by a majority vote of the 7894
directors, do both of the following: 7895

(1) Divide equitably any surplus that is in excess of the 7896
amount required for the operations of the mutual holding company 7897
or to maintain the safety and soundness of the mutual holding 7898
company; 7899

(2) Distribute that surplus to the respective depositors 7900
of its subsidiary stock state banks in accordance with their 7901
membership rights. 7902

(B) If the superintendent of financial institutions 7903
determines that the surplus held by a mutual holding company is 7904
excessive, the superintendent may order the board of directors 7905
of the mutual holding company to make the distribution described 7906
in division (A) of this section. 7907

Sec. 1116.20. (A) A mutual holding company may establish a 7908
subsidiary holding company as a direct subsidiary to hold one 7909
hundred per cent of the stock of its subsidiary stock state 7910
bank, provided the subsidiary holding company is not formed and 7911
operated as a means of evading or frustrating the purposes of 7912
this chapter. Subject to the approval of the superintendent of 7913
financial institutions, the subsidiary holding company may be 7914
established either at the time of the initial mutual holding 7915
company reorganization or at a subsequent date. 7916

(B) In addition to its powers under Chapters 1107. and 7917
1109. of the Revised Code, any subsidiary stock state bank or 7918
subsidiary holding company may, with the prior approval of the 7919
superintendent and subject to such rules as the superintendent 7920
may prescribe, issue one or more classes of securities, 7921
including one or more classes of common stock or preferred 7922
stock, and take any action in connection with such issuance or 7923
otherwise with respect to any such securities; provided, 7924
however, that in no event shall the mutual holding company hold 7925
less than twenty-five per cent of the combined voting power of 7926
all classes of securities of the subsidiary stock holding 7927
company or stock state bank that have voting power in the 7928
election of directors of such stock state bank. 7929

(C) Nothing in this section shall prohibit a subsidiary 7930
stock state bank or subsidiary stock holding company from 7931
issuing, in connection with an employee stock option or other 7932
employee benefit plan or with the mutual holding company 7933
reorganization or subsequent thereto, different classes of 7934
common stock to the mutual holding company and subsidiary stock 7935
state bank or subsidiary stock holding company. An issuance of 7936
securities may be made at the time of the mutual holding company 7937
reorganization or thereafter, and may be made in connection with 7938
the merger or acquisition of another bank whether organized in 7939
mutual or stock form. 7940

Sec. 1116.21. A mutual holding company organized under 7941
this chapter may, with the approval of the superintendent of 7942
financial institutions, convert to a stock holding company by 7943
submitting an application in accordance with rules adopted by 7944
the superintendent under section 1121.03 of the Revised Code. 7945

Sec. 1117.01. (A) Subject to section 1115.05 and Chapter 7946

1119. of the Revised Code, a bank, regardless of the location of 7947
its principal place of business, may establish or acquire and 7948
maintain a banking office in this state. 7949

(B) (1) With the prior written approval of the 7950
superintendent of financial institutions obtained in accordance 7951
with section 1117.02 of the Revised Code, a state bank ~~doing~~ 7952
~~business under authority granted by the superintendent~~ may 7953
establish or acquire a banking office at any of the following 7954
locations: 7955

(a) Any location in this state; 7956

(b) Any location in another state of the United States; 7957

(c) Any location outside the United States. 7958

(2) The superintendent may condition approval of a banking 7959
office at any location authorized by division (B) (1) (b) or (c) 7960
of this section on an agreement satisfactory to the 7961
superintendent providing for the times, method, and 7962
reimbursement of expenses for examining the banking office. 7963

Sec. 1117.02. (A) A bank with its principal place of 7964
business in this state proposing to establish a banking office 7965
shall submit an application to the superintendent of financial 7966
institutions. The superintendent shall determine whether to 7967
accept an application for processing within ten business days 7968
after receiving the application. The superintendent shall 7969
approve or disapprove the application within sixty days after 7970
accepting it unless approval is withheld under division (E) of 7971
this section. 7972

(B) If the superintendent accepts the application, the 7973
bank shall, within ten days after receipt of the 7974
superintendent's notice of acceptance, publish, in print or in a 7975

comparable electronic format, notice of its proposed banking 7976
office in a newspaper of general circulation in the county where 7977
the proposed banking office is to be located and in the county 7978
where the bank currently maintains its principal place of 7979
business. The notice shall state that comments on the proposed 7980
banking office must be delivered to the division of financial 7981
institutions within fourteen days after the date the notice is 7982
published, and shall provide the division's address. 7983

(C) If the superintendent determines any comment delivered 7984
to the division regarding a proposed banking office is relevant 7985
to the criteria set forth in this section for approval of a 7986
banking office, the superintendent shall investigate the comment 7987
in any manner the superintendent considers appropriate. 7988

(D) In determining whether to approve a proposed banking 7989
office, the superintendent shall consider all of the following: 7990

(1) The adequacy of the bank's management; 7991

(2) The adequacy of the bank's capital ~~and paid-in~~ 7992
~~capital~~; 7993

(3) The effect establishment of the banking office will 7994
have on the interests of the bank's depositors and shareholders 7995
or members; 7996

(4) The bank's lending record in helping to meet the 7997
credit needs of its entire community, including low- and 7998
moderate-income neighborhoods, consistent with both the safe and 7999
sound operation of the bank and the "Community Reinvestment Act 8000
of 1977," 91 Stat. 1147, 12 U.S.C. 2901, as amended; 8001

(5) Any other reasonable criteria the superintendent may 8002
establish. 8003

(E) (1) If the superintendent determines, upon 8004
consideration of the criteria set forth in division (D) of this 8005
section, that the banking office should otherwise be approved, 8006
but the bank's lending record is not satisfactory in helping to 8007
meet the credit needs of its entire community as prescribed in 8008
division (D) (4) of this section, the superintendent shall 8009
withhold action on the application for the banking office and 8010
shall notify the bank of that decision. The bank shall, within 8011
sixty days after receipt of the notice from the superintendent, 8012
submit to the superintendent a written affirmative action 8013
lending program, which shall be a public record. The 8014
superintendent shall, within thirty days after receipt of the 8015
affirmative action lending program, determine whether the 8016
program is acceptable. If the program is not acceptable, or the 8017
bank fails to submit an affirmative action lending program 8018
within the sixty days, the superintendent shall disapprove the 8019
banking office. If the affirmative action lending program is 8020
acceptable, the superintendent shall approve the banking office. 8021

(2) (a) In order to determine whether a bank is complying 8022
with its affirmative action lending program, the superintendent 8023
may do either of the following: 8024

(i) The superintendent may require the bank to submit 8025
periodic reports that summarize actions it has taken to 8026
implement or maintain its affirmative action lending program. 8027
The reports shall be in a form prescribed by the superintendent, 8028
but shall not contain any information that identifies an 8029
applicant for a loan. The reports are public records and shall 8030
be made available to any person upon request. 8031

(ii) Upon written complaint by any person, or upon the 8032
superintendent's own initiative, the superintendent may hold a 8033

public hearing. The superintendent may hold no more than one 8034
hearing every two years on each affirmative action lending 8035
program. 8036

(b) If the superintendent determines, as a result of 8037
findings made under division (E)(2)(a) of this section, that a 8038
bank is not in compliance with its affirmative action lending 8039
program, the superintendent shall order the bank to comply 8040
within a period of time determined by the superintendent. 8041
Failure to comply with that order shall be a violation of a 8042
condition imposed by the superintendent for purposes of sections 8043
1121.32, 1121.33, 1121.35, and 1121.41 of the Revised Code. 8044

(3) As used in division (E) of this section, "affirmative 8045
action lending program" means a program to remedy any deficiency 8046
of a bank in helping to meet the credit needs of its entire 8047
community. 8048

Sec. 1117.04. A bank proposing to relocate a banking 8049
office shall do the following: 8050

(A) If the banking office is to be relocated within a one- 8051
mile radius of the banking office's current ~~service area~~ 8052
location, the bank shall notify the superintendent of financial 8053
institutions and comply with the ~~service area~~ relocation 8054
procedures established by the superintendent. 8055

(B) If the banking office is to be relocated outside a 8056
one-mile radius of the banking office's current ~~service area~~ 8057
location, the bank shall obtain the superintendent's approval 8058
for the relocation in accordance with the procedures set forth 8059
in section 1117.02 of the Revised Code for establishing a 8060
banking office and comply with the banking office closing 8061
procedures established by the superintendent. 8062

Sec. 1117.05. (A) With the written approval of the 8063
superintendent of financial institutions, a bank may contract 8064
with one or more other banks, savings banks, and savings 8065
associations to provide services to the contracting bank's 8066
customers at any or all of the offices of the other banks, 8067
savings banks, and savings associations as if the offices of the 8068
other banks, savings banks, and savings associations were 8069
offices of the contracting bank. 8070

(B) The superintendent shall determine whether to accept a 8071
bank's application for approval of a contract authorized by 8072
division (A) of this section within ten business days after 8073
receiving a bank's application for the superintendent's approval 8074
of the contract. The superintendent shall approve or disapprove 8075
the contract within thirty days after accepting the bank's 8076
application. 8077

(C) In determining whether to approve or disapprove a 8078
contract authorized by division (A) of this section, the 8079
superintendent shall consider all of the following: 8080

(1) The adequacy of the management of both the contracting 8081
bank and the other banks, savings banks, and savings 8082
associations; 8083

(2) The adequacy of the capital ~~and paid-in capital~~ of 8084
both the contracting bank and the other banks, savings banks, 8085
and savings associations; 8086

(3) The adequacy of the operations and controls of both 8087
the contracting bank and the other banks, savings banks, and 8088
savings associations; 8089

(4) Whether the contract is being used to avoid 8090
application of the criteria for establishing a banking office 8091

under section 1117.02 of the Revised Code or any kind of 8092
business combination under Chapter 1115. of the Revised Code. 8093

(D) This section does not authorize a contracting bank to 8094
establish new deposit accounts, extend credit, or create new 8095
banking relationships through offices of the other banks, 8096
savings banks, and savings associations. 8097

Sec. ~~1103.21~~ 1117.07. (A) In the event of a power failure, 8098
fire, act of God, riot, strike, robbery or attempted robbery, 8099
epidemic, interruption of communication facilities, or any other 8100
reason the superintendent of financial institutions approves, or 8101
in the event of the declaration of the existence of an emergency 8102
by the governor or another person lawfully exercising the power 8103
and duties of the office of governor, an officer of a bank, 8104
designated by the board of directors of the officer's bank, in 8105
the reasonable and proper exercise of the designated officer's 8106
discretion may determine not to open one or more of the bank's 8107
banking offices on any business or banking day, or, if having 8108
opened, to close one or more of the bank's banking offices 8109
during the continuation of the occurrence or emergency. In no 8110
case shall any banking office remain closed for more than ~~forty-~~ 8111
~~eight-two~~ consecutive ~~hours~~ days, excluding weekends and legal 8112
holidays, without obtaining the approval of the superintendent 8113
~~or, in the case of a national bank, the comptroller of the~~ 8114
~~currency~~. A designated officer closing a banking office pursuant 8115
to the authority granted under this section shall give as prompt 8116
notice of the action as conditions permit, and by any means 8117
available, to the superintendent ~~or the comptroller~~. 8118

(B) The designated officers of a bank may close any one or 8119
more or all of the bank's banking offices on any day designated, 8120
by proclamation of the president of the United States or the 8121

governor of this state, as a day of mourning, rejoicing, or 8122
other special observance. In such a case, the bank shall not be 8123
required to comply with any other provision of the Revised Code 8124
regarding the closing or reopening of banks or financial 8125
institutions. 8126

(C) Any act required or authorized to be performed at a 8127
banking office that has not been opened or that has been closed 8128
for any time pursuant to this section, may be performed on the 8129
next succeeding business day the banking office is reopened for 8130
business. Any other provision or rule of law notwithstanding, no 8131
liability or loss of rights of any kind on the part of any 8132
person, firm, or corporation, or of the bank, shall accrue or 8133
result because of any nonopening or closing authorized by this 8134
section. 8135

(D) The right of a bank not to open or to close under this 8136
section and the protections afforded with respect to that right 8137
shall be in addition to and not in lieu of any rights or 8138
protections granted under section 1304.07 of the Revised Code. 8139

Sec. 1119.11. (A) When a foreign bank engages in an 8140
activity or undertakes an action through an agency or branch 8141
licensed under this chapter, the foreign bank is subject to the 8142
same limitations on and requirements of engaging in the activity 8143
or taking the action that apply to a state bank~~doing business~~ 8144
~~under authority granted by the superintendent of financial~~ 8145
~~institutions.~~ 8146

(B) (1) A foreign bank licensed to operate an agency shall 8147
not accept deposits from citizens or residents of the United 8148
States or exercise fiduciary powers. An account that carries a 8149
credit balance in connection with the distribution of loan 8150
proceeds is not a deposit for purposes of this section. 8151

(2) A foreign bank licensed to operate an agency may, in addition to conducting all of the permissible activities of a representative office set forth in division (B) of section 1119.06 of the Revised Code, conduct limited banking activities at or through a licensed agency, including all of the following:

- (a) Lending money;
- (b) Maintaining credit balances that are incidental to or arise out of the distribution of loan proceeds;
- (c) Receiving funds as agent to be forwarded for deposit to an existing account at another office authorized to accept deposits.

(C) A foreign bank licensed to operate a branch may, in addition to conducting all of the permissible activities of a representative office set forth in division (B) of section 1119.06 of the Revised Code and all of the permissible activities of an agency set forth in division (B) (2) of this section, conduct the following activities at or through a licensed branch:

- (1) Accepting deposits, the acceptance of which does not constitute engaging in domestic retail deposit activities;
- (2) If qualified under Chapter 1111. of the Revised Code, exercising fiduciary powers;
- (3) Other activities authorized for state banks~~doing business under authority granted by the superintendent.~~

(D) Each foreign bank licensed to operate an agency or branch shall, in the manner the superintendent of financial institutions prescribes, give notice to the agency's or branch's customers that deposits with that agency or branch are not

insured by the federal deposit insurance corporation or 8180
otherwise. 8181

Sec. 1119.17. (A) Each foreign bank licensed under this 8182
chapter shall file with the superintendent of financial 8183
institutions any reports the superintendent may prescribe in the 8184
form and manner and containing the information the 8185
superintendent prescribes. 8186

(B) When the superintendent requires banks and trust 8187
companies to report their income and condition in accordance 8188
with ~~division (A) of~~ section 1121.21 of the Revised Code, the 8189
superintendent shall require each foreign bank licensed under 8190
this chapter to report the income and condition of its 8191
representative offices, agencies, and branches in this state. 8192

Sec. 1119.23. (A) If the superintendent of financial 8193
institutions determines, in accordance with division (A) of 8194
section 1119.22 of the Revised Code, any of the conditions set 8195
forth in that division exists, the superintendent, in addition 8196
to having the authority to revoke the foreign bank's license to 8197
operate a representative office, agency, or branch in accordance 8198
with section 1119.22 of the Revised Code, also may take 8199
possession of the foreign bank's business and property in this 8200
state and appoint a receiver for the liquidation of the foreign 8201
bank's business and property in this state. 8202

(B) The superintendent's taking possession of and 8203
appointing a receiver for a foreign bank's business and property 8204
in this state pursuant to division (A) of this section, and the 8205
liquidation of the foreign bank's business and property in this 8206
state, shall, except as provided in divisions (B)(1) and (2) of 8207
this section, be conducted in accordance with the procedures and 8208
is subject to the rights, powers, duties, requirements, and 8209

limitations provided in Chapter 1125. of the Revised Code for 8210
taking possession of the business and property and liquidation 8211
of a state bank. 8212

(1) After payment of the expenses of the liquidation and 8213
claims against the foreign bank arising from its doing business 8214
in this state in accordance with section 1125.24 of the Revised 8215
Code, any remaining funds from the liquidation of the foreign 8216
bank's business and property in this state shall be distributed 8217
in the following manner: 8218

(a) If the foreign bank's business and property is being 8219
liquidated in another state of the United States, the receiver 8220
shall distribute any remaining funds from the liquidation of the 8221
foreign bank's business and property in this state to the 8222
receiver in the other state for the payment of expenses of 8223
liquidation and claims against the foreign bank's business and 8224
property in the other state. 8225

(b) If the foreign bank's business and property is being 8226
liquidated in more than one other state of the United States, 8227
the receiver shall equitably distribute any remaining funds from 8228
the liquidation of the foreign bank's business and property in 8229
this state among the receivers in the other states for the 8230
payment of the expenses of liquidation and claims against the 8231
foreign bank's business and property in the other states. 8232

(c) If there is no liquidation of the business and 8233
property of the foreign bank occurring in any other state of the 8234
United States, the receiver shall pay any remaining funds from 8235
the liquidation of the business and property of the foreign bank 8236
in this state to the domiciliary receiver of the foreign bank 8237
or, if there is no domiciliary receiver, to the foreign bank. 8238

(2) (a) When the receiver has completed the liquidation of 8239
the foreign bank's business and property in this state, the 8240
receiver shall, with notice to the superintendent, file a 8241
petition with the court for an order declaring that the foreign 8242
bank's business in this state is properly wound up in the manner 8243
provided in section 1125.29 of the Revised Code. Upon the filing 8244
of a petition as provided in this division, the court shall 8245
proceed as provided in section 1125.29 of the Revised Code. 8246

(b) An order issued by the court pursuant to a petition 8247
filed in accordance with division (B) (2) (a) of this section 8248
shall do all things required by section 1125.29 of the Revised 8249
Code, but shall only declare that the foreign bank's business in 8250
this state has been properly wound up and shall not declare that 8251
the foreign bank is dissolved. The court may make whatever 8252
additional orders and grant whatever additional relief the court 8253
determines proper upon the evidence submitted. 8254

(c) Once the court issues the order declaring that the 8255
foreign bank's business in this state is properly wound up, the 8256
foreign bank shall cease doing business in this state except for 8257
any further winding up. 8258

(d) Once the court issues the order declaring the foreign 8259
bank's business in this state is properly wound up, the receiver 8260
shall promptly file a copy of the order, certified by the clerk 8261
of the court, with both the secretary of state and the 8262
superintendent. 8263

Sec. 1119.26. (A) A foreign bank may voluntarily liquidate 8264
and surrender its license to operate a representative office, 8265
agency, or branch licensed under this chapter only with the 8266
consent of the superintendent of financial institutions. 8267

(B) Prior to beginning any liquidation process, the 8268
foreign bank must file an application to voluntarily liquidate 8269
and surrender its license with the superintendent. The 8270
application shall include a plan of liquidation that includes 8271
all of the provisions required of a plan for voluntary 8272
liquidation of a state bank under division (C) of section 8273
1125.03 of the Revised Code, except that the plan of liquidation 8274
shall be limited in scope to the particular representative 8275
office, agency, or branch to be liquidated. 8276

(C) After conducting an examination, the superintendent 8277
may approve or deny a foreign bank's application to voluntarily 8278
liquidate and surrender its license based on the 8279
superintendent's evaluation of whether or not the interests of 8280
the representative office's, agency's, or branch's creditors or, 8281
where applicable, depositors, will suffer by the surrender. The 8282
superintendent's approval is subject to any condition the 8283
superintendent may determine appropriate under the 8284
circumstances. 8285

(D) If the superintendent approves the application to 8286
voluntarily liquidate and surrender a license, the foreign bank 8287
shall comply with the requirements of divisions (A) (1) and (2) 8288
of section 1125.04 of the Revised Code. 8289

(E) During the implementation of the plan of liquidation 8290
pursuant to this section, the superintendent retains the 8291
authority to supervise the representative office, agency, or 8292
branch and may conduct any examination relating to either the 8293
representative office, agency, or branch or the plan of 8294
liquidation the superintendent considers necessary or 8295
appropriate. 8296

(F) If the superintendent has reason to conclude the 8297

implementation of the plan of liquidation is not being safely or 8298
expeditiously conducted, the superintendent may do either of the 8299
following: 8300

(1) Begin revocation proceedings under section 1119.22 of 8301
the Revised Code; 8302

(2) Take possession of the business and property of the 8303
representative office, agency, or branch in the same manner, 8304
with the same effect, and subject to the same rights accorded 8305
the foreign bank under section 1119.23 of the Revised Code. 8306

(G) The superintendent shall cancel the foreign bank's 8307
license to operate a representative office, agency, or branch 8308
under this chapter if the superintendent has approved the 8309
voluntary liquidation and surrender of the license and both of 8310
the following conditions have been met: 8311

(1) The plan of liquidation has been completed. 8312

(2) The notifications required by division (D) of this 8313
section were properly given. 8314

Sec. 1121.01. As used in this chapter: 8315

(A) "Financial institution regulatory authority" includes 8316
a regulator of a business activity in which a bank or trust 8317
company is engaged, or has applied to engage in, to the extent 8318
that the regulator has jurisdiction over a bank or trust company 8319
engaged in that business activity. A bank or trust company is 8320
engaged in a business activity, and a regulator of that business 8321
activity has jurisdiction over the bank or trust company, 8322
whether the bank or trust company conducts the activity directly 8323
or a subsidiary or affiliate of the bank or trust company 8324
conducts the activity. 8325

(B) "Regulated person" means any of the following: 8326

(1) A director, officer, or employee of or agent for a 8327
bank or trust company or a ~~controlling shareholder of person who~~ 8328
controls a state bank, foreign bank, or trust company~~+. For~~ 8329
purposes of division (B)(1) of this section, "control" has the 8330
same meaning as in section 1115.06 of the Revised Code. 8331

(2) A person who is required to obtain, but has not yet 8332
obtained, the consent of the superintendent of financial 8333
institutions to acquire control of a state bank pursuant to 8334
section 1115.06 of the Revised Code; 8335

(3) A person participating in the conduct of the affairs 8336
of a state bank or trust company. 8337

(C) "Participating in the conduct of the affairs of a bank 8338
or trust company" means either making decisions or, directly or 8339
indirectly, taking actions that are management or policymaking 8340
in nature and generally within the scope of authority of the 8341
bank's or trust company's board of directors or executive 8342
officers. Whether a person is or was participating in the 8343
conduct of the affairs of a bank or trust company is an issue of 8344
fact, and not to be determined solely on the basis of the 8345
person's title, contract, or indicia of employment or 8346
independent contractor status. 8347

Sec. 1121.02. (A) The superintendent of financial 8348
institutions shall see that the laws and rules relating to ~~banks-~~ 8349
institutions and businesses governed by Chapters 1101. to 1127. 8350
of the Revised Code are executed and enforced. 8351

(B) The deputy superintendent for banks shall be the 8352
principal supervisor of state banks and trust companies. In that 8353
position the deputy superintendent for banks shall, 8354

notwithstanding sections 1121.10 and 1121.11 of the Revised 8355
Code, be responsible for conducting examinations and preparing 8356
examination reports under those sections. In addition, the 8357
deputy superintendent for banks shall, notwithstanding division 8358
(A) of section 1121.03 and sections 1121.05 and 1121.06 of the 8359
Revised Code, have the authority to adopt rules and standards in 8360
accordance with those sections. In performing or exercising any 8361
of the examination, rule-making, or other regulatory functions, 8362
powers, or duties vested by this division in the deputy 8363
superintendent for banks, the deputy superintendent for banks 8364
shall be subject to the control of the superintendent of 8365
financial institutions. 8366

(C) The superintendent shall prepare and maintain a salary 8367
schedule for all supervisory and management personnel, 8368
professional staff, examiners, and support personnel who are 8369
employees of the division of financial institutions. 8370
Notwithstanding any provision of law to the contrary, all 8371
supervisory and management personnel, professional staff, and 8372
examiners who are paid from the bank's fund created under 8373
section 1121.30 of the Revised Code shall be compensated at 8374
rates not lower than the compensation rates at which the 8375
supervisory and management personnel, professional staff, and 8376
examiners of the federal deposit insurance corporation with 8377
similar experience and expertise are compensated. The salary 8378
schedule shall be subject to the approval of the banking 8379
commission under section 1123.03 of the Revised Code. 8380

Sec. 1121.05. (A) Notwithstanding any provisions of the 8381
Revised Code, except as provided in division (E) of this 8382
section, the superintendent of financial institutions shall, by 8383
rule, grant state banks and trust companies doing business under 8384
authority granted by the superintendent any right, power, 8385

privilege, or benefit possessed, by virtue of statute, rule, 8386
regulation, interpretation, or judicial decision, by any of the 8387
following: 8388

(1) Banks and trust companies doing business under 8389
authority granted by the office of the comptroller of the 8390
currency or the bank regulatory authority of any other state of 8391
the United States; 8392

(2) Savings associations doing business under authority 8393
granted by the ~~superintendent of financial institutions,~~ office 8394
of ~~thrift supervision,~~ the comptroller of the currency or the 8395
savings and loan association regulatory authority of any other 8396
state of the United States; 8397

(3) Savings banks doing business under authority granted 8398
by the ~~superintendent of financial institutions or the~~ savings 8399
bank regulatory authority of any other state of the United 8400
States; 8401

(4) Credit unions doing business under authority granted 8402
by the superintendent of financial institutions, the national 8403
credit union administration, or the credit union regulatory 8404
authority of any other state of the United States; 8405

(5) Any other banks, savings associations, or credit 8406
unions with a principal place of business in the United States 8407
doing business under authority granted under laws of the United 8408
States; 8409

(6) Any other persons ~~having an office or other place of~~ 8410
~~business in this state and~~ engaging in the business of banking, 8411
offering financial products and services, soliciting or 8412
accepting deposits, lending money, or buying or selling bullion, 8413
bills of exchange, notes, bonds, stocks, or other evidences of 8414

~~indebtedness with a view to profit whether through an office or~~ 8415
~~other place of business in this state or via the internet,~~ 8416
~~advertising, or other form of solicitation;~~ 8417

(7) Small business investment companies licensed under the 8418
"Small Business Investment Company Act of 1958," 72 Stat. 689, 8419
15 U.S.C. 661, as amended; 8420

(8) Persons chartered under the "Farm Credit Act of 1933," 8421
48 Stat. 257, 12 U.S.C. 1131(d), as amended. 8422

(B) The superintendent shall adopt rules authorized by 8423
division (A) of this section in accordance with section 111.15 8424
of the Revised Code. 8425

(C) A rule adopted by the superintendent pursuant to the 8426
authority of this section becomes effective on the later of the 8427
following dates: 8428

(1) The date the superintendent issues the rule; 8429

(2) The date the statute, rule, regulation, 8430
interpretation, or judicial decision the superintendent's rule 8431
is based on becomes effective. 8432

(D) (1) The superintendent may, upon thirty days' written 8433
notice, revoke any rule adopted under the authority of this 8434
section. A rule adopted under the authority of this section, and 8435
not revoked by the superintendent, enacted into law, or adopted 8436
in accordance with Chapter 119. of the Revised Code, lapses and 8437
has no further force and effect thirty months after its 8438
effective date; however, the superintendent may adopt the rule 8439
under section 111.15 of the Revised Code pursuant to this 8440
section for an additional thirty-month period. 8441

(2) The superintendent may require a state bank or trust 8442

company that has acted in reliance on a rule adopted and later 8443
revoked or lapsed under the authority of this section to bring 8444
its affected activities in compliance with the law. Unless the 8445
activities will or may result in harm to the bank or trust 8446
company as determined by the superintendent, the bank or trust 8447
company shall be granted a reasonable period of time, but not 8448
less than one year from the date the rule is revoked or lapsed, 8449
to bring its affected activities in compliance with the law. 8450

(E) The superintendent shall not adopt any rule dealing 8451
with interest rates charged under the authority of this section. 8452

Sec. 1121.06. (A) Notwithstanding any provision of the 8453
Revised Code, if any regulation, rule, interpretation, 8454
procedure, or guideline of the office of the comptroller of the 8455
currency, federal deposit insurance corporation, federal reserve 8456
board, consumer financial protection bureau, national credit 8457
union administration, or any other bank regulatory authority of 8458
the United States, or the bank regulatory authority of any other 8459
state of the United States, puts a bank or trust company doing 8460
business under authority granted by the superintendent of 8461
financial institutions at a disadvantage to ~~a national bank~~ any 8462
other type of financial institution, the superintendent may 8463
adopt a rule that reduces or eliminates the disadvantage to a 8464
bank or trust company doing business under authority granted by 8465
the superintendent. 8466

(B) The superintendent shall adopt rules authorized by 8467
division (A) of this section in accordance with section 111.15 8468
of the Revised Code. ~~Chapter 119. of the Revised Code does not~~ 8469
~~apply to rules adopted under the authority of this section.~~ 8470

(C) A rule adopted by the superintendent pursuant to the 8471
authority of this section is effective on the later of the 8472

following dates: 8473

(1) The date the superintendent issues the rule; 8474

(2) The date the regulation, rule, interpretation, 8475
procedure, or guideline the superintendent's rule is based on 8476
becomes effective. 8477

(D) (1) The superintendent may, upon thirty days' written 8478
notice, revoke any rule adopted under the authority of this 8479
section. A rule adopted under the authority of this section, and 8480
not revoked by the superintendent, enacted into law, or adopted 8481
in accordance with Chapter 119. of the Revised Code, lapses and 8482
has no further force and effect thirty months after its 8483
effective date; however, the superintendent may adopt the rule 8484
under section 111.15 of the Revised Code pursuant to this 8485
section for an additional thirty-month period. 8486

(2) The superintendent may require a bank or trust company 8487
that has acted in reliance on a rule adopted and later revoked 8488
or lapsed under the authority of this section to bring its 8489
affected activities in compliance with the law. Unless the 8490
activities will or may result in harm to the bank or trust 8491
company as determined by the superintendent, the bank or trust 8492
company shall be granted a reasonable period of time, but not 8493
less than one year from the date the rule is revoked or lapsed, 8494
to bring its affected activities in compliance with the law. 8495

Sec. 1121.10. (A) As often as the superintendent of 8496
financial institutions considers necessary, but at least once 8497
each twenty-four-month cycle, the superintendent, or any deputy 8498
or examiner appointed by the superintendent for that purpose, 8499
shall thoroughly examine the records and affairs of each state 8500
bank. The examination shall include a review of ~~both~~ all of the 8501

following: 8502

(1) Compliance with law; 8503

(2) Safety and soundness; 8504

(3) Other matters the superintendent determines. 8505

(B) The superintendent may examine the records and affairs 8506
of any of the following as the superintendent considers 8507
necessary: 8508

(1) Any party to a proposed reorganization for which the 8509
superintendent's approval is required by section 1115.11 or 8510
1115.14 of the Revised Code; 8511

(2) Any bank, savings and loan association, or savings 8512
bank proposing to convert to a bank doing business under 8513
authority granted by the superintendent for which the 8514
superintendent's approval is required by section ~~1115.01~~ 1115.02 8515
of the Revised Code; 8516

(3) Any person proposing to acquire control of a state 8517
bank for which the superintendent's approval is required by 8518
section 1115.06 of the Revised Code, or who acquired control of 8519
a state bank without the approval of the superintendent when 8520
that approval was required by section 1115.06 of the Revised 8521
Code, ~~was~~ with respect to the state bank of which control is to 8522
be, or was, acquired; 8523

(4) Any bank proposing to establish or acquire a branch 8524
for which the superintendent's approval is required by section 8525
1117.02 of the Revised Code; 8526

(5) Any foreign bank that maintains, or proposes to 8527
establish, one or more offices in this state; 8528

(6) Any trust company. 8529

(C) The board of directors or holders of a majority of the 8530
shares of a state bank or trust company may request the 8531
superintendent conduct a special examination of the records and 8532
affairs of the bank or trust company. The superintendent has 8533
sole discretion over the scope and timing of a special 8534
examination, and may impose restrictions and limitations on the 8535
use of the results of a special examination in addition to the 8536
restrictions and limitations otherwise imposed by law. 8537

(D) The superintendent may conduct all aspects of an 8538
examination concurrently or may divide the examination into 8539
constituent parts and conduct them at various times. 8540

(E) The superintendent shall preserve the report of each 8541
examination, including related correspondence received and 8542
copies of related correspondence sent, for twenty years after 8543
the examination date. 8544

Sec. 1121.12. An examination of the records and affairs of 8545
a state bank under section 1121.10 of the Revised Code may 8546
include the examination of a ~~controlling shareholder of person~~ 8547
who, directly or indirectly, controls the bank that is a bank 8548
holding company registered with the federal reserve or a savings 8549
and loan holding company, but only to the extent explicitly 8550
permitted under this section. To examine the records and affairs 8551
of a ~~controlling shareholder person who, directly or indirectly,~~ 8552
controls a bank that is a bank holding company registered with 8553
the federal reserve or a savings and loan holding company, the 8554
superintendent of financial institutions may do one of the 8555
following: 8556

(A) Rely on an examination of the bank holding company or 8557

savings and loan holding company conducted by a financial 8558
institution regulatory authority of another state, the United 8559
States, or another country, as provided in division (A) (3) of 8560
section 1121.11 of the Revised Code; 8561

(B) Participate with the financial institution regulatory 8562
authorities of other states, the United States, and other 8563
countries in a joint or coordinated examination of the bank 8564
holding company or savings and loan holding company, provided 8565
that both of the following apply: 8566

(1) The examination of the bank holding company or savings 8567
and loan holding company is validly authorized by and conducted 8568
pursuant to the laws of this state and such other state, the 8569
United States, or other country. 8570

(2) Participation of the examiners of the division of 8571
financial institutions will increase the efficiency in 8572
regulating financial institutions, and not increase the cost of 8573
examination to the bank holding company or savings and loan 8574
holding company. 8575

(C) Examine the bank holding company or savings and loan 8576
holding company pursuant to an agreement with financial 8577
institution regulatory authorities of other states, the United 8578
States, or other countries, provided that both of the following 8579
apply: 8580

(1) The examination of the bank holding company or savings 8581
and loan holding company is validly authorized by and conducted 8582
pursuant to the laws of this state and such other state, the 8583
United States, or other country. 8584

(2) The other financial institution regulatory authority 8585
agrees to rely on the superintendent's examination in lieu of 8586

conducting its own examination. 8587

(D) Examine the bank holding company or savings and loan holding company if both of the following apply: 8588
8589

(1) The superintendent has reasonable cause to believe 8590
that there is a significant risk of imminent material harm to 8591
the bank, or to any subsidiary or nonbank affiliate as its 8592
affairs relate to the bank, and the examination of the bank 8593
holding company or savings and loan holding company is necessary 8594
to fully determine the risk to the bank, or to determine how 8595
best to address the risk to the bank. 8596

(2) Either of the following occurs: 8597

(a) The superintendent, in writing, requests the federal 8598
reserve to examine the bank holding company, and within fifteen 8599
days the federal reserve does not commence an examination of the 8600
bank holding company and notifies the superintendent that the 8601
federal reserve does not object to the examination. 8602

(b) The banking commission concurs with the 8603
superintendent's determination of both of the following: 8604

(i) There is reasonable cause to believe that there ~~a~~ is a 8605
significant risk of imminent material harm to the bank. 8606

(ii) The examination of the bank holding company or 8607
savings and loan holding company is necessary to fully determine 8608
the risk to the bank, or to determine how best to address the 8609
risk to the bank. 8610

(E) For purposes of this section, a bank holding company 8611
includes not only the bank holding company, but also includes 8612
any nonbank affiliates of the bank holding company that are 8613
subject to examination by the federal reserve. 8614

Sec. 1121.13. An examination of the records and affairs of 8615
a state bank under section 1121.10 of the Revised Code may 8616
include the examination of a ~~controlling shareholder of person~~ 8617
who, directly or indirectly, controls the state bank that and is 8618
a corporation that is not a bank holding company registered with 8619
the federal reserve or a savings and loan holding company, as 8620
its affairs relate to the bank. 8621

Sec. 1121.15. (A) The superintendent of financial 8622
institutions may prescribe the manner and form of keeping the 8623
books and accounts of state banks, so the books and accounts may 8624
be as nearly uniform as circumstances permit. 8625

(B) Any person that, by contract or otherwise, performs 8626
services for a state bank or trust company or a representative 8627
office, agency, or branch licensed under Chapter 1119. of the 8628
Revised Code, whether on or off the premises of the bank, trust 8629
company, representative office, agency, or branch, is subject to 8630
examination by the superintendent as to the books and records of 8631
the bank, trust company, representative office, agency, or 8632
branch in the person's possession, to the same extent as if the 8633
services were being performed by the bank, trust company, 8634
representative office, agency, or branch itself. For the 8635
purposes of this division, "services" includes clerical, 8636
bookkeeping, accounting, statistical, and other services. A 8637
state bank, trust company, representative office, agency, or 8638
branch shall notify the superintendent in writing whenever 8639
another person is performing services of this kind for the bank, 8640
trust company, representative office, agency, or branch, or the 8641
bank, trust company, representative office, agency, or branch 8642
changes the person performing the services. 8643

Sec. 1121.16. (A) No state bank, trust company, or 8644

regulated person shall do any of the following: 8645

(1) Refuse to allow any examination authorized by section 8646
1121.10 of the Revised Code; 8647

(2) Refuse to give information required by the division of 8648
financial institutions in the course of or in relation to an 8649
examination authorized by section 1121.10 of the Revised Code; 8650

(3) Provide false or misleading information in the course 8651
of or in relation to an examination authorized by section 8652
1121.10 of the Revised Code, knowing it to be false or 8653
misleading. 8654

(B) If a state bank, trust company, or regulated person 8655
violates division (A) of this section, the superintendent may do 8656
any of the following: 8657

(1) ~~Issue~~ Enter into a memorandum of understanding or 8658
written agreement pursuant to section 1121.31 of the Revised 8659
Code, issue a cease and desist order pursuant to section 1121.32 8660
of the Revised Code, issue a removal or prohibition order 8661
pursuant to section 1121.33 of the Revised Code, ~~or issue a~~ 8662
suspension or temporary prohibition order pursuant to section 8663
1121.34 of the Revised Code, or assess a civil penalty pursuant 8664
to section 1121.35 of the Revised Code; 8665

(2) Appoint a conservator for the state bank pursuant to 8666
section 1125.09 of the Revised Code; 8667

(3) Initiate civil or criminal proceedings the 8668
superintendent considers appropriate. 8669

Sec. 1121.17. (A) Accounts and other documents required by 8670
the superintendent of financial institutions may be signed and 8671
sworn to or affirmed on behalf of a state bank or trust company 8672

by any officer or director authorized to do so by the ~~bank to do~~ 8673
~~se~~ bank's or trust company's board of directors. 8674

(B) When the superintendent requires, any officer, 8675
official, employee, or director of a state bank or trust company 8676
receiving any communication from the division of financial 8677
institutions relative to examination or investigation by the 8678
superintendent shall submit the communication to the bank's or 8679
trust company's executive committee or board of directors. 8680

Sec. 1121.18. (A) ~~Information leading to, arising from, or~~ 8681
The superintendent of financial institutions and the 8682
superintendent's agents and employees shall keep privileged and 8683
confidential all information obtained in the course by the 8684
superintendent or the superintendent's agents or employees as a 8685
result of or arising out of the examination or supervision of a 8686
bank or any examination conducted pursuant to the authority of 8687
section 1121.10 or 1121.11 of the Revised Code ~~is privileged and~~ 8688
~~confidential, from required reports, or because of their~~ 8689
official position. No person, including any person to whom the 8690
information is disclosed under the authority of this section, 8691
shall disclose the information leading to, arising from, or 8692
~~obtained in the course of an examination,~~ except as specifically 8693
provided in this section. 8694

(B) The superintendent of financial institutions and the 8695
superintendent's agents and employees may disclose the 8696
~~information leading to, arising from, or obtained in the course~~ 8697
~~of an examination conducted pursuant to section 1121.10 or~~ 8698
~~1121.11 of the Revised Code described in division (A) of this~~ 8699
section only as follows: 8700

(1) To the governor, director of commerce, or deputy 8701
director of commerce to enable them to act in the interests of 8702

the public; 8703

(2) To the banking commission to enable the commission to 8704
effectively advise the superintendent and take action on any 8705
matter the superintendent presents to the commission; 8706

(3) To financial institution regulatory authorities of 8707
this and other states, the United States, and other countries to 8708
assist them in their regulatory duties; 8709

(4) To the directors, executive officers, agents, and 8710
parent company of the bank or other person examined to assist 8711
them in conducting the business of the bank or other person 8712
examined in a safe and sound manner and in compliance with law; 8713

(5) To auditors, attorneys, or similar professionals 8714
retained by the bank or trust company to assist in conducting 8715
the business of the bank, or other person examined, in a safe 8716
and sound manner and in compliance with the law; 8717

(6) To law enforcement authorities ~~conducting in~~ 8718
connection with criminal investigations or referrals made by the 8719
superintendent; 8720

(7) To other state and federal agencies or, in the case of 8721
a state bank, to the federal home loan bank to which the bank 8722
belongs, as the superintendent determines necessary and 8723
appropriate, but only under such conditions and limitations as 8724
the superintendent, in the superintendent's sole discretion, may 8725
require. 8726

(C) (1) ~~Information leading to, arising from, or obtained~~ 8727
~~in the course of an examination of a bank or other person~~ 8728
~~pursuant to section 1121.10 or 1121.11 of the Revised Code~~ The 8729
information described in division (A) of this section shall not 8730
be discoverable from any source, and shall not be introduced 8731

into evidence, except in the following circumstances: 8732

(a) In connection with criminal proceedings; 8733

(b) When, in the opinion of the superintendent, it is 8734
appropriate with regard to enforcement actions taken and 8735
decisions made by the superintendent under the authority of 8736
Chapters 1101. to 1127. of the Revised Code regarding a bank, 8737
trust company, or other person; 8738

(c) When litigation, penalties, or an enforcement action 8739
has been initiated by the superintendent in furtherance of the 8740
powers, duties, and obligations imposed upon the superintendent 8741
by Chapters 1101. to 1127. of the Revised Code; 8742

(d) When authorized by agreements between the 8743
superintendent and financial institution regulatory authorities 8744
of this and other states, the United States, and other countries 8745
authorized by section 1121.11 of the Revised Code; 8746

(e) When and in the manner authorized in section 1181.25 8747
of the Revised Code. 8748

(2) The discovery of information ~~leading to, arising from,~~ 8749
~~or obtained in the course of an examination~~ pursuant to division 8750
(C) (1) (b), (c), or (d) of this section shall be limited to 8751
information that directly relates to the bank, trust company, 8752
regulated person, or other person who is the subject of the 8753
enforcement action, decision, or litigation. 8754

(D) A report of an examination conducted pursuant to 8755
section 1121.10 or 1121.11 of the Revised Code is the property 8756
of the division of financial institutions. Under no 8757
circumstances may the bank or other person examined, its 8758
directors, officers, employees, agents, regulated persons, or 8759
contractors, or any person having knowledge or possession of a 8760

report of examination, or any of its contents, disclose or make 8761
public in any manner the report of examination or its contents. 8762
The authority provided in division (B) (4) of this section for 8763
use of examination information to assist in conducting the 8764
business of the bank or other person examined in a safe and 8765
sound manner and in compliance with law shall not be construed 8766
to authorize disclosure of a report of examination or any of its 8767
contents in conducting business with the examined bank's or 8768
person's customers, creditors, ~~or~~ shareholders, or members, or 8769
with other persons. 8770

(E) The superintendent may, in accordance with Chapter 8771
119. of the Revised Code, adopt rules to permit a bank, trust 8772
company, or other person to disclose the information described 8773
in division (A) of this section in limited circumstances other 8774
than those specified in this section. 8775

(F) Whoever violates this section shall be removed from 8776
office, shall be liable, with the violator's bond in damages 8777
to the person injured by the disclosure of information, and is 8778
guilty of a felony of the fourth degree. 8779

Sec. 1121.19. (A) As used in this section, a "self- 8780
assessment report" of a bank includes, but is not limited to, 8781
all of the following: 8782

(1) An evaluation of the bank's loan underwriting 8783
standards, asset quality, financial reporting to federal or 8784
state regulatory agencies, and compliance with its policies and 8785
with federal or state statutory or regulatory requirements; 8786

(2) Any communication related to the report, including 8787
electronic mails or telephone logs. 8788

(B) A self-assessment report, any portion or contents of 8789

the report, and any documents, data, compilations, analyses, or 8790
other information and material gathered, generated, created, 8791
produced, developed, or prepared as part of the self-assessment 8792
process, are privileged and not admissible or subject to 8793
discovery in any civil or administrative litigation, action, 8794
proceeding, or investigation. 8795

(C) The self-assessment privilege granted by this section 8796
to a bank and its affiliates applies regardless of whether a 8797
bank regulator or any other governmental authority in possession 8798
of a self-assessment report or any portion or contents of it 8799
subsequently discloses it or any portion or contents of it to a 8800
third party as required or permitted by any state or federal 8801
law. 8802

(D) Notwithstanding any applicable state or federal public 8803
records law, a bank regulator or any other governmental 8804
authority in possession of a self-assessment report or any 8805
portion or contents of it shall not disclose the report or any 8806
portion or contents of it to any person in response to a public 8807
records request. 8808

Sec. 1121.21. ~~(A) (1)~~—Each bank and trust company shall 8809
report its condition and income to the division of financial 8810
institutions at the times, in the form, and including the 8811
information the superintendent of financial institutions 8812
prescribes. 8813

~~(2) A bank or trust company shall maintain a summary of~~ 8814
~~its most recent report of condition and income, in the form~~ 8815
~~prescribed by the superintendent, in each of its banking or~~ 8816
~~trust service offices, post notice of the availability of the~~ 8817
~~summary in each office, and make the summary available to the~~ 8818
~~public without charge.~~ 8819

~~(B) Any bank or trust company that fails to comply with~~ 8820
~~division (A) (1) or (2) of this section is subject to a~~ 8821
~~forfeiture of one hundred dollars for each day the failure~~ 8822
~~continues unless the bank or trust company corrects the failure~~ 8823
~~within seven days after receiving the superintendent's notice of~~ 8824
~~the failure.~~ 8825

Sec. 1121.23. Whenever the approval of the superintendent 8826
of financial institutions is required under Chapters 1101. to 8827
1127. of the Revised Code, or under an order or supervisory 8828
action issued or taken under those chapters, for a person to 8829
serve as an organizer, incorporator, director, executive 8830
officer, or ~~controlling shareholder of person who, directly or~~ 8831
indirectly, controls a bank, or to otherwise have a substantial 8832
interest in or participate in the management of a bank, the 8833
superintendent shall request the superintendent of the bureau of 8834
criminal identification and investigation, or a vendor approved 8835
by the bureau, to conduct a criminal records check based on the 8836
person's fingerprints in accordance with section 109.572 of the 8837
Revised Code. The superintendent of financial institutions shall 8838
request that criminal record information from the federal bureau 8839
of investigation be obtained as part of the criminal records 8840
check. Any fee required under division (C) (3) of section 109.572 8841
of the Revised Code shall be paid by the person who is the 8842
subject of the request. 8843

Nothing in this section prohibits the superintendent of 8844
financial institutions from conditionally approving a person to 8845
serve as an organizer, incorporator, director, executive 8846
officer, or person who, directly or indirectly, controls a bank, 8847
or to otherwise have a substantial interest in or participate in 8848
the management of a bank, subject to receiving satisfactory 8849
results of the criminal records check. 8850

Sec. 1121.26. When considering the impact of a proposed 8851
action or transaction on the convenience and needs of the 8852
community to be served, both of the following shall apply: 8853

(A) The superintendent of ~~banks~~financial institutions 8854
shall assess whether the facts and circumstances relating to the 8855
proposed action or transaction reasonably indicate that the 8856
purpose for the proposed action or transaction is to engage in 8857
the banking business and provide banking services in the 8858
community to be served, rather than to raise funds for other 8859
purposes or otherwise serve a nonbanking purpose. 8860

(B) The superintendent shall not require the person 8861
proposing the action or transaction to prove any of the 8862
following: 8863

(1) There is substantial unmet need for banking services 8864
in the community. 8865

(2) The person will bring banking services or other 8866
particular advantages to the community that are not presently 8867
available there. 8868

(3) The action or transaction will not adversely affect an 8869
existing financial institution in the community. 8870

Sec. 1121.30. (A) All assessments, fees, charges, and 8871
forfeitures provided for in Chapters 1101. to 1127. and sections 8872
1315.01 to 1315.18 of the Revised Code, except civil penalties 8873
assessed pursuant to section 1121.35 or 1315.152 of the Revised 8874
Code, shall be paid to the superintendent of financial 8875
institutions, and the superintendent shall deposit them into the 8876
state treasury to the credit of the banks fund, which is hereby 8877
created. 8878

(B) The superintendent may expend or obligate the banks 8879

fund to defray the costs of the division of financial 8880
institutions in administering Chapters 1101. to 1127. and 8881
sections 1315.01 to 1315.18 of the Revised Code. The 8882
superintendent shall pay from the fund all actual and necessary 8883
expenses incurred by the superintendent, including for any 8884
services rendered by the department of commerce for the 8885
division's administration of Chapters 1101. to 1127. and 8886
sections 1315.01 to 1315.18 of the Revised Code. The fund shall 8887
be assessed a proportionate share of the administrative costs of 8888
the department and the division of financial institutions. The 8889
proportionate share of the administration costs of the division 8890
of financial institutions shall be determined in accordance with 8891
procedures prescribed by the superintendent and approved by the 8892
director of budget and management. The amount assessed for the 8893
fund's proportional share of the department's administrative 8894
costs and the division's administrative costs shall be paid from 8895
the banks fund to the division of administration fund and the 8896
division of financial institutions fund respectively. 8897

(C) Any money deposited into the state treasury to the 8898
credit of the banks fund, but not expended or encumbered by the 8899
superintendent to defray the costs of administering Chapters 8900
1101. to 1127. and sections 1315.01 to 1315.18 of the Revised 8901
Code, shall remain in the banks fund for expenditures by the 8902
superintendent in subsequent years and shall not be used for any 8903
purpose other than as set forth in this section. 8904

Sec. 1121.31. To prevent or correct violations of law or 8905
rule, or to prevent or correct unsafe or unsound practices, the 8906
superintendent of financial institutions may enter into any of 8907
the following with a state bank, trust company, or any regulated 8908
person: 8909

<u>(A) A memorandum of understanding;</u>	8910
<u>(B) A written agreement enforceable by an action under sections 1121.32 and 1121.33 of the Revised Code;</u>	8911 8912
<u>(C) Any other formal or informal agreement or understanding the superintendent considers appropriate.</u>	8913 8914
Sec. 1121.33. (A) The superintendent of financial institutions may issue and serve a notice of charges and intent to remove a regulated person from office or prohibit a regulated person from further participation in the conduct of the affairs of a bank or trust company, or both, if, in the opinion of the superintendent, all of the following apply:	8915 8916 8917 8918 8919 8920
(1) The regulated person has, directly or indirectly, done any of the following:	8921 8922
(a) Violated any of the following:	8923
(i) A law or rule;	8924
(ii) A final cease and desist order;	8925
(iii) A condition imposed in writing by the superintendent in connection with granting an application or notice that is subject to the superintendent's approval or an opportunity for the superintendent to disapprove or other request by a bank, trust company, or regulated person;	8926 8927 8928 8929 8930
(iv) A written agreement between a bank or trust company and the superintendent, or between the regulated person and the superintendent.	8931 8932 8933
(b) Engaged or participated in an unsafe or unsound practice in connection with a bank, trust company, or other business institution;	8934 8935 8936

(c) Committed or engaged in an act, omission, or practice constituting a breach of the regulated person's fiduciary duty as a regulated person.	8937 8938 8939
(2) The violation, practice, or breach results in any of the following:	8940 8941
(a) A bank, trust company, or other business institution has suffered or will probably suffer substantial financial loss or other damage;	8942 8943 8944
(b) The interests of a bank's depositors or shareholders or trust company's beneficiaries or shareholders have been or could be prejudiced;	8945 8946 8947
(c) The regulated person has received or will receive financial gain or other benefit.	8948 8949
(3) The violation, practice, or breach does either of the following:	8950 8951
(a) Involves personal dishonesty on the part of the regulated person;	8952 8953
(b) Demonstrates willful or continuing disregard by the regulated person for the safety and soundness of a bank, trust company, or business institution.	8954 8955 8956
(B) The notice of charges and intent to remove a regulated person from office or prohibit a regulated person from further participation in the conduct of the affairs of a bank or trust company shall include all of the following:	8957 8958 8959 8960
(1) A statement of the violation or violations, unsafe or unsound practice or practices, or breach or breaches alleged;	8961 8962
(2) A statement of the facts constituting the grounds for	8963

the proposed removal or prohibition order; 8964

(3) Notice that the regulated person is entitled to a 8965
hearing, in accordance with section 1121.38 of the Revised Code, 8966
to determine whether an order removing the regulated person from 8967
office, prohibiting the regulated person from further 8968
participation in the conduct of the affairs of a bank or trust 8969
company, or both, should be issued against the regulated person 8970
if the regulated person requests the hearing within thirty days 8971
after service of the notice; 8972

(4) Notice that, if the regulated person makes a timely 8973
request for a hearing, the regulated person may appear at the 8974
hearing in person, by attorney, or by presenting positions, 8975
arguments, and contentions in writing, and at the hearing may 8976
present evidence and examine witnesses for and against the 8977
regulated person. 8978

(5) Notice that failure of the regulated person to timely 8979
request a hearing to determine whether an order removing the 8980
regulated person from office, prohibiting the regulated person 8981
from further participation in the conduct of the affairs of a 8982
bank or trust company, or both, should be issued or to appear at 8983
the hearing, in person, by attorney, or by writing, is consent 8984
by the regulated person to the issuance of the order. 8985

(C) The superintendent may issue an order removing the 8986
regulated person from office or prohibiting the regulated person 8987
from further participation in the conduct of the affairs of a 8988
bank or trust company, or both, if either of the following 8989
applies: 8990

(1) The regulated person consents to the issuance of the 8991
order; 8992

(2) Upon the record of the hearing the superintendent 8993
finds the grounds for the order have been established. 8994

(D) A regulated person who has been removed from office or 8995
prohibited from further participation in the conduct of the 8996
affairs of a bank or trust company pursuant to this section or 8997
by order of the bank regulatory authority of another state or 8998
the United States shall not, while the removal or prohibition 8999
order is in effect, continue or commence to hold any office of 9000
or participate in any manner in the conduct of the affairs of 9001
any bank or trust company in this state, except as specifically 9002
permitted by the superintendent or by the bank regulatory 9003
authority of another state or the United States pursuant to 9004
modification of the order. Participation in the conduct of the 9005
affairs of a bank or trust company includes doing any of the 9006
following: 9007

(1) Soliciting, procuring, transferring, attempting to 9008
transfer, voting, or attempting to vote any proxy, consent, or 9009
authorization with respect to any voting rights in any bank or 9010
trust company; 9011

(2) Violating any voting agreement previously approved by 9012
the superintendent; 9013

(3) Voting for a director of any bank or trust company. 9014

(E) An order issued by the superintendent pursuant to this 9015
section is effective at the time specified in the order, which, 9016
in the case of an order issued pursuant to division (C) (2) of 9017
this section, shall be not less than thirty days after service 9018
of the order on the regulated person. 9019

(F) An order issued by the superintendent pursuant to this 9020
section shall remain enforceable and effective as provided in 9021

the order except to the extent it is stayed, modified, 9022
terminated, or set aside by action of the superintendent or a 9023
reviewing court. 9024

(G) The superintendent shall serve a certified copy of a 9025
removal or prohibition order issued pursuant to this section on 9026
any bank or trust company in relation to which the object of the 9027
removal or prohibition order is a regulated person. 9028

Sec. 1121.34. (A) (1) The superintendent of financial 9029
institutions may issue an order suspending a regulated person 9030
from office or temporarily prohibiting a regulated person from 9031
further participation in the conduct of the affairs of a bank or 9032
trust company, or both, if both of the following apply: 9033

(a) The superintendent serves, or has served, the 9034
regulated person with a notice of charges and intent to remove 9035
the regulated person or prohibit the regulated person from 9036
further participation in the conduct of the affairs of a bank or 9037
trust company pursuant to section 1121.33 of the Revised Code. 9038

(b) The superintendent determines the suspension or 9039
temporary prohibition is necessary for the protection of a bank 9040
or trust company or the interests of a bank's depositors or a 9041
trust company's beneficiaries. 9042

(2) An order issued pursuant to division (A) (1) of this 9043
section is effective immediately upon service on the regulated 9044
person, and remains effective and enforceable as provided in the 9045
order except to the extent it is stayed, modified, terminated, 9046
or set aside by action of the superintendent or a reviewing 9047
court. If, upon the record of a hearing, the superintendent 9048
determines not to issue an order removing a regulated person 9049
from office or prohibiting a regulated person's further 9050

participation in the conduct of the affairs of a bank or trust 9051
company pursuant to section 1121.33 of the Revised Code, the 9052
order issued pursuant to division (A) (1) of this section is 9053
terminated. 9054

(3) Within ten days after being served a suspension or 9055
temporary prohibition order pursuant to division (A) (1) of this 9056
section, a regulated person may apply to the court of common 9057
pleas of the county in which the residence of the regulated 9058
person is located, or the court of common pleas of Franklin 9059
county, for an injunction setting aside, limiting, or suspending 9060
the enforcement, operation, or effectiveness of the suspension 9061
or temporary prohibition order pending completion of the hearing 9062
on the notice of charges served on the regulated person pursuant 9063
to section 1121.33 of the Revised Code, and the court has 9064
jurisdiction to issue the injunction. 9065

(B) (1) Whenever a regulated person is charged in any 9066
information, indictment, or complaint, authorized by a 9067
prosecuting attorney or a United States attorney, with the 9068
commission of or participation in a felony or a crime involving 9069
an act of fraud, dishonesty ~~or~~ breach of trust, theft, or money 9070
laundering involving a depository institution, the 9071
superintendent may suspend the regulated person from office or 9072
temporarily prohibit the regulated person's further 9073
participation in the conduct of the affairs of a bank or trust 9074
company, or both. A suspension or temporary prohibition order 9075
issued pursuant to division (B) (1) of this section is effective 9076
immediately upon service on the regulated person, and remains 9077
effective and enforceable until the information, indictment, or 9078
complaint is finally disposed of or the superintendent 9079
terminates the order. 9080

(2) If a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against a regulated person with respect to the information, indictment, or complaint and, in the case of a judgment of conviction, is not subject to further appellate review, the superintendent may remove the regulated person from office, prohibit the regulated person from further participation in the conduct of the affairs of a bank or trust company, or both. A removal or prohibition order issued pursuant to division (B)(2) of this section is effective immediately upon service on the regulated person, and remains effective and enforceable as provided in the removal or prohibition order except to the extent it is stayed, modified, terminated, or set aside by action of the superintendent.

(3) A finding of not guilty or other disposition of the information, indictment, or complaint does not preclude the superintendent from subsequently instituting proceedings pursuant to section 1121.33 of the Revised Code to remove the regulated person from office or to prohibit the regulated person from further participation in the conduct of the affairs of a bank or trust company, or both.

(C) The superintendent shall serve a certified copy of a suspension or temporary prohibition order issued pursuant to division (A) or (B)(1) of this section or a removal or prohibition order issued pursuant to division (B)(2) of this section on any bank or trust company in relation to which the object of the suspension, removal, or prohibition order is a regulated person.

(D) A regulated person who has been suspended, removed from office, or temporarily or otherwise prohibited from further participation in the conduct of the affairs of a bank or trust

company pursuant to this section or by order of the bank 9111
regulatory authority of another state or the United States shall 9112
not, while the suspension, removal, or prohibition order is in 9113
effect, continue or commence to hold any office of or 9114
participate in any manner in the conduct of the affairs of a 9115
bank or trust company in this state, except as specifically 9116
permitted by the superintendent or by the bank regulatory 9117
authority of another state or the United States pursuant to 9118
modification of the suspension, removal, or prohibition order. 9119
Participation in the conduct of the affairs of a bank or trust 9120
company includes doing any of the following: 9121

(1) Soliciting, procuring, transferring, attempting to 9122
transfer, voting, or attempting to vote any proxy, consent, or 9123
authorization with respect to any voting rights in any bank or 9124
trust company; 9125

(2) Violating any voting agreement previously approved by 9126
the superintendent; 9127

(3) Voting for a director of any bank or trust company. 9128

(E) If at any time, because of the suspension of one or 9129
more directors pursuant to this section, there are on the board 9130
of directors of a bank less than a quorum of directors not 9131
suspended, all powers and functions vested in or exercisable by 9132
the board shall be vested in and be exercisable by the director 9133
or directors on the board not suspended, until the time there is 9134
a quorum of the board of directors. If all the directors of a 9135
bank are suspended pursuant to this section, the superintendent 9136
shall appoint persons to serve temporarily as directors in their 9137
place, pending termination of the suspensions or until those who 9138
have been suspended cease to be directors of the bank and their 9139
successors take office. 9140

Sec. 1121.38. (A) (1) An administrative hearing provided 9141
for in section 1121.32, 1121.33, 1121.35, or 1121.41 of the 9142
Revised Code shall be held in the county in which the principal 9143
place of business of the bank or trust company or residence of 9144
the regulated person is located, unless the bank, trust company, 9145
or regulated person requesting the hearing consents to another 9146
place. The hearing shall be confidential, unless the 9147
superintendent of financial institutions determines that holding 9148
an open hearing would be in the public interest. Within twenty 9149
days after service of the notice of a hearing, a respondent may 9150
file a written request for a public hearing with the 9151
superintendent. A respondent's failure to file such a request 9152
constitutes a waiver of any objections to a confidential 9153
hearing. Within ninety days after the hearing, the 9154
superintendent ~~of financial institutions~~ shall render a 9155
decision, which shall include findings of fact upon which the 9156
decision is predicated, and shall issue and serve on the bank, 9157
trust company, or regulated person the decision and an order 9158
consistent with the decision. Judicial review of the order is 9159
exclusively as provided in division (B) of this section. Unless 9160
a notice of appeal is filed in a court of common pleas within 9161
thirty days after service of the superintendent's order as 9162
provided in division (B) of this section, and until the record 9163
of the administrative hearing has been filed, the superintendent 9164
may, at anytime, upon the notice and in the manner the 9165
superintendent considers proper, modify, terminate, or set aside 9166
the superintendent's order. After filing the record, the 9167
superintendent may modify, terminate, or set aside the 9168
superintendent's order with permission of the court. 9169

(2) In the course of, or in connection with, an 9170
administrative hearing governed by this section, the 9171

superintendent, or a person designated by the superintendent to 9172
conduct the hearing, may administer oaths and affirmations, take 9173
or cause depositions to be taken, and issue, revoke, quash, or 9174
modify subpoenas and subpoenas duces tecum. At any 9175
administrative hearing required by section 1121.32, 1121.33, 9176
1121.35, or 1121.41 of the Revised Code, the record of which may 9177
be the basis of an appeal to court, a stenographic record of the 9178
testimony and other evidence submitted shall be taken at the 9179
expense of the division of financial institutions. The record 9180
shall include all of the testimony and other evidence, and any 9181
rulings on the admissibility thereof, presented at the hearing. 9182
The superintendent may adopt rules regarding these hearings. The 9183
attendance of witnesses and the production of documents provided 9184
for in this section may be required from any place within or 9185
outside the state. A party to a hearing governed by this section 9186
may apply to the court of common pleas of Franklin county, or 9187
the court of common pleas of the county in which the hearing is 9188
being conducted or the witness resides or carries on business, 9189
for enforcement of a subpoena or subpoena duces tecum issued 9190
pursuant to this section, and the courts have jurisdiction and 9191
power to order and require compliance with the subpoena. 9192
Witnesses subpoenaed under this section shall be paid the fees 9193
and mileage provided for under section 119.094 of the Revised 9194
Code. 9195

(B) (1) A bank, trust company, or regulated person against 9196
whom the superintendent issues an order upon the record of a 9197
hearing under the authority of section 1121.32, 1121.33, 9198
1121.35, or 1121.41 of the Revised Code may obtain a review of 9199
the order by filing a notice of appeal in the court of common 9200
pleas in the county in which the principal place of business of 9201
the bank, trust company, or regulated person, or residence of 9202

the regulated person, is located, or in the court of common 9203
pleas of Franklin county, within thirty days after the date of 9204
service of the superintendent's order. The clerk of the court 9205
shall promptly transmit a copy of the notice of appeal to the 9206
superintendent,~~and~~. Within thirty days after receiving the 9207
notice of appeal, the superintendent shall file a certified copy 9208
of the record of the administrative hearing with the clerk of 9209
the court. In the event of a private hearing, the record of the 9210
administrative hearing shall be filed under seal with the clerk 9211
of the court. Upon the filing of the notice of appeal, the court 9212
has jurisdiction, which upon the filing of the record of the 9213
administrative hearing is exclusive, to affirm, modify, 9214
terminate, or set aside, in whole or in part, the 9215
superintendent's order. 9216

(2) The commencement of proceedings for judicial review 9217
pursuant to division (B) of this section does not, unless 9218
specifically ordered by the court, operate as a stay of any 9219
order issued by the superintendent. If it appears to the court 9220
an unusual hardship to the appellant bank, trust company, or 9221
regulated person will result from the execution of the 9222
superintendent's order pending determination of the appeal, and 9223
the interests of depositors and the public will not be 9224
threatened by a stay of the order, the court may grant a stay 9225
and fix its terms. 9226

(C) The superintendent may, in the sole discretion of the 9227
superintendent, apply to the court of common pleas of the county 9228
in which the principal place of business of the bank, trust 9229
company, or regulated person, or residence of the regulated 9230
person, is located, or the court of common pleas of Franklin 9231
county, for the enforcement of an effective and outstanding 9232
superintendent's order issued under section 1121.32, 1121.33, 9233

1121.34, 1121.35, or 1121.41 of the Revised Code, and the court 9234
has jurisdiction and power to order and require compliance with 9235
the superintendent's order. In an action by the superintendent 9236
pursuant to this division to enforce an order assessing a civil 9237
penalty issued under section 1121.35 of the Revised Code, the 9238
validity and appropriateness of the civil penalty is not subject 9239
to review. 9240

(D) No court has jurisdiction to affect, by injunction or 9241
otherwise, the issuance or enforcement of an order issued under 9242
section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the 9243
Revised Code or to review, modify, suspend, terminate, or set 9244
aside an order issued under section 1121.32, 1121.33, 1121.34, 9245
1121.35, or 1121.41 of the Revised Code, except as provided in 9246
this section, in division (G) of section 1121.32 of the Revised 9247
Code for an order issued pursuant to division (C) (3) or (4) of 9248
section 1121.32 of the Revised Code, or in division (A) (3) of 9249
section 1121.34 of the Revised Code for an order issued pursuant 9250
to division (A) (1) of section 1121.34 of the Revised Code. 9251

(E) Nothing in this section or in any other section of the 9252
Revised Code or rules implementing this or any other section of 9253
the Revised Code shall prohibit or limit the superintendent from 9254
doing any of the following: 9255

(1) Issuing orders pursuant to section 1121.32, 1121.33, 9256
1121.34, 1121.35, or 1121.41 of the Revised Code; 9257

(2) Individually or contemporaneously taking any other 9258
action provided by law or rule with respect to a bank, trust 9259
company, or regulated person; 9260

(3) Taking any action provided by law or rule with respect 9261
to a bank, trust company, or regulated person, whether alone or 9262

in conjunction with another regulatory agency or authority. 9263

Sec. 1121.41. (A) The superintendent of financial 9264
institutions may issue and serve a notice of charges and intent 9265
to issue an order placing a bank or trust company under 9266
supervision and appointing a supervisor for the bank or trust 9267
company, if, in the opinion of the superintendent, any of the 9268
following applies: 9269

(1) In the case of a bank, any of the conditions listed in 9270
section 1125.09 of the Revised Code for appointing a conservator 9271
or in section 1125.18 of the Revised Code for taking possession 9272
of a bank and appointing a receiver, exists. 9273

(2) In the case of a trust company, any of the conditions 9274
listed in section 1111.32 of the Revised Code for revoking a 9275
license to do trust business, exists. 9276

(3) The bank or trust company is in such condition that 9277
the further transaction of business would be hazardous, 9278
financially or otherwise, to its shareholders, depositors, its 9279
creditors, or the public. 9280

(B) The notice of charges and intent to issue an order 9281
placing a bank or trust company under supervision and appointing 9282
a supervisor shall include all of the following: 9283

(1) A statement of the alleged basis for the 9284
superintendent's placing the bank or trust company under 9285
supervision and appointing a supervisor and the period for 9286
supervision; 9287

(2) A statement of the facts supporting the 9288
superintendent's placing the bank or trust company under 9289
supervision and appointing a supervisor; 9290

(3) A statement of the requirements to abate the 9291
superintendent's placing the bank or trust company under 9292
supervision and appointing a supervisor; 9293

(4) A statement, in accordance with division (D) of this 9294
section, of actions the bank or trust company would be 9295
prohibited from undertaking during the period of supervision 9296
without the prior approval of the superintendent or the 9297
supervisor appointed by the superintendent; 9298

(5) Notice of both of the following: 9299

(a) The bank or trust company is entitled to a hearing, 9300
conducted in accordance with section 1121.38 of the Revised 9301
Code, to determine whether the superintendent should issue an 9302
order placing the bank or trust company under supervision and 9303
appointing a supervisor, if the bank or trust company requests 9304
the hearing within thirty days after service of the 9305
superintendent's notice of charges and intent to issue an order 9306
placing the bank or trust company under supervision and 9307
appointing a supervisor; 9308

(b) Failure to request the hearing in the time allowed, or 9309
failure to appear at a hearing timely requested, is consent to 9310
the issuance of the order placing the bank or trust company 9311
under supervision and appointing a supervisor. 9312

(6) Notice that if the bank or trust company makes a 9313
timely request for a hearing, all of the following apply: 9314

(a) The bank or trust company may appear at the hearing in 9315
person, by attorney, or by presenting positions, arguments, and 9316
contentions in writing. 9317

(b) At the hearing the bank or trust company may present 9318
evidence and examine witnesses for and against the bank or trust 9319

company. 9320

(c) The hearing will be set for a date within ten days 9321
after the superintendent's receipt of the request for the 9322
hearing or a later date mutually agreed to by the bank or trust 9323
company and the superintendent. 9324

(C) The superintendent may issue an order placing the bank 9325
or trust company under supervision and appointing a supervisor, 9326
if either of the following applies: 9327

(1) The bank or trust company consents to the issuance of 9328
the order; 9329

(2) Upon the record of the hearing the superintendent 9330
finds any of the following: 9331

(a) In the case of a bank, any of the conditions listed in 9332
section 1125.09 of the Revised Code for appointing a conservator 9333
or in section 1125.18 of the Revised Code for taking possession 9334
of a bank and appointing a receiver, exists. 9335

(b) In the case of a trust company, any of the conditions 9336
listed in section 1111.32 of the Revised Code for revoking a 9337
license to do trust business, exists. 9338

(c) The bank or trust company is in such condition that 9339
further transaction of business would be hazardous to its 9340
shareholders, its depositors, its creditors, or the public. 9341

(D) An order placing a bank or trust company under 9342
supervision and appointing a supervisor may prohibit the bank or 9343
trust company from doing any of the following during the period 9344
of supervision without the prior approval of either the 9345
superintendent or the supervisor appointed by the 9346
superintendent: 9347

(1) Disposing of, conveying, or encumbering any of its assets;	9348 9349
(2) Withdrawing any of its bank accounts;	9350
(3) Lending any of its funds;	9351
(4) Investing any of its funds;	9352
(5) Transferring any of its property;	9353
(6) Incurring any debt, obligation, or liability;	9354
<u>(7) Taking any other action specified in the order.</u>	9355
(E) An order placing a bank or trust company under supervision and appointing a supervisor is effective at the time specified in the order which, in the case of an order issued pursuant to division (C) (2) of this section, shall not be less than thirty days after service of the order on the bank or trust company.	9356 9357 9358 9359 9360 9361
(F) An order placing a bank or trust company under supervision and appointing a supervisor remains effective and enforceable as provided in the order, except to the extent the order is stayed, modified, terminated, or set aside by action of the superintendent or a reviewing court.	9362 9363 9364 9365 9366
(G) The cost incident to the supervisor's service shall be fixed and determined by the superintendent, and shall be a charge against the assets and funds of the bank or trust company to be allowed and paid as the superintendent determines.	9367 9368 9369 9370
Sec. 1121.43. (A) Except as provided in division (B) of this section, the superintendent of financial institutions shall publish and make available to the public on a monthly basis all of the following:	9371 9372 9373 9374

(1) Any written agreement ~~or other writing described in~~ 9375
division (B) of section 1121.31 of the Revised Code for which a 9376
violation may be enforced by the superintendent; 9377

(2) Any final order issued pursuant to section 1121.32, 9378
1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code; 9379

(3) Any modification or termination of an agreement, ~~other~~ 9380
~~writing,~~ or order made available to the public pursuant to this 9381
section. 9382

(B) (1) If, in the superintendent's discretion, the 9383
superintendent determines that ~~publishing making~~ a written 9384
agreement ~~or other writing and making it~~ available to the public 9385
pursuant to division (A) (1) of this section would be contrary to 9386
the public interest, the superintendent shall not ~~publish the~~ 9387
~~written agreement or other writing or make it~~ available to the 9388
public. 9389

(2) If the superintendent determines that ~~publishing~~ 9390
making a final order ~~and making it~~ available to the public 9391
pursuant to division (A) (2) of this section would seriously 9392
threaten the safety and soundness of a state bank or trust 9393
company, the superintendent may delay ~~the publication making it~~ 9394
available for a reasonable time. 9395

Sec. 1121.45. (A) The superintendent of financial 9396
institutions may call and convene a meeting with the regulated 9397
persons the superintendent determines to be appropriate at a 9398
location within this state and at a date and time established by 9399
the superintendent upon notice served in accordance with section 9400
1121.37 of the Revised Code. The regulated persons notified of 9401
the meeting shall attend the meeting unless excused by the 9402
superintendent for reasonable cause at the superintendent's sole 9403

discretion. Failure of a regulated person to attend a meeting 9404
called and convened in accordance with this division, unless 9405
excused by the superintendent, is grounds for suspending or 9406
removing the regulated person from office or imposing civil 9407
penalties against the regulated person. 9408

(B) If a quorum of the board of directors of a bank or an 9409
affiliate of a bank attends a meeting called and convened by the 9410
superintendent pursuant to division (A) of this section, they 9411
may convene a meeting of the board of directors to address 9412
matters related to the superintendent's meeting, notwithstanding 9413
any contrary provision of the bank's articles of incorporation, 9414
code of regulations, or bylaws related to notice of a board of 9415
directors meeting. 9416

(C) The records of any meeting called and convened in 9417
accordance with division (A) of this section and the 9418
discussions, information, and documentation presented at the 9419
meeting are, in the possession of any person, confidential and 9420
privileged information and shall not be disclosed except as 9421
provided in section 1121.18 of the Revised Code. 9422

Sec. 1121.47. (A) The superintendent of financial 9423
institutions may do both of the following: 9424

(1) Summon and compel, by order or subpoena, witnesses to 9425
appear before the superintendent, deputy superintendent, 9426
examiner, ~~or attorney-examiner~~, or such other person designated 9427
by the superintendent and testify under oath regarding the 9428
affairs of a bank or trust company or, in relation to matters 9429
concerning a state bank, foreign bank, or trust company, a 9430
regulated person; 9431

(2) Compel, by order or subpoena, the production of any 9432

record, book, paper, document, item, or other thing pertaining 9433
to a bank or trust company or, in relation to matters concerning 9434
a state bank, foreign bank, or trust company, a regulated 9435
person. 9436

(B) The superintendent shall serve an order or subpoena 9437
issued pursuant to division (A) of this section in any manner 9438
provided by section 1121.37 of the Revised Code. 9439

(C) If a person fails to comply with an order or subpoena 9440
of the superintendent or refuses to testify to any matter 9441
regarding which the person is lawfully interrogated before the 9442
division of financial institutions, on application of the 9443
superintendent, the court of common pleas of the county in which 9444
the person resides or in which the principal place of business 9445
of the person is located, or a judge of the court, shall compel 9446
compliance by attachment proceedings as for contempt in the case 9447
of noncompliance with a subpoena issued from the court or 9448
refusal to testify in the court. Failure of a regulated person 9449
to comply fully with an order or subpoena issued under the 9450
authority of this section shall be grounds for removing the 9451
regulated person from office, prohibiting the regulated person 9452
from participating directly or indirectly in the affairs of a 9453
bank or trust company, or imposing civil penalties against the 9454
regulated person. 9455

Sec. 1121.48. (A) All suits and court proceedings brought 9456
by the superintendent of financial institutions shall be brought 9457
in the name of the state upon the superintendent's relation, and 9458
shall be conducted by the attorney general or a designee of the 9459
attorney general. 9460

(B) A suit or court proceeding brought by the 9461
superintendent may be prosecuted in the court of common pleas of 9462

Franklin county, or of any other county in which the defendant 9463
or any of the defendants resides or may be found. 9464

(C) In all suits or court proceedings brought by the 9465
superintendent, the writ may be sent by regular mail to the 9466
sheriff of any county, and the sheriff may return the writ by 9467
regular mail. The sheriff shall be allowed the same mileage and 9468
fees for the service as would be allowed if the writ had been 9469
issued from and made returnable to the court of common pleas of 9470
the sheriff's county. 9471

Sec. 1121.50. (A) As used in this section, "independent 9472
auditor" means an external, unaffiliated auditor who has a 9473
certified public accounting designation that qualifies the 9474
person to provide an auditor's report. 9475

(B) The superintendent of financial institutions may, when 9476
circumstances warrant, require a bank or trust company to have 9477
an independent auditor conduct agreed upon procedures prescribed 9478
by the superintendent. The independent auditor shall be 9479
retained, and the expense of the agreed upon procedures shall be 9480
paid, by the bank or trust company. The agreed upon procedures 9481
shall be conducted in accordance with standards established by 9482
the American institute of certified public accountants. 9483

~~(B)~~ (C) The board of directors of the bank or trust 9484
company shall, within sixty days after receipt of the report 9485
prepared by the independent auditor for the agreed upon 9486
procedures conducted pursuant to this section, prepare a 9487
response to the report and file the report and the board's 9488
response with the superintendent. A report and response filed 9489
with the superintendent pursuant to this section may be 9490
disclosed only as provided in section 1121.18 of the Revised 9491
Code. 9492

Sec. 1121.52. (A) If a state bank is undercapitalized, the 9493
superintendent of financial institutions shall notify the bank 9494
of the fact of the undercapitalization. The superintendent may 9495
require the bank to submit a written capital restoration plan to 9496
the superintendent within forty-five days after the bank 9497
receives that notice, unless the superintendent authorizes in 9498
writing a longer period of time. 9499

(B) A capital restoration plan required under this section 9500
shall specify all of the following: 9501

(1) The steps the state bank will take to become 9502
adequately capitalized; 9503

(2) The levels of capital to be attained during the time 9504
frame in which the plan will be in effect; 9505

(3) The types and levels of activities in which the bank 9506
will engage; 9507

(4) Any other information the superintendent may require. 9508

(C) The superintendent shall approve a capital restoration 9509
plan submitted under this section if the superintendent 9510
determines that the plan meets both of the following conditions: 9511

(1) It is based on realistic assumptions and is likely to 9512
succeed in restoring the bank's capital. 9513

(2) It would not appreciably increase the risk, including 9514
credit risk and interest rate risk, to which the bank is 9515
exposed. 9516

(D) If the superintendent fails to approve a state bank's 9517
capital restoration plan, the superintendent shall notify the 9518
bank and require it to submit a revised plan within a time 9519
period specified by the superintendent. Upon serving that 9520

notice, the superintendent may immediately appoint a conservator 9521
for the bank or take any other action authorized under section 9522
1121.32, 1121.33, 1121.34, 1121.35, 1121.41, or 1121.46 of the 9523
Revised Code or any other law or rule. 9524

(E) Both of the following apply to any state bank that has 9525
submitted and is operating under a capital restoration plan 9526
approved under this section: 9527

(1) The bank shall not be be required to submit an 9528
additional capital restoration plan based on a revised 9529
calculation of its capital measures unless specifically required 9530
to do so by the superintendent. A state bank that is notified 9531
that it must submit a new or revised plan shall file a written 9532
plan with the superintendent within thirty days after the bank 9533
receives the notice, unless the superintendent authorizes in 9534
writing a different period of time. 9535

(2) The bank may, after prior written notice to and 9536
approval by the superintendent, amend its capital restoration 9537
plan to reflect a change in circumstance. Until such time as a 9538
proposed amendment is approved by the superintendent, the bank 9539
shall implement the plan in its current form. 9540

(F) (1) If an undercapitalized bank fails to submit a 9541
capital restoration plan required under this section within the 9542
designated period of time, upon expiration of that period, the 9543
superintendent may immediately appoint a conservator for the 9544
bank or take any other action authorized under section 1121.32, 9545
1121.33, 1121.34, 1121.35, 1121.41, or 1121.46 of the Revised 9546
Code or any other law or rule. 9547

(2) If an undercapitalized bank fails, in any material 9548
respect, to implement a capital restoration plan required under 9549

this section, the superintendent may immediately appoint a 9550
conservator for the bank or take any other action authorized 9551
under section 1121.31, 1121.32, 1121.33, 1121.34, 1121.35, or 9552
1121.41 of the Revised Code or any other law or rule. 9553

(G) Nothing in this section prohibits the superintendent 9554
from requiring a state bank to submit a capital restoration plan 9555
at any other time the superintendent considers necessary. 9556

Sec. 1121.56. Neither the superintendent of financial 9557
institutions ~~nor~~, any employee, agent, or contractor of the 9558
division of financial institutions, or any supervisor appointed 9559
by the superintendent under this chapter is liable in any civil, 9560
criminal, or administrative proceeding for any mistake of 9561
judgment or discretion in any action taken, or any omission 9562
made, in good faith within the scope of the person's official 9563
capacity as assigned by the superintendent. 9564

Sec. 1123.01. (A) There is hereby created in the division 9565
of financial institutions a banking commission which shall 9566
consist of ~~seven~~ nine members. The deputy superintendent for 9567
banks shall be a member of the commission and its chairperson. 9568
The governor, with the advice and consent of the senate, shall 9569
appoint the remaining ~~six~~ eight members. 9570

(B) After the second Monday in January of each year, the 9571
governor shall appoint two members. Terms of office shall be for 9572
~~three~~ four years commencing on the first day of February and 9573
ending on the thirty-first day of January. Each member shall 9574
hold office from the date appointed until the end of the term 9575
for which appointed. In the case of a vacancy in the office of 9576
any member, the governor shall appoint a successor who shall 9577
hold office for the remainder of the term for which the 9578
successor's predecessor was appointed. Any member shall continue 9579

in office subsequent to the expiration date of the member's term 9580
until the member's successor is appointed, or until sixty days 9581
have elapsed, whichever occurs first. 9582

(C) No person appointed as a member of the commission may 9583
serve more than two consecutive full terms. However, a member 9584
may serve two consecutive full terms following the remainder of 9585
a term for which the member was appointed to fill a vacancy. 9586

(D) (1) At least ~~three~~ six of the ~~six~~ eight members 9587
appointed to the commission shall be, at the time of 9588
appointment, executive officers of state banks ~~transacting~~ 9589
~~business under authority granted by the superintendent of~~ 9590
~~financial institutions~~, and ~~four~~ all of the ~~six~~ members 9591
appointed to the commission shall have banking experience as a 9592
director or officer of a bank, savings bank, or savings 9593
association insured by the federal deposit insurance 9594
corporation, a bank holding company, or a savings and loan 9595
holding company. The membership of the commission shall be 9596
representative of the banking industry as a whole, including 9597
representatives of banks of various asset sizes and ownership 9598
structures, as determined by the governor after consultation 9599
with the superintendent of financial institutions ~~from time to~~ 9600
~~time~~. 9601

(2) No person who has been convicted of, or has pleaded 9602
guilty to, a felony involving an act of fraud, dishonesty ~~or,~~ 9603
breach of trust, theft, or money laundering shall take or hold 9604
office as a member of the banking commission. 9605

(E) The members of the commission shall receive no salary, 9606
but their expenses incurred in the performance of their duties 9607
shall be paid from funds appropriated for that purpose. 9608

(F) The governor may remove any of the ~~six~~eight members 9609
appointed to the commission whenever in the governor's judgment 9610
the public interest requires removal. Upon removing a member of 9611
the commission, the governor shall file with the superintendent 9612
a statement of the cause for the removal. 9613

Sec. 1123.03. The banking commission shall do all of the 9614
following: 9615

(A) Make recommendations to the deputy superintendent for 9616
banks and the superintendent of financial institutions on the 9617
business of banking; 9618

(B) Consider and make recommendations on any matter the 9619
superintendent or deputy superintendent submits to the 9620
commission for that purpose; 9621

(C) Pass upon and determine any matter the superintendent 9622
or deputy superintendent submits to the commission for 9623
determination; 9624

(D) Determine, as provided in division (D) of section 9625
1121.12 of the Revised Code, both of the following: 9626

(1) Whether there is reasonable cause to believe that 9627
there is a significant risk of imminent material harm to the 9628
bank; 9629

(2) Whether the examination of the bank holding company is 9630
necessary to fully determine the risk to the bank, or to 9631
determine how best to address the risk to the bank. 9632

(E) Consider and determine whether to approve the salary 9633
schedule proposed by the superintendent in accordance with 9634
section 1121.02 of the Revised Code. 9635

Sec. 1125.01. (A) As used in this chapter, "court" means 9636

the court of common pleas of the county in which the principal 9637
place of business of a state bank, as set forth in its articles 9638
of incorporation, is located or of any other county determined 9639
by the superintendent of financial institutions to be 9640
appropriate under the circumstances. 9641

(B) The court shall have exclusive original jurisdiction 9642
of any action or proceeding relating to or arising out of the 9643
taking of possession of the property and business of a state 9644
bank under this chapter, whether before or after the bank is 9645
wound up and dissolved, as well as any action or other 9646
proceeding brought under this chapter. 9647

(C) Whenever the approval of the court is required for any 9648
act under this chapter, that approval may be given with or 9649
without a hearing held upon whatever notice, if any, the court 9650
may direct, unless otherwise provided in this chapter. At a 9651
hearing, the court, by order, may approve the actions 9652
petitioned. 9653

Sec. 1125.03. (A) A state bank may proceed with a 9654
voluntary liquidation and be closed only with both the consent 9655
of the superintendent of financial institutions and the prior 9656
approval of the shareholders or members of the bank by a vote as 9657
provided for in its articles of incorporation, if not less than 9658
a majority. 9659

(B) Prior to instituting a voluntary liquidation, a state 9660
bank shall submit to the superintendent an application for 9661
approval of its plan of voluntary liquidation and evidence 9662
satisfactory to the superintendent that the plan has been 9663
properly adopted by the bank and approved by its shareholders or 9664
members. 9665

(C) A state bank's plan of voluntary liquidation shall 9666
include provisions for all of the following: 9667

(1) The settlement of all debts and liabilities, including 9668
the claims of account holders, owed by the bank; 9669

(2) The distribution of the bank's assets that remain 9670
after the settlement of debts and liabilities to all persons 9671
entitled to them; 9672

(3) The disposition or maintenance of any remaining or 9673
unclaimed funds, real or personal property, either tangible or 9674
intangible, or other assets, whether in trust or otherwise, 9675
including the contents of safe deposit boxes or vaults; 9676

(4) The retention of the bank's records in accordance with 9677
section 1109.69 of the Revised Code; 9678

(5) The date upon which the bank shall cease doing any 9679
banking business and surrender its banking license to the 9680
superintendent. 9681

(D) Upon receipt of a plan of voluntary liquidation, the 9682
superintendent shall make an examination of the bank and shall 9683
consent to or deny an application for approval of a plan based 9684
upon the superintendent's evaluation of whether or not the 9685
interests of the bank's depositors and creditors will suffer by 9686
the liquidation. 9687

(E) The superintendent's consent to an application for 9688
approval of a plan of voluntary liquidation may be subject to 9689
any condition the superintendent determines appropriate under 9690
the circumstances. 9691

Sec. 1125.04. (A) If the superintendent of financial 9692
institutions consents to a voluntary liquidation, the 9693

superintendent shall cause a certified copy of the consent to be 9694
filed in the office of the secretary of state, and the state 9695
bank to be liquidated shall do both of the following: 9696

(1) Publish, in print or in a comparable electronic 9697
format, a notice of the voluntary liquidation once a week for 9698
four consecutive weeks in a newspaper of general circulation in 9699
the county in which the bank's principal place of business is 9700
located; 9701

(2) Give written notice of the voluntary liquidation, 9702
either personally or by mail, to all known creditors of and all 9703
known claimants against the bank. 9704

(B) Compliance with the notice and publication 9705
requirements of division (A) of this section satisfies any 9706
duplicate or similar notice and publication requirements of 9707
Chapter 1701. of the Revised Code. 9708

Sec. 1125.05. (A) A voluntary liquidation of a state bank 9709
shall be conducted only with the continued supervision of the 9710
superintendent of financial institutions. The superintendent may 9711
conduct any additional examinations of the bank the 9712
superintendent considers necessary or appropriate. 9713

(B) If the superintendent has reason to conclude the 9714
liquidation of a state bank is not being safely or expeditiously 9715
conducted, the superintendent may take possession of the 9716
business and property of the bank in the same manner, with the 9717
same effect, and subject to the same rights accorded the bank as 9718
if the superintendent had taken possession under the 9719
receivership provisions of this chapter. The superintendent may 9720
proceed to liquidate the affairs of the bank in the same manner 9721
as otherwise provided in this chapter. 9722

Sec. 1125.06. Upon completion of a voluntary liquidation, 9723
the liquidated state bank shall submit to the superintendent of 9724
financial institutions all documents required under Chapter 9725
1701. of the Revised Code for a dissolution. The superintendent 9726
shall consent to the dissolution, and shall cause a certified 9727
copy of the consent to be filed, along with the bank's 9728
dissolution documents, in the office of the secretary of state. 9729

Sec. 1125.09. The superintendent of financial institutions 9730
may appoint a conservator to take possession of the property and 9731
business of a state bank and to retain possession until the bank 9732
resumes business or a receiver is appointed, as provided for in 9733
this chapter, if the superintendent finds any one or more of the 9734
following conditions: 9735

(A) The bank is in an unsafe or unsound condition to 9736
continue the business of banking. 9737

(B) The bank is insolvent, in that it has ceased to pay 9738
its debts in the ordinary course of business, it is incapable of 9739
paying its debts as they mature, or it has liabilities in excess 9740
of its assets. 9741

(C) The bank has committed a violation of law that has 9742
caused or that threatens substantial injury to any of the 9743
public, the banking industry, or the bank's depositors or other 9744
creditors. 9745

(D) The bank has refused to submit its records of account, 9746
papers, or affairs to the inspection or examination of any 9747
federal agency or the superintendent. 9748

(E) The bank has failed to pay its deposits or obligations 9749
in accordance with the terms under which the deposits were taken 9750
or the obligations were incurred. 9751

(F) A majority of the board of directors of the bank or a majority of its shareholders or members has requested the superintendent to appoint a conservator to take possession of the bank.

(G) Either all positions on the board of directors of the bank are vacant or all of the directors then in office are incapacitated or otherwise unable to perform their responsibilities.

(H) The bank has violated any court order, statute, rule, or regulation, or its articles of incorporation, and the superintendent determines the continued control of its own affairs threatens injury to any of the public, the banking industry, or the bank's depositors or other creditors.

(I) The bank's status as an insured institution has been terminated by the federal deposit insurance corporation.

Sec. 1125.10. (A) If it appears to the superintendent of financial institutions that any one or more of the conditions set forth in section 1125.09 of the Revised Code exists as to any state bank, the superintendent may appoint a conservator, which appointment may include the superintendent, and thereafter may dismiss or replace the conservator as the superintendent determines necessary or advisable. The superintendent may fix the compensation to be paid the conservator and the amount of the bond or other security, if any, to be required.

(B) The superintendent may, from time to time, appoint one or more special deputy superintendents as agent or agents to assist in the duties of conservatorship.

(C) The superintendent, any special deputy superintendents, or a conservator may employ and procure

whatever assistance or advice is necessary in the 9781
conservatorship of the bank, and, for that purpose, may retain 9782
officers or employees of the bank as needed. 9783

(D) The superintendent may terminate the conservatorship 9784
at any time, and may appoint a receiver for liquidation of the 9785
bank on any of the grounds provided in this chapter for 9786
appointment of a receiver. 9787

(E) All expenses of a conservatorship shall be paid out of 9788
the assets of the bank, and shall be a lien on the bank's 9789
assets, which lien shall be prior to any other lien. 9790

Sec. 1125.11. (A) Upon the appointment of a conservator, 9791
the superintendent of financial institutions shall file a 9792
certified copy of the certificate of appointment in the office 9793
of the secretary of state, and thereafter no person shall obtain 9794
a lien or charge upon any assets of the state bank for any 9795
payment, advance, clearance, or liability thereafter made or 9796
incurred, nor shall the directors, officers, or agents of the 9797
bank thereafter have authority to act on behalf of the bank or 9798
to convey, transfer, assign, pledge, mortgage, or encumber any 9799
of the bank's assets. 9800

(B) The filing of the certificate of appointment in 9801
accordance with this section shall not be a condition to either 9802
the superintendent's taking possession of the property and 9803
business of a state bank or appointing a conservator for a state 9804
bank. 9805

Sec. 1125.12. (A) A conservator, under the supervision of 9806
the superintendent of financial institutions and subject to any 9807
limitations imposed by the superintendent, shall have all of the 9808
following powers: 9809

- (1) To take possession of all books, records of account, 9810
and assets of the state bank; 9811
- (2) To have and exercise, in the name and on behalf of the 9812
bank, all the rights, powers, and authority of the officers and 9813
directors of the bank and all voting rights of its shareholders 9814
or members; 9815
- (3) To collect all debts, claims, and judgments belonging 9816
to the bank and to take any other action, including the lending 9817
of money, necessary to the operation of the bank during the 9818
conservatorship; 9819
- (4) To execute in the name of the bank any instrument 9820
necessary or proper to effectuate the conservator's powers or 9821
perform its duties as conservator; 9822
- (5) To initiate, pursue, compromise, and defend litigation 9823
involving any right, claim, interest, or liability of the bank; 9824
- (6) To exercise all fiduciary functions of the bank as of 9825
the date of appointment as conservator; 9826
- (7) To borrow money as necessary in the operation of the 9827
bank, and to secure those borrowings by the pledge or mortgage 9828
of the assets of the bank; 9829
- (8) To abandon or convey title to any holder of a deed of 9830
trust, mortgage, or similar lien against property in which the 9831
bank has an interest, whenever the conservator determines that 9832
continuing to claim that interest is burdensome and of no 9833
advantage to the bank or its account holders, creditors, ~~or~~ 9834
shareholders, or members; 9835
- (9) If done in good faith within the ordinary course of 9836
business or financial affairs of the bank and according to 9837

ordinary business terms, to sell any and all assets, to 9838
compromise any debt, claim, obligation, or judgment due to the 9839
bank, to discontinue any pending action or other proceeding, and 9840
to implement a restructuring of the bank in accordance with this 9841
chapter. 9842

(B) Title to any assets of the bank does not vest in the 9843
conservator. 9844

Sec. 1125.13. During the period of the conservatorship, 9845
all of the following apply: 9846

(A) The conservator may permit the state bank to continue 9847
to conduct its usual business, including the acceptance of 9848
deposits. 9849

(B) The obligations of the state bank shall continue to 9850
bear interest at the rate contracted. 9851

(C) The conservator shall make whatever reports to the 9852
superintendent of financial institutions the superintendent may 9853
from time to time require. 9854

Sec. 1125.14. (A) The conservator shall evaluate the 9855
business and assets of the state bank and, after conducting 9856
whatever investigations the circumstances may require, shall 9857
recommend to the superintendent of financial institutions that 9858
either the conservatorship of the bank be terminated or the 9859
superintendent appoint a receiver and the bank be liquidated as 9860
otherwise provided in this chapter. The conservator shall 9861
consult with the board of directors of the bank before making 9862
the recommendation. 9863

(B) The conservator of the bank may submit a plan to the 9864
superintendent for approval to restructure the bank in a manner 9865
designed to return the bank to the control of its shareholders 9866

or members. As part of the plan, the conservator may take any 9867
steps the superintendent approves regarding the management, 9868
operations, or assets of the bank, including the sale of some or 9869
all of the bank's assets. The conservator shall consult with the 9870
board of directors of the bank regarding any proposed sale of 9871
all or substantially all of the bank's assets. 9872

(C) The superintendent may require the conservator to 9873
submit the plan to the shareholders or members of the bank as 9874
provided in division (D) of this section or to submit a new or 9875
revised plan for consideration by the superintendent. 9876

(D) If the conservator's plan is submitted to the 9877
shareholders or members pursuant to division (C) of this 9878
section, the superintendent shall designate the contents of 9879
notice of the vote that is to be forwarded from the conservator 9880
to the shareholders or members and shall designate the date upon 9881
which notice is to be forwarded. The date of the shareholder or 9882
member vote shall be determined by the superintendent, but shall 9883
not occur earlier than seven days or later than forty-five days 9884
after the date of the notice. 9885

If the majority of the shareholders or members do not 9886
approve the plan, the superintendent may request submission of a 9887
new plan or proceed to appoint a receiver without regard to the 9888
grounds for appointment of a receiver as otherwise provided in 9889
this chapter. If the majority of the shareholders or members 9890
approve the plan, the superintendent may terminate the 9891
conservatorship, and the shareholders or members shall elect 9892
directors to manage the bank. 9893

(E) The superintendent, at any time, including after the 9894
date notice of a vote is provided to shareholders or members of 9895
the bank under division (D) of this section, may revoke a 9896

previously approved plan of the conservator and either provide 9897
for, or request submission of, a new plan or proceed with 9898
receivership under this chapter. 9899

Sec. 1125.17. This chapter provides the full and exclusive 9900
powers and procedures for the liquidation of state banks under 9901
the laws of this state, and no receiver or other liquidating 9902
agent shall be appointed for that purpose except as expressly 9903
provided in this chapter. 9904

Sec. 1125.18. The superintendent of financial institutions 9905
may take possession of the property and business of a state bank 9906
if the superintendent finds any one or more of the following 9907
conditions: 9908

(A) The bank is in an unsafe or unsound condition to 9909
continue the business of banking. 9910

(B) The bank is insolvent, in that it has ceased to pay 9911
its debts in the ordinary course of business, it is incapable of 9912
paying its debts as they mature, or it has liabilities in excess 9913
of its assets. 9914

(C) The bank has refused to submit its records or affairs 9915
to the inspection or examination of any federal bank regulatory 9916
agency or the superintendent. 9917

(D) The bank has failed to pay its deposits or obligations 9918
in accordance with the terms under which the deposits were taken 9919
or the obligations were incurred. 9920

(E) A majority of the board of directors of the bank has 9921
requested the superintendent to appoint a receiver to take 9922
possession of the bank for the benefit of account holders, 9923
creditors, ~~or~~ shareholders, or members. 9924

(F) The bank has violated any order of a court or of the superintendent, any statute, rule, or regulation, or its articles of incorporation, and the superintendent determines the continued control of its own affairs threatens injury to any of the public, the banking industry, or the bank's depositors or other creditors.

(G) The bank's status as an insured institution has been terminated by the federal deposit insurance corporation.

~~(H) The~~ (1) In the case of a stock state bank, the bank has an impairment of paid-in capital.

(2) In the case of a mutual state bank, the bank has an impairment of retained earnings.

Sec. 1125.19. (A) Upon issuing a written finding that any one or more of the conditions set forth in section 1125.18 of the Revised Code for taking possession of a state bank exists and taking possession of the state bank, the superintendent of financial institutions shall file a certified copy of the finding and the notice of possession with the court.

(B) Upon the appointment of a receiver, the superintendent shall file a certified copy of the certificate of appointment in the office of the secretary of state and with the court.

(C) After the superintendent files the finding of the superintendent or the certificate of appointment of the receiver, whichever occurs first, no person shall obtain a lien or charge upon any assets of the bank for any payment, advance, clearance, or liability thereafter incurred, nor shall the directors, officers, or agents of the bank have authority to act on behalf of the bank or to convey, transfer, assign, pledge, mortgage, or encumber any assets of the bank.

(D) Upon taking possession of the bank, the superintendent 9954
shall post or cause to be posted an appropriate notice of 9955
closing at the main entrance of each of the bank's banking 9956
offices. 9957

(E) Neither filing nor posting of notice in accordance 9958
with this section shall be a condition to either the 9959
superintendent's taking possession of the property and business 9960
of a state bank or appointing a receiver for a state bank. 9961

Sec. 1125.20. (A) If it appears to the superintendent of 9962
financial institutions that any one or more of the conditions 9963
set forth in section 1125.18 of the Revised Code exists as to 9964
any state bank, the superintendent shall tender appointment as 9965
receiver to the federal deposit insurance corporation if any 9966
deposits in the state bank are insured by the federal deposit 9967
insurance corporation, and may tender appointment as receiver to 9968
the federal deposit insurance corporation in any other case. 9969
Upon acceptance of the appointment as receiver, the federal 9970
deposit insurance corporation shall not be required to post a 9971
bond. In addition to the powers of a receiver set forth in this 9972
chapter, the federal deposit insurance corporation, as receiver, 9973
may exercise any other liquidation or receivership powers 9974
authorized by state or federal law for a receiver of a bank. 9975

(B) If the federal deposit insurance corporation declines 9976
to accept the tendered appointment or if the superintendent is 9977
not required to tender appointment as receiver to the federal 9978
deposit insurance corporation, the superintendent may appoint, 9979
and thereafter dismiss or replace, any other receiver, including 9980
the superintendent, the superintendent determines to be 9981
necessary or advisable. The superintendent may fix the 9982
compensation to be paid the receiver and the amount of the bond 9983

or other security, if any, to be required. 9984

(C) The superintendent may, from time to time, appoint one 9985
or more special deputy superintendents as agent or agents to 9986
assist in the duties of receivership or of liquidation and 9987
distribution. No agent so appointed shall be subject to section 9988
1181.05 of the Revised Code. 9989

(D) The superintendent, any special deputy 9990
superintendents, or a receiver may employ and procure whatever 9991
assistance or advice is necessary in the receivership or 9992
liquidation and distribution of the assets of the bank, and, for 9993
that purpose, may retain officers or employees of the bank as 9994
needed. 9995

(E) All expenses of a receivership and liquidation shall 9996
be paid out of the assets of the bank, and shall be a lien on 9997
the bank's assets, which lien shall be prior to any other lien. 9998

Sec. 1125.21. Upon the superintendent of financial 9999
institutions' appointment of a receiver, title to all of the 10000
state bank's assets shall vest in the receiver without the 10001
execution of any instrument of conveyance, assignment, transfer, 10002
or endorsement. 10003

Sec. 1125.22. (A) A receiver shall have all of the 10004
following powers: 10005

(1) To take possession of all books, records of account, 10006
and assets of the state bank; 10007

(2) To collect all debts, claims, and judgments belonging 10008
to the bank and to take any other action, including the lending 10009
of money, necessary to preserve and liquidate the assets of the 10010
bank; 10011

(3) To execute in the name of the bank any instrument	10012
necessary or proper to effectuate the receiver's powers or	10013
perform its duties as receiver;	10014
(4) To initiate, pursue, compromise, and defend litigation	10015
involving any right, claim, interest, or liability of the bank;	10016
(5) To exercise all fiduciary functions of the bank as of	10017
the date of appointment as receiver;	10018
(6) To borrow money as necessary in the liquidation of the	10019
bank, and to secure those borrowings by the pledge or mortgage	10020
of assets of the bank;	10021
(7) To abandon or convey title to any holder of a deed of	10022
trust, mortgage, or similar lien against property in which the	10023
bank has an interest, whenever the receiver determines that	10024
continuing to claim that interest is burdensome and of no	10025
advantage to the bank or its account holders, creditors, or	10026
shareholders, <u>or members</u> ;	10027
(8) To sell any and all assets, to compromise any debt,	10028
claim, obligation, or judgment due to the bank, to discontinue	10029
any pending action or other proceeding, and to sell or otherwise	10030
transfer all or a substantial portion of the assets or	10031
liabilities of the bank;	10032
(9) To establish ancillary receiverships in any	10033
jurisdiction the receiver determines necessary;	10034
(10) To distribute assets in accordance with this chapter;	10035
(11) To take any other action incident to the powers set	10036
forth in division (A) of this section.	10037
(B) Unless specifically indicated to the contrary, the	10038
powers conferred upon a receiver under this section may be	10039

exercised without court approval. However, nothing in this 10040
section shall be construed to prevent a receiver from obtaining 10041
court approval when the receiver determines approval is 10042
appropriate under the circumstances. 10043

Sec. 1125.23. (A) The receiver shall promptly cause notice 10044
of the claims procedure to be published, in print or in a 10045
comparable electronic format, once a month for two consecutive 10046
months in a local newspaper of general circulation and to be 10047
mailed to each person whose name appears as a creditor upon the 10048
books of the state bank, at the last address of record. 10049

(B) (1) All parties having claims of any kind against the 10050
bank, including prior judgments and claims of security, 10051
preference, priority, and offset, shall present their claims 10052
substantiated by legal proof to the receiver within one hundred 10053
eighty days after the date of the first publication of notice of 10054
the claims procedure or after actual receipt of notice of the 10055
claims procedure, whichever occurs first. 10056

(2) Within one hundred eighty days after receipt of a 10057
claim, the receiver shall notify the claimant in writing whether 10058
the claim has been allowed or disallowed. The receiver may 10059
reject any claim in whole or in part, or may reject any claim of 10060
security, preference, priority, or offset against the bank. Any 10061
claimant whose claim has been rejected by the receiver shall 10062
petition the court for a hearing on the claim within sixty days 10063
after the date the notice was mailed or be forever barred from 10064
asserting the rejected claim. 10065

(C) Any claims filed after the claim period and 10066
subsequently accepted by the receiver or allowed by the court, 10067
shall be entitled to share in the distribution of assets only to 10068
the extent of the undistributed assets in the hands of the 10069

receiver on the date the claims are accepted or allowed. 10070

Sec. 1125.24. (A) All claims against the state bank's 10071
estate and expenses, proved to the receiver's satisfaction or 10072
approved by the court, shall be paid in the following order: 10073

(1) Expenses of liquidation and receivership, including 10074
money borrowed under authority of division (A) (6) of section 10075
1125.22 or division (A) (7) of section 1125.12 of the Revised 10076
Code and interest on it, and claims for fees and assessments due 10077
the superintendent of financial institutions; 10078

(2) Claims given priorities under other provisions of 10079
state or federal law; 10080

(3) Wages and salaries, or commissions, including 10081
vacation, severance, and sick leave pay, of officers and 10082
employees earned during the one-month period preceding the date 10083
of the bank's closing in an amount, before applicable taxes and 10084
other withholdings, that does not exceed one thousand dollars 10085
for any one person; 10086

(4) Deposit obligations; 10087

(5) Other general liabilities; 10088

(6) Obligations subordinated to deposits and other general 10089
liabilities. 10090

(B) Interest shall be given the same priority as the claim 10091
on which it is based, but no interest shall be paid on any claim 10092
until the principal of all claims within the same class has been 10093
paid or provided for in full. 10094

(C) Any funds remaining after satisfying the requirements 10095
of divisions (A) and (B) of this section shall be paid to the 10096
shareholders or members. 10097

(D) Payment on claims shall be made pro rata among claims 10098
of the kind specified in each class set forth in division (A) of 10099
this section. 10100

(E) Subject to the approval of the court, the receiver may 10101
designate a separate class of claims consisting only of every 10102
unsecured claim that is less than, or reduced to, an amount the 10103
court approves for payment as reasonable and necessary for 10104
administrative convenience. 10105

(F) Subject to the approval of the court, the receiver may 10106
make periodic and interim liquidating dividends or payments. 10107

Sec. 1125.25. (A) Within one hundred days after the date 10108
of the closing of a state bank, a receiver may reject any 10109
executory contract to which the bank is a party without any 10110
further liability on the part of the bank or the receiver. The 10111
receiver's election to reject an executory contract creates no 10112
claim for compensation other than compensation accrued to the 10113
date of termination or for actual damages. 10114

(B) A receiver may ratify and assign any executory 10115
contract to which the bank is a party notwithstanding the 10116
existence of a provision in the contract permitting the 10117
termination of the executory contract, or prohibiting, 10118
conditioning, or requiring consent to any assignment of the 10119
executory contract, upon the insolvency of the bank or the 10120
appointment of a receiver. 10121

Sec. 1125.26. Whenever the federal deposit insurance 10122
corporation pays or makes available for payment the insured 10123
deposit liabilities of a state bank, the federal deposit 10124
insurance corporation, whether or not it acts as receiver, shall 10125
be subrogated to the extent of the payments to all rights of 10126

depositors against the bank. 10127

Sec. 1125.27. (A) The receiver may appoint a successor to 10128
all rights, obligations, assets, deposits, agreements, and 10129
trusts held by the closed state bank as trustee, administrator, 10130
executor, guardian, agent, or in any other fiduciary or 10131
representative capacity. The successor's duties and obligations 10132
commence upon appointment to the same extent they are binding 10133
upon the former bank and as though the successor had originally 10134
assumed the duties and obligations. Specifically, the successor 10135
shall succeed to and be entitled to administer all trusteeships, 10136
administrations, executorships, guardianships, agencies, and all 10137
other fiduciary or representative proceedings to which the 10138
closed bank is named or appointed in wills, whenever probated, 10139
or to which it is appointed by any other instrument, court 10140
order, or operation of law. 10141

(B) Within sixty days after appointment, the successor 10142
shall give written notice, insofar as practicable, to all 10143
interested parties named in the books and records of the bank or 10144
in trust documents held by it, that the successor has been 10145
appointed in accordance with state law. 10146

(C) Nothing in this section shall be construed to impair 10147
any right of the grantor or beneficiaries of trust assets to 10148
secure the appointment of a substituted trustee or manager. 10149

Sec. 1125.28. (A) The filing with the court of the finding 10150
of the superintendent of financial institutions or the 10151
certificate of appointment of the receiver, whichever occurs 10152
first, operates as an automatic stay from the date of the 10153
filing, subject to the court granting a motion for relief from 10154
the stay, applicable to all entities persons, of both of the 10155
following: 10156

(1) The commencement or continuation, including the 10157
issuance or employment of process, of a judicial, 10158
administrative, or other action or proceeding against the state 10159
bank that was or could have been commenced before the filing; 10160

(2) The enforcement against the bank of a judgment or 10161
other claim obtained before the filing, including claims of 10162
security, preference, priority, and offset. 10163

(B) Upon the filing with the court of the finding of the 10164
superintendent or the certificate of appointment of the 10165
receiver, whichever occurs first, any other pending judicial, 10166
administrative, or other action or proceeding against the bank 10167
shall, upon motion of the receiver, be consolidated into one 10168
action or transferred as a separate matter before the presiding 10169
judge of the court having jurisdiction of the receivership, 10170
subject, however, to the automatic stay provided in division (A) 10171
of this section. Subject to the receiver's option to have an 10172
action later consolidated or transferred, any action commenced 10173
after the superintendent's filing shall be filed as a separate 10174
matter before the presiding judge in the court having 10175
jurisdiction over the receivership. 10176

(C) The superintendent, prior to the appointment of a 10177
receiver, or the receiver, after its appointment, shall be the 10178
only party named in an action involving a state bank subject to 10179
this chapter. 10180

(D) Any action seeking to enjoin the superintendent's 10181
order appointing a receiver of a state bank shall be brought 10182
prior to the date the receiver sells all or substantially all of 10183
the assets of the bank, prior to the date the receiver transfers 10184
all or substantially all of the insured deposits to an assuming 10185
institution, or within ten days after the issuance of the order, 10186

whichever is earliest. 10187

Sec. 1125.29. (A) When a receiver has completed the 10188
liquidation of a state bank, the receiver shall, with notice to 10189
the superintendent of financial institutions, petition the court 10190
for an order declaring the bank properly wound up and dissolved. 10191

(B) After whatever notice and hearing, if any, the court 10192
may direct, the court may make an order declaring the bank 10193
properly wound up and dissolved. The order shall do both of the 10194
following, to the extent applicable: 10195

(1) Declare all of the following: 10196

(a) The bank has been properly wound up. 10197

(b) All known assets of the bank have been distributed 10198
according to the distribution priorities set forth in this 10199
chapter. 10200

(c) The bank is dissolved. 10201

(2) If there are known debts or liabilities, describe the 10202
provision made for their payment, setting forth whatever 10203
information may be necessary to enable the creditor or other 10204
person to whom payment is to be made to appear and claim payment 10205
of the debt or liability. 10206

(C) The order shall confirm a plan by the receiver for the 10207
disposition or maintenance of any remaining real or personal 10208
property or other assets, whether held in trust or otherwise and 10209
including the contents of safe deposit boxes or vaults, held by 10210
the bank for its account holders, creditors, lessees, ~~or~~ 10211
shareholders, or members. The plan shall include written notice 10212
to all known owners or beneficiaries of the assets, to be sent 10213
by first class mail to each individual's address as shown on the 10214

records of the bank. 10215

(D) The court may make whatever additional orders and 10216
grant whatever further relief it determines proper upon the 10217
evidence submitted. 10218

(E) Once the order is made declaring the bank dissolved, 10219
the corporate existence of the bank shall cease, except for 10220
purposes of any necessary additional winding up. 10221

(F) Once the order is made declaring the bank dissolved, 10222
the receiver shall promptly file a copy of the order, certified 10223
by the clerk of the court, with both the secretary of state and 10224
the superintendent. 10225

Sec. 1125.30. Subject to the approval of the court, the 10226
receiver may destroy the records of the state bank in accordance 10227
with section 1109.69 of the Revised Code after the receiver 10228
determines there is no further need for them. However, the 10229
receiver shall not destroy the records earlier than six months 10230
after the date the bank is declared dissolved by the court. 10231

Sec. 1125.33. (A) No damages may be awarded in a 10232
proceeding brought pursuant to this chapter challenging any 10233
action by the superintendent of financial institutions, special 10234
deputy superintendent, receiver, or conservator, or any employee 10235
of any of them, or any person retained for services under this 10236
chapter. Any action for damages shall be brought in the court as 10237
a separate action. 10238

(B) The superintendent, special deputy superintendent, 10239
receiver, conservator, or any employee of any of them, or any 10240
person retained for services under this chapter, is not subject 10241
to any civil liability or penalty, or to any criminal 10242
prosecution, for any error in judgment or discretion made in 10243

good faith in any action taken or omitted in an official 10244
capacity under this chapter. 10245

(C) The superintendent, special deputy superintendent, 10246
receiver, conservator, or any employee of any of them, or any 10247
person retained for services under this chapter, is not liable 10248
in damages for any action or failure to act unless it is proved 10249
by clear and convincing evidence in court that the action or 10250
failure to act involved an act or omission undertaken with 10251
deliberate intent to cause injury to any of the state bank, its 10252
shareholders, its members, its depositors, or its creditors, or 10253
undertaken with reckless disregard for the best interests of any 10254
of the bank, its shareholders, its members, its depositors, its 10255
creditors, or the public. 10256

Sec. 1181.01. (A) The superintendent of financial 10257
institutions shall be the chief executive officer of the 10258
division of financial institutions. 10259

The superintendent shall have ~~at one of the following:~~ 10260

(1) At least five years of experience in the financial- 10261
services industry or as a senior level officer in a federally 10262
insured depository institution, bank holding company, or savings 10263
and loan holding company or as a senior level manager in the 10264
business of auditing or providing professional advice to such 10265
institutions on issues related to safety and soundness; 10266

(2) At least five years of experience as a senior level 10267
supervisor in the examination or regulation of financial- 10268
institutions the safety and soundness of federally insured 10269
depository institutions; 10270

(3) At least a total of five years of experience in any 10271
combination of the positions described in divisions (A) (1) and 10272

<u>(2) of this section.</u>	10273
<u>(B) The superintendent shall appoint a deputy superintendent for banks, a deputy superintendent for savings and loan associations and savings banks, and a deputy superintendent for credit unions. Each deputy superintendent shall have at one of the following:</u>	10274 10275 10276 10277 10278
<u>(1) At least five years of experience as described in division (A) (1) or (2) of this section in that particular industry or at;</u>	10279 10280 10281
<u>(2) At least five years of experience as a senior supervisor in the examination or regulation of banks, savings and loan associations, savings banks, or credit unions;</u>	10282 10283 10284
<u>(3) At least a total of five years of experience in any combination of the positions described in divisions (B) (1) and (2) of this section.</u>	10285 10286 10287
<u>(C) The superintendent shall also appoint a deputy superintendent for consumer finance, who shall have at one of the following:</u>	10288 10289 10290
<u>(1) At least five years of experience in as an owner, officer, or senior level manager of one or more of the consumer finance companies regulated by the division or;</u>	10291 10292 10293
<u>(2) At least five years of experience as a senior level supervisor in the examination or regulation of banks, savings and loan associations, savings banks, credit unions, or consumer finance companies;</u>	10294 10295 10296 10297
<u>(3) At least a total of five years of experience in any combination of the positions described in divisions (C) (1) and (2) of this section.</u>	10298 10299 10300

(D) The deputy superintendents appointed by the 10301
superintendent of financial institutions pursuant to this 10302
section shall serve in the ~~unclassified~~ classified civil 10303
service. 10304

Sec. 1181.02. The superintendent of financial institutions 10305
may appoint and employ such assistants, clerks, examiners, and 10306
other employees, and such professionals and agents, as the 10307
prompt execution of the duties of the superintendent's office 10308
requires, and may employ attorney examiners if the 10309
superintendent considers such assistants necessary. 10310

Sec. 1181.03. (A) Before entering upon the discharge of 10311
the duties of the office of the superintendent of financial 10312
institutions, the superintendent shall give bond to the state in 10313
the sum of one million dollars with sureties approved by the 10314
governor and conditioned on the faithful discharge of the 10315
official duties of the office. The bond, with the approval of 10316
the governor and with the superintendent's oath of office 10317
endorsed on it, shall be filed with the office of the secretary 10318
of state. 10319

(B) Before entering upon the discharge of the duties of 10320
their respective offices, the deputy superintendent for banks, 10321
~~the deputy superintendent for savings and loan associations and~~ 10322
~~savings banks,~~ the deputy superintendent for credit unions, and 10323
the deputy superintendent for consumer finance shall each give 10324
bond to the state in the sum of five hundred thousand dollars 10325
with sureties approved by the superintendent and conditioned on 10326
the faithful performance of their respective duties. The bonds 10327
shall be filed with the office of the secretary of state. 10328

(C) The superintendent shall require of each other 10329
employee and each agent of the division of financial 10330

institutions a bond, conditioned on the faithful performance of 10331
each employee's and agent's respective duties, in an amount not 10332
less than five thousand dollars that the superintendent 10333
determines to be acceptable. The bonds may, in the discretion of 10334
the superintendent, be individual, schedule, or blanket bonds. 10335
The bonds shall be filed with the office of the secretary of 10336
state. 10337

(D) The division shall pay the cost or premium of the 10338
bonds required by this section from funds appropriated to the 10339
division for that purpose. 10340

Sec. 1181.04. Neither the superintendent of financial 10341
institutions nor any employee, agent, or contractor of the 10342
division of financial institutions shall be liable in any civil, 10343
criminal, or administrative proceeding for any mistake of 10344
judgment or discretion in any action taken, or any omission made 10345
by the superintendent ~~or~~, employee, agent, or contractor if 10346
done in good faith within the scope of the person's official 10347
capacity as assigned by the superintendent. 10348

Sec. 1181.05. (A) As used in this section, "consumer 10349
finance company" means any person ~~required to be~~ licensed or 10350
registered under Chapter 1321., 1322., 4712., 4727., or 4728. or 10351
sections 1315.21 to 1315.30 of the Revised Code. 10352

(B) Neither the superintendent of financial institutions 10353
nor any other employee of the division of financial institutions 10354
shall do any of the following: ~~be interested~~ have a business or 10355
investment interest, directly or indirectly, in any state bank, 10356
~~savings and loan association, savings bank~~ trust company, credit 10357
union, or consumer finance company, that is under the 10358
supervision of the superintendent of financial institutions or 10359
in any affiliate of any such financial institution or company; 10360

directly or indirectly borrow money from any such financial 10361
institution or company; serve as a director or officer of or be 10362
employed by any such financial institution or company; or own an 10363
equity interest in any such financial institution or company or 10364
in any of its affiliates. For purposes of this section, an 10365
equity interest does not include the ownership of an account in 10366
a mutual savings and loan association or in a savings bank that 10367
does not have permanent stock or the ownership of a share 10368
account in a credit union. 10369

(C) Subject to division (G) of this section, an employee 10370
of the division of financial institutions may retain any 10371
extension of credit that otherwise would be prohibited by 10372
division (B) of this section if both of the following apply: 10373

(1) The employee obtained the extension of credit prior to 10374
October 29, 1995, or the commencement of the employee's 10375
employment with the division, or as a result of a change in the 10376
employee's marital status, the consummation of a merger, 10377
acquisition, transfer of assets, or other change in corporate 10378
ownership beyond the employee's control, or the sale of the 10379
extension of credit in the secondary market or other business 10380
transaction beyond the employee's control. 10381

(2) The employee liquidates the extension of credit under 10382
its original terms and without renegotiation. 10383

If the employee chooses to retain the extension of credit, 10384
the employee shall immediately provide written notice of the 10385
retention to the employee's supervisor. Thereafter, the employee 10386
shall be disqualified from participating in any decision, 10387
examination, audit, or other action that may affect that 10388
particular creditor. 10389

(D) Subject to division (G) of this section, an employee 10390
of the division of financial institutions may retain any 10391
ownership of or beneficial interest in the securities of a 10392
financial institution or consumer finance company that is under 10393
the supervision of the division of financial institutions, or of 10394
a holding company or subsidiary of such a financial institution 10395
or company, which ownership or beneficial interest otherwise 10396
would be prohibited by division (B) of this section, if the 10397
ownership or beneficial interest is acquired by the employee 10398
through inheritance or gift, prior to October 29, 1995, or the 10399
commencement of the employee's employment with the division, or 10400
as a result of a change in the employee's marital status or the 10401
consummation of a merger, acquisition, transfer of assets, or 10402
other change in ~~corporate~~ ownership beyond the employee's 10403
control. 10404

If the employee chooses to retain the ownership or 10405
beneficial interest, the employee shall immediately provide 10406
written notice of the retention to the employee's supervisor. 10407
Thereafter, the employee shall be disqualified from 10408
participating in any decision, examination, audit, or other 10409
action that may affect the issuer of the securities. However, if 10410
the ownership of or beneficial interest in the securities and 10411
the subsequent disqualification required by this division impair 10412
the employee's ability to perform the employee's duties, the 10413
employee may be ordered to divest self of the ownership of or 10414
beneficial interest in the securities or to resign. 10415

(E) Notwithstanding division (B) of this section, an 10416
employee of the division of financial institutions may have an 10417
indirect interest in the securities of a financial institution 10418
or consumer finance company that is under the supervision of the 10419
division of financial institutions, which interest arises 10420

through ownership of or beneficial interest in the securities of 10421
a publicly held mutual fund or investment trust, if the employee 10422
owns or has a beneficial interest in less than five per cent of 10423
the securities of the mutual fund or investment trust, and the 10424
mutual fund or investment trust is not advised or sponsored by a 10425
financial institution or consumer finance company that is under 10426
the supervision of the division of financial institutions. If 10427
the mutual fund or investment trust is subsequently advised or 10428
sponsored by a financial institution or consumer finance company 10429
that is under the supervision of the division of financial 10430
institutions, the employee shall immediately provide written 10431
notice of the ownership of or beneficial interest in the 10432
securities to the employee's supervisor. Thereafter, the 10433
employee shall be disqualified from participating in any 10434
decision, examination, audit, or other action that may affect 10435
the financial institution or consumer finance company. However, 10436
if the ownership of or beneficial interest in the securities and 10437
the subsequent disqualification required by this division impair 10438
the employee's ability to perform the employee's duties, the 10439
employee may be ordered to divest self of the ownership of or 10440
beneficial interest in the securities or to resign. 10441

(F) (1) For purposes of this section, the interests of an 10442
employee's spouse or dependent child arising through the 10443
ownership or control of securities shall be considered the 10444
interests of the employee, unless the employee can demonstrate 10445
to the satisfaction of the superintendent that the interests are 10446
solely the financial interest and responsibility of the spouse 10447
or dependent child, the interests are not in any way derived 10448
from the income, assets, or activity of the employee, and any 10449
financial or economic benefit from the interests is for the 10450
personal use of the spouse or dependent child. 10451

(2) If an employee's spouse or dependent child obtains 10452
interests arising through the ownership or control of securities 10453
and, pursuant to division (F)(1) of this section, the interests 10454
are not considered the interests of the employee, the employee 10455
shall immediately provide written notice of the interests to the 10456
employee's supervisor. Thereafter, the employee shall be 10457
disqualified from participating in any decision, examination, 10458
audit, or other action that may affect the issuer of the 10459
securities. 10460

(G) For purposes of divisions (C) and (D) of this section, 10461
both of the following apply: 10462

(1) With respect to any employee of the former division of 10463
consumer finance who, on the first day of the first pay period 10464
commencing after the effective date of this section, becomes an 10465
employee of the division of financial institutions, the 10466
employee's employment with the division of financial 10467
institutions is deemed to commence on the first day of the first 10468
pay period commencing after the effective date of this section. 10469

(2) With respect to any employee who, on October 29, 1995, 10470
became an employee of the division of financial institutions, 10471
the employee may, notwithstanding divisions (C) and (D) of this 10472
section, retain any extension of credit by a consumer finance 10473
company that was obtained at any time prior to the first day of 10474
the first pay period commencing after the effective date of this 10475
section, or retain any ownership of or beneficial interest in 10476
the securities of a consumer finance company, or of a holding 10477
company or subsidiary of such a company, that was acquired at 10478
any time prior to the first day of the first pay period 10479
commencing after the effective date of this section. If the 10480
employee chooses to retain the extension of credit or the 10481

ownership or beneficial interest, the employee shall comply with 10482
divisions (C) and (D) of this section. 10483

Sec. 1181.06. There is hereby created in the state 10484
treasury the financial institutions fund. The fund shall receive 10485
assessments on the banks fund established under section 1121.30 10486
of the Revised Code, ~~the savings institutions fund established~~ 10487
~~under section 1181.18 of the Revised Code,~~ the credit unions 10488
fund established under section 1733.321 of the Revised Code, and 10489
the consumer finance fund established under section 1321.21 of 10490
the Revised Code in accordance with procedures prescribed by the 10491
superintendent of financial institutions and approved by the 10492
director of budget and management. Such assessments shall be in 10493
addition to any assessments on these funds required under 10494
division (G) of section 121.08 of the Revised Code. All 10495
operating expenses of the division of financial institutions 10496
shall be paid from the financial institutions fund. Money in the 10497
fund shall be used only for that purpose. 10498

Sec. 1181.07. The state shall furnish the superintendent 10499
of financial institutions suitable facilities for conducting the 10500
business of the superintendent's office at the seat of 10501
government and in any other ~~city of~~ location within the state 10502
where it is necessary to keep a resident examiner. 10503

Sec. 1181.10. The seal of the superintendent of financial 10504
institutions shall be ~~one and three fourths inches in diameter~~ 10505
~~and shall be~~ surrounded by the words: "The superintendent of 10506
financial institutions of the state of Ohio." 10507

The seal shall have engraved on it the coat of arms of the 10508
state, as described in section 5.04 of the Revised Code, and 10509
shall contain the words and devices mentioned in this section 10510
and no other. 10511

Sec. 1181.11. Copies of all certificates, records, and 10512
papers in the office of the superintendent of financial 10513
institutions, including the records of the banking commission, 10514
the former savings and loan associations and savings banks 10515
board, and the credit union council, duly certified by the 10516
superintendent or, in the absence of the superintendent, a 10517
deputy superintendent having jurisdiction over the records, and 10518
authenticated by the superintendent's seal of office, shall be 10519
evidence, in all courts of this state, of every matter which 10520
could be proved by the production of the original. 10521

Sec. 1181.21. (A) As used in this section, "consumer 10522
finance company" has the same meaning as in section 1181.05 of 10523
the Revised Code. 10524

(B) The superintendent of financial institutions shall see 10525
that the laws relating to consumer finance companies are 10526
executed and enforced. 10527

(C) The deputy superintendent for consumer finance shall 10528
be the principal supervisor of consumer finance companies. In 10529
that position the deputy superintendent for consumer finance 10530
shall, notwithstanding section 1321.421, division (A) of section 10531
1321.76, and sections 1321.07, 1321.55, 1322.06, 4727.05, and 10532
4728.05 of the Revised Code, be responsible for conducting 10533
examinations and preparing examination reports under those 10534
sections and under Chapter 4712. of the Revised Code. In 10535
addition, the deputy superintendent for consumer finance shall, 10536
notwithstanding sections 1315.27, 1321.10, 1321.43, 1321.54, 10537
1321.77, 1322.12, 4712.14, 4727.13, and 4728.10 of the Revised 10538
Code, have the authority to adopt rules and standards in 10539
accordance with those sections. In performing or exercising any 10540
of the examination, rule-making, or other regulatory functions, 10541

powers, or duties vested by this division in the deputy 10542
superintendent for consumer finance, the deputy superintendent 10543
for consumer finance shall be subject to the control of the 10544
superintendent of financial institutions and the director of 10545
commerce. 10546

Sec. 1181.25. ~~The (A) Notwithstanding sections 1121.18,~~ 10547
~~1315.122, 1321.09, 1321.48, 1321.55, 1321.76, 1322.06, 1322.061,~~ 10548
~~1733.32, 1733.327, and 4727.18 of the Revised Code, the~~ 10549
superintendent of financial institutions may, in the 10550
superintendent's discretion, introduce into evidence or 10551
disclose, or authorize to be introduced into evidence or 10552
disclosed, information that, ~~under sections 1121.18, 1155.16,~~ 10553
~~1163.20, 1315.122, 1321.09, 1321.48, 1321.55, 1321.76, 1322.06,~~ 10554
~~1322.061, 1733.32, 1733.327, and 4727.18 of the Revised Code,~~ is 10555
privileged, confidential, or otherwise not ~~public information or~~ 10556
a public record, ~~provided that the superintendent acts only as~~ 10557
~~provided in those sections or~~ in the following circumstances: 10558

~~(A) When in the opinion of~~ (1) In connection with any 10559
civil, criminal, or administrative investigation or examination 10560
conducted by the superintendent, it is appropriate with regard 10561
to any enforcement actions taken and decisions made by the 10562
~~superintendent~~ under Chapters 1315., 1321., 1322., 1733., 4712., 10563
4727., and 4728. of the Revised Code or Title XI of the Revised 10564
Code or by any other financial institution regulatory authority, 10565
any state or federal attorney general or prosecuting attorney, 10566
or any local, state, or federal law enforcement agency; 10567

~~(B) When~~ (2) In connection with any civil or criminal 10568
litigation has been or administrative enforcement action 10569
initiated or to be initiated by the superintendent in 10570
furtherance of the powers, duties, and obligations imposed upon 10571

the superintendent by Chapters 1315., 1321., 1322., 1733., 10572
4712., 4727., and 4728. of the Revised Code or Title XI of the 10573
Revised Code; 10574

~~(C) When in the opinion of the superintendent, it is 10575
appropriate with regard to enforcement actions taken or 10576
decisions made by other financial institution regulatory 10577
authorities to whom the superintendent has provided the 10578
information pursuant to authority in (3) To administer licensing 10579
and registration under Chapters 1315., 1321., 1322., 1733., 10580
4712., 4727., and 4728. of the Revised Code or Title XI of the 10581
Revised Code through the nationwide mortgage licensing system 10582
and registry as defined in section 1322.01 of the Revised Code. 10583~~

(B) The superintendent shall seek a protective order or 10584
enter into an agreement to protect any such privileged, 10585
confidential, or other nonpublic information provided pursuant 10586
to this section beyond the intended recipient. 10587

(C) All reports and other information made available under 10588
this chapter remain the property of the superintendent. Except 10589
as otherwise provided in this section, no person, agency, or 10590
other authority to whom the information is made available, or 10591
any officer, director, or employee thereof, shall disclose such 10592
information except in published statistical material that does 10593
not disclose, either directly or when used in conjunction with 10594
publicly available information, the affairs of any individual or 10595
entity. 10596

(D) The superintendent shall not be considered to have 10597
waived any privilege applicable to any information by 10598
transferring that information to, or permitting that information 10599
to be used by, any federal or state agency or any other person 10600
as permitted under this chapter or Chapter 1121. of the Revised 10601

Code. 10602

Sec. 1349.16. (A) As used in this section, "financial 10603
institution" includes every bank as defined in section 1101.01 10604
of the Revised Code, ~~savings and loan association as defined in~~ 10605
~~section 1151.01 of the Revised Code, savings bank as defined in~~ 10606
~~section 1161.01 of the Revised Code,~~ and credit union organized 10607
or qualified as such under sections 1733.01 to 1733.45 of the 10608
Revised Code or the "Federal Credit Union Act," 84 Stat. 994 10609
(1970), 12 U.S.C.A. 1752, as amended. 10610

(B) Before opening or authorizing signatory power over a 10611
checking account intended for personal, family, or household 10612
purposes, a financial institution: 10613

(1) Shall require the applicant to provide ~~his~~ the 10614
applicant's current address and a valid driver's or commercial 10615
driver's license or identification card issued by the registrar 10616
of motor vehicles or a deputy registrar under section 4507.50 of 10617
the Revised Code. If the applicant does not have a valid 10618
driver's or commercial driver's license or identification card, 10619
the applicant may provide an identification document that 10620
includes ~~his~~ the applicant's full name, birthdate, and 10621
signature. 10622

(2) May require the applicant to provide relevant 10623
information in addition to the information specified in division 10624
(B)(1) of this section. 10625

(C) Every person that issues or prints checks, bills of 10626
exchange, or other drafts for use with a checking account 10627
intended for personal, family, or household purposes opened on 10628
or after October 16, 1990 shall print the date on which the 10629
checking account was opened on the face of each check, bill of 10630

exchange, or other draft. 10631

(D) This section does not apply to temporary checks 10632
furnished at the time a checking account is opened. 10633

(E) This section does not create any civil cause of action 10634
against a financial institution, its directors, trustees, 10635
officers, employees, agents, representatives, or other persons 10636
acting on its behalf, or against any person that issues or 10637
prints checks, bills of exchange, or other drafts, for failure 10638
to comply with this section. 10639

Sec. 1509.07. (A) (1) Except as provided in division (A) (2) 10640
of this section, an owner of any well, except an exempt 10641
Mississippian well or an exempt domestic well, shall obtain 10642
liability insurance coverage from a company authorized to do 10643
business in this state in an amount of not less than one million 10644
dollars bodily injury coverage and property damage coverage to 10645
pay damages for injury to persons or damage to property caused 10646
by the drilling, operation, or plugging of all the owner's wells 10647
in this state. However, if any well is located within an 10648
urbanized area, the owner shall obtain liability insurance 10649
coverage in an amount of not less than three million dollars for 10650
bodily injury coverage and property damage coverage to pay 10651
damages for injury to persons or damage to property caused by 10652
the drilling, operation, or plugging of all of the owner's wells 10653
in this state. 10654

(2) An owner of a horizontal well shall obtain liability 10655
insurance coverage from an insurer authorized to write such 10656
insurance in this state or from an insurer approved to write 10657
such insurance in this state under section 3905.33 of the 10658
Revised Code in an amount of not less than five million dollars 10659
bodily injury coverage and property damage coverage to pay 10660

damages for injury to persons or damage to property caused by 10661
the production operations of all the owner's wells in this 10662
state. The insurance policy shall include a reasonable level of 10663
coverage available for an environmental endorsement. 10664

(3) An owner shall maintain the coverage required under 10665
division (A) (1) or (2) of this section until all the owner's 10666
wells are plugged and abandoned or are transferred to an owner 10667
who has obtained insurance as required under this section and 10668
who is not under a notice of material and substantial violation 10669
or under a suspension order. The owner shall provide proof of 10670
liability insurance coverage to the chief of the division of oil 10671
and gas resources management upon request. Upon failure of the 10672
owner to provide that proof when requested, the chief may order 10673
the suspension of any outstanding permits and operations of the 10674
owner until the owner provides proof of the required insurance 10675
coverage. 10676

(B) (1) Except as otherwise provided in this section, an 10677
owner of any well, before being issued a permit under section 10678
1509.06 of the Revised Code or before operating or producing 10679
from a well, shall execute and file with the division of oil and 10680
gas resources management a surety bond conditioned on compliance 10681
with the restoration requirements of section 1509.072, the 10682
plugging requirements of section 1509.12, the permit provisions 10683
of section 1509.13 of the Revised Code, and all rules and orders 10684
of the chief relating thereto, in an amount set by rule of the 10685
chief. 10686

(2) The owner may deposit with the chief, instead of a 10687
surety bond, cash in an amount equal to the surety bond as 10688
prescribed pursuant to this section or negotiable certificates 10689
of deposit or irrevocable letters of credit, issued by any bank 10690

organized or transacting business in this state ~~or by any~~ 10691
~~savings and loan association as defined in section 1151.01 of~~ 10692
~~the Revised Code,~~ having a cash value equal to or greater than 10693
the amount of the surety bond as prescribed pursuant to this 10694
section. Cash or certificates of deposit shall be deposited upon 10695
the same terms as those upon which surety bonds may be 10696
deposited. If certificates of deposit are deposited with the 10697
chief instead of a surety bond, the chief shall require the bank 10698
~~or savings and loan association~~ that issued any such certificate 10699
to pledge securities of a cash value equal to the amount of the 10700
certificate that is in excess of the amount insured by any of 10701
the agencies and instrumentalities created under the "Federal 10702
Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as 10703
amended, and regulations adopted under it, including at least 10704
the federal deposit insurance corporation, ~~bank insurance fund,~~ 10705
~~and savings association insurance fund.~~ The securities shall be 10706
security for the repayment of the certificate of deposit. 10707

Immediately upon a deposit of cash, certificates of 10708
deposit, or letters of credit with the chief, the chief shall 10709
deliver them to the treasurer of state who shall hold them in 10710
trust for the purposes for which they have been deposited. 10711

(3) Instead of a surety bond, the chief may accept proof 10712
of financial responsibility consisting of a sworn financial 10713
statement showing a net financial worth within this state equal 10714
to twice the amount of the bond for which it substitutes and, as 10715
may be required by the chief, a list of producing properties of 10716
the owner within this state or other evidence showing ability 10717
and intent to comply with the law and rules concerning 10718
restoration and plugging that may be required by rule of the 10719
chief. The owner of an exempt Mississippian well is not required 10720
to file scheduled updates of the financial documents, but shall 10721

file updates of those documents if requested to do so by the 10722
chief. The owner of a nonexempt Mississippian well shall file 10723
updates of the financial documents in accordance with a schedule 10724
established by rule of the chief. The chief, upon determining 10725
that an owner for whom the chief has accepted proof of financial 10726
responsibility instead of bond cannot demonstrate financial 10727
responsibility, shall order that the owner execute and file a 10728
bond or deposit cash, certificates of deposit, or irrevocable 10729
letters of credit as required by this section for the wells 10730
specified in the order within ten days of receipt of the order. 10731
If the order is not complied with, all wells of the owner that 10732
are specified in the order and for which no bond is filed or 10733
cash, certificates of deposit, or letters of credit are 10734
deposited shall be plugged. No owner shall fail or refuse to 10735
plug such a well. Each day on which such a well remains 10736
unplugged thereafter constitutes a separate offense. 10737

(4) The surety bond provided for in this section shall be 10738
executed by a surety company authorized to do business in this 10739
state. 10740

The chief shall not approve any bond until it is 10741
personally signed and acknowledged by both principal and surety, 10742
or as to either by the principal's or surety's attorney in fact, 10743
with a certified copy of the power of attorney attached thereto. 10744
The chief shall not approve a bond unless there is attached a 10745
certificate of the superintendent of insurance that the company 10746
is authorized to transact a fidelity and surety business in this 10747
state. 10748

All bonds shall be given in a form to be prescribed by the 10749
chief and shall run to the state as obligee. 10750

(5) An owner of an exempt Mississippian well or an exempt 10751

domestic well, in lieu of filing a surety bond, cash in an amount equal to the surety bond, certificates of deposit, irrevocable letters of credit, or a sworn financial statement, may file a one-time fee of fifty dollars, which shall be deposited in the oil and gas well plugging fund created in section 1509.071 of the Revised Code.

(C) An owner, operator, producer, or other person shall not operate a well or produce from a well at any time if the owner, operator, producer, or other person has not satisfied the requirements established in this section.

Sec. 1509.225. (A) Before being issued a registration certificate under section 1509.222 of the Revised Code, an applicant shall execute and file with the division of oil and gas resources management a surety bond for fifteen thousand dollars to provide compensation for damage and injury resulting from transporters' violations of sections 1509.22, 1509.222, and 1509.223 of the Revised Code, all rules and orders of the chief of the division of oil and gas resources management relating thereto, and all terms and conditions of the registration certificate imposed thereunder. The applicant may deposit with the chief, in lieu of a surety bond, cash in an amount equal to the surety bond as prescribed in this section, or negotiable certificates of deposit issued by any bank organized or transacting business in this state, ~~or certificates of deposit issued by any building and loan association as defined in section 1151.01 of the Revised Code,~~ having a cash value equal to or greater than the amount of the surety bond as prescribed in this section. Cash or certificates of deposit shall be deposited upon the same terms as those upon which surety bonds may be deposited. If certificates of deposit are deposited with the chief in lieu of a surety bond, the chief shall require the

~~bank or building and loan association~~ that issued any such 10783
certificate to pledge securities of a cash value equal to the 10784
amount of the certificate that is in excess of the amount 10785
insured by any of the agencies and instrumentalities created 10786
under the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 10787
12 U.S.C. 1811, as amended, and regulations adopted under it, 10788
including at least the federal deposit insurance corporation, ~~7-~~ 10789
~~bank insurance fund, and savings association insurance fund.~~ 10790

Such securities shall be security for the repayment of the 10791
certificate of deposit. Immediately upon a deposit of cash or 10792
certificates with the chief, the chief shall deliver it to the 10793
treasurer of state who shall hold it in trust for the purposes 10794
for which it has been deposited. 10795

(B) The surety bond provided for in this section shall be 10796
executed by a surety company authorized to do business in this 10797
state. The chief shall not approve any bond until it is 10798
personally signed and acknowledged by both principal and surety, 10799
or as to either by an attorney in fact, with a certified copy of 10800
the power of attorney attached thereto. The chief shall not 10801
approve the bond unless there is attached a certificate of the 10802
superintendent of insurance that the company is authorized to 10803
transact a fidelity and surety business in this state. All bonds 10804
shall be given in a form to be prescribed by the chief. 10805

(C) If a registered transporter is found liable for a 10806
violation of section 1509.22, 1509.222, or 1509.223 of the 10807
Revised Code or a rule, order, or term or condition of a 10808
certificate involving, in any case, damage or injury to persons 10809
or property, or both, the court may order the forfeiture of any 10810
portion of the bond, cash, or other securities required by this 10811
section in full or partial payment of damages to the person to 10812

whom the damages are due. The treasurer of state and the chief 10813
shall deliver the bond or any cash or other securities deposited 10814
in lieu of bond, as specified in the court's order, to the 10815
person to whom the damages are due; however, execution against 10816
the bond, cash, or other securities, if necessary, is the 10817
responsibility of the person to whom the damages are due. The 10818
chief shall not release the bond, cash, or securities required 10819
by this section except by court order or until the registration 10820
is terminated. 10821

Sec. 1510.09. (A) There is hereby established a fund for 10822
any marketing program that is established by the technical 10823
advisory council under this chapter. The fund shall be in the 10824
custody of the treasurer of state, but shall not be part of the 10825
state treasury. Except as authorized in division (B) of this 10826
section, all moneys collected pursuant to section 1510.08 of the 10827
Revised Code for the marketing program shall be paid into the 10828
fund for the marketing program and shall be disbursed only 10829
pursuant to a voucher signed by the chairperson of the council 10830
for use in defraying the costs of administration of the 10831
marketing program and for carrying out sections 1510.02, 10832
1510.03, and 1510.11 of the Revised Code. 10833

(B) In lieu of deposits in the fund established under 10834
division (A) of this section, the operating committee of a 10835
marketing program established under this chapter may deposit all 10836
moneys collected pursuant to section 1510.08 of the Revised Code 10837
with a bank ~~or a savings and loan association~~ as defined in 10838
~~sections~~ section 1101.01 ~~and 1151.01~~ of the Revised Code. All 10839
moneys collected pursuant to section 1510.08 of the Revised Code 10840
for the marketing program and deposited pursuant to this 10841
division also shall be used only in defraying the costs of 10842
administration of the marketing program and for carrying out 10843

sections 1510.02, 1510.03, and 1510.11 of the Revised Code. 10844

(C) An operating committee shall establish a fiscal year 10845
for its marketing program, shall publish an activity and 10846
financial report within sixty days of the end of each fiscal 10847
year, and shall make the report available to each independent 10848
producer who pays an assessment or otherwise contributes to the 10849
marketing program that the committee administers and to other 10850
interested persons. 10851

(D) In addition to the report required by division (C) of 10852
this section, an operating committee that deposits moneys in 10853
accordance with division (B) of this section shall submit to the 10854
council both of the following: 10855

(1) Annually, a financial statement prepared by a 10856
certified public accountant holding valid certification from the 10857
Ohio board of accountancy issued pursuant to Chapter 4701. of 10858
the Revised Code. The operating committee shall file the 10859
financial statement with the council not more than sixty days 10860
after the end of each fiscal year. 10861

(2) Monthly, an unaudited financial statement. 10862

Sec. 1514.04. (A) Upon receipt of notification from the 10863
chief of the division of mineral resources management of the 10864
chief's intent to issue an order granting a surface or in-stream 10865
mining permit to the applicant, the applicant shall file a 10866
surety bond, cash, an irrevocable letter of credit, or 10867
certificates of deposit in the amount, unless otherwise provided 10868
by rule, of ten thousand dollars. If the amount of land to be 10869
affected is more than twenty acres, the applicant also shall 10870
file a surety bond, cash, an irrevocable letter of credit, or 10871
certificates of deposit in the amount of five hundred dollars 10872

per acre of land to be affected that exceeds twenty acres. Upon receipt of notification from the chief of the chief's intent to issue an order granting an amendment to a surface or in-stream mining permit, the applicant shall file a surety bond, cash, an irrevocable letter of credit, or certificates of deposit in the amount required in this division.

In the case of a surface mining permit, the bond shall be filed based on the number of acres estimated to be affected during the first year of operation under the permit. In the case of an amendment to a surface mining permit, the bond shall be filed based on the number of acres estimated to be affected during the balance of the period until the next anniversary date of the permit.

In the case of an in-stream mining permit, the bond shall be filed based on the number of acres of land within the limits of the in-stream mining permit for the entire permit period. In the case of an amendment to an in-stream mining permit, the bond shall be filed based on the number of any additional acres of land to be affected within the limits of the in-stream mining permit.

(B) A surety bond filed pursuant to this section and sections 1514.02 and 1514.03 of the Revised Code shall be upon the form that the chief prescribes and provides and shall be signed by the operator as principal and by a surety company authorized to transact business in the state as surety. The bond shall be payable to the state and shall be conditioned upon the faithful performance by the operator of all things to be done and performed by the operator as provided in this chapter and the rules and orders of the chief adopted or issued pursuant thereto.

The operator may deposit with the chief, in lieu of a surety bond, cash in an amount equal to the surety bond as prescribed in this section, or an irrevocable letter of credit or negotiable certificates of deposit issued by any bank organized or transacting business in this state, ~~or an irrevocable letter of credit or certificates of deposit issued by any savings and loan association as defined in section 1151.01 of the Revised Code,~~ having a cash value equal to or greater than the amount of the surety bond as prescribed in this section. Cash or certificates of deposit shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. If one or more certificates of deposit are deposited with the chief in lieu of a surety bond, the chief shall require the bank ~~or savings and loan association~~ that issued any such certificate to pledge securities of a cash value equal to the amount of the certificate, or certificates, that is in excess of the amount insured by the federal deposit insurance corporation. The securities shall be security for the repayment of the certificate of deposit.

(C) Immediately upon a deposit of cash, a letter of credit, or certificates with the chief, the chief shall deliver it to the treasurer of state who shall hold it in trust for the purposes for which it has been deposited. The treasurer of state shall be responsible for the safekeeping of such deposits. An operator making a deposit of cash, a letter of credit, or certificates of deposit may withdraw and receive from the treasurer of state, on the written order of the chief, all or any part of the cash, letter of credit, or certificates in the possession of the treasurer of state, upon depositing with the treasurer of state cash, or an irrevocable letter of credit, or negotiable certificates of deposit issued by any bank organized

or transacting business in this state, ~~or an irrevocable letter~~ 10934
~~of credit or certificates of deposit issued by any savings and~~ 10935
~~loan association,~~ equal in value to the value of the cash, 10936
letter of credit, or certificates withdrawn. An operator may 10937
demand and receive from the treasurer of state all interest or 10938
other income from any certificates as it becomes due. If 10939
certificates deposited with and in the possession of the 10940
treasurer of state mature or are called for payment by the 10941
issuer thereof, the treasurer of state, at the request of the 10942
operator who deposited them, shall convert the proceeds of the 10943
redemption or payment of the certificates into such other 10944
negotiable certificates of deposit issued by any bank organized 10945
or transacting business in this state, ~~such other certificates~~ 10946
~~of deposit issued by any savings and loan association,~~ or cash, 10947
as may be designated by the operator. 10948

(D) A governmental agency, as defined in division (A) of 10949
section 1514.022 of the Revised Code, or a board or commission 10950
that derives its authority from a governmental agency shall not 10951
require a surface or in-stream mining operator to file a surety 10952
bond or any other form of financial assurance for the 10953
reclamation of land to be affected by a surface or in-stream 10954
mining operation authorized under this chapter. 10955

Sec. 1707.03. (A) As used in this section, "exempt" means 10956
that, except in the case of securities the right to buy, sell, 10957
or deal in which has been suspended or revoked under an existing 10958
order of the division of securities under section 1707.13 of the 10959
Revised Code or under a cease and desist order under division 10960
(G) of section 1707.23 of the Revised Code, transactions in 10961
securities may be carried on and completed without compliance 10962
with sections 1707.08 to 1707.11 of the Revised Code. 10963

(B) A sale of securities made by or on behalf of a bona fide owner, neither the issuer nor a dealer, is exempt if the sale is made in good faith and not for the purpose of avoiding this chapter and is not made in the course of repeated and successive transactions of a similar character. Any sale of securities over a stock exchange that is lawfully conducted in this state and regularly open for public patronage and that has been established and operated for a period of at least five years prior to the sale at a commission not exceeding the commission regularly charged in such transactions also is exempt.

(C) The sale of securities by executors, administrators, receivers, trustees, or anyone acting in a fiduciary capacity is exempt, where such relationship was created by law, by a will, or by judicial authority, and where such sales are subject to approval by, or are made in pursuance to authority granted by, any court of competent jurisdiction or are otherwise authorized and lawfully made by such fiduciary.

(D) A sale to the issuer, to a dealer, or to an institutional investor is exempt.

(E) A sale in good faith, and not for the purpose of avoiding this chapter, by a pledgee of a security pledged for a bona fide debt is exempt.

(F) The sale at public auction by a corporation of shares of its stock because of delinquency in payment for the shares is exempt.

(G) (1) The giving of any conversion right with, or on account of the purchase of, any security that is exempt, is the subject matter of an exempt transaction, has been registered by

description, by coordination, or by qualification, or is the 10993
subject matter of a transaction that has been registered by 10994
description is exempt. 10995

(2) The giving of any subscription right, warrant, or 10996
option to purchase a security or right to receive a security 10997
upon exchange, which security is exempt at the time the right, 10998
warrant, or option to purchase or right to receive is given, is 10999
the subject matter of an exempt transaction, is registered by 11000
description, by coordination, or by qualification, or is the 11001
subject matter of a transaction that has been registered by 11002
description is exempt. 11003

(3) The giving of any subscription right or any warrant or 11004
option to purchase a security, which right, warrant, or option 11005
expressly provides that it shall not be exercisable except for a 11006
security that at the time of the exercise is exempt, is the 11007
subject matter of an exempt transaction, is registered by 11008
description, by coordination, or by qualification, or at such 11009
time is the subject matter of a transaction that has been 11010
registered by description is exempt. 11011

(H) The sale of notes, bonds, or other evidences of 11012
indebtedness that are secured by a mortgage lien upon real 11013
estate, leasehold estate other than oil, gas, or mining 11014
leasehold, or tangible personal property, or which evidence of 11015
indebtedness is due under or based upon a conditional-sale 11016
contract, if all such notes, bonds, or other evidences of 11017
indebtedness are sold to a single purchaser at a single sale, is 11018
exempt. 11019

(I) The delivery of securities by the issuer on the 11020
exercise of conversion rights, the sale of securities by the 11021
issuer on exercise of subscription rights or of warrants or 11022

options to purchase securities, the delivery of voting-trust 11023
certificates for securities deposited under a voting-trust 11024
agreement, the delivery of deposited securities on surrender of 11025
voting-trust certificates, and the delivery of final 11026
certificates on surrender of interim certificates are exempt; 11027
but the sale of securities on exercise of subscription rights, 11028
warrants, or options is not an exempt transaction unless those 11029
rights, warrants, or options when granted were the subject 11030
matter of an exempt transaction under division (G) of this 11031
section or were registered by description, by coordination, or 11032
by qualification. 11033

(J) The sale of securities by a bank, savings and loan 11034
association, savings bank, or credit union organized under the 11035
laws of the United States or of this state is exempt if at a 11036
profit to that seller of not more than two per cent of the total 11037
sale price of the securities. 11038

(K) (1) The distribution by a corporation of its securities 11039
to its security holders as a share dividend or other 11040
distribution out of earnings or surplus is exempt. 11041

(2) The exchange or distribution by the issuer of any of 11042
its securities or of the securities of any of the issuer's 11043
wholly owned subsidiaries exclusively with or to its existing 11044
security holders, if no commission or other remuneration is 11045
given directly or indirectly for soliciting the exchange, is 11046
exempt. 11047

(3) The sale of preorganization subscriptions for shares 11048
of stock of a corporation prior to the incorporation of the 11049
corporation is exempt, when the sale is evidenced by a written 11050
agreement, no remuneration is given, or promised, directly or 11051
indirectly, for or in connection with the sale of those 11052

securities, and no consideration is received, directly or 11053
indirectly, by any person from the purchasers of those 11054
securities until registration by qualification, by coordination, 11055
or by description of those securities is made under this 11056
chapter. 11057

(L) The issuance of securities in exchange for one or more 11058
bona fide outstanding securities, claims, or property interests, 11059
not including securities sold for a consideration payable in 11060
whole or in part in cash, under a plan of reorganization, 11061
recapitalization, or refinancing approved by a court pursuant to 11062
the Bankruptcy Act of the United States or to any other federal 11063
act giving any federal court jurisdiction over such plan of 11064
reorganization, or under a plan of reorganization approved by a 11065
court of competent jurisdiction of any state of the United 11066
States is exempt. As used in this division, "reorganization," 11067
"recapitalization," and "refinancing" have the same meanings as 11068
in section 1707.04 of the Revised Code. 11069

(M) A sale by a licensed dealer, acting either as 11070
principal or as agent, of securities issued and outstanding 11071
before the sale is exempt, unless the sale is of one or more of 11072
the following: 11073

(1) Securities constituting the whole or a part of an 11074
unsold allotment to or subscription by a dealer as an 11075
underwriter or other participant in the distribution of those 11076
securities by the issuer, whether that distribution is direct or 11077
through an underwriter, provided that, if the issuer is such by 11078
reason of owning one-fourth or more of those securities, the 11079
dealer has knowledge of this fact or reasonable cause to believe 11080
this fact; 11081

(2) Any class of shares issued by a corporation when the 11082

number of beneficial owners of that class is less than twenty- 11083
five, with the record owner of securities being deemed the 11084
beneficial owner for this purpose, in the absence of actual 11085
knowledge to the contrary; 11086

(3) Securities that within one year were purchased outside 11087
this state or within one year were transported into this state, 11088
if the dealer has knowledge or reasonable cause to believe, 11089
before the sale of those securities, that within one year they 11090
were purchased outside this state or within one year were 11091
transported into this state; but such a sale of those securities 11092
is exempt if any of the following occurs: 11093

(a) A recognized securities manual contains the names of 11094
the issuer's officers and directors, a balance sheet of the 11095
issuer as of a date within eighteen months, and a profit and 11096
loss statement for either the fiscal year preceding that date or 11097
the most recent year of operations; 11098

(b) Those securities, or securities of the same class, 11099
within one year were registered or qualified under section 11100
1707.09 or 1707.091 of the Revised Code, and that registration 11101
or qualification is in full force and effect; 11102

(c) The sale is made by a licensed dealer on behalf of the 11103
bona fide owner of those securities in accordance with division 11104
(B) of this section; 11105

(d) Those securities were transported into Ohio in a 11106
transaction of the type described in division (L), (K), or (I) 11107
of this section, or in a transaction registered under division 11108
(A) of section 1707.06 of the Revised Code. 11109

(N) For the purpose of this division and division (M) of 11110
this section, "underwriter" means any person who has purchased 11111

from an issuer with a view to, or sells for an issuer in 11112
connection with, the distribution of any security, or who 11113
participates directly or indirectly in any such undertaking or 11114
in the underwriting thereof, but "underwriter" does not include 11115
a person whose interest is limited to a discount, commission, or 11116
profit from the underwriter or from a dealer that is not in 11117
excess of the customary distributors' or sellers' discount, 11118
commission, or profit; and "issuer" includes any person or any 11119
group of persons acting in concert in the sale of such 11120
securities, owning beneficially one-fourth or more of the 11121
outstanding securities of the class involved in the transactions 11122
in question, with the record owner of securities being deemed 11123
the beneficial owner for this purpose, in the absence of actual 11124
knowledge to the contrary. 11125

(O) (1) The sale of any equity security is exempt if all 11126
the following conditions are satisfied: 11127

(a) The sale is by the issuer of the security. 11128

(b) The total number of purchasers in this state of all 11129
securities issued or sold by the issuer in reliance upon this 11130
exemption during the period of one year ending with the date of 11131
the sale does not exceed ten. A sale of securities registered 11132
under this chapter or sold pursuant to an exemption under this 11133
chapter other than this exemption shall not be integrated with a 11134
sale pursuant to this exemption in computing the number of 11135
purchasers under this exemption. 11136

(c) No advertisement, article, notice, or other 11137
communication published in any newspaper, magazine, or similar 11138
medium or broadcast over television or radio is used in 11139
connection with the sale, but the use of an offering circular or 11140
other communication delivered by the issuer to selected 11141

individuals does not destroy this exemption. 11142

(d) The issuer reasonably believes after reasonable 11143
investigation that the purchaser is purchasing for investment. 11144

(e) The aggregate commission, discount, and other 11145
remuneration, excluding legal, accounting, and printing fees, 11146
paid or given directly or indirectly does not exceed ten per 11147
cent of the initial offering price. 11148

(f) Any such commission, discount, or other remuneration 11149
for sales in this state is paid or given only to dealers or 11150
salespersons registered pursuant to this chapter. 11151

(2) For the purposes of division (0)(1) of this section, 11152
each of the following is deemed to be a single purchaser of a 11153
security: husband and wife, a child and its parent or guardian 11154
when the parent or guardian holds the security for the benefit 11155
of the child, a corporation, a limited liability company, a 11156
partnership, an association or other unincorporated entity, a 11157
joint-stock company, or a trust, but only if the corporation, 11158
limited liability company, partnership, association, entity, 11159
joint-stock company, or trust was not formed for the purpose of 11160
purchasing the security. 11161

(3) As used in division (0)(1) of this section, "equity 11162
security" means any stock or similar security of a corporation 11163
or any membership interest in a limited liability company; or 11164
any security convertible, with or without consideration, into 11165
such a security, or carrying any warrant or right to subscribe 11166
to or purchase such a security; or any such warrant or right; or 11167
any other security that the division considers necessary or 11168
appropriate, by such rules as it may prescribe in the public 11169
interest or for the protection of investors, to treat as an 11170

equity security. 11171

(P) The sale of securities representing interests in or 11172
under profit-sharing or participation agreements relating to oil 11173
or gas wells located in this state, or representing interests in 11174
or under oil or gas leases of real estate situated in this 11175
state, is exempt if the securities are issued by an individual, 11176
partnership, limited partnership, partnership association, 11177
syndicate, pool, trust or trust fund, or other unincorporated 11178
association and if each of the following conditions is complied 11179
with: 11180

(1) The beneficial owners of the securities do not, and 11181
will not after the sale, exceed five natural persons; 11182

(2) The securities constitute or represent interests in 11183
not more than one oil or gas well; 11184

(3) A certificate or other instrument in writing is 11185
furnished to each purchaser of the securities at or before the 11186
consummation of the sale, disclosing the maximum commission, 11187
compensation for services, cost of lease, and expenses with 11188
respect to the sale of such interests and with respect to the 11189
promotion, development, and management of the oil or gas well, 11190
and the total of that commission, compensation, costs, and 11191
expenses does not exceed twenty-five per cent of the aggregate 11192
interests in the oil or gas well, exclusive of any landowner's 11193
rental or royalty; 11194

(4) The sale is made in good faith and not for the purpose 11195
of avoiding this chapter. 11196

(Q) The sale of any security is exempt if all of the 11197
following conditions are satisfied: 11198

(1) The provisions of section 5 of the Securities Act of 11199

1933 do not apply to the sale by reason of an exemption under 11200
section 4 (2) of that act. 11201

(2) The aggregate commission, discount, and other 11202
remuneration, excluding legal, accounting, and printing fees, 11203
paid or given directly or indirectly does not exceed ten per 11204
cent of the initial offering price. 11205

(3) Any such commission, discount, or other remuneration 11206
for sales in this state is paid or given only to dealers or 11207
salespersons registered under this chapter. 11208

(4) The issuer or dealer files with the division of 11209
securities, not later than sixty days after the sale, a report 11210
setting forth the name and address of the issuer, the total 11211
amount of the securities sold under this division, the number of 11212
persons to whom the securities were sold, the price at which the 11213
securities were sold, and the commissions or discounts paid or 11214
given. 11215

(5) The issuer pays a filing fee of one hundred dollars 11216
for the first filing and fifty dollars for every subsequent 11217
filing during each calendar year. 11218

(R) A sale of a money order, travelers' check, or other 11219
instrument for the transmission of money by a person qualified 11220
to engage in such business under ~~section 1109.60~~ or Chapter 11221
1315. of the Revised Code is exempt. 11222

(S) A sale by a licensed dealer of securities that are in 11223
the process of registration under the Securities Act of 1933, 11224
unless exempt under that act, and that are in the process of 11225
registration, if registration is required under this chapter, is 11226
exempt, provided that no sale of that nature shall be 11227
consummated prior to the registration by description or 11228

qualification of the securities. 11229

(T) The execution by a licensed dealer of orders for the 11230
purchase of any security is exempt, provided that the dealer 11231
acts only as agent for the purchaser, has made no solicitation 11232
of the order to purchase the security, has no interest in the 11233
distribution of the security, and delivers to the purchaser 11234
written confirmation of the transaction that clearly itemizes 11235
the dealer's commission. "Solicitation," as used in this 11236
division, means solicitation of the order for the specific 11237
security purchased and does not include general solicitations or 11238
advertisements of any kind. 11239

(U) The sale insofar as the security holders of a person 11240
are concerned, where, pursuant to statutory provisions of the 11241
jurisdiction under which that person is organized or pursuant to 11242
provisions contained in its articles of incorporation, 11243
certificate of incorporation, partnership agreement, declaration 11244
of trust, trust indenture, or similar controlling instrument, 11245
there is submitted to the security holders, for their vote or 11246
consent, (1) a plan or agreement for a reclassification of 11247
securities of that person that involves the substitution of a 11248
security of that person for another security of that person, (2) 11249
a plan or agreement of merger or consolidation or a similar plan 11250
or agreement of acquisition in which the securities of that 11251
person held by the security holders will become or be exchanged 11252
for securities of any other person, or (3) a plan or agreement 11253
for a combination as defined in division (Q) of section 1701.01 11254
of the Revised Code or a similar plan or agreement for the 11255
transfer of assets of that person to another person in 11256
consideration of the issuance of securities of any person, is 11257
exempt if, with respect to any of the foregoing transactions, 11258
either of the following conditions is satisfied: 11259

(a) The securities to be issued to the security holders 11260
are effectively registered under sections 6 to 8 of the 11261
Securities Act of 1933 and offered and sold in compliance with 11262
section 5 of that act; 11263

(b) At least twenty days prior to the date on which a 11264
meeting of the security holders is held or the earliest date on 11265
which corporate action may be taken when no meeting is held, 11266
there is submitted to the security holders, by that person, or 11267
by the person whose securities are to be issued in the 11268
transaction, information substantially equivalent to the 11269
information that would be required to be included in a proxy 11270
statement or information statement prepared by or on behalf of 11271
the management of an issuer subject to section 14(a) or 14(c) of 11272
the Securities Exchange Act of 1934. 11273

(V) The sale of any security is exempt if the division by 11274
rule finds that registration is not necessary or appropriate in 11275
the public interest or for the protection of investors. 11276

(W) Any offer or sale of securities made in reliance on 11277
the exemptions provided by Rule 505 of Regulation D made 11278
pursuant to the Securities Act of 1933 and the conditions and 11279
definitions provided by Rules 501 to 503 thereunder is exempt if 11280
the offer or sale satisfies all of the following conditions: 11281

(1) No commission or other remuneration is given, directly 11282
or indirectly, to any person for soliciting or selling to any 11283
person in this state in reliance on the exemption under this 11284
division, except to dealers licensed in this state. 11285

(2) (a) Unless the cause for disqualification is waived 11286
under division (W) (2) (b) of this section, no exemption under 11287
this section is available for the securities of an issuer unless 11288

the issuer did not know and in the exercise of reasonable care 11289
could not have known that any of the following applies to any of 11290
the persons described in Rule 262(a) to (c) of Regulation A 11291
under the Securities Act of 1933: 11292

(i) The person has filed an application for registration 11293
or qualification that is the subject of an effective order 11294
entered against the issuer, its officers, directors, general 11295
partners, controlling persons or affiliates thereof, pursuant to 11296
the law of any state within five years before the filing of a 11297
notice required under division (W) (3) of this section denying 11298
effectiveness to, or suspending or revoking the effectiveness 11299
of, the registration statement. 11300

(ii) The person has been convicted of any offense in 11301
connection with the offer, sale, or purchase of any security or 11302
franchise, or any felony involving fraud or deceit, including, 11303
but not limited to, forgery, embezzlement, fraud, theft, or 11304
conspiracy to defraud. 11305

(iii) The person is subject to an effective administrative 11306
order or judgment that was entered by a state securities 11307
administrator within five years before the filing of a notice 11308
required under division (W) (3) of this section and that 11309
prohibits, denies, or revokes the use of any exemption from 11310
securities registration, prohibits the transaction of business 11311
by the person as a dealer, or is based on fraud, deceit, an 11312
untrue statement of a material fact, or an omission to state a 11313
material fact. 11314

(iv) The person is subject to any order, judgment, or 11315
decree of any court entered within five years before the filing 11316
of a notice required under division (W) (3) of this section, 11317
temporarily, preliminarily, or permanently restraining or 11318

enjoining the person from engaging in or continuing any conduct 11319
or practice in connection with the offer, sale, or purchase of 11320
any security, or the making of any false filing with any state. 11321

(b) (i) Any disqualification under this division involving 11322
a dealer may be waived if the dealer is or continues to be 11323
licensed in this state as a dealer after notifying the 11324
commissioner of the act or event causing disqualification. 11325

(ii) The commissioner may waive any disqualification under 11326
this paragraph upon a showing of good cause that it is not 11327
necessary under the circumstances that use of the exemption be 11328
denied. 11329

(3) Not later than five business days before the earlier 11330
of the date on which the first use of an offering document or 11331
the first sale is made in this state in reliance on the 11332
exemption under this division, there is filed with the 11333
commissioner a notice comprised of offering material in 11334
compliance with the requirements of Rule 502 of Regulation D 11335
under the Securities Act of 1933 and a fee of one hundred 11336
dollars. Material amendments to the offering document shall be 11337
filed with the commissioner not later than the date of their 11338
first use in this state. 11339

(4) The aggregate commission, discount, and other 11340
remuneration paid or given, directly or indirectly, does not 11341
exceed twelve per cent of the initial offering price, excluding 11342
legal, accounting, and printing fees. 11343

(X) Any offer or sale of securities made in reliance on 11344
the exemption provided in Rule 506 of Regulation D under the 11345
Securities Act of 1933, and in accordance with Rules 501 to 503 11346
of Regulation D under the Securities Act of 1933, is exempt 11347

provided that all of the following apply: 11348

(1) The issuer makes a notice filing with the division on 11349
form D of the securities and exchange commission within fifteen 11350
days of the first sale in this state; 11351

(2) Any commission, discount, or other remuneration for 11352
sales of securities in this state is paid or given only to 11353
dealers or salespersons licensed under this chapter; 11354

(3) The issuer pays a filing fee of one hundred dollars to 11355
the division; however, no filing fee shall be required to file 11356
amendments to the form D of the securities and exchange 11357
commission. 11358

(Y) The offer or sale of securities by an issuer is exempt 11359
provided that all of the following apply: 11360

(1) The sale of securities is made only to persons who 11361
are, or who the issuer reasonably believes are, accredited 11362
investors as defined in Rule 501 of Regulation D under the 11363
Securities Act of 1933. 11364

(2) The issuer reasonably believes that all purchasers are 11365
purchasing for investment and not with a view to or for sale in 11366
connection with a distribution of the security. Any resale of a 11367
security sold in reliance on this exemption within twelve months 11368
of sale shall be presumed to be with a view to distribution and 11369
not for investment, except a resale to which any of the 11370
following applies: 11371

(a) The resale is pursuant to a registration statement 11372
effective under section 1707.09 or 1707.091 of the Revised Code. 11373

(b) The resale is to an accredited investor, as defined in 11374
Rule 501 of Regulation D under the Securities Act of 1933. 11375

(c) The resale is to an institutional investor pursuant to 11376
the exemptions under division (B) or (D) of this section. 11377

(3) The exemption under this division is not available to 11378
an issuer that is in the development stage and that either has 11379
no specific business plan or purpose or has indicated that its 11380
business plan is to engage in a merger or acquisition with an 11381
unidentified company or companies, or other entities or persons. 11382

(4) The exemption under this division is not available to 11383
an issuer, if the issuer, any of the issuer's predecessors, any 11384
affiliated issuer, any of the issuer's directors, officers, 11385
general partners, or beneficial owners of ten per cent or more 11386
of any class of its equity securities, any of the issuer's 11387
promoters presently connected with the issuer in any capacity, 11388
any underwriter of the securities to be offered, or any partner, 11389
director, or officer of such underwriter: 11390

(a) Within the past five years, has filed a registration 11391
statement that is the subject of a currently effective 11392
registration stop order entered by any state securities 11393
administrator or the securities and exchange commission; 11394

(b) Within the past five years, has been convicted of any 11395
criminal offense in connection with the offer, purchase, or sale 11396
of any security, or involving fraud or deceit; 11397

(c) Is currently subject to any state or federal 11398
administrative enforcement order or judgment, entered within the 11399
past five years, finding fraud or deceit in connection with the 11400
purchase or sale of any security; 11401

(d) Is currently subject to any order, judgment, or decree 11402
of any court of competent jurisdiction, entered within the past 11403
five years, that temporarily, preliminarily, or permanently 11404

restrains or enjoins the party from engaging in or continuing to 11405
engage in any conduct or practice involving fraud or deceit in 11406
connection with the purchase or sale of any security. 11407

(5) Division (Y)(4) of this section is inapplicable if any 11408
of the following applies: 11409

(a) The party subject to the disqualification is licensed 11410
or registered to conduct securities business in the state in 11411
which the order, judgment, or decree creating the 11412
disqualification was entered against the party described in 11413
division (Y)(4) of this section. 11414

(b) Before the first offer is made under this exemption, 11415
the state securities administrator, or the court or regulatory 11416
authority that entered the order, judgment, or decree, waives 11417
the disqualification. 11418

(c) The issuer did not know and, in the exercise of 11419
reasonable care based on reasonable investigation, could not 11420
have known that a disqualification from the exemption existed 11421
under division (Y)(4) of this section. 11422

(6) A general announcement of the proposed offering may be 11423
made by any means; however, the general announcement shall 11424
include only the following information, unless additional 11425
information is specifically permitted by the division by rule: 11426

(a) The name, address, and telephone number of the issuer 11427
of the securities; 11428

(b) The name, a brief description, and price of any 11429
security to be issued; 11430

(c) A brief description of the business of the issuer; 11431

(d) The type, number, and aggregate amount of securities 11432

being offered; 11433

(e) The name, address, and telephone number of the person 11434
to contact for additional information; and 11435

(f) A statement indicating all of the following: 11436

(i) Sales will only be made to accredited investors as 11437
defined in Rule 501 of Regulation D under the Securities Act of 11438
1933; 11439

(ii) No money or other consideration is being solicited or 11440
will be accepted by way of this general announcement; 11441

(iii) The securities have not been registered with or 11442
approved by any state securities administrator or the securities 11443
and exchange commission and are being offered and sold pursuant 11444
to an exemption from registration. 11445

(7) The issuer, in connection with an offer, may provide 11446
information in addition to the general announcement described in 11447
division (Y)(6) of this section, provided that either of the 11448
following applies: 11449

(a) The information is delivered through an electronic 11450
database that is restricted to persons that are accredited 11451
investors as defined in Rule 501 of Regulation D under the 11452
Securities Act of 1933. 11453

(b) The information is delivered after the issuer 11454
reasonably believes that the prospective purchaser is an 11455
accredited investor as defined in Rule 501 of Regulation D under 11456
the Securities Act of 1933. 11457

(8) No telephone solicitation shall be done, unless prior 11458
to placing the telephone call, the issuer reasonably believes 11459
that the prospective purchaser to be solicited is an accredited 11460

investor as defined in Rule 501 of Regulation D under the 11461
Securities Act of 1933. 11462

(9) Dissemination of the general announcement described in 11463
division (Y)(6) of this section to persons that are not 11464
accredited investors, as defined in Rule 501 of Regulation D 11465
under the Securities Act of 1933, does not disqualify the issuer 11466
from claiming an exemption under this division. 11467

(10) The issuer shall file with the division notice of the 11468
offering of securities within fifteen days after notice of the 11469
offering is made or a general announcement is made in this 11470
state. The filing shall be on forms adopted by the division and 11471
shall include a copy of the general announcement, if one is made 11472
regarding the proposed offering, and copies of any offering 11473
materials, circulars, or prospectuses. A filing fee of one 11474
hundred dollars also shall be included. 11475

Sec. 1901.31. The clerk and deputy clerks of a municipal 11476
court shall be selected, be compensated, give bond, and have 11477
powers and duties as follows: 11478

(A) There shall be a clerk of the court who is appointed 11479
or elected as follows: 11480

(1)(a) Except in the Akron, Barberton, Toledo, Hamilton 11481
county, Miami county, Montgomery county, Portage county, and 11482
Wayne county municipal courts and through December 31, 2008, the 11483
Cuyahoga Falls municipal court, if the population of the 11484
territory equals or exceeds one hundred thousand at the regular 11485
municipal election immediately preceding the expiration of the 11486
term of the present clerk, the clerk shall be nominated and 11487
elected by the qualified electors of the territory in the manner 11488
that is provided for the nomination and election of judges in 11489

section 1901.07 of the Revised Code. 11490

The clerk so elected shall hold office for a term of six 11491
years, which term shall commence on the first day of January 11492
following the clerk's election and continue until the clerk's 11493
successor is elected and qualified. 11494

(b) In the Hamilton county municipal court, the clerk of 11495
courts of Hamilton county shall be the clerk of the municipal 11496
court and may appoint an assistant clerk who shall receive the 11497
compensation, payable out of the treasury of Hamilton county in 11498
semimonthly installments, that the board of county commissioners 11499
prescribes. The clerk of courts of Hamilton county, acting as 11500
the clerk of the Hamilton county municipal court and assuming 11501
the duties of that office, shall receive compensation at one- 11502
fourth the rate that is prescribed for the clerks of courts of 11503
common pleas as determined in accordance with the population of 11504
the county and the rates set forth in sections 325.08 and 325.18 11505
of the Revised Code. This compensation shall be paid from the 11506
county treasury in semimonthly installments and is in addition 11507
to the annual compensation that is received for the performance 11508
of the duties of the clerk of courts of Hamilton county, as 11509
provided in sections 325.08 and 325.18 of the Revised Code. 11510

(c) In the Portage county and Wayne county municipal 11511
courts, the clerks of courts of Portage county and Wayne county 11512
shall be the clerks, respectively, of the Portage county and 11513
Wayne county municipal courts and may appoint a chief deputy 11514
clerk for each branch that is established pursuant to section 11515
1901.311 of the Revised Code and assistant clerks as the judges 11516
of the municipal court determine are necessary, all of whom 11517
shall receive the compensation that the legislative authority 11518
prescribes. The clerks of courts of Portage county and Wayne 11519

county, acting as the clerks of the Portage county and Wayne 11520
county municipal courts and assuming the duties of these 11521
offices, shall receive compensation payable from the county 11522
treasury in semimonthly installments at one-fourth the rate that 11523
is prescribed for the clerks of courts of common pleas as 11524
determined in accordance with the population of the county and 11525
the rates set forth in sections 325.08 and 325.18 of the Revised 11526
Code. 11527

(d) In the Montgomery county and Miami county municipal 11528
courts, the clerks of courts of Montgomery county and Miami 11529
county shall be the clerks, respectively, of the Montgomery 11530
county and Miami county municipal courts. The clerks of courts 11531
of Montgomery county and Miami county, acting as the clerks of 11532
the Montgomery county and Miami county municipal courts and 11533
assuming the duties of these offices, shall receive compensation 11534
at one-fourth the rate that is prescribed for the clerks of 11535
courts of common pleas as determined in accordance with the 11536
population of the county and the rates set forth in sections 11537
325.08 and 325.18 of the Revised Code. This compensation shall 11538
be paid from the county treasury in semimonthly installments and 11539
is in addition to the annual compensation that is received for 11540
the performance of the duties of the clerks of courts of 11541
Montgomery county and Miami county, as provided in sections 11542
325.08 and 325.18 of the Revised Code. 11543

(e) Except as otherwise provided in division (A) (1) (e) of 11544
this section, in the Akron municipal court, candidates for 11545
election to the office of clerk of the court shall be nominated 11546
by primary election. The primary election shall be held on the 11547
day specified in the charter of the city of Akron for the 11548
nomination of municipal officers. Notwithstanding any contrary 11549
provision of section 3513.05 or 3513.257 of the Revised Code, 11550

the declarations of candidacy and petitions of partisan 11551
candidates and the nominating petitions of independent 11552
candidates for the office of clerk of the Akron municipal court 11553
shall be signed by at least fifty qualified electors of the 11554
territory of the court. 11555

The candidates shall file a declaration of candidacy and 11556
petition, or a nominating petition, whichever is applicable, not 11557
later than four p.m. of the ninetieth day before the day of the 11558
primary election, in the form prescribed by section 3513.07 or 11559
3513.261 of the Revised Code. The declaration of candidacy and 11560
petition, or the nominating petition, shall conform to the 11561
applicable requirements of section 3513.05 or 3513.257 of the 11562
Revised Code. 11563

If no valid declaration of candidacy and petition is filed 11564
by any person for nomination as a candidate of a particular 11565
political party for election to the office of clerk of the Akron 11566
municipal court, a primary election shall not be held for the 11567
purpose of nominating a candidate of that party for election to 11568
that office. If only one person files a valid declaration of 11569
candidacy and petition for nomination as a candidate of a 11570
particular political party for election to that office, a 11571
primary election shall not be held for the purpose of nominating 11572
a candidate of that party for election to that office, and the 11573
candidate shall be issued a certificate of nomination in the 11574
manner set forth in section 3513.02 of the Revised Code. 11575

Declarations of candidacy and petitions, nominating 11576
petitions, and certificates of nomination for the office of 11577
clerk of the Akron municipal court shall contain a designation 11578
of the term for which the candidate seeks election. At the 11579
following regular municipal election, all candidates for the 11580

office shall be submitted to the qualified electors of the 11581
territory of the court in the manner that is provided in section 11582
1901.07 of the Revised Code for the election of the judges of 11583
the court. The clerk so elected shall hold office for a term of 11584
six years, which term shall commence on the first day of January 11585
following the clerk's election and continue until the clerk's 11586
successor is elected and qualified. 11587

(f) Except as otherwise provided in division (A) (1) (f) of 11588
this section, in the Barberton municipal court, candidates for 11589
election to the office of clerk of the court shall be nominated 11590
by primary election. The primary election shall be held on the 11591
day specified in the charter of the city of Barberton for the 11592
nomination of municipal officers. Notwithstanding any contrary 11593
provision of section 3513.05 or 3513.257 of the Revised Code, 11594
the declarations of candidacy and petitions of partisan 11595
candidates and the nominating petitions of independent 11596
candidates for the office of clerk of the Barberton municipal 11597
court shall be signed by at least fifty qualified electors of 11598
the territory of the court. 11599

The candidates shall file a declaration of candidacy and 11600
petition, or a nominating petition, whichever is applicable, not 11601
later than four p.m. of the ninetieth day before the day of the 11602
primary election, in the form prescribed by section 3513.07 or 11603
3513.261 of the Revised Code. The declaration of candidacy and 11604
petition, or the nominating petition, shall conform to the 11605
applicable requirements of section 3513.05 or 3513.257 of the 11606
Revised Code. 11607

If no valid declaration of candidacy and petition is filed 11608
by any person for nomination as a candidate of a particular 11609
political party for election to the office of clerk of the 11610

Barberton municipal court, a primary election shall not be held 11611
for the purpose of nominating a candidate of that party for 11612
election to that office. If only one person files a valid 11613
declaration of candidacy and petition for nomination as a 11614
candidate of a particular political party for election to that 11615
office, a primary election shall not be held for the purpose of 11616
nominating a candidate of that party for election to that 11617
office, and the candidate shall be issued a certificate of 11618
nomination in the manner set forth in section 3513.02 of the 11619
Revised Code. 11620

Declarations of candidacy and petitions, nominating 11621
petitions, and certificates of nomination for the office of 11622
clerk of the Barberton municipal court shall contain a 11623
designation of the term for which the candidate seeks election. 11624
At the following regular municipal election, all candidates for 11625
the office shall be submitted to the qualified electors of the 11626
territory of the court in the manner that is provided in section 11627
1901.07 of the Revised Code for the election of the judges of 11628
the court. The clerk so elected shall hold office for a term of 11629
six years, which term shall commence on the first day of January 11630
following the clerk's election and continue until the clerk's 11631
successor is elected and qualified. 11632

(g) (i) Through December 31, 2008, except as otherwise 11633
provided in division (A) (1) (g) (i) of this section, in the 11634
Cuyahoga Falls municipal court, candidates for election to the 11635
office of clerk of the court shall be nominated by primary 11636
election. The primary election shall be held on the day 11637
specified in the charter of the city of Cuyahoga Falls for the 11638
nomination of municipal officers. Notwithstanding any contrary 11639
provision of section 3513.05 or 3513.257 of the Revised Code, 11640
the declarations of candidacy and petitions of partisan 11641

candidates and the nominating petitions of independent 11642
candidates for the office of clerk of the Cuyahoga Falls 11643
municipal court shall be signed by at least fifty qualified 11644
electors of the territory of the court. 11645

The candidates shall file a declaration of candidacy and 11646
petition, or a nominating petition, whichever is applicable, not 11647
later than four p.m. of the ninetieth day before the day of the 11648
primary election, in the form prescribed by section 3513.07 or 11649
3513.261 of the Revised Code. The declaration of candidacy and 11650
petition, or the nominating petition, shall conform to the 11651
applicable requirements of section 3513.05 or 3513.257 of the 11652
Revised Code. 11653

If no valid declaration of candidacy and petition is filed 11654
by any person for nomination as a candidate of a particular 11655
political party for election to the office of clerk of the 11656
Cuyahoga Falls municipal court, a primary election shall not be 11657
held for the purpose of nominating a candidate of that party for 11658
election to that office. If only one person files a valid 11659
declaration of candidacy and petition for nomination as a 11660
candidate of a particular political party for election to that 11661
office, a primary election shall not be held for the purpose of 11662
nominating a candidate of that party for election to that 11663
office, and the candidate shall be issued a certificate of 11664
nomination in the manner set forth in section 3513.02 of the 11665
Revised Code. 11666

Declarations of candidacy and petitions, nominating 11667
petitions, and certificates of nomination for the office of 11668
clerk of the Cuyahoga Falls municipal court shall contain a 11669
designation of the term for which the candidate seeks election. 11670
At the following regular municipal election, all candidates for 11671

the office shall be submitted to the qualified electors of the 11672
territory of the court in the manner that is provided in section 11673
1901.07 of the Revised Code for the election of the judges of 11674
the court. The clerk so elected shall hold office for a term of 11675
six years, which term shall commence on the first day of January 11676
following the clerk's election and continue until the clerk's 11677
successor is elected and qualified. 11678

(ii) Division (A) (1) (g) (i) of this section shall have no 11679
effect after December 31, 2008. 11680

(h) Except as otherwise provided in division (A) (1) (h) of 11681
this section, in the Toledo municipal court, candidates for 11682
election to the office of clerk of the court shall be nominated 11683
by primary election. The primary election shall be held on the 11684
day specified in the charter of the city of Toledo for the 11685
nomination of municipal officers. Notwithstanding any contrary 11686
provision of section 3513.05 or 3513.257 of the Revised Code, 11687
the declarations of candidacy and petitions of partisan 11688
candidates and the nominating petitions of independent 11689
candidates for the office of clerk of the Toledo municipal court 11690
shall be signed by at least fifty qualified electors of the 11691
territory of the court. 11692

The candidates shall file a declaration of candidacy and 11693
petition, or a nominating petition, whichever is applicable, not 11694
later than four p.m. of the ninetieth day before the day of the 11695
primary election, in the form prescribed by section 3513.07 or 11696
3513.261 of the Revised Code. The declaration of candidacy and 11697
petition, or the nominating petition, shall conform to the 11698
applicable requirements of section 3513.05 or 3513.257 of the 11699
Revised Code. 11700

If no valid declaration of candidacy and petition is filed 11701

by any person for nomination as a candidate of a particular 11702
political party for election to the office of clerk of the 11703
Toledo municipal court, a primary election shall not be held for 11704
the purpose of nominating a candidate of that party for election 11705
to that office. If only one person files a valid declaration of 11706
candidacy and petition for nomination as a candidate of a 11707
particular political party for election to that office, a 11708
primary election shall not be held for the purpose of nominating 11709
a candidate of that party for election to that office, and the 11710
candidate shall be issued a certificate of nomination in the 11711
manner set forth in section 3513.02 of the Revised Code. 11712

Declarations of candidacy and petitions, nominating 11713
petitions, and certificates of nomination for the office of 11714
clerk of the Toledo municipal court shall contain a designation 11715
of the term for which the candidate seeks election. At the 11716
following regular municipal election, all candidates for the 11717
office shall be submitted to the qualified electors of the 11718
territory of the court in the manner that is provided in section 11719
1901.07 of the Revised Code for the election of the judges of 11720
the court. The clerk so elected shall hold office for a term of 11721
six years, which term shall commence on the first day of January 11722
following the clerk's election and continue until the clerk's 11723
successor is elected and qualified. 11724

(2) (a) Except for the Alliance, Auglaize county, Brown 11725
county, Columbiana county, Holmes county, Putnam county, 11726
Sandusky county, Lorain, Massillon, and Youngstown municipal 11727
courts, in a municipal court for which the population of the 11728
territory is less than one hundred thousand, the clerk shall be 11729
appointed by the court, and the clerk shall hold office until 11730
the clerk's successor is appointed and qualified. 11731

(b) In the Alliance, Lorain, Massillon, and Youngstown 11732
municipal courts, the clerk shall be elected for a term of 11733
office as described in division (A) (1) (a) of this section. 11734

(c) In the Auglaize county, Brown county, Holmes county, 11735
Putnam county, and Sandusky county municipal courts, the clerks 11736
of courts of Auglaize county, Brown county, Holmes county, 11737
Putnam county, and Sandusky county shall be the clerks, 11738
respectively, of the Auglaize county, Brown county, Holmes 11739
county, Putnam county, and Sandusky county municipal courts and 11740
may appoint a chief deputy clerk for each branch office that is 11741
established pursuant to section 1901.311 of the Revised Code, 11742
and assistant clerks as the judge of the court determines are 11743
necessary, all of whom shall receive the compensation that the 11744
legislative authority prescribes. The clerks of courts of 11745
Auglaize county, Brown county, Holmes county, Putnam county, and 11746
Sandusky county, acting as the clerks of the Auglaize county, 11747
Brown county, Holmes county, Putnam county, and Sandusky county 11748
municipal courts and assuming the duties of these offices, shall 11749
receive compensation payable from the county treasury in 11750
semimonthly installments at one-fourth the rate that is 11751
prescribed for the clerks of courts of common pleas as 11752
determined in accordance with the population of the county and 11753
the rates set forth in sections 325.08 and 325.18 of the Revised 11754
Code. 11755

(d) In the Columbiana county municipal court, the clerk of 11756
courts of Columbiana county shall be the clerk of the municipal 11757
court, may appoint a chief deputy clerk for each branch office 11758
that is established pursuant to section 1901.311 of the Revised 11759
Code, and may appoint any assistant clerks that the judges of 11760
the court determine are necessary. All of the chief deputy 11761
clerks and assistant clerks shall receive the compensation that 11762

the legislative authority prescribes. The clerk of courts of 11763
Columbiana county, acting as the clerk of the Columbiana county 11764
municipal court and assuming the duties of that office, shall 11765
receive in either biweekly installments or semimonthly 11766
installments, as determined by the payroll administrator, 11767
compensation payable from the county treasury at one-fourth the 11768
rate that is prescribed for the clerks of courts of common pleas 11769
as determined in accordance with the population of the county 11770
and the rates set forth in sections 325.08 and 325.18 of the 11771
Revised Code. 11772

(3) During the temporary absence of the clerk due to 11773
illness, vacation, or other proper cause, the court may appoint 11774
a temporary clerk, who shall be paid the same compensation, have 11775
the same authority, and perform the same duties as the clerk. 11776

(B) Except in the Hamilton county, Montgomery county, 11777
Miami county, Portage county, and Wayne county municipal courts, 11778
if a vacancy occurs in the office of the clerk of the Alliance, 11779
Lorain, Massillon, or Youngstown municipal court or occurs in 11780
the office of the clerk of a municipal court for which the 11781
population of the territory equals or exceeds one hundred 11782
thousand because the clerk ceases to hold the office before the 11783
end of the clerk's term or because a clerk-elect fails to take 11784
office, the vacancy shall be filled, until a successor is 11785
elected and qualified, by a person chosen by the residents of 11786
the territory of the court who are members of the county central 11787
committee of the political party by which the last occupant of 11788
that office or the clerk-elect was nominated. Not less than five 11789
nor more than fifteen days after a vacancy occurs, those members 11790
of that county central committee shall meet to make an 11791
appointment to fill the vacancy. At least four days before the 11792
date of the meeting, the chairperson or a secretary of the 11793

county central committee shall notify each such member of that 11794
county central committee by first class mail of the date, time, 11795
and place of the meeting and its purpose. A majority of all such 11796
members of that county central committee constitutes a quorum, 11797
and a majority of the quorum is required to make the 11798
appointment. If the office so vacated was occupied or was to be 11799
occupied by a person not nominated at a primary election, or if 11800
the appointment was not made by the committee members in 11801
accordance with this division, the court shall make an 11802
appointment to fill the vacancy. A successor shall be elected to 11803
fill the office for the unexpired term at the first municipal 11804
election that is held more than one hundred thirty-five days 11805
after the vacancy occurred. 11806

(C) (1) In a municipal court, other than the Auglaize 11807
county, the Brown county, the Columbiana county, the Holmes 11808
county, the Putnam county, the Sandusky county, and the Lorain 11809
municipal courts, for which the population of the territory is 11810
less than one hundred thousand, the clerk of the municipal court 11811
shall receive the annual compensation that the presiding judge 11812
of the court prescribes, if the revenue of the court for the 11813
preceding calendar year, as certified by the auditor or chief 11814
fiscal officer of the municipal corporation in which the court 11815
is located or, in the case of a county-operated municipal court, 11816
the county auditor, is equal to or greater than the 11817
expenditures, including any debt charges, for the operation of 11818
the court payable under this chapter from the city treasury or, 11819
in the case of a county-operated municipal court, the county 11820
treasury for that calendar year, as also certified by the 11821
auditor or chief fiscal officer. If the revenue of a municipal 11822
court, other than the Auglaize county, the Brown county, the 11823
Columbiana county, the Putnam county, the Sandusky county, and 11824

the Lorain municipal courts, for which the population of the 11825
territory is less than one hundred thousand for the preceding 11826
calendar year as so certified is not equal to or greater than 11827
those expenditures for the operation of the court for that 11828
calendar year as so certified, the clerk of a municipal court 11829
shall receive the annual compensation that the legislative 11830
authority prescribes. As used in this division, "revenue" means 11831
the total of all costs and fees that are collected and paid to 11832
the city treasury or, in a county-operated municipal court, the 11833
county treasury by the clerk of the municipal court under 11834
division (F) of this section and all interest received and paid 11835
to the city treasury or, in a county-operated municipal court, 11836
the county treasury in relation to the costs and fees under 11837
division (G) of this section. 11838

(2) In a municipal court, other than the Hamilton county, 11839
Montgomery county, Miami county, Portage county, and Wayne 11840
county municipal courts, for which the population of the 11841
territory is one hundred thousand or more, and in the Lorain 11842
municipal court, the clerk of the municipal court shall receive 11843
annual compensation in a sum equal to eighty-five per cent of 11844
the salary of a judge of the court. 11845

(3) The compensation of a clerk described in division (C) 11846
(1) or (2) of this section and of the clerk of the Columbiana 11847
county municipal court is payable in either semimonthly 11848
installments or biweekly installments, as determined by the 11849
payroll administrator, from the same sources and in the same 11850
manner as provided in section 1901.11 of the Revised Code, 11851
except that the compensation of the clerk of the Carroll county 11852
municipal court is payable in biweekly installments. 11853

(D) Before entering upon the duties of the clerk's office, 11854

the clerk of a municipal court shall give bond of not less than 11855
six thousand dollars to be determined by the judges of the 11856
court, conditioned upon the faithful performance of the clerk's 11857
duties. 11858

(E) The clerk of a municipal court may do all of the 11859
following: administer oaths, take affidavits, and issue 11860
executions upon any judgment rendered in the court, including a 11861
judgment for unpaid costs; issue, sign, and attach the seal of 11862
the court to all writs, process, subpoenas, and papers issuing 11863
out of the court; and approve all bonds, sureties, 11864
recognizances, and undertakings fixed by any judge of the court 11865
or by law. The clerk may refuse to accept for filing any 11866
pleading or paper submitted for filing by a person who has been 11867
found to be a vexatious litigator under section 2323.52 of the 11868
Revised Code and who has failed to obtain leave to proceed under 11869
that section. The clerk shall do all of the following: file and 11870
safely keep all journals, records, books, and papers belonging 11871
or appertaining to the court; record the proceedings of the 11872
court; perform all other duties that the judges of the court may 11873
prescribe; and keep a book showing all receipts and 11874
disbursements, which book shall be open for public inspection at 11875
all times. 11876

The clerk shall prepare and maintain a general index, a 11877
docket, and other records that the court, by rule, requires, all 11878
of which shall be the public records of the court. In the 11879
docket, the clerk shall enter, at the time of the commencement 11880
of an action, the names of the parties in full, the names of the 11881
counsel, and the nature of the proceedings. Under proper dates, 11882
the clerk shall note the filing of the complaint, issuing of 11883
summons or other process, returns, and any subsequent pleadings. 11884
The clerk also shall enter all reports, verdicts, orders, 11885

judgments, and proceedings of the court, clearly specifying the 11886
relief granted or orders made in each action. The court may 11887
order an extended record of any of the above to be made and 11888
entered, under the proper action heading, upon the docket at the 11889
request of any party to the case, the expense of which record 11890
may be taxed as costs in the case or may be required to be 11891
prepaid by the party demanding the record, upon order of the 11892
court. 11893

(F) The clerk of a municipal court shall receive, collect, 11894
and issue receipts for all costs, fees, fines, bail, and other 11895
moneys payable to the office or to any officer of the court. The 11896
clerk shall on or before the twentieth day of the month 11897
following the month in which they are collected disburse to the 11898
proper persons or officers, and take receipts for, all costs, 11899
fees, fines, bail, and other moneys that the clerk collects. 11900
Subject to sections 307.515 and 4511.193 of the Revised Code and 11901
to any other section of the Revised Code that requires a 11902
specific manner of disbursement of any moneys received by a 11903
municipal court and except for the Hamilton county, Lawrence 11904
county, and Ottawa county municipal courts, the clerk shall pay 11905
all fines received for violation of municipal ordinances into 11906
the treasury of the municipal corporation the ordinance of which 11907
was violated and shall pay all fines received for violation of 11908
township resolutions adopted pursuant to section 503.52 or 11909
503.53 or Chapter 504. of the Revised Code into the treasury of 11910
the township the resolution of which was violated. Subject to 11911
sections 1901.024 and 4511.193 of the Revised Code, in the 11912
Hamilton county, Lawrence county, and Ottawa county municipal 11913
courts, the clerk shall pay fifty per cent of the fines received 11914
for violation of municipal ordinances and fifty per cent of the 11915
fines received for violation of township resolutions adopted 11916

pursuant to section 503.52 or 503.53 or Chapter 504. of the 11917
Revised Code into the treasury of the county. Subject to 11918
sections 307.515, 4511.19, and 5503.04 of the Revised Code and 11919
to any other section of the Revised Code that requires a 11920
specific manner of disbursement of any moneys received by a 11921
municipal court, the clerk shall pay all fines collected for the 11922
violation of state laws into the county treasury. Except in a 11923
county-operated municipal court, the clerk shall pay all costs 11924
and fees the disbursement of which is not otherwise provided for 11925
in the Revised Code into the city treasury. The clerk of a 11926
county-operated municipal court shall pay the costs and fees the 11927
disbursement of which is not otherwise provided for in the 11928
Revised Code into the county treasury. Moneys deposited as 11929
security for costs shall be retained pending the litigation. The 11930
clerk shall keep a separate account of all receipts and 11931
disbursements in civil and criminal cases, which shall be a 11932
permanent public record of the office. On the expiration of the 11933
term of the clerk, the clerk shall deliver the records to the 11934
clerk's successor. The clerk shall have other powers and duties 11935
as are prescribed by rule or order of the court. 11936

(G) All moneys paid into a municipal court shall be noted 11937
on the record of the case in which they are paid and shall be 11938
deposited in a state or national bank, ~~or a domestic savings and~~ 11939
~~loan association,~~ as defined in section ~~1151.01~~ 1101.01 of the 11940
Revised Code, that is selected by the clerk. Any interest 11941
received upon the deposits shall be paid into the city treasury, 11942
except that, in a county-operated municipal court, the interest 11943
shall be paid into the treasury of the county in which the court 11944
is located. 11945

On the first Monday in January of each year, the clerk 11946
shall make a list of the titles of all cases in the court that 11947

were finally determined more than one year past in which there 11948
remains unclaimed in the possession of the clerk any funds, or 11949
any part of a deposit for security of costs not consumed by the 11950
costs in the case. The clerk shall give notice of the moneys to 11951
the parties who are entitled to the moneys or to their attorneys 11952
of record. All the moneys remaining unclaimed on the first day 11953
of April of each year shall be paid by the clerk to the city 11954
treasurer, except that, in a county-operated municipal court, 11955
the moneys shall be paid to the treasurer of the county in which 11956
the court is located. The treasurer shall pay any part of the 11957
moneys at any time to the person who has the right to the moneys 11958
upon proper certification of the clerk. 11959

(H) Deputy clerks of a municipal court other than the 11960
Carroll county municipal court may be appointed by the clerk and 11961
shall receive the compensation, payable in either biweekly 11962
installments or semimonthly installments, as determined by the 11963
payroll administrator, out of the city treasury, that the clerk 11964
may prescribe, except that the compensation of any deputy clerk 11965
of a county-operated municipal court shall be paid out of the 11966
treasury of the county in which the court is located. The judge 11967
of the Carroll county municipal court may appoint deputy clerks 11968
for the court, and the deputy clerks shall receive the 11969
compensation, payable in biweekly installments out of the county 11970
treasury, that the judge may prescribe. Each deputy clerk shall 11971
take an oath of office before entering upon the duties of the 11972
deputy clerk's office and, when so qualified, may perform the 11973
duties appertaining to the office of the clerk. The clerk may 11974
require any of the deputy clerks to give bond of not less than 11975
three thousand dollars, conditioned for the faithful performance 11976
of the deputy clerk's duties. 11977

(I) For the purposes of this section, whenever the 11978

population of the territory of a municipal court falls below one 11979
hundred thousand but not below ninety thousand, and the 11980
population of the territory prior to the most recent regular 11981
federal census exceeded one hundred thousand, the legislative 11982
authority of the municipal corporation may declare, by 11983
resolution, that the territory shall be considered to have a 11984
population of at least one hundred thousand. 11985

(J) The clerk or a deputy clerk shall be in attendance at 11986
all sessions of the municipal court, although not necessarily in 11987
the courtroom, and may administer oaths to witnesses and jurors 11988
and receive verdicts. 11989

Sec. 2335.25. Each clerk of a court of record, the 11990
sheriff, and the prosecuting attorney shall enter in a journal 11991
or cashbook, provided at the expense of the county, an accurate 11992
account of all moneys collected or received ~~in his~~ the clerk's, 11993
sheriff's, or prosecuting attorney's official capacity, on the 11994
days of the receipt, and in the order of time so received, with 11995
a minute of the date and suit, or other matter, on account of 11996
which the money was received. The cashbook shall be a public 11997
record of the office, and shall, on the expiration of the term 11998
of each such officer, be delivered to ~~his~~ the officer's 11999
successor ~~in office~~. The clerk shall be the receiver of all 12000
moneys payable into ~~his~~ the clerk's office, whether collected by 12001
public officers of court or tendered by other persons, and, on 12002
request, shall pay the moneys to the persons entitled to receive 12003
them. 12004

The clerk of the court of common pleas or of the county 12005
court may deposit moneys payable into ~~his~~ the clerk's office in 12006
a bank ~~or a building and loan association~~, as defined in section 12007
~~1151.01-1101.01~~ of the Revised Code, subject to section 131.11 12008

of the Revised Code. Any interest received upon the deposits 12009
shall be paid into the treasury of the county for which the 12010
clerk performs ~~his~~ official duties. 12011

Sec. 3351.07. (A) For the purposes of this chapter, 12012
"approved lender" means any bank as defined in section 1101.01 12013
of the Revised Code, ~~any domestic savings and loan association~~ 12014
~~as defined in section 1151.01 of the Revised Code,~~ any credit 12015
union as defined in section 1733.01 of the Revised Code, any 12016
federal credit union established pursuant to federal law, any 12017
insurance company organized or authorized to do business in this 12018
state, any pension fund eligible under the "Higher Education 12019
Amendments of 1968," 82 Stat. 1026, 20 U.S.C.A. 1085, as 12020
amended, the secondary market operation designated under 12021
division (B) of this section, or any secondary market operation 12022
established pursuant to the "Education Amendments of 1972," 86 12023
Stat. 261, 20 U.S.C.A. 1071, as amended, or under the laws of 12024
any state. 12025

(B) The governor may designate one nonprofit corporation 12026
secondary market operation to be the single nonprofit private 12027
agency designated by the state under the "Higher Education Act 12028
of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d)(1)(D), as amended. 12029
A designation in effect on ~~the effective date of this amendment~~ 12030
October 16, 2009, expires December 31, 2009. Each designation 12031
~~after the effective date of this amendment~~ October 16, 2009, 12032
shall be made by competitive selection and shall be valid for 12033
one year. The controlling board shall not waive the competitive 12034
selection requirement. 12035

(C) The nonprofit corporation designated by the governor 12036
under division (B) of this section as the private agency 12037
secondary market operation shall be considered to be an agency 12038

of the state, in accordance with section 435(d)(1)(F) of the 12039
"Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 12040
1085(d)(1)(F), as amended, exclusively for the purpose of 12041
functioning as a secondary student loan market. The corporation 12042
shall be considered a state agency only for the purposes of this 12043
division and no other division or section of the Revised Code 12044
regarding state agencies shall apply to the corporation. No 12045
liability or obligation incurred by the corporation shall be 12046
considered to be a liability or debt of the state, nor shall the 12047
state be construed to act as guarantor of any debt of the 12048
corporation. 12049

(D) The nonprofit corporation designated under division 12050
(B) of this section shall designate a separate nonprofit 12051
corporation to operate exclusively for charitable and 12052
educational purposes, complementing and supplementing the 12053
designating corporation's secondary market operation for student 12054
loans authorized under the "Higher Education Act of 1965," 101 12055
Stat. 347, 20 U.S.C.A. 1085, as amended, and promoting the 12056
general health and welfare of the state, the public interest, 12057
and a public purpose through improving student assistance 12058
programs by expanding access to higher education financing 12059
programs for students and families in need of student financial 12060
aid. In furtherance of such purposes, the separate nonprofit 12061
corporation may do all of the following: 12062

(1) Assist educational institutions in establishing 12063
financial aid programs to help students obtain an economical 12064
education; 12065

(2) Encourage financial institutions to increase 12066
educational opportunities by making funds available to both 12067
students and educational institutions; 12068

- (3) Make available financial aid that supplements the financial assistance provided by eligible and approved lenders under state and federal programs; 12069
12070
12071
- (4) Develop and administer programs that do all of the following: 12072
12073
- (a) Provide financial aid and incidental student financial aid information to students and their parents or other persons responsible for paying educational costs of those students at educational institutions; 12074
12075
12076
12077
- (b) Provide financial aid and information relating to it to and through educational institutions, enabling those institutions to assist students financially in obtaining an education and fully expanding their intellectual capacity and skills; 12078
12079
12080
12081
12082
- (c) Better enable financial institutions to participate in student loan programs and other forms of financial aid, assisting students and educational institutions to increase education excellence and accessibility. 12083
12084
12085
12086
- (E) The nonprofit corporation designated under authority of division (D) of this section shall do both of the following: 12087
12088
- (1) Establish the criteria, standards, terms, and conditions for participation by students, parents, educational institutions, and financial institutions in that corporation's programs; 12089
12090
12091
12092
- (2) Provide the governor a report of its programs and a copy of its audited financial statements not later than one hundred eighty days after the end of each fiscal year of the corporation. 12093
12094
12095
12096

No liability, obligation, or debt incurred by the 12097
corporation designated under authority of division (D) of this 12098
section or by any person under that corporation's programs shall 12099
be, or be considered to be, a liability, obligation, or debt of, 12100
or a pledge of the faith and credit of, the state, any political 12101
subdivision of the state, or any state-supported or state- 12102
assisted institution of higher education, nor shall the state or 12103
any political subdivision of the state or any state-supported or 12104
state-assisted institution of higher education be or be 12105
construed to act as an obligor under or guarantor of any 12106
liability, obligation, or debt of that corporation or of any 12107
person under that corporation's programs or incur or be 12108
construed to have incurred any other liability, obligation, or 12109
debt as a result of any acts of the corporation. 12110

(F) The nonprofit corporation designated under authority 12111
of division (D) of this section shall not be deemed to qualify 12112
by reason of the designation as a guarantor or an eligible 12113
lender under sections 435(d) and (j) of the "Higher Education 12114
Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d) and (j), as 12115
amended. 12116

Sec. 3767.41. (A) As used in this section: 12117

(1) "Building" means, except as otherwise provided in this 12118
division, any building or structure that is used or intended to 12119
be used for residential purposes. "Building" includes, but is 12120
not limited to, a building or structure in which any floor is 12121
used for retail stores, shops, salesrooms, markets, or similar 12122
commercial uses, or for offices, banks, civic administration 12123
activities, professional services, or similar business or civic 12124
uses, and in which the other floors are used, or designed and 12125
intended to be used, for residential purposes. "Building" does 12126

not include any building or structure that is occupied by its owner and that contains three or fewer residential units.

(2) (a) "Public nuisance" means a building that is a menace to the public health, welfare, or safety; that is structurally unsafe, unsanitary, or not provided with adequate safe egress; that constitutes a fire hazard, is otherwise dangerous to human life, or is otherwise no longer fit and habitable; or that, in relation to its existing use, constitutes a hazard to the public health, welfare, or safety by reason of inadequate maintenance, dilapidation, obsolescence, or abandonment.

(b) "Public nuisance" as it applies to subsidized housing means subsidized housing that fails to meet the following standards as specified in the federal rules governing each standard:

(i) Each building on the site is structurally sound, secure, habitable, and in good repair, as defined in 24 C.F.R. 5.703(b);

(ii) Each building's domestic water, electrical system, elevators, emergency power, fire protection, HVAC, and sanitary system is free of health and safety hazards, functionally adequate, operable, and in good repair, as defined in 24 C.F.R. 5.703(c);

(iii) Each dwelling unit within the building is structurally sound, habitable, and in good repair, and all areas and aspects of the dwelling unit are free of health and safety hazards, functionally adequate, operable, and in good repair, as defined in 24 C.F.R. 5.703(d)(1);

(iv) Where applicable, the dwelling unit has hot and cold running water, including an adequate source of potable water, as

defined in 24 C.F.R. 5.703(d) (2); 12156

(v) If the dwelling unit includes its own sanitary 12157
facility, it is in proper operating condition, usable in 12158
privacy, and adequate for personal hygiene, and the disposal of 12159
human waste, as defined in 24 C.F.R. 5.703(d) (3); 12160

(vi) The common areas are structurally sound, secure, and 12161
functionally adequate for the purposes intended. The basement, 12162
garage, carport, restrooms, closets, utility, mechanical, 12163
community rooms, daycare, halls, corridors, stairs, kitchens, 12164
laundry rooms, office, porch, patio, balcony, and trash 12165
collection areas are free of health and safety hazards, 12166
operable, and in good repair. All common area ceilings, doors, 12167
floors, HVAC, lighting, smoke detectors, stairs, walls, and 12168
windows, to the extent applicable, are free of health and safety 12169
hazards, operable, and in good repair, as defined in 24 C.F.R. 12170
5.703(e); 12171

(vii) All areas and components of the housing are free of 12172
health and safety hazards. These areas include, but are not 12173
limited to, air quality, electrical hazards, elevators, 12174
emergency/fire exits, flammable materials, garbage and debris, 12175
handrail hazards, infestation, and lead-based paint, as defined 12176
in 24 C.F.R. 5.703(f). 12177

(3) "Abate" or "abatement" in connection with any building 12178
means the removal or correction of any conditions that 12179
constitute a public nuisance and the making of any other 12180
improvements that are needed to effect a rehabilitation of the 12181
building that is consistent with maintaining safe and habitable 12182
conditions over its remaining useful life. "Abatement" does not 12183
include the closing or boarding up of any building that is found 12184
to be a public nuisance. 12185

(4) "Interested party" means any owner, mortgagee, lienholder, tenant, or person that possesses an interest of record in any property that becomes subject to the jurisdiction of a court pursuant to this section, and any applicant for the appointment of a receiver pursuant to this section.

(5) "Neighbor" means any owner of property, including, but not limited to, any person who is purchasing property by land installment contract or under a duly executed purchase contract, that is located within five hundred feet of any property that becomes subject to the jurisdiction of a court pursuant to this section, and any occupant of a building that is so located.

(6) "Tenant" has the same meaning as in section 5321.01 of the Revised Code.

(7) "Subsidized housing" means a property consisting of more than four dwelling units that, in whole or in part, receives project-based assistance pursuant to a contract under any of the following federal housing programs:

(a) The new construction or substantial rehabilitation program under section 8(b)(2) of the "United States Housing Act of 1937," Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f(b)(2) as that program was in effect immediately before the first day of October, 1983;

(b) The moderate rehabilitation program under section 8(e)(2) of the "United States Housing Act of 1937," Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f(e)(2);

(c) The loan management assistance program under section 8 of the "United States Housing Act of 1937," Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f;

(d) The rent supplement program under section 101 of the

"Housing and Urban Development Act of 1965," Pub. L. No. 89-174, 12215
79 Stat. 667, 12 U.S.C. 1701s; 12216

(e) Section 8 of the "United States Housing Act of 1937," 12217
Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f, following 12218
conversion from assistance under section 101 of the "Housing and 12219
Urban Development Act of 1965," Pub. L. No. 89-174, 79 Stat. 12220
667, 12 U.S.C. 1701s; 12221

(f) The program of supportive housing for the elderly 12222
under section 202 of the "Housing Act of 1959," Pub. L. No. 86- 12223
372, 73 Stat. 654, 12 U.S.C. 1701q; 12224

(g) The program of supportive housing for persons with 12225
disabilities under section 811 of the "National Affordable 12226
Housing Act of 1990," Pub. L. No. 101-625, 104 Stat. 4313, 42 12227
U.S.C. 8013; 12228

(h) The rental assistance program under section 521 of the 12229
"United States Housing Act of 1949," Pub. L. No. 90-448, 82 12230
Stat. 551, as amended by Pub. L. No. 93-383, 88 Stat. 696, 42 12231
U.S.C. 1490a. 12232

(8) "Project-based assistance" means the assistance is 12233
attached to the property and provides rental assistance only on 12234
behalf of tenants who reside in that property. 12235

(9) "Landlord" has the same meaning as in section 5321.01 12236
of the Revised Code. 12237

(B) (1) (a) In any civil action to enforce any local 12238
building, housing, air pollution, sanitation, health, fire, 12239
zoning, or safety code, ordinance, resolution, or regulation 12240
applicable to buildings, that is commenced in a court of common 12241
pleas, municipal court, housing or environmental division of a 12242
municipal court, or county court, or in any civil action for 12243

abatement commenced in a court of common pleas, municipal court, 12244
housing or environmental division of a municipal court, or 12245
county court, by a municipal corporation or township in which 12246
the building involved is located, by any neighbor, tenant, or by 12247
a nonprofit corporation that is duly organized and has as one of 12248
its goals the improvement of housing conditions in the county or 12249
municipal corporation in which the building involved is located, 12250
if a building is alleged to be a public nuisance, the municipal 12251
corporation, township, neighbor, tenant, or nonprofit 12252
corporation may apply in its complaint for an injunction or 12253
other order as described in division (C) (1) of this section, or 12254
for the relief described in division (C) (2) of this section, 12255
including, if necessary, the appointment of a receiver as 12256
described in divisions (C) (2) and (3) of this section, or for 12257
both such an injunction or other order and such relief. The 12258
municipal corporation, township, neighbor, tenant, or nonprofit 12259
corporation commencing the action is not liable for the costs, 12260
expenses, and fees of any receiver appointed pursuant to 12261
divisions (C) (2) and (3) of this section. 12262

(b) Prior to commencing a civil action for abatement when 12263
the property alleged to be a public nuisance is subsidized 12264
housing, the municipal corporation, township, neighbor, tenant, 12265
or nonprofit corporation commencing the action shall provide the 12266
landlord of that property with written notice that specifies one 12267
or more defective conditions that constitute a public nuisance 12268
as that term applies to subsidized housing and states that if 12269
the landlord fails to remedy the condition within sixty days of 12270
the service of the notice, a claim pursuant to this section may 12271
be brought on the basis that the property constitutes a public 12272
nuisance in subsidized housing. Any party authorized to bring an 12273
action against the landlord shall make reasonable attempts to 12274

serve the notice in the manner prescribed in the Rules of Civil Procedure to the landlord or the landlord's agent for the property at the property's management office, or at the place where the tenants normally pay or send rent. If the landlord is not the owner of record, the party bringing the action shall make a reasonable attempt to serve the owner. If the owner does not receive service the person bringing the action shall certify the attempts to serve the owner.

(2) (a) In a civil action described in division (B) (1) of this section, a copy of the complaint and a notice of the date and time of a hearing on the complaint shall be served upon the owner of the building and all other interested parties in accordance with the Rules of Civil Procedure. If certified mail service, personal service, or residence service of the complaint and notice is refused or certified mail service of the complaint and notice is not claimed, and if the municipal corporation, township, neighbor, tenant, or nonprofit corporation commencing the action makes a written request for ordinary mail service of the complaint and notice, or uses publication service, in accordance with the Rules of Civil Procedure, then a copy of the complaint and notice shall be posted in a conspicuous place on the building.

(b) The judge in a civil action described in division (B) (1) of this section shall conduct a hearing at least twenty-eight days after the owner of the building and the other interested parties have been served with a copy of the complaint and the notice of the date and time of the hearing in accordance with division (B) (2) (a) of this section.

(c) In considering whether subsidized housing is a public nuisance, the judge shall construe the standards set forth in

division (A) (2) (b) of this section in a manner consistent with 12305
department of housing and urban development and judicial 12306
interpretations of those standards. The judge shall deem that 12307
the property is not a public nuisance if during the twelve 12308
months prior to the service of the notice that division (B) (1) 12309
(b) of this section requires, the department of housing and 12310
urban development's real estate assessment center issued a score 12311
of seventy-five or higher out of a possible one hundred points 12312
pursuant to its regulations governing the physical condition of 12313
multifamily properties pursuant to 24 C.F.R. part 200, subpart 12314
P, and since the most recent inspection, there has been no 12315
significant change in the property's conditions that would 12316
create a serious threat to the health, safety, or welfare of the 12317
property's tenants. 12318

(C) (1) If the judge in a civil action described in 12319
division (B) (1) of this section finds at the hearing required by 12320
division (B) (2) of this section that the building involved is a 12321
public nuisance, if the judge additionally determines that the 12322
owner of the building previously has not been afforded a 12323
reasonable opportunity to abate the public nuisance or has been 12324
afforded such an opportunity and has not refused or failed to 12325
abate the public nuisance, and if the complaint of the municipal 12326
corporation, township, neighbor, tenant, or nonprofit 12327
corporation commencing the action requested the issuance of an 12328
injunction as described in this division, then the judge may 12329
issue an injunction requiring the owner of the building to abate 12330
the public nuisance or issue any other order that the judge 12331
considers necessary or appropriate to cause the abatement of the 12332
public nuisance. If an injunction is issued pursuant to this 12333
division, the owner of the building involved shall be given no 12334
more than thirty days from the date of the entry of the judge's 12335

order to comply with the injunction, unless the judge, for good 12336
cause shown, extends the time for compliance. 12337

(2) If the judge in a civil action described in division 12338
(B) (1) of this section finds at the hearing required by division 12339
(B) (2) of this section that the building involved is a public 12340
nuisance, if the judge additionally determines that the owner of 12341
the building previously has been afforded a reasonable 12342
opportunity to abate the public nuisance and has refused or 12343
failed to do so, and if the complaint of the municipal 12344
corporation, township, neighbor, tenant, or nonprofit 12345
corporation commencing the action requested relief as described 12346
in this division, then the judge shall offer any mortgagee, 12347
lienholder, or other interested party associated with the 12348
property on which the building is located, in the order of the 12349
priority of interest in title, the opportunity to undertake the 12350
work and to furnish the materials necessary to abate the public 12351
nuisance. Prior to selecting any interested party, the judge 12352
shall require the interested party to demonstrate the ability to 12353
promptly undertake the work and furnish the materials required, 12354
to provide the judge with a viable financial and construction 12355
plan for the rehabilitation of the building as described in 12356
division (D) of this section, and to post security for the 12357
performance of the work and the furnishing of the materials. 12358

If the judge determines, at the hearing, that no 12359
interested party is willing or able to undertake the work and to 12360
furnish the materials necessary to abate the public nuisance, or 12361
if the judge determines, at any time after the hearing, that any 12362
party who is undertaking corrective work pursuant to this 12363
division cannot or will not proceed, or has not proceeded with 12364
due diligence, the judge may appoint a receiver pursuant to 12365
division (C) (3) of this section to take possession and control 12366

of the building. 12367

(3) (a) The judge in a civil action described in division 12368
(B) (1) of this section shall not appoint any person as a 12369
receiver unless the person first has provided the judge with a 12370
viable financial and construction plan for the rehabilitation of 12371
the building involved as described in division (D) of this 12372
section and has demonstrated the capacity and expertise to 12373
perform the required work and to furnish the required materials 12374
in a satisfactory manner. An appointed receiver may be a 12375
financial institution that possesses an interest of record in 12376
the building or the property on which it is located, a nonprofit 12377
corporation as described in divisions (B) (1) and (C) (3) (b) of 12378
this section, including, but not limited to, a nonprofit 12379
corporation that commenced the action described in division (B) 12380
(1) of this section, or any other qualified property manager. 12381

(b) To be eligible for appointment as a receiver, no part 12382
of the net earnings of a nonprofit corporation shall inure to 12383
the benefit of any private shareholder or individual. Membership 12384
on the board of trustees of a nonprofit corporation appointed as 12385
a receiver does not constitute the holding of a public office or 12386
employment within the meaning of sections 731.02 and 731.12 or 12387
any other section of the Revised Code and does not constitute a 12388
direct or indirect interest in a contract or expenditure of 12389
money by any municipal corporation. A member of a board of 12390
trustees of a nonprofit corporation appointed as a receiver 12391
shall not be disqualified from holding any public office or 12392
employment, and shall not forfeit any public office or 12393
employment, by reason of membership on the board of trustees, 12394
notwithstanding any law to the contrary. 12395

(D) Prior to ordering any work to be undertaken, or the 12396

furnishing of any materials, to abate a public nuisance under 12397
this section, the judge in a civil action described in division 12398
(B) (1) of this section shall review the submitted financial and 12399
construction plan for the rehabilitation of the building 12400
involved and, if it specifies all of the following, shall 12401
approve that plan: 12402

(1) The estimated cost of the labor, materials, and any 12403
other development costs that are required to abate the public 12404
nuisance; 12405

(2) The estimated income and expenses of the building and 12406
the property on which it is located after the furnishing of the 12407
materials and the completion of the repairs and improvements; 12408

(3) The terms, conditions, and availability of any 12409
financing that is necessary to perform the work and to furnish 12410
the materials; 12411

(4) If repair and rehabilitation of the building are found 12412
not to be feasible, the cost of demolition of the building or of 12413
the portions of the building that constitute the public 12414
nuisance. 12415

(E) Upon the written request of any of the interested 12416
parties to have a building, or portions of a building, that 12417
constitute a public nuisance demolished because repair and 12418
rehabilitation of the building are found not to be feasible, the 12419
judge may order the demolition. However, the demolition shall 12420
not be ordered unless the requesting interested parties have 12421
paid the costs of demolition and, if any, of the receivership, 12422
and, if any, all notes, certificates, mortgages, and fees of the 12423
receivership. 12424

(F) Before proceeding with the duties of receiver, any 12425

receiver appointed by the judge in a civil action described in 12426
division (B) (1) of this section may be required by the judge to 12427
post a bond in an amount fixed by the judge, but not exceeding 12428
the value of the building involved as determined by the judge. 12429

The judge may empower the receiver to do any or all of the 12430
following: 12431

(1) Take possession and control of the building and the 12432
property on which it is located, operate and manage the building 12433
and the property, establish and collect rents and income, lease 12434
and rent the building and the property, and evict tenants; 12435

(2) Pay all expenses of operating and conserving the 12436
building and the property, including, but not limited to, the 12437
cost of electricity, gas, water, sewerage, heating fuel, repairs 12438
and supplies, custodian services, taxes and assessments, and 12439
insurance premiums, and hire and pay reasonable compensation to 12440
a managing agent; 12441

(3) Pay pre-receivership mortgages or installments of them 12442
and other liens; 12443

(4) Perform or enter into contracts for the performance of 12444
all work and the furnishing of materials necessary to abate, and 12445
obtain financing for the abatement of, the public nuisance; 12446

(5) Pursuant to court order, remove and dispose of any 12447
personal property abandoned, stored, or otherwise located in or 12448
on the building and the property that creates a dangerous or 12449
unsafe condition or that constitutes a violation of any local 12450
building, housing, air pollution, sanitation, health, fire, 12451
zoning, or safety code, ordinance, or regulation; 12452

(6) Obtain mortgage insurance for any receiver's mortgage 12453
from any agency of the federal government; 12454

(7) Enter into any agreement and do those things necessary 12455
to maintain and preserve the building and the property and 12456
comply with all local building, housing, air pollution, 12457
sanitation, health, fire, zoning, or safety codes, ordinances, 12458
resolutions, and regulations; 12459

(8) Give the custody of the building and the property, and 12460
the opportunity to abate the nuisance and operate the property, 12461
to its owner or any mortgagee or lienholder of record; 12462

(9) Issue notes and secure them by a mortgage bearing 12463
interest, and upon terms and conditions, that the judge 12464
approves. When sold or transferred by the receiver in return for 12465
valuable consideration in money, material, labor, or services, 12466
the notes or certificates shall be freely transferable. Any 12467
mortgages granted by the receiver shall be superior to any 12468
claims of the receiver. Priority among the receiver's mortgages 12469
shall be determined by the order in which they are recorded. 12470

(G) A receiver appointed pursuant to this section is not 12471
personally liable except for misfeasance, malfeasance, or 12472
nonfeasance in the performance of the functions of the office of 12473
receiver. 12474

(H) (1) The judge in a civil action described in division 12475
(B) (1) of this section may assess as court costs, the expenses 12476
described in division (F) (2) of this section, and may approve 12477
receiver's fees to the extent that they are not covered by the 12478
income from the property. Subject to that limitation, a receiver 12479
appointed pursuant to divisions (C) (2) and (3) of this section 12480
is entitled to receive fees in the same manner and to the same 12481
extent as receivers appointed in actions to foreclose mortgages. 12482

(2) (a) Pursuant to the police powers vested in the state, 12483

all expenditures of a mortgagee, lienholder, or other interested party that has been selected pursuant to division (C) (2) of this section to undertake the work and to furnish the materials necessary to abate a public nuisance, and any expenditures in connection with the foreclosure of the lien created by this division, is a first lien upon the building involved and the property on which it is located and is superior to all prior and subsequent liens or other encumbrances associated with the building or the property, including, but not limited to, those for taxes and assessments, upon the occurrence of both of the following:

(i) The prior approval of the expenditures by, and the entry of a judgment to that effect by, the judge in the civil action described in division (B) (1) of this section;

(ii) The recordation of a certified copy of the judgment entry and a sufficient description of the property on which the building is located with the county recorder in the county in which the property is located within sixty days after the date of the entry of the judgment.

(b) Pursuant to the police powers vested in the state, all expenses and other amounts paid in accordance with division (F) of this section by a receiver appointed pursuant to divisions (C) (2) and (3) of this section, the amounts of any notes issued by the receiver in accordance with division (F) of this section, all mortgages granted by the receiver in accordance with that division, the fees of the receiver approved pursuant to division (H) (1) of this section, and any amounts expended in connection with the foreclosure of a mortgage granted by the receiver in accordance with division (F) of this section or with the foreclosure of the lien created by this division, are a first

lien upon the building involved and the property on which it is 12514
located and are superior to all prior and subsequent liens or 12515
other encumbrances associated with the building or the property, 12516
including, but not limited to, those for taxes and assessments, 12517
upon the occurrence of both of the following: 12518

(i) The approval of the expenses, amounts, or fees by, and 12519
the entry of a judgment to that effect by, the judge in the 12520
civil action described in division (B) (1) of this section; or 12521
the approval of the mortgages in accordance with division (F) (9) 12522
of this section by, and the entry of a judgment to that effect 12523
by, that judge; 12524

(ii) The recordation of a certified copy of the judgment 12525
entry and a sufficient description of the property on which the 12526
building is located, or, in the case of a mortgage, the 12527
recordation of the mortgage, a certified copy of the judgment 12528
entry, and such a description, with the county recorder of the 12529
county in which the property is located within sixty days after 12530
the date of the entry of the judgment. 12531

(c) Priority among the liens described in divisions (H) (2) 12532
(a) and (b) of this section shall be determined as described in 12533
division (I) of this section. Additionally, the creation 12534
pursuant to this section of a mortgage lien that is prior to or 12535
superior to any mortgage of record at the time the mortgage lien 12536
is so created, does not disqualify the mortgage of record as a 12537
legal investment under Chapter 1107. or ~~1151.~~ or any other 12538
chapter of the Revised Code. 12539

(I) (1) If a receiver appointed pursuant to divisions (C) 12540
(2) and (3) of this section files with the judge in the civil 12541
action described in division (B) (1) of this section a report 12542
indicating that the public nuisance has been abated, if the 12543

judge confirms that the receiver has abated the public nuisance, 12544
and if the receiver or any interested party requests the judge 12545
to enter an order directing the receiver to sell the building 12546
and the property on which it is located, the judge may enter 12547
that order after holding a hearing as described in division (I) 12548
(2) of this section and otherwise complying with that division. 12549

(2) (a) The receiver or interested party requesting an 12550
order as described in division (I) (1) of this section shall 12551
cause a notice of the date and time of a hearing on the request 12552
to be served on the owner of the building involved and all other 12553
interested parties in accordance with division (B) (2) (a) of this 12554
section. The judge in the civil action described in division (B) 12555
(1) of this section shall conduct the scheduled hearing. At the 12556
hearing, if the owner or any interested party objects to the 12557
sale of the building and the property, the burden of proof shall 12558
be upon the objecting person to establish, by a preponderance of 12559
the evidence, that the benefits of not selling the building and 12560
the property outweigh the benefits of selling them. If the judge 12561
determines that there is no objecting person, or if the judge 12562
determines that there is one or more objecting persons but no 12563
objecting person has sustained the burden of proof specified in 12564
this division, the judge may enter an order directing the 12565
receiver to offer the building and the property for sale upon 12566
terms and conditions that the judge shall specify. 12567

(b) In any sale of subsidized housing that is ordered 12568
pursuant to this section, the judge shall specify that the 12569
subsidized housing not be conveyed unless that conveyance 12570
complies with applicable federal law and applicable program 12571
contracts for that housing. Any such conveyance shall be subject 12572
to the condition that the purchaser enter into a contract with 12573
the department of housing and urban development or the rural 12574

housing service of the federal department of agriculture under 12575
which the property continues to be subsidized housing and the 12576
owner continues to operate that property as subsidized housing 12577
unless the secretary of housing and urban development or the 12578
administrator of the rural housing service terminates that 12579
property's contract prior to or upon the conveyance of the 12580
property. 12581

(3) If a sale of a building and the property on which it 12582
is located is ordered pursuant to divisions (I) (1) and (2) of 12583
this section and if the sale occurs in accordance with the terms 12584
and conditions specified by the judge in the judge's order of 12585
sale, then the receiver shall distribute the proceeds of the 12586
sale and the balance of any funds that the receiver may possess, 12587
after the payment of the costs of the sale, in the following 12588
order of priority and in the described manner: 12589

(a) First, in satisfaction of any notes issued by the 12590
receiver pursuant to division (F) of this section, in their 12591
order of priority; 12592

(b) Second, any unreimbursed expenses and other amounts 12593
paid in accordance with division (F) of this section by the 12594
receiver, and the fees of the receiver approved pursuant to 12595
division (H) (1) of this section; 12596

(c) Third, all expenditures of a mortgagee, lienholder, or 12597
other interested party that has been selected pursuant to 12598
division (C) (2) of this section to undertake the work and to 12599
furnish the materials necessary to abate a public nuisance, 12600
provided that the expenditures were approved as described in 12601
division (H) (2) (a) of this section and provided that, if any 12602
such interested party subsequently became the receiver, its 12603
expenditures shall be paid prior to the expenditures of any of 12604

the other interested parties so selected; 12605

(d) Fourth, the amount due for delinquent taxes, 12606
assessments, charges, penalties, and interest owed to this state 12607
or a political subdivision of this state, provided that, if the 12608
amount available for distribution pursuant to division (I) (3) (d) 12609
of this section is insufficient to pay the entire amount of 12610
those taxes, assessments, charges, penalties, and interest, the 12611
proceeds and remaining funds shall be paid to each claimant in 12612
proportion to the amount of those taxes, assessments, charges, 12613
penalties, and interest that each is due. 12614

(e) The amount of any pre-receivership mortgages, liens, 12615
or other encumbrances, in their order of priority. 12616

(4) Following a distribution in accordance with division 12617
(I) (3) of this section, the receiver shall request the judge in 12618
the civil action described in division (B) (1) of this section to 12619
enter an order terminating the receivership. If the judge 12620
determines that the sale of the building and the property on 12621
which it is located occurred in accordance with the terms and 12622
conditions specified by the judge in the judge's order of sale 12623
under division (I) (2) of this section and that the receiver 12624
distributed the proceeds of the sale and the balance of any 12625
funds that the receiver possessed, after the payment of the 12626
costs of the sale, in accordance with division (I) (3) of this 12627
section, and if the judge approves any final accounting required 12628
of the receiver, the judge may terminate the receivership. 12629

(J) (1) A receiver appointed pursuant to divisions (C) (2) 12630
and (3) of this section may be discharged at any time in the 12631
discretion of the judge in the civil action described in 12632
division (B) (1) of this section. The receiver shall be 12633
discharged by the judge as provided in division (I) (4) of this 12634

section, or when all of the following have occurred: 12635

(a) The public nuisance has been abated; 12636

(b) All costs, expenses, and approved fees of the 12637
receivership have been paid; 12638

(c) Either all receiver's notes issued and mortgages 12639
granted pursuant to this section have been paid, or all the 12640
holders of the notes and mortgages request that the receiver be 12641
discharged. 12642

(2) If a judge in a civil action described in division (B) 12643
(1) of this section determines that, and enters of record a 12644
declaration that, a public nuisance has been abated by a 12645
receiver, and if, within three days after the entry of the 12646
declaration, all costs, expenses, and approved fees of the 12647
receivership have not been paid in full, then, in addition to 12648
the circumstances specified in division (I) of this section for 12649
the entry of such an order, the judge may enter an order 12650
directing the receiver to sell the building involved and the 12651
property on which it is located. Any such order shall be 12652
entered, and the sale shall occur, only in compliance with 12653
division (I) of this section. 12654

(K) The title in any building, and in the property on 12655
which it is located, that is sold at a sale ordered under 12656
division (I) or (J) (2) of this section shall be incontestable in 12657
the purchaser and shall be free and clear of all liens for 12658
delinquent taxes, assessments, charges, penalties, and interest 12659
owed to this state or any political subdivision of this state, 12660
that could not be satisfied from the proceeds of the sale and 12661
the remaining funds in the receiver's possession pursuant to the 12662
distribution under division (I) (3) of this section. All other 12663

liens and encumbrances with respect to the building and the 12664
property shall survive the sale, including, but not limited to, 12665
a federal tax lien notice properly filed in accordance with 12666
section 317.09 of the Revised Code prior to the time of the 12667
sale, and the easements and covenants of record running with the 12668
property that were created prior to the time of the sale. 12669

(L) (1) Nothing in this section shall be construed as a 12670
limitation upon the powers granted to a court of common pleas, a 12671
municipal court or a housing or environmental division of a 12672
municipal court under Chapter 1901. of the Revised Code, or a 12673
county court under Chapter 1907. of the Revised Code. 12674

(2) The monetary and other limitations specified in 12675
Chapters 1901. and 1907. of the Revised Code upon the 12676
jurisdiction of municipal and county courts, and of housing or 12677
environmental divisions of municipal courts, in civil actions do 12678
not operate as limitations upon any of the following: 12679

(a) Expenditures of a mortgagee, lienholder, or other 12680
interested party that has been selected pursuant to division (C) 12681
(2) of this section to undertake the work and to furnish the 12682
materials necessary to abate a public nuisance; 12683

(b) Any notes issued by a receiver pursuant to division 12684
(F) of this section; 12685

(c) Any mortgage granted by a receiver in accordance with 12686
division (F) of this section; 12687

(d) Expenditures in connection with the foreclosure of a 12688
mortgage granted by a receiver in accordance with division (F) 12689
of this section; 12690

(e) The enforcement of an order of a judge entered 12691
pursuant to this section; 12692

(f) The actions that may be taken pursuant to this section 12693
by a receiver or a mortgagee, lienholder, or other interested 12694
party that has been selected pursuant to division (C) (2) of this 12695
section to undertake the work and to furnish the materials 12696
necessary to abate a public nuisance. 12697

(3) A judge in a civil action described in division (B) (1) 12698
of this section, or the judge's successor in office, has 12699
continuing jurisdiction to review the condition of any building 12700
that was determined to be a public nuisance pursuant to this 12701
section. 12702

(4) Nothing in this section shall be construed to limit or 12703
prohibit a municipal corporation or township that has filed with 12704
the superintendent of insurance a certified copy of an adopted 12705
resolution, ordinance, or regulation authorizing the procedures 12706
described in divisions (C) and (D) of section 3929.86 of the 12707
Revised Code from receiving insurance proceeds under section 12708
3929.86 of the Revised Code. 12709

Sec. 4303.293. (A) Any person making application 12710
concerning a permit to conduct a business for which a permit is 12711
required under this chapter shall list on the application the 12712
name and address of each person having a legal or beneficial 12713
interest in the ownership of the business, including contracts 12714
for purchase on an installment basis. If any person is a 12715
corporation or limited liability company, the applicant shall 12716
list the names of each officer of the corporation; the names of 12717
each officer of the limited liability company, if the limited 12718
liability company has officers, and the names of the managing 12719
members of the company or the managers of the company, if the 12720
management of the company is not reserved to its members; the 12721
names of each person owning or controlling five per cent or more 12722

of the capital stock of the corporation; and the names of each 12723
person owning or controlling five per cent or more of either the 12724
voting interests or membership interests in the limited 12725
liability company. If any person is a partnership or 12726
association, the applicant shall list the names of each partner 12727
or member of the association. Any person having a legal or 12728
beneficial interest in the ownership of the business, other than 12729
a bank as defined in section 1101.01 of the Revised Code ~~or a~~ 12730
~~building and loan association as defined in section 1151.01 of~~ 12731
~~the Revised Code~~, shall notify the division of liquor control of 12732
the interest, including contracts for purchase on an installment 12733
basis, occurring after the application for, or the issuance of, 12734
the permit. The notification shall be given within fifteen days 12735
of the change. Whenever the person to whom a permit has been 12736
issued is a corporation or limited liability company and any 12737
transfer of that corporation's stock or that limited liability 12738
company's membership interests is proposed such that, following 12739
the transfer, the owner of the majority or plurality of shares 12740
of stock in the corporation would change or the owner of the 12741
majority or plurality of the limited liability company's 12742
membership interests would change, the proposed transfer of 12743
stock or membership interests shall be considered a proposed 12744
transfer of ownership of the permit, and application shall be 12745
made to the division of liquor control for a transfer of 12746
ownership. The application shall be subject to the notice and 12747
hearing requirements of section 4303.26 of the Revised Code and 12748
to the restrictions imposed by section 4303.29 and division (A) 12749
(1) of section 4303.292 of the Revised Code. 12750

(B) Whoever violates this section is guilty of a 12751
misdemeanor of the first degree. 12752

Sec. 5814.01. As used in sections 5814.01 to 5814.09 of 12753

the Revised Code, unless the context otherwise requires: 12754

(A) "Benefit plan" means any plan of an employer for the 12755
benefit of any employee, any plan for the benefit of any 12756
partner, or any plan for the benefit of a proprietor, and 12757
includes, but is not limited to, any pension, retirement, death 12758
benefit, deferred compensation, employment agency, stock bonus, 12759
option, or profit-sharing contract, plan, system, account, or 12760
trust. 12761

(B) "Broker" means a person that is lawfully engaged in 12762
the business of effecting transactions in securities for the 12763
account of others. A "broker" includes a financial institution 12764
that effects such transactions and a person who is lawfully 12765
engaged in buying and selling securities for the person's own 12766
account, through a broker or otherwise, as a part of a regular 12767
business. 12768

(C) "Court" means the probate court. 12769

(D) "The custodial property" includes: 12770

(1) All securities, money, life or endowment insurance 12771
policies, annuity contracts, benefit plans, real estate, 12772
tangible and intangible personal property, proceeds of a life or 12773
endowment insurance policy, an annuity contract, or a benefit 12774
plan, and other types of property under the supervision of the 12775
same custodian for the same minor as a consequence of a transfer 12776
or transfers made to the minor, a gift or gifts made to the 12777
minor, or a purchase made by the custodian for the minor, in a 12778
manner prescribed in sections 5814.01 to 5814.09 of the Revised 12779
Code; 12780

(2) The income from the custodial property; 12781

(3) The proceeds, immediate and remote, from the sale, 12782

exchange, conversion, investment, reinvestment, or other 12783
disposition of the securities, money, life or endowment 12784
insurance policies, annuity contracts, benefit plans, real 12785
estate, tangible and intangible personal property, proceeds of a 12786
life or endowment insurance policy, an annuity contract, or a 12787
benefit plan, other types of property, and income. 12788

(E) "Custodian" or "successor custodian" means a person so 12789
designated in a manner prescribed in sections 5814.01 to 5814.09 12790
of the Revised Code. 12791

(F) "Financial institution" means any bank, as defined in 12792
section 1101.01 of the Revised Code, ~~any building and loan~~ 12793
~~association, as defined in section 1151.01,~~ any credit union as 12794
defined in section 1733.01 of the Revised Code, and any federal 12795
credit union, as defined in the "Federal Credit Union Act," 73 12796
Stat. 628 (1959), 12 U.S.C.A. 1752, as amended. 12797

(G) "Guardian of the minor" includes the general guardian, 12798
guardian, tutor, or curator of the property, estate, or person 12799
of a minor. 12800

(H) "Issuer" means a person who places or authorizes the 12801
placing of the person's name on a security, other than as a 12802
transfer agent, to evidence that it represents a share, 12803
participation, or other interest in the person's property or in 12804
an enterprise, or to evidence the person's duty or undertaking 12805
to perform an obligation that is evidenced by the security, or 12806
who becomes responsible for or in place of any such person. 12807

(I) "Legal representative" of a person means the executor, 12808
administrator, general guardian, guardian, committee, 12809
conservator, tutor, or curator of the person's property or 12810
estate. 12811

(J) "Member of the minor's family" means a parent, 12812
stepparent, spouse, grandparent, brother, sister, uncle, or aunt 12813
of the minor, whether of the whole or half blood, or by 12814
adoption. 12815

(K) "Minor" means a person who has not attained the age of 12816
twenty-one years. 12817

(L) "Security" includes any note, stock, treasury stock, 12818
common trust fund, bond, debenture, evidence of indebtedness, 12819
certificate of interest or participation in an oil, gas, or 12820
mining title or lease or in payments out of production under an 12821
oil, gas, or mining title or lease, collateral trust 12822
certificate, transferable share, voting trust certificate, or, 12823
in general, any interest or instrument commonly known as a 12824
security, or any certificate of interest or participation in, 12825
any temporary or interim certificate, receipt or certificate of 12826
deposit for, or any warrant or right to subscribe to or 12827
purchase, any of the foregoing. A "security" does not include a 12828
security of which the donor or transferor is the issuer. A 12829
security is in "registered form" when it specifies a person who 12830
is entitled to it or to the rights that it evidences and its 12831
transfer may be registered upon books maintained for that 12832
purpose by or on behalf of the issuer. 12833

(M) "Transfer" means a disposition, other than a gift, by 12834
a person who is eighteen years of age or older that creates 12835
custodial property under sections 5814.01 to 5814.09 of the 12836
Revised Code. 12837

(N) "Transfer agent" means a person who acts as 12838
authenticating trustee, transfer agent, registrar, or other 12839
agent for an issuer in the registration of transfers of its 12840
securities, in the issue of new securities, or in the 12841

cancellation of surrendered securities. 12842

(O) "Transferor" means a person who is eighteen years of 12843
age or older, who makes a transfer. 12844

(P) "Trust company" means a financial institution that is 12845
authorized to exercise trust powers. 12846

(Q) "Administrator" includes an "administrator with the 12847
will annexed." 12848

Section 2. That existing sections 102.02, 109.572, 111.15, 12849
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1161.28, 1161.29, 1161.30, 1161.31, 1161.32, 1161.33, 1161.34, 12911
1161.35, 1161.36, 1161.37, 1161.38, 1161.39, 1161.40, 1161.41, 12912
1161.42, 1161.43, 1161.44, 1161.441, 1161.45, 1161.46, 1161.47, 12913
1161.48, 1161.49, 1161.50, 1161.51, 1161.52, 1161.53, 1161.54, 12914
1161.55, 1161.56, 1161.57, 1161.58, 1161.59, 1161.60, 1161.601, 12915
1161.61, 1161.62, 1161.63, 1161.631, 1161.64, 1161.65, 1161.66, 12916
1161.67, 1161.68, 1161.69, 1161.70, 1161.71, 1161.72, 1161.73, 12917
1161.74, 1161.75, 1161.76, 1161.77, 1161.78, 1161.79, 1161.80, 12918
1161.81, 1163.01, 1163.02, 1163.03, 1163.04, 1163.05, 1163.07, 12919
1163.09, 1163.10, 1163.11, 1163.12, 1163.121, 1163.13, 1163.14, 12920
1163.15, 1163.19, 1163.20, 1163.21, 1163.22, 1163.24, 1163.25, 12921
1163.26, 1163.27, 1165.01, 1165.03, 1165.04, 1165.05, 1165.06, 12922
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1165.25, 1165.26, 1165.27, 1165.28, 1165.29, 1165.30, 1165.33, 12925
1181.16, 1181.17, and 1181.18 of the Revised Code are hereby 12926
repealed. 12927

Section 3. Notwithstanding section 1123.01 of the Revised 12928
Code, as amended by this act, both of the following apply: 12929

(A) The appointed members who are serving on the Banking 12930
Commission as of the effective date of this section shall serve 12931
until the end of the term for which the member was appointed. 12932
The terms of office set forth in division (B) of that section 12933
and the qualifications for membership set forth in division (D) 12934

of that section shall first apply to the members appointed on or 12935
after the effective date of this section. 12936

(B) The Banking Commission shall, on the effective date of 12937
this section, additionally consist of the six members appointed 12938
to the Savings and Loan Associations and Savings Banks Board 12939
under section 1181.16 of the Revised Code. Each such member 12940
shall serve until the end of the term for which the member was 12941
appointed. 12942

Section 4. Sections 1, 2, and 3 of this act shall take 12943
effect July 1, 2017. 12944

Section 5. Section 1121.02 of the Revised Code is 12945
presented in this act as a composite of the section as amended 12946
by both Am. Sub. H.B. 538 and Am. Sub. S.B. 293 of the 121st 12947
General Assembly. The General Assembly, applying the principle 12948
stated in division (B) of section 1.52 of the Revised Code that 12949
amendments are to be harmonized if reasonably capable of 12950
simultaneous operation, finds that the composite is the 12951
resulting version of the section in effect prior to the 12952
effective date of the section as presented in this act. 12953