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REPRESENTATIVES Womer Benjamin, Blasdel, Salerno, Allen, Schmidt,

Seitz, Carey, Evans

SENATORS Prentiss, Carnes, Blessing

A B I L L

To amend sections 2109.371 and 3107.15 and to enact 1
section 1111.15 of the Revised Code to allow a 2
trust company, under certain circumstances, to 3
purchase products or services through or from the 4
trust company or an affiliate or from a syndicate 5
or selling group that includes the trust company or 6
an affiliate, to expand the investment authority of 7
fiduciaries under the Probate Fiduciaries Law, and 8
to restrict bequests and other property transfers 9
to persons adopted as adults, unless such persons 10
are expressly included in the instrument of 11
transfer. 12

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

Section 1. That sections 2109.371 and 3107.15 be amended and 13
section 1111.15 of the Revised Code be enacted to read as follows: 14

Sec. 1111.15. (A) A trust company acting in any fiduciary 15
capacity, including, but not limited to, the capacities described 16
in section 1111.11 of the Revised Code, may purchase any service 17
or product, including, but not limited to, insurance or securities 18

underwritten or otherwise distributed by the trust company or by
an affiliate, through or directly from the trust company or an
affiliate or from a syndicate or selling group that includes the
trust company or an affiliate, provided that the purchase is
otherwise prudent under sections 1339.52 to 1339.61 of the Revised
Code and the compensation for the service or product is reasonable
and is not prohibited by the instrument governing the fiduciary
relationship. The compensation for the service or product may be
in addition to the compensation that the trust company is
otherwise entitled to receive from the fiduciary account.

(B) A trust company shall disclose at least annually any
purchase authorized by this section that was made by the trust
company during that reporting period. The disclosure shall be
given, in writing or electronically, to all persons entitled to
receive statements of account activity, and shall include any
capacities in which the trust company or an affiliate acts for the
issuer of the securities or the provider of the products or
services and the fact that the trust company or an affiliate may
have an interest in the products or services.

(C) This section shall apply to the purchase of securities
made at the time of the initial offering of the securities or at
any time thereafter.

Sec. 2109.371. (A) In addition to those investments made
eligible by section 2109.37 or 2109.372 of the Revised Code,
investments may be made by a fiduciary other than a guardian under
sections 5905.01 to 5905.19 of the Revised Code, and subject to
the restriction placed on an administrator or executor by division
(B) of section 2109.37 of the Revised Code, in any of the
following kinds and classes of securities, provided that it may be
lawfully sold in Ohio and investment is made only in such
securities as would be acquired by prudent persons of discretion

and intelligence in such matters who are seeking a reasonable 50
income and the preservation of their capital: 51

(1) Securities of corporations organized and existing under 52
the laws of the United States, the District of Columbia, or any 53
state of the United States including, but not limited to, bonds, 54
debentures, notes, equipment trust obligations, or other evidences 55
of indebtedness, and shares of common and preferred stocks of such 56
corporations; 57

(2) Subject to division (C) of this section, collective 58
investment funds established in accordance with section 1111.14 of 59
the Revised Code or securities of any investment company, 60
including any affiliated investment company, whether or not the 61
fiduciary has invested other funds held by it in an agency or 62
other nonfiduciary capacity in the securities of the same 63
investment company or affiliated investment company~~+~~. Such 64
investments may be made regardless of the eligibility of the 65
underlying assets held by the fund portfolios of the investment 66
company. 67

(3) Bonds or other interest-bearing obligations of any state 68
or territory of the United States, or of any county, city, 69
village, school district, or other legally constituted political 70
taxing subdivision of any state or territory of the United States, 71
not otherwise eligible under division (A)(2) or (3) of section 72
2109.37 of the Revised Code; 73

(4) Debt or equity securities of foreign corporations that 74
trade on recognized United States domiciled exchanges. 75

(B) No investment shall be made pursuant to this section 76
which, at the time such investment is made, causes the aggregate 77
market value of the investments, not made eligible by section 78
2109.37 or 2109.372 of the Revised Code, to exceed sixty per cent 79
of the aggregate market value at that time of all the property of 80
the fund held by the fiduciary. No sale or other liquidation of 81

any investment shall be required solely because of any change in
the relative market value of those investments made eligible by
this section and those made eligible by section 2109.37 or
2109.372 of the Revised Code; provided that, in the event of a
sale of investments authorized by this section, the proceeds from
the sale may be reinvested in the kinds and classes of securities
authorized by this section without regard to the percentage
limitation provided in this division. In determining the aggregate
market value of the property of a fund and the percentage of a
fund to be invested under this section, a fiduciary may rely upon
published market quotations as to those investments for which such
quotations are available and upon such valuations of other
investments as, in the fiduciary's best judgment, seem fair and
reasonable according to available information.

(C)(1)(a) A fiduciary making an investment of trust funds in
securities of an affiliated investment company, or a bank
subsidiary corporation or other corporation owned or controlled by
the bank holding company that owns or controls the fiduciary, may
charge a reasonable fee for investment advisory, brokerage,
transfer agency, registrar, management, or other similar services
provided to an affiliated investment company. The fee may be in
addition to the compensation to which the fiduciary is otherwise
entitled to receive from the trust, provided that the fee is
charged as a percentage of either asset value or income earned or
actual amount charged and is disclosed at least annually by
prospectus, account statement, or any other written means to all
persons entitled to receive statements of account activity. The
fiduciary shall disclose the relationship between the fiduciary
and the affiliated investment company, at least annually by
account statement, whether or not the fee is charged.

(b) A fiduciary making an investment of trust funds in

securities of an affiliated investment company pursuant to 114
division (A)(2) of this section shall, when providing any periodic 115
account statements to the trust fund, report the net asset value 116
of the shares comprising the investment of the trust funds in the 117
affiliated investment company. 118

(c) If a fiduciary making an investment of trust funds in 119
securities of an affiliated investment company pursuant to 120
division (A)(2) of this section invests such funds in any mutual 121
fund, the fiduciary shall disclose, in at least ten-point boldface 122
type, by prospectus, account statement, or any other written means 123
to all persons entitled to receive statements of account activity, 124
that the mutual fund is not insured or guaranteed by the federal 125
deposit insurance corporation or by any other government-sponsored 126
agency of the federal government or of this state. 127

(2) Unless the investment of trust funds in securities of an 128
affiliated investment company can be made under the terms of the 129
instrument creating the trust, an exception to the investment of 130
trust funds in securities of an affiliated investment company may 131
be filed with the probate court. Any exception filed pursuant to 132
this division must be signed by all persons who would, at the time 133
the exception is filed, be permitted to file an exception to an 134
account pursuant to section 2109.33 of the Revised Code and must 135
state that all such persons request that the current investment of 136
trust funds in securities of an affiliated investment company be 137
terminated within a reasonable time. If the probate court 138
determines that the exception complies with the requirements of 139
this division, the probate court shall establish a schedule for 140
disposing of any current investments in securities of an 141
affiliated investment company, and the fiduciary shall cause the 142
trust to dispose of the investments in accordance with the 143
schedule. The fiduciary shall not be liable for any loss incurred 144
by the trust as a result of complying with division (C)(2) of this 145

section.

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(D) As used in this section, "affiliated investment company"
and "reasonable fee" have the same meanings as in division (E) of
section 1111.13 of the Revised Code.

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Sec. 3107.15. (A) A final decree of adoption and an
interlocutory order of adoption that has become final as issued by
a court of this state, or a decree issued by a jurisdiction
outside this state as recognized pursuant to section 3107.18 of
the Revised Code, shall have the following effects as to all
matters within the jurisdiction or before a court of this state,
whether issued before or after May 30, 1996:

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(1) Except with respect to a spouse of the petitioner and
relatives of the spouse, to relieve the biological or other legal
parents of the adopted person of all parental rights and
responsibilities, and to terminate all legal relationships between
the adopted person and the adopted person's relatives, including
the adopted person's biological or other legal parents, so that
the adopted person thereafter is a stranger to the adopted
person's former relatives for all purposes including inheritance
and the interpretation or construction of documents, statutes, and
instruments, whether executed before or after the adoption is
decreed, which do not expressly include the person by name or by
some designation not based on a parent and child or blood
relationship;

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(2) To create the relationship of parent and child between
petitioner and the adopted person, as if the adopted person were a
legitimate blood descendant of the petitioner, for all purposes
including inheritance and applicability of statutes, documents,
and instruments, whether executed before or after the adoption is
decreed, and whether executed or created before or after May 30,
1996, which do not expressly exclude an adopted person from their

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operation or effect;

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(3) Notwithstanding division (A)(2) of this section, a person
who is eighteen years of age or older at the time the person is
adopted, and the adopted person's lineal descendants, are not
included as recipients of gifts, devises, bequests, or other
transfers of property, including transfers in trust made to a
class of persons including, but not limited to, children,
grandchildren, heirs, issue, lineal descendants, and next of kin,
for purposes of inheritance and applicability of statutes,
documents, and instruments, whether executed or created before or
after May 30, 1996, unless the document or instrument expressly
includes the adopted person by name or expressly states that it
includes a person who is eighteen years of age or older at the
time the person is adopted.

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(B) Notwithstanding division (A) of this section, if a parent
of a child dies without the relationship of parent and child
having been previously terminated and a spouse of the living
parent thereafter adopts the child, the child's rights from or
through the deceased parent for all purposes, including
inheritance and applicability or construction of documents,
statutes, and instruments, are not restricted or curtailed by the
adoption.

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(C) Notwithstanding division (A) of this section, if the
relationship of parent and child has not been terminated between a
parent and that parent's child and a spouse of the other parent of
the child adopts the child, a grandparent's or relative's right to
companionship or visitation pursuant to section 3109.11 of the
Revised Code is not restricted or curtailed by the adoption.

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(D) An interlocutory order of adoption, while it is in force,
has the same legal effect as a final decree of adoption. If an
interlocutory order of adoption is vacated, it shall be as though
void from its issuance, and the rights, liabilities, and status of

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all affected persons that have not become vested are governed 209
accordingly. 210

Section 2. That existing sections 2109.371 and 3107.15 of the 211
Revised Code are hereby repealed. 212

Section 3. No liability shall arise against any one of the 213
following that, prior to the effective date of this section, 214
authorized or was otherwise responsible for a distribution or 215
other payment or a transfer of property that is inconsistent with 216
division (A)(3) of section 3107.15 of the Revised Code, as amended 217
by this act: 218

(1) A fiduciary under a trust instrument, will, or other 219
document; 220

(2) A bank, savings and loan association, credit union, or 221
society for savings, in connection with written contracts 222
described in sections 2131.10 and 2131.11 of the Revised Code; 223

(3) A registering entity, as defined in division (H) of 224
section 1709.01 of the Revised Code, for a transfer-on-death made 225
pursuant to Chapter 1709. of the Revised Code. 226