

**CORRECTED TITLE**  
**As Passed by the Senate**

**125th General Assembly**  
**Regular Session**  
**2003-2004**

**Sub. S. B. No. 133**

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**Senators?Wachtmann, Schuring, Austria, Amstutz, Stivers, Harris, Spada,  
Coughlin, Armbruster, Jordan, Randy?Gardner, Jacobson, Carnes,  
Robert?Gardner, Miller, Mumper, Nein, White, Schuler?**

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**A??B?I?L?L**

To amend sections 102.02, 102.03, 102.06, 117.10,	1
145.04, 145.05, 145.051, 145.06, 145.09, 145.27,	2
171.01, 171.02, 171.03, 171.04, 742.03, 742.04,	3
742.05, 742.10, 742.38, 742.41, 1707.01, 1707.03,	4
1707.17, 1707.19, 1707.20, 1707.22, 1707.23,	5
1707.25, 1707.261, 1707.39, 1707.431, 1707.44,	6
1707.46, 3307.03, 3307.05, 3307.06, 3307.07,	7
3307.11, 3307.20, 3309.03, 3309.05, 3309.06,	8
3309.07, 3309.09, 3309.14, 3309.22, 5505.04, and	9
5505.07; to amend, for the purpose of adopting new	10
section numbers as indicated in parentheses,	11
sections 145.051 (145.052) and 3309.061	12
(3309.071); to enact new sections 145.051 and	13
3309.061; and sections 109.98, 111.30, 145.041,	14
145.042, 145.053, 145.054, 145.055, 145.057,	15
145.092, 145.093, 145.094, 145.99, 171.06, 171.50,	16
742.031, 742.032, 742.042, 742.043, 742.044,	17
742.046, 742.102, 742.103, 742.104, 742.99,	18
1707.162, 1707.163, 3307.041, 3307.042, 3307.043,	19
3307.051, 3307.052, 3307.061, 3307.072, 3307.073,	20
3307.074, 3307.99, 3309.041, 3309.042, 3309.043,	21

3309.051, 3309.052, 3309.072, 3309.073, 3309.074, 22  
3309.99, 5505.041, 5505.042, 5505.043, 5505.044, 23  
5505.045, 5505.046, 5505.048, 5505.049, 5505.062, 24  
5505.063, 5505.064, 5505.065, 5505.122, and 25  
5505.99 of the Revised Code regarding governance 26  
of Ohio's five public retirement systems. 27

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

**Section 1.** That sections 102.02, 102.03, 102.06, 117.10, 28  
145.04, 145.05, 145.051, 145.06, 145.09, 145.27, 171.01, 171.02, 29  
171.03, 171.04, 742.03, 742.04, 742.05, 742.10, 742.38, 742.41, 30  
1707.01, 1707.03, 1707.17, 1707.19, 1707.20, 1707.22, 1707.23, 31  
1707.25, 1707.261, 1707.39, 1707.431, 1707.44, 1707.46, 3307.03, 32  
3307.05, 3307.06, 3307.07, 3307.11, 3307.20, 3309.03, 3309.05, 33  
3309.06, 3309.07, 3309.09, 3309.14, 3309.22, 5505.04, and 5505.07 34  
be amended; sections 145.051 (145.052) and 3309.061 (3309.071) be 35  
amended for the purpose of adopting new section numbers as 36  
indicated in parentheses; and new sections 145.051 and 3309.061 37  
and sections 109.98, 111.30, 145.041, 145.042, 145.053, 145.054, 38  
145.055, 145.057, 145.092, 145.093, 145.094, 145.99, 171.06, 39  
171.50, 742.031, 742.032, 742.042, 742.043, 742.044, 742.046, 40  
742.102, 742.103, 742.104, 742.99, 1707.162, 1707.163, 3307.041, 41  
3307.042, 3307.043, 3307.051, 3307.052, 3307.061, 3307.072, 42  
3307.073, 3307.074, 3307.99, 3309.041, 3309.042, 3309.043, 43  
3309.051, 3309.052, 3309.072, 3309.073, 3309.074, 3309.99, 44  
5505.041, 5505.042, 5505.043, 5505.044, 5505.045, 5505.046, 45  
5505.048, 5505.049, 5505.062, 5505.063, 5505.064, 5505.065, 46  
5505.122, and 5505.99 of the Revised Code be enacted to read as 47  
follows: 48

**Sec. 102.02.** (A) Except as otherwise provided in division (H) 49  
of this section, all of the following shall file with the 50

appropriate ethics commission the disclosure statement described 51  
in this division on a form prescribed by the appropriate 52  
commission: every person who is elected to or is a candidate for a 53  
state, county, or city office, or the office of member of the 54  
United States congress, and every person who is appointed to fill 55  
a vacancy for an unexpired term in such an elective office; all 56  
members of the state board of education; the director, assistant 57  
directors, deputy directors, division chiefs, or persons of 58  
equivalent rank of any administrative department of the state; the 59  
president or other chief administrative officer of every state 60  
institution of higher education as defined in section 3345.011 of 61  
the Revised Code; the chief executive officer and the members of 62  
the board of each state retirement system; each employee of a 63  
state retirement board who is a state retirement system investment 64  
officer licensed pursuant to section 1707.163 of the Revised Code; 65  
the members of the Ohio retirement study council appointed 66  
pursuant to division (C) or (D) of section 171.01 of the Revised 67  
Code; employees of the Ohio retirement study council, other than 68  
employees who perform purely administrative or clerical functions; 69  
all members of the board of commissioners on grievances and 70  
discipline of the supreme court and the ethics commission created 71  
under section 102.05 of the Revised Code; every business manager, 72  
treasurer, or superintendent of a city, local, exempted village, 73  
joint vocational, or cooperative education school district or an 74  
educational service center; every person who is elected to or is a 75  
candidate for the office of member of a board of education of a 76  
city, local, exempted village, joint vocational, or cooperative 77  
education school district or of a governing board of an 78  
educational service center that has a total student count of 79  
twelve thousand or more as most recently determined by the 80  
department of education pursuant to section 3317.03 of the Revised 81  
Code; every person who is appointed to the board of education of a 82

municipal school district pursuant to division (B) or (F) of 83  
section 3311.71 of the Revised Code; all members of the board of 84  
directors of a sanitary district established under Chapter 6115. 85  
of the Revised Code and organized wholly for the purpose of 86  
providing a water supply for domestic, municipal, and public use 87  
that includes two municipal corporations in two counties; every 88  
public official or employee who is paid a salary or wage in 89  
accordance with schedule C of section 124.15 or schedule E-2 of 90  
section 124.152 of the Revised Code; members of the board of 91  
trustees and the executive director of the tobacco use prevention 92  
and control foundation; members of the board of trustees and the 93  
executive director of the southern Ohio agricultural and community 94  
development foundation; and every other public official or 95  
employee who is designated by the appropriate ethics commission 96  
pursuant to division (B) of this section ~~shall file with the~~ 97  
~~appropriate ethics commission on a form prescribed by the~~ 98  
~~commission, a statement disclosing all of the following:.~~ 99

The disclosure statement shall include all of the following: 100

(1) The name of the person filing the statement and each 101  
member of the person's immediate family and all names under which 102  
the person or members of the person's immediate family do 103  
business; 104

(2)(a) Subject to divisions (A)(2)(b) and (c) of this section 105  
and except as otherwise provided in section 102.022 of the Revised 106  
Code, identification of every source of income, other than income 107  
from a legislative agent identified in division (A)(2)(b) of this 108  
section, received during the preceding calendar year, in the 109  
person's own name or by any other person for the person's use or 110  
benefit, by the person filing the statement, and a brief 111  
description of the nature of the services for which the income was 112  
received. If the person filing the statement is a member of the 113

general assembly, the statement shall identify the amount of every 114  
source of income received in accordance with the following ranges 115  
of amounts: zero or more, but less than one thousand dollars; one 116  
thousand dollars or more, but less than ten thousand dollars; ten 117  
thousand dollars or more, but less than twenty-five thousand 118  
dollars; twenty-five thousand dollars or more, but less than fifty 119  
thousand dollars; fifty thousand dollars or more, but less than 120  
one hundred thousand dollars; and one hundred thousand dollars or 121  
more. Division (A)(2)(a) of this section shall not be construed to 122  
require a person filing the statement who derives income from a 123  
business or profession to disclose the individual items of income 124  
that constitute the gross income of that business or profession, 125  
except for those individual items of income that are attributable 126  
to the person's or, if the income is shared with the person, the 127  
partner's, solicitation of services or goods or performance, 128  
arrangement, or facilitation of services or provision of goods on 129  
behalf of the business or profession of clients, including 130  
corporate clients, who are legislative agents as defined in 131  
section 101.70 of the Revised Code. A person who files the 132  
statement under this section shall disclose the identity of and 133  
the amount of income received from a person who the public 134  
official or employee knows or has reason to know is doing or 135  
seeking to do business of any kind with the public official's or 136  
employee's agency. 137

(b) If the person filing the statement is a member of the 138  
general assembly, the statement shall identify every source of 139  
income and the amount of that income that was received from a 140  
legislative agent, as defined in section 101.70 of the Revised 141  
Code, during the preceding calendar year, in the person's own name 142  
or by any other person for the person's use or benefit, by the 143  
person filing the statement, and a brief description of the nature 144  
of the services for which the income was received. Division 145  
(A)(2)(b) of this section requires the disclosure of clients of 146

attorneys or persons licensed under section 4732.12 of the Revised 147  
Code, or patients of persons certified under section 4731.14 of 148  
the Revised Code, if those clients or patients are legislative 149  
agents. Division (A)(2)(b) of this section requires a person 150  
filing the statement who derives income from a business or 151  
profession to disclose those individual items of income that 152  
constitute the gross income of that business or profession that 153  
are received from legislative agents. 154

(c) Except as otherwise provided in division (A)(2)(c) of 155  
this section, division (A)(2)(a) of this section applies to 156  
attorneys, physicians, and other persons who engage in the 157  
practice of a profession and who, pursuant to a section of the 158  
Revised Code, the common law of this state, a code of ethics 159  
applicable to the profession, or otherwise, generally are required 160  
not to reveal, disclose, or use confidences of clients, patients, 161  
or other recipients of professional services except under 162  
specified circumstances or generally are required to maintain 163  
those types of confidences as privileged communications except 164  
under specified circumstances. Division (A)(2)(a) of this section 165  
does not require an attorney, physician, or other professional 166  
subject to a confidentiality requirement as described in division 167  
(A)(2)(c) of this section to disclose the name, other identity, or 168  
address of a client, patient, or other recipient of professional 169  
services if the disclosure would threaten the client, patient, or 170  
other recipient of professional services, would reveal details of 171  
the subject matter for which legal, medical, or professional 172  
advice or other services were sought, or would reveal an otherwise 173  
privileged communication involving the client, patient, or other 174  
recipient of professional services. Division (A)(2)(a) of this 175  
section does not require an attorney, physician, or other 176  
professional subject to a confidentiality requirement as described 177  
in division (A)(2)(c) of this section to disclose in the brief 178  
description of the nature of services required by division 179

(A)(2)(a) of this section any information pertaining to specific 180  
professional services rendered for a client, patient, or other 181  
recipient of professional services that would reveal details of 182  
the subject matter for which legal, medical, or professional 183  
advice was sought or would reveal an otherwise privileged 184  
communication involving the client, patient, or other recipient of 185  
professional services. 186

(3) The name of every corporation on file with the secretary 187  
of state that is incorporated in this state or holds a certificate 188  
of compliance authorizing it to do business in this state, trust, 189  
business trust, partnership, or association that transacts 190  
business in this state in which the person filing the statement or 191  
any other person for the person's use and benefit had during the 192  
preceding calendar year an investment of over one thousand dollars 193  
at fair market value as of the thirty-first day of December of the 194  
preceding calendar year, or the date of disposition, whichever is 195  
earlier, or in which the person holds any office or has a 196  
fiduciary relationship, and a description of the nature of the 197  
investment, office, or relationship. Division (A)(3) of this 198  
section does not require disclosure of the name of any bank, 199  
savings and loan association, credit union, or building and loan 200  
association with which the person filing the statement has a 201  
deposit or a withdrawable share account. 202

(4) All fee simple and leasehold interests to which the 203  
person filing the statement holds legal title to or a beneficial 204  
interest in real property located within the state, excluding the 205  
person's residence and property used primarily for personal 206  
recreation; 207

(5) The names of all persons residing or transacting business 208  
in the state to whom the person filing the statement owes, in the 209  
person's own name or in the name of any other person, more than 210  
one thousand dollars. Division (A)(5) of this section shall not be 211

construed to require the disclosure of debts owed by the person 212  
resulting from the ordinary conduct of a business or profession or 213  
debts on the person's residence or real property used primarily 214  
for personal recreation, except that the superintendent of 215  
financial institutions shall disclose the names of all 216  
state-chartered savings and loan associations and of all service 217  
corporations subject to regulation under division (E)(2) of 218  
section 1151.34 of the Revised Code to whom the superintendent in 219  
the superintendent's own name or in the name of any other person 220  
owes any money, and that the superintendent and any deputy 221  
superintendent of banks shall disclose the names of all 222  
state-chartered banks and all bank subsidiary corporations subject 223  
to regulation under section 1109.44 of the Revised Code to whom 224  
the superintendent or deputy superintendent owes any money. 225

(6) The names of all persons residing or transacting business 226  
in the state, other than a depository excluded under division 227  
(A)(3) of this section, who owe more than one thousand dollars to 228  
the person filing the statement, either in the person's own name 229  
or to any person for the person's use or benefit. Division (A)(6) 230  
of this section shall not be construed to require the disclosure 231  
of clients of attorneys or persons licensed under section 4732.12 232  
or 4732.15 of the Revised Code, or patients of persons certified 233  
under section 4731.14 of the Revised Code, nor the disclosure of 234  
debts owed to the person resulting from the ordinary conduct of a 235  
business or profession. 236

(7) Except as otherwise provided in section 102.022 of the 237  
Revised Code, the source of each gift of over seventy-five 238  
dollars, or of each gift of over twenty-five dollars received by a 239  
member of the general assembly from a legislative agent, received 240  
by the person in the person's own name or by any other person for 241  
the person's use or benefit during the preceding calendar year, 242  
except gifts received by will or by virtue of section 2105.06 of 243



the Revised Code, or received from spouses, parents, grandparents, 244  
children, grandchildren, siblings, nephews, nieces, uncles, aunts, 245  
brothers-in-law, sisters-in-law, sons-in-law, daughters-in-law, 246  
fathers-in-law, mothers-in-law, or any person to whom the person 247  
filing the statement stands in loco parentis, or received by way 248  
of distribution from any inter vivos or testamentary trust 249  
established by a spouse or by an ancestor; 250

(8) Except as otherwise provided in section 102.022 of the 251  
Revised Code, identification of the source and amount of every 252  
payment of expenses incurred for travel to destinations inside or 253  
outside this state that is received by the person in the person's 254  
own name or by any other person for the person's use or benefit 255  
and that is incurred in connection with the person's official 256  
duties, except for expenses for travel to meetings or conventions 257  
of a national or state organization to which any state agency, 258  
including, but not limited to, any legislative agency or state 259  
institution of higher education as defined in section 3345.011 of 260  
the Revised Code, pays membership dues, or any political 261  
subdivision or any office or agency of a political subdivision 262  
pays membership dues; 263

(9) Except as otherwise provided in section 102.022 of the 264  
Revised Code, identification of the source of payment of expenses 265  
for meals and other food and beverages, other than for meals and 266  
other food and beverages provided at a meeting at which the person 267  
participated in a panel, seminar, or speaking engagement or at a 268  
meeting or convention of a national or state organization to which 269  
any state agency, including, but not limited to, any legislative 270  
agency or state institution of higher education as defined in 271  
section 3345.011 of the Revised Code, pays membership dues, or any 272  
political subdivision or any office or agency of a political 273  
subdivision pays membership dues, that are incurred in connection 274  
with the person's official duties and that exceed one hundred 275

dollars aggregated per calendar year; 276

(10) If the financial disclosure statement is filed by a 277  
public official or employee described in division (B)(2) of 278  
section 101.73 of the Revised Code or division (B)(2) of section 279  
121.63 of the Revised Code who receives a statement from a 280  
legislative agent, executive agency lobbyist, or employer that 281  
contains the information described in division (F)(2) of section 282  
101.73 of the Revised Code or division (G)(2) of section 121.63 of 283  
the Revised Code, all of the nondisputed information contained in 284  
the statement delivered to that public official or employee by the 285  
legislative agent, executive agency lobbyist, or employer under 286  
division (F)(2) of section 101.73 or (G)(2) of section 121.63 of 287  
the Revised Code. As used in division (A)(10) of this section, 288  
"legislative agent," "executive agency lobbyist," and "employer" 289  
have the same meanings as in sections 101.70 and 121.60 of the 290  
Revised Code. 291

A person may file a statement required by this section in 292  
person or by mail. A person who is a candidate for elective office 293  
shall file the statement no later than the thirtieth day before 294  
the primary, special, or general election at which the candidacy 295  
is to be voted on, whichever election occurs soonest, except that 296  
a person who is a write-in candidate shall file the statement no 297  
later than the twentieth day before the earliest election at which 298  
the person's candidacy is to be voted on. A person who holds 299  
elective office shall file the statement on or before the 300  
fifteenth day of April of each year unless the person is a 301  
candidate for office. A person who is appointed to fill a vacancy 302  
for an unexpired term in an elective office shall file the 303  
statement within fifteen days after the person qualifies for 304  
office. Other persons shall file an annual statement on or before 305  
the fifteenth day of April or, if appointed or employed after that 306  
date, within ninety days after appointment or employment. No 307

person shall be required to file with the appropriate ethics 308  
commission more than one statement or pay more than one filing fee 309  
for any one calendar year. 310

The appropriate ethics commission, for good cause, may extend 311  
for a reasonable time the deadline for filing a statement under 312  
this section. 313

A statement filed under this section is subject to public 314  
inspection at locations designated by the appropriate ethics 315  
commission except as otherwise provided in this section. 316

(B) The Ohio ethics commission, the joint legislative ethics 317  
committee, and the board of commissioners on grievances and 318  
discipline of the supreme court, using the rule-making procedures 319  
of Chapter 119. of the Revised Code, may require any class of 320  
public officials or employees under its jurisdiction and not 321  
specifically excluded by this section whose positions involve a 322  
substantial and material exercise of administrative discretion in 323  
the formulation of public policy, expenditure of public funds, 324  
enforcement of laws and rules of the state or a county or city, or 325  
the execution of other public trusts, to file an annual statement 326  
on or before the fifteenth day of April under division (A) of this 327  
section. The appropriate ethics commission shall send the public 328  
officials or employees written notice of the requirement by the 329  
fifteenth day of February of each year the filing is required 330  
unless the public official or employee is appointed after that 331  
date, in which case the notice shall be sent within thirty days 332  
after appointment, and the filing shall be made not later than 333  
ninety days after appointment. 334

Except for disclosure statements filed by members of the 335  
board of trustees and the executive director of the tobacco use 336  
prevention and control foundation and members of the board of 337  
trustees and the executive director of the southern Ohio 338  
agricultural and community development foundation, disclosure 339

statements filed under this division with the Ohio ethics 340  
commission by members of boards, commissions, or bureaus of the 341  
state for which no compensation is received other than reasonable 342  
and necessary expenses shall be kept confidential. Disclosure 343  
statements filed with the Ohio ethics commission under division 344  
(A) of this section by business managers, treasurers, and 345  
superintendents of city, local, exempted village, joint 346  
vocational, or cooperative education school districts or 347  
educational service centers shall be kept confidential, except 348  
that any person conducting an audit of any such school district or 349  
educational service center pursuant to section 115.56 or Chapter 350  
117. of the Revised Code may examine the disclosure statement of 351  
any business manager, treasurer, or superintendent of that school 352  
district or educational service center. The Ohio ethics commission 353  
shall examine each disclosure statement required to be kept 354  
confidential to determine whether a potential conflict of interest 355  
exists for the person who filed the disclosure statement. A 356  
potential conflict of interest exists if the private interests of 357  
the person, as indicated by the person's disclosure statement, 358  
might interfere with the public interests the person is required 359  
to serve in the exercise of the person's authority and duties in 360  
the person's office or position of employment. If the commission 361  
determines that a potential conflict of interest exists, it shall 362  
notify the person who filed the disclosure statement and shall 363  
make the portions of the disclosure statement that indicate a 364  
potential conflict of interest subject to public inspection in the 365  
same manner as is provided for other disclosure statements. Any 366  
portion of the disclosure statement that the commission determines 367  
does not indicate a potential conflict of interest shall be kept 368  
confidential by the commission and shall not be made subject to 369  
public inspection, except as is necessary for the enforcement of 370  
Chapters 102. and 2921. of the Revised Code and except as 371  
otherwise provided in this division. 372

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

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

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

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

For state office, except member of the		385
state board of education	\$65	386
For office of member of United States		387
congress or member of general assembly	\$40	388
For county office	\$40	389
For city office	\$25	390
For office of member of the state board		391
of education	\$25	392
For office of member of a city, local,		393
exempted village, or cooperative		394
education board of		395
education or educational service		396
center governing board	\$20	397
For position of business manager,		398
treasurer, or superintendent of a		399
city, local, exempted village, joint		400
vocational, or cooperative education		401
school district or		402
educational service center	\$20	403

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

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

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

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

(2) The Ohio ethics commission shall deposit all receipts, including, but not limited to, fees it receives under divisions (E) and (F) of this section and all moneys it receives from settlements under division (G) of section 102.06 of the Revised Code, into the Ohio ethics commission fund, which is hereby created in the state treasury. All moneys credited to the fund shall be used solely for expenses related to the operation and statutory functions of the commission.

(H) Division (A) of this section does not apply to a person elected or appointed to the office of precinct, ward, or district committee member under Chapter 3517. of the Revised Code; a presidential elector; a delegate to a national convention; village

or township officials and employees; any physician or psychiatrist 435  
who is paid a salary or wage in accordance with schedule C of 436  
section 124.15 or schedule E-2 of section 124.152 of the Revised 437  
Code and whose primary duties do not require the exercise of 438  
administrative discretion; or any member of a board, commission, 439  
or bureau of any county or city who receives less than one 440  
thousand dollars per year for serving in that position. 441

**Sec. 102.03.** (A)(1) No present or former public official or 442  
employee shall, during public employment or service or for twelve 443  
months thereafter, represent a client or act in a representative 444  
capacity for any person on any matter in which the public official 445  
or employee personally participated as a public official or 446  
employee through decision, approval, disapproval, recommendation, 447  
the rendering of advice, investigation, or other substantial 448  
exercise of administrative discretion. 449

(2) For twenty-four months after the conclusion of service, 450  
no former commissioner or attorney examiner of the public 451  
utilities commission shall represent a public utility, as defined 452  
in section 4905.02 of the Revised Code, or act in a representative 453  
capacity on behalf of such a utility before any state board, 454  
commission, or agency. 455

(3) For twenty-four months after the conclusion of employment 456  
or service, no former public official or employee who personally 457  
participated as a public official or employee through decision, 458  
approval, disapproval, recommendation, the rendering of advice, 459  
the development or adoption of solid waste management plans, 460  
investigation, inspection, or other substantial exercise of 461  
administrative discretion under Chapter 343. or 3734. of the 462  
Revised Code shall represent a person who is the owner or operator 463  
of a facility, as defined in section 3734.01 of the Revised Code, 464  
or who is an applicant for a permit or license for a facility 465

under that chapter, on any matter in which the public official or 466  
employee personally participated as a public official or employee. 467

(4) For a period of one year after the conclusion of 468  
employment or service as a member or employee of the general 469  
assembly, no former member or employee of the general assembly 470  
shall represent, or act in a representative capacity for, any 471  
person on any matter before the general assembly, any committee of 472  
the general assembly, or the controlling board. Division (A)(4) of 473  
this section does not apply to or affect a person who separates 474  
from service with the general assembly on or before December 31, 475  
1995. As used in division (A)(4) of this section "person" does not 476  
include any state agency or political subdivision of the state. 477

(5) As used in divisions (A)(1), (2), and (3) of this 478  
section, "matter" includes any case, proceeding, application, 479  
determination, issue, or question, but does not include the 480  
proposal, consideration, or enactment of statutes, rules, 481  
ordinances, resolutions, or charter or constitutional amendments. 482  
As used in division (A)(4) of this section, "matter" includes the 483  
proposal, consideration, or enactment of statutes, resolutions, or 484  
constitutional amendments. As used in division (A) of this 485  
section, "represent" includes any formal or informal appearance 486  
before, or any written or oral communication with, any public 487  
agency on behalf of any person. 488

(6) Nothing contained in division (A) of this section shall 489  
prohibit, during such period, a former public official or employee 490  
from being retained or employed to represent, assist, or act in a 491  
representative capacity for the public agency by which the public 492  
official or employee was employed or on which the public official 493  
or employee served. 494

(7) Division (A) of this section shall not be construed to 495  
prohibit the performance of ministerial functions, including, but 496  
not limited to, the filing or amendment of tax returns, 497



applications for permits and licenses, incorporation papers, and 498  
other similar documents. 499

(B) No present or former public official or employee shall 500  
disclose or use, without appropriate authorization, any 501  
information acquired by the public official or employee in the 502  
course of the public official's or employee's official duties that 503  
is confidential because of statutory provisions, or that has been 504  
clearly designated to the public official or employee as 505  
confidential when that confidential designation is warranted 506  
because of the status of the proceedings or the circumstances 507  
under which the information was received and preserving its 508  
confidentiality is necessary to the proper conduct of government 509  
business. 510

(C) No public official or employee shall participate within 511  
the scope of duties as a public official or employee, except 512  
through ministerial functions as defined in division (A) of this 513  
section, in any license or rate-making proceeding that directly 514  
affects the license or rates of any person, partnership, trust, 515  
business trust, corporation, or association in which the public 516  
official or employee or immediate family owns or controls more 517  
than five per cent. No public official or employee shall 518  
participate within the scope of duties as a public official or 519  
employee, except through ministerial functions as defined in 520  
division (A) of this section, in any license or rate-making 521  
proceeding that directly affects the license or rates of any 522  
person to whom the public official or employee or immediate 523  
family, or a partnership, trust, business trust, corporation, or 524  
association of which the public official or employee or the public 525  
official's or employee's immediate family owns or controls more 526  
than five per cent, has sold goods or services totaling more than 527  
one thousand dollars during the preceding year, unless the public 528  
official or employee has filed a written statement acknowledging 529

that sale with the clerk or secretary of the public agency and the 530  
statement is entered in any public record of the agency's 531  
proceedings. This division shall not be construed to require the 532  
disclosure of clients of attorneys or persons licensed under 533  
section 4732.12 or 4732.15 of the Revised Code, or patients of 534  
persons certified under section 4731.14 of the Revised Code. 535

(D) No public official or employee shall use or authorize the 536  
use of the authority or influence of office or employment to 537  
secure anything of value or the promise or offer of anything of 538  
value that is of such a character as to manifest a substantial and 539  
improper influence upon the public official or employee with 540  
respect to that person's duties. 541

(E) No public official or employee shall solicit or accept 542  
anything of value that is of such a character as to manifest a 543  
substantial and improper influence upon the public official or 544  
employee with respect to that person's duties. 545

(F) No person shall promise or give to a public official or 546  
employee anything of value that is of such a character as to 547  
manifest a substantial and improper influence upon the public 548  
official or employee with respect to that person's duties. 549

(G) In the absence of bribery or another offense under the 550  
Revised Code or a purpose to defraud, contributions made to a 551  
campaign committee, political party, legislative campaign fund, 552  
political action committee, or political contributing entity on 553  
behalf of an elected public officer or other public official or 554  
employee who seeks elective office shall be considered to accrue 555  
ordinarily to the public official or employee for the purposes of 556  
divisions (D), (E), and (F) of this section. 557

As used in this division, "contributions," "campaign 558  
committee," "political party," "legislative campaign fund," 559  
"political action committee," and "political contributing entity" 560

have the same meanings as in section 3517.01 of the Revised Code. 561

(H)(1) No public official or employee, except for the 562  
president or other chief administrative officer or a member of 563  
a board of trustees of a state institution of higher education as 564  
defined in section 3345.011 of the Revised Code, who is required 565  
to file a financial disclosure statement under section 102.02 of 566  
the Revised Code shall solicit or accept, and no person shall give 567  
to that public official or employee, an honorarium. This Except as 568  
provided in division (H)(2) of this section, this division and 569  
divisions (D), (E), and (F) of this section do not prohibit a 570  
public official or employee who is required to file a financial 571  
disclosure statement under section 102.02 of the Revised Code from 572  
accepting and do not prohibit a person from giving to that public 573  
official or employee the payment of actual travel expenses, 574  
including any expenses incurred in connection with the travel for 575  
lodging, and meals, food, and beverages provided to the public 576  
official or employee at a meeting at which the public official or 577  
employee participates in a panel, seminar, or speaking engagement 578  
or provided to the public official or employee at a meeting or 579  
convention of a national organization to which any state agency, 580  
including, but not limited to, any state legislative agency or 581  
state institution of higher education as defined in section 582  
3345.011 of the Revised Code, pays membership dues. This Except as 583  
provided in division (H)(2) of this section, this division and 584  
divisions (D), (E), and (F) of this section do not prohibit a 585  
public official or employee who is not required to file a 586  
financial disclosure statement under section 102.02 of the Revised 587  
Code from accepting and do not prohibit a person from promising or 588  
giving to that public official or employee an honorarium or the 589  
payment of travel, meal, and lodging expenses if the honorarium, 590  
expenses, or both were paid in recognition of demonstrable 591  
business, professional, or esthetic interests of the public 592  
official or employee that exist apart from public office or 593

employment, including, but not limited to, such a demonstrable 594  
interest in public speaking and were not paid by any person or 595  
other entity, or by any representative or association of those 596  
persons or entities, that is regulated by, doing business with, or 597  
seeking to do business with the department, division, institution, 598  
board, commission, authority, bureau, or other instrumentality of 599  
the governmental entity with which the public official or employee 600  
serves. 601

(2) No person who is a member of the board of a state 602  
retirement system, a state retirement system investment officer, 603  
or an employee of a state retirement system whose position 604  
involves substantial and material exercise of discretion in the 605  
investment of retirement system funds shall solicit or accept, and 606  
no person shall give to that board member, officer, or employee, 607  
payment of actual travel expenses, including expenses incurred 608  
with the travel for lodging, meals, food, and beverages. 609

(I) A public official or employee may accept travel, meals, 610  
and lodging or expenses or reimbursement of expenses for travel, 611  
meals, and lodging in connection with conferences, seminars, and 612  
similar events related to official duties if the travel, meals, 613  
and lodging, expenses, or reimbursement is not of such a character 614  
as to manifest a substantial and improper influence upon the 615  
public official or employee with respect to that person's duties. 616  
The house of representatives and senate, in their code of ethics, 617  
and the Ohio ethics commission, under section 111.15 of the 618  
Revised Code, may adopt rules setting standards and conditions for 619  
the furnishing and acceptance of such travel, meals, and lodging, 620  
expenses, or reimbursement. 621

A person who acts in compliance with this division and any 622  
applicable rules adopted under it, or any applicable, similar 623  
rules adopted by the supreme court governing judicial officers and 624  
employees, does not violate division (D), (E), or (F) of this 625

section. This division does not preclude any person from seeking 626  
an advisory opinion from the appropriate ethics commission under 627  
section 102.08 of the Revised Code. 628

(J) For purposes of divisions (D), (E), and (F) of this 629  
section, the membership of a public official or employee in an 630  
organization shall not be considered, in and of itself, to be of 631  
such a character as to manifest a substantial and improper 632  
influence on the public official or employee with respect to that 633  
person's duties. As used in this division, "organization" means a 634  
church or a religious, benevolent, fraternal, or professional 635  
organization that is tax exempt under subsection 501(a) and 636  
described in subsection 501(c)(3), (4), (8), (10), or (19) of the 637  
"Internal Revenue Code of 1986." This division does not apply to a 638  
public official or employee who is an employee of an organization, 639  
serves as a trustee, director, or officer of an organization, or 640  
otherwise holds a fiduciary relationship with an organization. 641  
This division does not allow a public official or employee who is 642  
a member of an organization to participate, formally or 643  
informally, in deliberations, discussions, or voting on a matter 644  
or to use his official position with regard to the interests of 645  
the organization on the matter if the public official or employee 646  
has assumed a particular responsibility in the organization with 647  
respect to the matter or if the matter would affect that person's 648  
personal, pecuniary interests. 649

(K) It is not a violation of this section for a prosecuting 650  
attorney to appoint assistants and employees in accordance with 651  
division (B) of section 309.06 and section 2921.421 of the Revised 652  
Code, for a chief legal officer of a municipal corporation or an 653  
official designated as prosecutor in a municipal corporation to 654  
appoint assistants and employees in accordance with sections 655  
733.621 and 2921.421 of the Revised Code, for a township law 656  
director appointed under section 504.15 of the Revised Code to 657

appoint assistants and employees in accordance with sections 658  
504.151 and 2921.421 of the Revised Code, or for a coroner to 659  
appoint assistants and employees in accordance with division (B) 660  
of section 313.05 of the Revised Code. 661

As used in this division, "chief legal officer" has the same 662  
meaning as in section 733.621 of the Revised Code. 663

**Sec. 102.06.** (A) The appropriate ethics commission shall 664  
receive and may initiate complaints against persons subject to 665  
Chapter 102. of the Revised Code concerning conduct alleged to be 666  
in violation of this chapter or section 2921.42 or 2921.43 of the 667  
Revised Code. All complaints except those by the commission shall 668  
be by affidavit made on personal knowledge, subject to the 669  
penalties of perjury. Complaints by the commission shall be by 670  
affidavit, based upon reasonable cause to believe that a violation 671  
has occurred. 672

(B) The commission shall investigate complaints, may 673  
investigate charges presented to it, and may request further 674  
information, including the specific amount of income from a 675  
source, from any person filing with the commission a statement 676  
required by section 102.02 of the Revised Code, if the information 677  
sought is directly relevant to a complaint or charges received by 678  
the commission pursuant to this section. This information is 679  
confidential, except that the commission, at its discretion, may 680  
share information gathered in the course of any investigation 681  
with, or disclose the information to, the inspector general, any 682  
appropriate prosecuting authority, any law enforcement agency, or 683  
any other appropriate ethics commission. The person so requested 684  
shall furnish the information to the commission, unless within 685  
fifteen days from the date of the request the person files an 686  
action for declaratory judgment challenging the legitimacy of the 687  
request in the court of common pleas of the county of the person's 688

residence, the person's place of employment, or Franklin county. 689  
The requested information need not be furnished to the commission 690  
during the pendency of the judicial proceedings. Proceedings of 691  
the commission in connection with the declaratory judgment action 692  
shall be kept confidential except as otherwise provided by this 693  
section. Before the commission proceeds to take any formal action 694  
against a person who is the subject of an investigation based on 695  
charges presented to the commission, a complaint shall be filed 696  
against the person. If the commission finds that a complaint is 697  
not frivolous, and there is reasonable cause to believe that the 698  
facts alleged in a complaint constitute a violation of section 699  
102.02, 102.03, 102.04, 102.07, 2921.42, or 2921.43 of the Revised 700  
Code, it shall hold a hearing. If the commission does not so find, 701  
it shall dismiss the complaint and notify the accused person in 702  
writing of the dismissal of the complaint. The commission shall 703  
not make a report of its finding unless the accused person 704  
requests a report. Upon the request of the accused person, the 705  
commission shall make a public report of its finding. The person 706  
against whom the complaint is directed shall be given reasonable 707  
notice by certified mail of the date, time, and place of the 708  
hearing and a statement of the charges and the law directly 709  
involved and shall be given the opportunity to be represented by 710  
counsel, to have counsel appointed for the person if the person is 711  
unable to afford counsel without undue hardship, to examine the 712  
evidence against the person, to produce evidence and to call and 713  
subpoena witnesses in the person's defense, to confront the 714  
person's accusers, and to cross-examine witnesses. The commission 715  
shall have a stenographic record made of the hearing. The hearing 716  
shall be closed to the public. 717

(C)(1)(a) If upon the basis of the hearing, the commission 718  
finds by a preponderance of the evidence that the facts alleged in 719  
the complaint are true and constitute a violation of section 720  
102.02, 102.03, 102.04, 102.07, 2921.42, or 2921.43 of the Revised 721

Code, it shall report its findings to the appropriate prosecuting 722  
authority for proceedings in prosecution of the violation and to 723  
the appointing or employing authority of the accused. If the 724  
accused person is a member of the public employees retirement 725  
board, state teachers retirement board, school employees 726  
retirement board, board of trustees of the Ohio police and fire 727  
pension fund, or state highway patrol retirement board, the 728  
commission also shall report its findings to the Ohio retirement 729  
study council. 730

(b) If the Ohio ethics commission reports its findings to the 731  
appropriate prosecuting authority under division (C)(1)(a) of this 732  
section and the prosecuting authority has not initiated any 733  
official action on those findings within ninety days after 734  
receiving the commission's report of them, then the commission may 735  
publicly comment that no official action has been taken on its 736  
findings, except that the commission shall make no comment in 737  
violation of the Rules of Criminal Procedure or about any 738  
indictment that has been sealed pursuant to any law or those 739  
rules. The commission shall make no comment regarding the merits 740  
of its findings. As used in division (C)(1)(b) of this section, 741  
"official action" means prosecution, closure after investigation, 742  
or grand jury action resulting in a true bill of indictment or no 743  
true bill of indictment. 744

(2) If the appropriate ethics commission does not find by a 745  
preponderance of the evidence that the facts alleged in the 746  
complaint are true and constitute a violation of section 102.02, 747  
102.03, 102.04, 102.07, 2921.42, or 2921.43 of the Revised Code or 748  
if the commission has not scheduled a hearing within ninety days 749  
after the complaint is filed or has not finally disposed of the 750  
complaint within six months after it has been heard, it shall 751  
dismiss the complaint and notify the accused person in writing of 752  
the dismissal of the complaint. The commission shall not make a 753



report of its finding unless the accused person requests a report. 754  
Upon the request of the accused person, the commission shall make 755  
a public report of the finding, but in this case all evidence and 756  
the record of the hearing shall remain confidential unless the 757  
accused person also requests that the evidence and record be made 758  
public. Upon request by the accused person, the commission shall 759  
make the evidence and the record available for public inspection. 760

(D) The commission, or a member of the commission, may 761  
administer oaths, and the commission may issue subpoenas to any 762  
person in the state compelling the attendance of witnesses and the 763  
production of relevant papers, books, accounts, and records. The 764  
commission shall issue subpoenas to compel the attendance of 765  
witnesses and the production of documents upon the request of an 766  
accused person. Section 101.42 of the Revised Code shall govern 767  
the issuance of these subpoenas insofar as applicable. Upon the 768  
refusal of any person to obey a subpoena or to be sworn or to 769  
answer as a witness, the commission may apply to the court of 770  
common pleas of Franklin county under section 2705.03 of the 771  
Revised Code. The court shall hold proceedings in accordance with 772  
Chapter 2705. of the Revised Code. The commission or the accused 773  
person may take the depositions of witnesses residing within or 774  
without the state in the same manner as prescribed by law for the 775  
taking of depositions in civil actions in the court of common 776  
pleas. 777

(E) At least once each year, the Ohio ethics commission shall 778  
report on its activities of the immediately preceding year to the 779  
majority and minority leaders of the senate and house of 780  
representatives of the general assembly. The report shall indicate 781  
the total number of complaints received, initiated, and 782  
investigated by the commission, the total number of complaints for 783  
which formal hearings were held, and the total number of 784  
complaints for which formal prosecution was recommended or 785

requested by the commission. The report also shall indicate the 786  
nature of the inappropriate conduct alleged in each complaint and 787  
the governmental entity with which any employee or official that 788  
is the subject of a complaint was employed at the time of the 789  
alleged inappropriate conduct. 790

(F) All papers, records, affidavits, and documents upon any 791  
complaint, inquiry, or investigation relating to the proceedings 792  
of the appropriate commission shall be sealed and are private and 793  
confidential, except as otherwise provided in this section and 794  
section 102.07 of the Revised Code. 795

(G)(1) When a complaint or charge is before it, the Ohio 796  
ethics commission or the appropriate prosecuting authority, in 797  
consultation with the person filing the complaint or charge, the 798  
accused, and any other person the commission or prosecuting 799  
authority considers necessary, may compromise or settle the 800  
complaint or charge with the agreement of the accused. The 801  
compromise or settlement may include mediation, restitution, 802  
rescission of affected contracts, forfeiture of any benefits 803  
resulting from a violation or potential violation of law, 804  
resignation of a public official or employee, or any other relief 805  
that is agreed upon between the commission or prosecuting 806  
authority and the accused. 807

(2) Any settlement agreement entered into under division 808  
(G)(1) of this section shall be in writing and be accompanied by a 809  
statement of the findings of the commission or prosecuting 810  
authority and the reasons for entering into the agreement. The 811  
commission or prosecuting authority shall retain the agreement and 812  
statement in the commission's or prosecuting ~~attorney's~~ 813  
authority's office and, in the commission's or prosecuting 814  
authority's discretion, may make the agreement, the statement, and 815  
any supporting information public, unless the agreement provides 816  
otherwise. 817

(3) If a settlement agreement is breached by the accused, the commission or prosecuting authority, in the commission's or prosecuting authority's discretion, may rescind the agreement and reinstitute any investigation, hearing, or prosecution of the accused. No information obtained from the accused in reaching the settlement that is not otherwise discoverable from the accused shall be used in any proceeding before the commission or by the appropriate prosecuting authority in prosecuting the violation. Notwithstanding any other section of the Revised Code, if a settlement agreement is breached, any statute of limitations for a violation of this chapter or section 2921.42 or 2921.43 of the Revised Code is tolled from the date the complaint or charge is filed until the date the settlement agreement is breached.

Sec. 109.98. As used in this section, "state retirement board" means the public employees retirement board, board of trustees of the Ohio police and fire pension fund, school employees retirement board, state teachers retirement board, and state highway patrol retirement board.

If a member of a state retirement board breaches the member's fiduciary duty to the retirement system, the attorney general may maintain a civil action against the board member for harm resulting from that breach. The attorney general may recover damages or be granted injunctive relief, which shall include the enjoinder of specified activities and the removal of the member from the board. Any damages awarded shall be paid to the retirement system. The authority to maintain a civil action created by this section is in addition to any authority the attorney general possesses under any other provision of the Revised Code.

Sec. 111.30. (A) As used in this section, "state retirement

board" means the public employees retirement board, board of 848  
trustees of the Ohio police and fire pension fund, school 849  
employees retirement board, state teachers retirement board, and 850  
state highway patrol retirement board. 851

(B) The secretary of state shall do all of the following: 852

(1) Adopt rules in accordance with Chapter 119. of the 853  
Revised Code governing the election of state retirement board 854  
members under sections 145.05, 742.04, 3307.07, 3309.07, and 855  
5505.041 of the Revised Code, including special elections provided 856  
for by section 145.051 of the Revised Code. The rules shall 857  
include rules governing nominating petitions for the elections. 858

(2) Oversee the administration of board member elections by 859  
state retirement boards; 860

(3) Certify the validity of nominating petitions for the 861  
elections; 862

(4) Certify the results of the elections; 863

(5) Prescribe forms for campaign finance disclosure 864  
statements and independent expenditure statements for the purpose 865  
of sections 145.053, 742.042, 3307.072, 3309.072, and 5505.044 of 866  
the Revised Code and accept the forms from candidates and persons 867  
making independent expenditures filing them with the secretary 868  
pursuant to those sections; 869

(6) Oversee elections held under sections 145.06, 742.05, 870  
3307.06, 3309.06, and 5505.042 of the Revised Code to fill 871  
vacancies in the boards; 872

(7) Certify the results of the elections to fill vacancies in 873  
the boards. 874

**Sec. 117.10.** The auditor of state shall audit all public 875  
offices as provided in this chapter. The auditor of state also may 876

audit the accounts of private institutions, associations, boards, 877  
and corporations receiving public money for their use and may 878  
require of them annual reports in such form as the auditor of 879  
state prescribes. 880

If the auditor of state performs or contracts for the 881  
performance of an audit, including a special audit, of the public 882  
employees retirement system, school employees retirement system, 883  
state teachers retirement system, state highway patrol retirement 884  
system, or Ohio police and fire pension fund, the auditor of state 885  
shall make a timely report of the results of the audit to the Ohio 886  
retirement study council. 887

The auditor of state may audit the accounts of any provider 888  
as defined in section 5111.06 of the Revised Code, if requested by 889  
the department of job and family services. 890

If a public office has been audited by an agency of the 891  
United States government, the auditor of state may, if satisfied 892  
that the federal audit has been conducted according to principles 893  
and procedures not contrary to those of the auditor of state, use 894  
and adopt the federal audit and report in lieu of an audit by the 895  
auditor of state's own office. 896

Within thirty days after the creation or dissolution or the 897  
winding up of the affairs of any public office, that public office 898  
shall notify the auditor of state in writing that this action has 899  
occurred. 900

**Sec. 145.04.** The general administration and management of the 901  
public employees retirement system and the making effective of 902  
Chapter 145. of the Revised Code, are hereby vested in a board to 903  
be known as the "public employees retirement board," which shall 904  
consist of ~~nine~~ the following members ~~as follows~~: 905

(A) The ~~attorney general~~ treasurer of state; 906

(B) The auditor of state;	907
(C) The director of administrative services;	908
(D) <del>Five</del> <u>Six</u> members, known as employee members, one of whom shall be a state employee member of the system, who shall be elected by ballot by the state employee members of the system from among their number; another of whom shall be a county employee member of the system, who shall be elected by ballot by the county employee members of the system from among their number; <u>another of whom shall be a member of the system who is a county commissioner, prosecutor, auditor, sheriff, treasurer, recorder, engineer, or coroner, who shall be appointed by the governor for a term of four years;</u> another of whom shall be a municipal employee member of the system, who shall be elected by ballot by the municipal employee members of the system from among their number; another of whom shall be a university or college employee member of the system, who shall be elected by ballot by the university and college employee members of the system from among their number; and another of whom shall be a park district, conservancy district, sanitary district, health district, public library, <del>township</del> , metropolitan housing authority, union cemetery, joint hospital, <u>township</u> , or institutional commissary employee member of the system, who shall be elected by ballot by the park district, conservancy district, sanitary district, health district, metropolitan housing authority, <del>township</del> , public library, union cemetery, joint hospital, <u>township</u> , and institutional commissary employee members of the system from among their number, in a manner to be approved by the board. Members of the system who are receiving a disability benefit under this chapter are ineligible for membership on the board as employee members.	909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935
(E) One member, known as the retirant member, who shall be a former member of the public employees retirement system who is a resident of this state and a recipient of age and service	936 937 938

retirement, a disability benefit, or benefits paid under a PERS 939  
defined contribution plan. The retirant member shall be elected by 940  
ballot by former members of the system who are receiving age and 941  
service retirement, a disability benefit, or benefits paid under a 942  
PERS defined contribution plan; 943

(F)(1) One member, known as the investment expert member, who 944  
shall be appointed by the governor and who shall have the 945  
following qualifications: 946

(a) The member is a resident of this state. 947

(b) Within the three years immediately preceding the 948  
appointment, the member has not been employed by the public 949  
employees retirement system, police and fire pension fund, state 950  
teachers retirement system, school employees retirement system, or 951  
state highway patrol retirement system or by any person, 952  
partnership, or corporation that has provided to one of those 953  
retirement systems services of a financial or investment nature, 954  
including the management, analysis, supervision, or investment of 955  
assets. 956

(c) The member has direct experience in the management, 957  
analysis, supervision, or investment of assets. 958

(2) The investment expert member's term shall be four years. 959  
The initial investment expert member shall be appointed and take 960  
office not less than ninety days after the effective date of this 961  
amendment. Any investment expert member appointed to fill a 962  
vacancy occurring prior to the expiration of the term for which 963  
the member's predecessor was appointed shall hold office until the 964  
end of such term. The member shall continue in office subsequent 965  
to the expiration date of the member's term until the member's 966  
successor takes office, or until a period of sixty days has 967  
elapsed, whichever occurs first. 968

Sec. 145.041. Each newly elected member of the public employees retirement board and each individual appointed to fill a vacancy on the board, shall, not later than ninety days after commencing service as a board member, complete the orientation program component of the retirement board member education program established under section 171.50 of the Revised Code. 969  
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Each member of the board who has served a year or longer as a board member shall, not less than twice each year, attend one or more programs that are part of the continuing education component of the retirement board member education program established under section 171.50 of the Revised Code. 975  
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Sec. 145.042. A person who served as an elected or appointed member of the public employees retirement board for one or more entire fiscal years in fiscal years 2000, 2001, or 2002 is ineligible for re-election or reappointment to the board if the person has accepted reimbursements for travel and travel-related expenses from the board that have an annual average of more than ten thousand dollars for those fiscal years. 980  
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Sec. 145.05. (A) The terms of office of employee members of the public employees retirement board shall be for four years each beginning on the first day of January following election. The election of the county employee member of the board and the employee member of the board representing public library, health district, park district, conservancy district, sanitary district, township, metropolitan housing authority, union cemetery, joint hospital, and institutional commissary employees shall be held on the first Monday in October, 1945, and on the first Monday in October in each fourth year thereafter. The election of the state employee member of the board and the municipal employee member of the board shall be held on the first Monday in October, 1946, and 987  
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on the first Monday in October in each fourth year thereafter. The 999  
election of the initial university-college employee member of the 1000  
board shall be held on the first Monday in October, 1978, and 1001  
elections for subsequent university-college employee members of 1002  
the board shall be held on the first Monday in October in each 1003  
fourth year thereafter. 1004

(B) The term of office of the retirant member of the public 1005  
employees retirement board shall be for four years beginning on 1006  
the first day of January following the election. The election of 1007  
the initial retirant member of the board shall be held on the 1008  
first Monday in October, 1978, and elections for subsequent 1009  
retirant members of the board shall be held on the first Monday in 1010  
October in each fourth year thereafter. 1011

(C) All elections for employee members of the public 1012  
employees retirement board shall be held under the direction of 1013  
the board in accordance with rules adopted under section 111.30 of 1014  
the Revised Code. Any member of the public employees retirement 1015  
system, except a member who is receiving a disability benefit 1016  
under this chapter, is eligible for election as an employee member 1017  
of the board to represent the employee group that includes the 1018  
member, provided that the member has been nominated by a petition 1019  
that is signed by at least five hundred members of the employee 1020  
group to be represented ~~and further provided that there shall be,~~ 1021  
including not less than twenty such signers from each of at least 1022  
ten counties of the state, and certified under section 111.30 of 1023  
the Revised Code. The name of any member so nominated shall be 1024  
placed upon the ballot by the board as a regular candidate. Names 1025  
of other eligible candidates may, at any election, be substituted 1026  
for the regular candidates by writing such names upon the ballots. 1027  
The candidate who receives the highest number of votes for a 1028  
particular employee member position on the board shall be elected 1029  
to that office on certification of the election results under 1030

section 111.30 of the Revised Code. 1031

(D) All elections for the retirant member of the public 1032  
employees retirement board shall be held under the direction of 1033  
the board in accordance with rules adopted under section 111.30 of 1034  
the Revised Code. Any former member of the public employees 1035  
retirement system who is described in division (E) of section 1036  
145.04 of the Revised Code is eligible for election as the 1037  
retirant member of the board to represent recipients of age and 1038  
service retirement, a disability benefit, or benefits paid under a 1039  
PERS defined contribution plan, provided that such person has been 1040  
nominated by a petition that is signed by any combination of at 1041  
least two hundred fifty eligible, former members of the system ~~who~~ 1042  
~~are recipients~~ and certified under section 111.30 of the Revised 1043  
Code. To be eligible to sign the petition, a former member of the 1044  
system must be a recipient of age and service retirement, a 1045  
disability benefit, or benefits paid under a PERS defined 1046  
contribution plan, ~~or any combination of such recipients that~~ 1047  
~~totals two hundred fifty.~~ The petition shall contain the 1048  
signatures of at least ten such recipients from each of at least 1049  
five counties wherein recipients of benefits from the system 1050  
reside. 1051

The name of any person nominated in this manner shall be 1052  
placed upon the ballot by the board as a regular candidate. Names 1053  
of other eligible candidates may, at any election for the retirant 1054  
member of the board, be substituted for the regular candidates by 1055  
writing the names of such persons upon the ballot. The candidate 1056  
who receives the highest number of votes for any term as the 1057  
retirant member of the board shall be elected to office on 1058  
certification of the election results under section 111.30 of the 1059  
Revised Code. 1060

**Sec. 145.051.** If a person elected to serve on the public 1061

employees retirement board is unable to assume office at the 1062  
January meeting of the board following the person's election, a 1063  
special election shall be held in accordance with the provisions 1064  
of section 145.05 of the Revised Code within three months of the 1065  
January meeting. On certification of the elections results under 1066  
section 111.30 of the Revised Code, the newly elected person shall 1067  
assume office at the meeting of the board immediately following 1068  
the special election. 1069

**Sec. ~~145.051~~ 145.052.** Notwithstanding sections 145.04 and 1070  
145.05 of the Revised Code, the public employees retirement board 1071  
is not required to hold an election, including a special election 1072  
under section ~~145.06~~ 145.051 of the Revised Code, for a position 1073  
on the board as an employee member or retirant member if only one 1074  
candidate has been nominated for the position by petition in 1075  
accordance with section 145.05 of the Revised Code. The candidate 1076  
shall take office as if elected. The term of office shall be four 1077  
years beginning on the first day of January following the date the 1078  
candidate was nominated. 1079

**Sec. 145.053.** (A) As used in this section: 1080

(1) "Campaign committee" means a candidate or a combination 1081  
of two or more persons authorized by a candidate to receive 1082  
contributions and in-kind contributions and make expenditures on 1083  
behalf of the candidate. 1084

(2) "Candidate" means an individual who has been nominated 1085  
pursuant to division (C) or (D) of section 145.05 of the Revised 1086  
Code for election to the public employees retirement board or who 1087  
is seeking to be elected to fill a vacancy on the board pursuant 1088  
to section 145.06 of the Revised Code. 1089

(3) "Contribution" means a loan, gift, deposit, forgiveness 1090

of indebtedness, donation, advance, payment, transfer of funds or 1091  
transfer of anything of value including a transfer of funds from 1092  
an inter vivos or testamentary trust or decedent's estate, and the 1093  
payment by any person other than the person to whom the services 1094  
are rendered for the personal services of another person, which 1095  
contribution is made, received, or used for the purpose of 1096  
influencing the results of an election to the public employees 1097  
retirement board under section 145.05 of the Revised Code, 1098  
including a special election provided for by section 145.051 of 1099  
the Revised Code, or the results of an election to fill a vacancy 1100  
on the board pursuant to section 145.06 of the Revised Code. 1101  
"Contribution" does not include: 1102

(a) Services provided without compensation by individuals 1103  
volunteering a portion or all of their time on behalf of a person; 1104

(b) Ordinary home hospitality; 1105

(c) The personal expenses of a volunteer paid for by that 1106  
volunteer campaign worker. 1107

(4) "Election day" means the following, as appropriate to the 1108  
situation: 1109

(a) The first Monday in October of a year for which section 1110  
145.05 of the Revised Code specifies that an election for a member 1111  
of the public employees retirement board be held; 1112

(b) If, pursuant to section 145.052 of the Revised Code, no 1113  
election is held, the first Monday in October of a year that the 1114  
election would have been held if not for section 145.052 of the 1115  
Revised Code; 1116

(c) If the election is a special election provided for by 1117  
section 145.051 of the Revised Code, a day that the board shall 1118  
specify that is consistent with requirements for a special 1119  
election established by section 145.051 of the Revised Code. 1120

(5) "Expenditure" means the disbursement or use of a contribution for the purpose of influencing the results of an election to the public employees retirement board under section 145.05 of the Revised Code, including a special election provided for by section 145.051 of the Revised Code, or the results of an election to fill a vacancy on the board pursuant to section 145.06 of the Revised Code.

(6) "Independent expenditure" means an expenditure by an individual, partnership, or other entity advocating the election or defeat of an identified candidate or candidates, that is not made with the consent of, in coordination, cooperation, or consultation with, or at the request or suggestion of any candidate or candidates or of the campaign committee or agent of the candidate or candidates. An independent expenditure shall not be construed as being a contribution. As used in division (A)(6) of this section:

(a) "Advocating" means any communication containing a message advocating election or defeat.

(b) "Identified candidate" means that the name of the candidate appears, a photograph or drawing of the candidate appears, or the identity of the candidate is otherwise apparent by unambiguous reference.

(c) "Made in coordination, cooperation, or consultation with, or at the request or suggestion of, any candidate or the campaign committee or agent of the candidate" means made pursuant to any arrangement, coordination, or direction by the candidate, the candidate's campaign committee, or the candidate's agent prior to the publication, distribution, display, or broadcast of the communication. An expenditure is presumed to be so made when it is any of the following:

(i) Based on information about the candidate's plans,

projects, or needs provided to the person making the expenditure 1152  
by the candidate, or by the candidate's campaign committee or 1153  
agent, with a view toward having an expenditure made; 1154

(ii) Made by or through any person who is, or has been, 1155  
authorized to raise or expend funds, who is, or has been, an 1156  
officer of the candidate's campaign committee, or who is, or has 1157  
been, receiving any form of compensation or reimbursement from the 1158  
candidate or the candidate's campaign committee or agent; 1159

(iii) Made by a political party in support of a candidate, 1160  
unless the expenditure is made by a political party to conduct 1161  
voter registration or voter education efforts. 1162

(d) "Agent" means any person who has actual oral or written 1163  
authority, either express or implied, to make or to authorize the 1164  
making of expenditures on behalf of a candidate, or means any 1165  
person who has been placed in a position with the candidate's 1166  
campaign committee or organization such that it would reasonably 1167  
appear that in the ordinary course of campaign-related activities 1168  
the person may authorize expenditures. 1169

(7) "In-kind contribution" means anything of value other than 1170  
money that is used to influence the results of an election to the 1171  
public employees retirement board under section 145.05 of the 1172  
Revised Code, including a special election provided for by section 1173  
145.051 of the Revised Code, or the results of an election to fill 1174  
a vacancy on the board pursuant to section 145.06 of the Revised 1175  
Code, or is transferred to or used in support of or in opposition 1176  
to a candidate and that is made with the consent of, in 1177  
coordination, cooperation, or consultation with, or at the request 1178  
or suggestion of the benefited candidate. The financing of the 1179  
dissemination, distribution, or republication, in whole or part, 1180  
of any broadcast or of any written, graphic, or other form of 1181  
campaign materials prepared by the candidate, the candidate's 1182

campaign committee, or their authorized agents is an in-kind 1183  
contribution to the candidate and an expenditure by the candidate. 1184

(8) "Personal expenses" includes ordinary expenses for 1185  
accommodations, clothing, food, personal motor vehicle or 1186  
airplane, and home telephone. 1187

(B) Except as otherwise provided in division (D) of this 1188  
section, each candidate who, or whose campaign committee, receives 1189  
a contribution or in-kind contribution or makes an expenditure in 1190  
connection with the candidate's efforts to be elected to the 1191  
public employees retirement board shall file with the secretary of 1192  
state two complete, accurate, and itemized statements setting 1193  
forth in detail the contributions, in-kind contributions, and 1194  
expenditures. The statements shall be filed regardless of whether 1195  
the election is a regular election or, pursuant to section 145.051 1196  
of the Revised Code, a special election. The statements shall also 1197  
be filed regardless of whether, pursuant to section 145.052 of the 1198  
Revised Code, no election is held. The statements shall be made on 1199  
a form prescribed under section 111.30 of the Revised Code. Every 1200  
expenditure shall be vouched for by a receipted bill, stating the 1201  
purpose of the expenditures, that shall be filed with the 1202  
statement; a canceled check with a notation of the purpose of the 1203  
expenditure is a receipted bill for purposes of this division. 1204

The first statement shall be filed not later than four p.m. 1205  
on the day that is twelve days before election day. The second 1206  
statement shall be filed not sooner than the day that is eight 1207  
days after election day and not later than thirty-eight days after 1208  
election day. The first statement shall reflect contributions and 1209  
in-kind contributions received and expenditures made to the close 1210  
of business on the twentieth day before election day. The second 1211  
statement shall reflect contributions and in-kind contributions 1212  
received and expenditures made during the period beginning on the 1213  
nineteenth day before election day and ending on the close of 1214

business on the seventh day after election day. 1215

(C) Each individual, partnership, or other entity that makes 1216  
an independent expenditure in connection with the candidate's 1217  
efforts to be elected to the public employees retirement board 1218  
shall file with the secretary of state two complete, accurate, and 1219  
itemized statements setting forth in detail the independent 1220  
expenditures. The statements shall be filed regardless of whether 1221  
the election is a regular election or, pursuant to section 145.051 1222  
of the Revised Code, a special election. The statements also shall 1223  
be filed regardless of whether, pursuant to section 145.052 of the 1224  
Revised Code, no election is held. The statements shall be made on 1225  
a form prescribed under section 111.30 of the Revised Code. 1226

The first statement shall be filed not later than four p.m. 1227  
on the day that is twelve days before election day. The second 1228  
statement shall be filed not sooner than the day that is eight 1229  
days after election day and not later than thirty-eight days after 1230  
election day. The first statement shall reflect independent 1231  
expenditures made to the close of business on the twentieth day 1232  
before election day. The second statement shall reflect 1233  
independent expenditures made during the period beginning on the 1234  
nineteenth day before election day and ending on the close of 1235  
business on the seventh day after election day. 1236

(D) Each candidate who, or whose campaign committee, receives 1237  
a contribution or in-kind contribution or makes an expenditure in 1238  
connection with the candidate's efforts to be elected to fill a 1239  
vacancy in the public employees retirement board pursuant to 1240  
section 145.06 of the Revised Code shall file with the secretary 1241  
of state a complete, accurate, and itemized statement setting 1242  
forth in detail the contributions, in-kind contributions, and 1243  
expenditures. The statement shall be made on a form prescribed 1244  
under section 111.30 of the Revised Code. Every expenditure shall 1245  
be vouched for by a receipted bill, stating the purpose of the 1246



expenditures, that shall be filed with the statement; a canceled 1247  
check with a notation of the purpose of the expenditure is a 1248  
receipted bill for purposes of this division. 1249

The statement shall be filed within thirty-eight days after 1250  
the day the candidate takes office. The statement shall reflect 1251  
contributions and in-kind contributions received and expenditures 1252  
made to the close of business on the seventh day after the day the 1253  
candidate takes office. 1254

**Sec. 145.054.** (A) No person shall knowingly fail to file a 1255  
complete and accurate campaign finance statement or independent 1256  
expenditure statement in accordance with section 145.053 of the 1257  
Revised Code. 1258

(B) No person, during the course of a person seeking 1259  
nomination for, or during any campaign for, election to the public 1260  
employees retirement board, shall knowingly and with intent to 1261  
affect the nomination or the outcome of the campaign do any of the 1262  
following by means of campaign materials, an advertisement on 1263  
radio or television or in a newspaper or periodical, a public 1264  
speech, press release, or otherwise: 1265

(1) With regard to a candidate, identify the candidate in a 1266  
manner that implies that the candidate is a member of the board or 1267  
use the term "re-elect" when the candidate is not currently a 1268  
member of the board; 1269

(2) Make a false statement concerning the formal schooling or 1270  
training completed or attempted by a candidate; a degree, diploma, 1271  
certificate, scholarship, grant, award, prize, or honor received, 1272  
earned, or held by a candidate; or the period of time during which 1273  
a candidate attended any school, college, community technical 1274  
school, or institution; 1275

(3) Make a false statement concerning the professional, 1276

<u>occupational, or vocational licenses held by a candidate, or</u>	1277
<u>concerning any position the candidate held for which the candidate</u>	1278
<u>received a salary or wages;</u>	1279
<u>(4) Make a false statement that a candidate or public</u>	1280
<u>official has been indicted or convicted of a theft offense,</u>	1281
<u>extortion, or other crime involving financial corruption or moral</u>	1282
<u>turpitude;</u>	1283
<u>(5) Make a statement that a candidate has been indicted for</u>	1284
<u>any crime or has been the subject of a finding by the Ohio</u>	1285
<u>elections commission without disclosing the outcome of any legal</u>	1286
<u>proceedings resulting from the indictment or finding;</u>	1287
<u>(6) Make a false statement that a candidate or official has a</u>	1288
<u>record of treatment or confinement for mental disorder;</u>	1289
<u>(7) Make a false statement that a candidate or official has</u>	1290
<u>been subjected to military discipline for criminal misconduct or</u>	1291
<u>dishonorably discharged from the armed services;</u>	1292
<u>(8) Falsely identify the source of a statement, issue</u>	1293
<u>statements under the name of another person without authorization,</u>	1294
<u>or falsely state the endorsement of or opposition to a candidate</u>	1295
<u>by a person or publication;</u>	1296
<u>(9) Make a false statement concerning the voting record of a</u>	1297
<u>candidate or public official;</u>	1298
<u>(10) Post, publish, circulate, distribute, or otherwise</u>	1299
<u>disseminate a false statement concerning a candidate, either</u>	1300
<u>knowing the same to be false or with reckless disregard of whether</u>	1301
<u>it was false or not, if the statement is designed to promote the</u>	1302
<u>election, nomination, or defeat of the candidate.</u>	1303
<u>Sec. 145.055. The secretary of state, or any person acting on</u>	1304
<u>personal knowledge and subject to the penalties of perjury, may</u>	1305
<u>file a complaint with the Ohio elections commission alleging a</u>	1306

violation of section 145.054 of the Revised Code. The complaint 1307  
shall be made on a form prescribed and provided by the commission. 1308

On receipt of a complaint under this section, the commission 1309  
shall hold a hearing open to the public to determine whether the 1310  
violation alleged in the complaint has occurred. The commission 1311  
may administer oaths and issue subpoenas to any person in the 1312  
state compelling the attendance of witnesses and the production of 1313  
relevant papers, books, accounts, and reports. On the refusal of 1314  
any person to obey a subpoena or to be sworn or to answer as a 1315  
witness, the commission may apply to the court of common pleas of 1316  
Franklin county under section 2705.03 of the Revised Code. The 1317  
court shall hold contempt proceedings in accordance with Chapter 1318  
2705. of the Revised Code. 1319

The commission shall provide the person accused of the 1320  
violation at least seven days prior notice of the time, date, and 1321  
place of the hearing. The accused may be represented by an 1322  
attorney and shall have an opportunity to present evidence, call 1323  
witnesses, and cross-examine witnesses. 1324

At the hearing, the commission shall determine whether the 1325  
violation alleged in the complaint has occurred. If the commission 1326  
determines that a violation of division (A) of section 145.054 of 1327  
the Revised Code has occurred, the commission shall either impose 1328  
a fine under section 145.99 of the Revised Code or enter a finding 1329  
that good cause has been shown not to impose the fine. If the 1330  
commission determines that a violation of division (B) of section 1331  
145.054 of the Revised Code has occurred, the commission shall 1332  
impose the fine described in section 145.99 of the Revised Code, 1333  
refer the matter to the appropriate prosecutor, or enter a finding 1334  
that good cause has been shown not to impose a fine or refer the 1335  
matter to a prosecutor. 1336

Sec. 145.057. An employee member or retirant member of the public employees retirement board who is charged with committing a felony, a theft offense as defined in section 2913.01 of the Revised Code, or a violation of section 102.02, 102.03, 102.04, 2921.02, 2921.11, 2921.13, 2921.31, 2921.41, 2921.42, 2921.43, or 2921.44 of the Revised Code shall be suspended from participation on the board for the period during which the charges are pending. If the charges are dismissed, the member is found not guilty, or the charges are otherwise resolved in a manner not resulting in the member being convicted of or pleading guilty to an offense of that nature, the suspension shall end, and the member may participate on the board. If the member pleads guilty to or is convicted of the offense, the position of the member on the board shall be deemed vacant. A person who has pleaded guilty to or been convicted of an offense of that nature is ineligible for election to the office of employee member or retirant member of the public employees retirement board.

Sec. 145.06. (A) If a vacancy occurs in the term of any employee member of the public employees retirement board, the remaining members of the board shall elect ~~an~~ a successor employee member from the employee group lacking representation because of the vacancy ~~for the unexpired term~~. On certification of the election results under section 111.30 of the Revised Code, the successor employee member shall hold office until the next board election that occurs not less than ninety days after the successor employee member's election.

Any employee member of the board who fails to attend the meetings of the board for three months or longer, without valid excuse, shall be considered as having resigned, and the board shall declare the employee member's office vacated as of the date of the adoption of a proper resolution.

(B) If a vacancy occurs during the term of office of the 1368  
retirant member of the board, the remaining members of the board 1369  
shall elect a successor retirant member who ~~shall hold office for~~ 1370  
~~the remainder of the predecessor retirant member's term. The~~ 1371  
~~successor retirant member~~ shall be a former member of the public 1372  
employees retirement system who is eligible for election under 1373  
section 145.04 of the Revised Code as the retirant member of the 1374  
board. On certification of the election results under section 1375  
111.30 of the Revised Code, the successor retirant member shall 1376  
hold office until the next board election that occurs not less 1377  
than ninety days after the successor retirant member's election. 1378

If a retirant member of the board fails to attend the 1379  
meetings of the board for three months or longer, without valid 1380  
excuse, the retirant member shall be considered as having 1381  
resigned, and the board shall declare the member's office vacated 1382  
as of the date of the adoption of a proper resolution. 1383

If as a result of changed circumstances the retirant member 1384  
would no longer qualify for membership on the board as the 1385  
retirant member, the retirant member's office shall be considered 1386  
vacant, and a successor retirant member shall be chosen in the 1387  
manner specified in this division. 1388

(C) ~~If a person elected to serve on the board is unable to~~ 1389  
~~assume office at the January meeting of the board following the~~ 1390  
~~person's election, a special election shall be held in accordance~~ 1391  
~~with the provisions of section 145.05 of the Revised Code within~~ 1392  
~~three months of the January meeting and the newly elected person~~ 1393  
~~shall assume office at the meeting of the board immediately~~ 1394  
~~following the special election~~ Elections under this section to 1395  
fill a vacancy on the board shall be conducted under the 1396  
supervision of the secretary of state pursuant to section 111.30 1397  
of the Revised Code. 1398

Sec. 145.09. The public employees retirement board shall 1399  
elect from its membership a chairperson, and shall appoint an 1400  
executive director who shall serve as secretary to the board, an 1401  
actuary, and other employees as necessary for the transaction of 1402  
the business of the public employees retirement system. The 1403  
compensation of all persons so appointed shall be fixed by the 1404  
board. ~~Every~~ 1405

Effective ninety days after the effective date of this 1406  
amendment, the board may not employ a state retirement system 1407  
investment officer, as defined in section 1707.01 of the Revised 1408  
Code, who does not hold a valid state retirement system investment 1409  
officer license issued by the division of securities in the 1410  
department of commerce. 1411

Every expense voucher of an employee, officer, or board 1412  
member of the public employees retirement system shall itemize all 1413  
purchases and expenditures. 1414

The board shall perform other functions as required for the 1415  
proper execution of this chapter, and may adopt rules in 1416  
accordance with section 111.15 of the Revised Code for the proper 1417  
administration and management of this chapter. 1418

The board may take all appropriate action to avoid payment by 1419  
the system or its members of federal or state income taxes on 1420  
contributions to the system or amounts earned on such 1421  
contributions. 1422

Notice of proposed rules shall be given to interested parties 1423  
and rules adopted by the board shall be published and otherwise 1424  
made available. When it files a rule with the joint committee on 1425  
agency rule review pursuant to section 111.15 of the Revised Code, 1426  
the board shall submit to the Ohio retirement study council a copy 1427  
of the full text of the rule, and if applicable, a copy of the 1428

rule summary and fiscal analysis required by division (B) of 1429  
section 127.18 of the Revised Code. 1430

The board may sue and be sued, plead and be impleaded, 1431  
contract and be contracted with. All of its business shall be 1432  
transacted, all of its funds invested, all warrants for money 1433  
drawn and payments made, and all of its cash and securities and 1434  
other property shall be held in the name of the board, or in the 1435  
name of its nominee, provided that nominees are authorized by 1436  
retirement board resolution for the purpose of facilitating the 1437  
ownership and transfer of investments. 1438

If the Ohio retirement study council establishes a uniform 1439  
format for any report the board is required to submit to the 1440  
council, the board shall submit the report in that format. 1441

Sec. 145.092. The public employees retirement board shall do 1442  
all of the following: 1443

(A) In consultation with the Ohio ethics commission, review 1444  
any existing policy regarding the travel and payment of travel 1445  
expenses of members and employees of the public employees 1446  
retirement board and adopt rules in accordance with section 145.09 1447  
of the Revised Code establishing a new or revised policy regarding 1448  
travel and payment of travel expenses; 1449

(B) If the board intends to award a bonus to any employee of 1450  
the board, adopt rules in accordance with section 145.09 of the 1451  
Revised Code establishing a policy regarding employee bonuses; 1452

(C) Provide copies of the rules adopted under divisions (A) 1453  
and (B) of this section to each member of the Ohio retirement 1454  
study council; 1455

(D) Submit to the Ohio retirement study council a proposed 1456  
operating budget, including an administrative budget for the 1457  
board, for the next immediate fiscal year and adopt that budget 1458

not earlier than sixty days after it is submitted to the council; 1459

(E) Submit to the council a plan describing how the board 1460  
will improve the dissemination of public information pertaining to 1461  
the board. 1462

**Sec. 145.093.** The public employees retirement board shall, in 1463  
consultation with the Ohio ethics commission, develop an ethics 1464  
policy. The board shall submit this policy to the Ohio retirement 1465  
study council for approval. 1466

The council shall review the policy and, if the council 1467  
determines, upon the advice of the Ohio ethics commission, that 1468  
the policy is adequate, approve the policy. If the council 1469  
determines that the policy is inadequate, it shall specify the 1470  
revisions to be made and the board shall submit a revised policy. 1471  
If the council approves the revised policy, the board shall adopt 1472  
it. If not, the board shall make any further revisions required by 1473  
the council and adopt the policy. 1474

The board periodically shall provide ethics training to 1475  
members and employees of the board. The training shall include 1476  
training regarding the requirements and prohibitions of Chapter 1477  
102. of the Revised Code and sections 2921.42 and 2921.43 of the 1478  
Revised Code and any other training the board considers 1479  
appropriate. 1480

The board shall establish a procedure to ensure that each 1481  
employee of the board is informed of the procedure for filing a 1482  
complaint alleging violation of Chapter 102. of the Revised Code 1483  
or section 2921.42 or 2921.43 of the Revised Code with the Ohio 1484  
ethics commission or the appropriate prosecuting attorney. 1485

**Sec. 145.094.** (A) The public employees retirement board shall 1486  
designate a person who is a licensed state retirement system 1487  
investment officer to be the chief investment officer for the 1488



public employees retirement system. The board shall notify the  
division of securities of the department of commerce in writing of  
its designation and of any change in its designation within ten  
calendar days of the designation or change.

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(B) The chief investment officer shall reasonably supervise  
the licensed state retirement system investment officers and other  
persons employed by the public employees retirement system with a  
view toward preventing violations of Chapter 1707. of the Revised  
Code, the "Commodity Exchange Act," 42 Stat. 998, 7 U.S.C. and  
following, the "Securities Act of 1933," 48 Stat. 74, 15 U.S.C.  
and following, and the "Securities Exchange Act of 1934," 48 Stat.  
881, 15 U.S.C. 78a, and following, and the rules and regulations  
promulgated under those statutes. This duty of reasonable  
supervision shall include the adoption, implementation, and  
enforcement of written policies and procedures reasonably designed  
to prevent persons employed by the public employees retirement  
system from misusing material, nonpublic information in violation  
of those laws, rules, and regulations.

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For purposes of this division, no chief investment officer  
shall be considered to have failed to satisfy the officer's duty  
of reasonable supervision if the officer has done all of the  
following:

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(1) Adopted and implemented written procedures, and a system  
for applying the procedures, that would reasonably be expected to  
prevent and detect, insofar as practicable, any violation by its  
licensed investment officers and other persons employed by the  
public employees retirement system;

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(2) Reasonably discharged the duties and obligations  
incumbent on the chief investment officer by reason of the  
established procedures and the system for applying the procedures  
when the officer had no reasonable cause to believe that there was

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<u>a failure to comply with the procedures and systems;</u>	1520
<u>(3) Reviewed, at least annually, the adequacy of the policies</u>	1521
<u>and procedures established pursuant to this section and the</u>	1522
<u>effectiveness of their implementation.</u>	1523
<u>(C) The chief investment officer shall ensure that securities</u>	1524
<u>transactions are executed in such a manner that the state</u>	1525
<u>retirement system's total costs or proceeds in each transaction</u>	1526
<u>are the most favorable under the circumstances.</u>	1527
<u>For purposes of this division, no chief investment officer</u>	1528
<u>shall be considered to have failed to satisfy the officer's duty</u>	1529
<u>of best execution if the officer has done both of the following:</u>	1530
<u>(1) Adopted and implemented a written policy that outlines</u>	1531
<u>the criteria used to select broker-dealers that execute securities</u>	1532
<u>transactions on behalf of the public employees retirement system,</u>	1533
<u>which criteria shall include all of the following:</u>	1534
<u>(a) Commissions charged by the broker-dealer, both in the</u>	1535
<u>aggregate and on a per share basis;</u>	1536
<u>(b) The execution speed and trade settlement capabilities of</u>	1537
<u>the broker-dealer;</u>	1538
<u>(c) The responsiveness, reliability and integrity of the</u>	1539
<u>broker-dealer;</u>	1540
<u>(d) The nature and value of research provided by the</u>	1541
<u>broker-dealer;</u>	1542
<u>(e) Any special capabilities of the broker-dealer.</u>	1543
<u>(2) Reviewed, at least annually, the performance of</u>	1544
<u>broker-dealers that execute securities transactions on behalf of</u>	1545
<u>the public employees retirement system.</u>	1546
<b>Sec. 145.27.</b> (A)(1) As used in this division, "personal	1547
history record" means information maintained by the public	1548

employees retirement board on an individual who is a member, 1549  
former member, contributor, former contributor, retirant, or 1550  
beneficiary that includes the address, telephone number, social 1551  
security number, record of contributions, correspondence with the 1552  
public employees retirement system, or other information the board 1553  
determines to be confidential. 1554

(2) The records of the board shall be open to public 1555  
inspection, except that the following shall be excluded, except 1556  
with the written authorization of the individual concerned: 1557

(a) The individual's statement of previous service and other 1558  
information as provided for in section 145.16 of the Revised Code; 1559

(b) The amount of a monthly allowance or benefit paid to the 1560  
individual; 1561

(c) The individual's personal history record. 1562

(B) All medical reports and recommendations required by this 1563  
chapter are privileged, except that copies of such medical reports 1564  
or recommendations shall be made available to the personal 1565  
physician, attorney, or authorized agent of the individual 1566  
concerned upon written release from the individual or the 1567  
individual's agent, or when necessary for the proper 1568  
administration of the fund, to the board assigned physician. 1569

(C) Any person who is a member or contributor of the system 1570  
shall be furnished with a statement of the amount to the credit of 1571  
the individual's account upon written request. The board is not 1572  
required to answer more than one such request of a person in any 1573  
one year. The board may issue annual statements of accounts to 1574  
members and contributors. 1575

(D) Notwithstanding the exceptions to public inspection in 1576  
division (A)(2) of this section, the board may furnish the 1577  
following information: 1578

(1) If a member, former member, contributor, former contributor, or retirant is subject to an order issued under section 2907.15 of the Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Revised Code, on written request of a prosecutor as defined in section 2935.01 of the Revised Code, the board shall furnish to the prosecutor the information requested from the individual's personal history record. 1579  
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(2) Pursuant to a court or administrative order issued pursuant to Chapter 3119., 3121., 3123., or 3125. of the Revised Code, the board shall furnish to a court or child support enforcement agency the information required under that section. 1587  
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(3) At the written request of any person, the board shall provide to the person a list of the names and addresses of members, former members, contributors, former contributors, retirants, or beneficiaries. The costs of compiling, copying, and mailing the list shall be paid by such person. 1591  
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(4) Within fourteen days after receiving from the director of job and family services a list of the names and social security numbers of recipients of public assistance pursuant to section 5101.181 of the Revised Code, the board shall inform the auditor of state of the name, current or most recent employer address, and social security number of each member whose name and social security number are the same as that of a person whose name or social security number was submitted by the director. The board and its employees shall, except for purposes of furnishing the auditor of state with information required by this section, preserve the confidentiality of recipients of public assistance in compliance with division (A) of section 5101.181 of the Revised Code. 1596  
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(5) The system shall comply with orders issued under section 1609

3105.87 of the Revised Code. 1610

On the written request of an alternate payee, as defined in 1611  
section 3105.80 of the Revised Code, the system shall furnish to 1612  
the alternate payee information on the amount and status of any 1613  
amounts payable to the alternate payee under an order issued under 1614  
section 3105.171 or 3105.65 of the Revised Code. 1615

(6) At the request of any person, the board shall make 1616  
available to the person copies of all documents, including 1617  
resumes, in the board's possession regarding filling a vacancy of 1618  
an employee member or retirant member of the board. The person who 1619  
made the request shall pay the cost of compiling, copying, and 1620  
mailing the documents. The information described in this division 1621  
is a public record. 1622

(7) The board shall furnish those personal history records 1623  
kept by the board to the secretary of state necessary for the 1624  
purposes of certifying an election pursuant to section 111.30 of 1625  
the Revised Code. The records provided pursuant to this division 1626  
shall remain confidential while in the possession of the secretary 1627  
of state. 1628

(E) A statement that contains information obtained from the 1629  
system's records that is signed by the executive director or an 1630  
officer of the system and to which the system's official seal is 1631  
affixed, or copies of the system's records to which the signature 1632  
and seal are attached, shall be received as true copies of the 1633  
system's records in any court or before any officer of this state. 1634

Sec. 145.99. (A) Whoever violates division (A) of section 1635  
145.054 of the Revised Code shall be fined not more than one 1636  
hundred dollars for each day of the violation. 1637

(B) Whoever violates division (B) of section 145.054 of the 1638  
Revised Code shall be imprisoned for not more than six months or 1639

fined not more than five thousand dollars, or both. 1640

(C) Fines imposed by the Ohio elections commission under this section shall be paid into the Ohio elections commission fund created under section 3513.10 of the Revised Code. 1641  
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**Sec. 171.01.** There As used in this chapter, "state retirement systems" means the public employees retirement system, Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, and state highway patrol retirement system. 1644  
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There is hereby created the Ohio retirement study council, ~~consisting of fourteen members to.~~ Members of the council shall be appointed as follows: 1649  
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(A) Three members of the senate, appointed by the president of the senate, not more than two of whom may be members of the same political party; 1652  
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(B) Three members of the house of representatives, appointed by the speaker of the house of representatives, not more than two of whom may be members of the same political party; 1655  
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(C) Two members, each of whom shall be a former member of the general assembly who, while a member of the general assembly, served at least one term as a member of the council or served as a member of a standing committee or subcommittee of the senate or house of representatives with primary responsibility for health or retirement legislation. One member shall be jointly appointed by the speaker of the house of representatives and the leader in the senate of the political party of which the speaker is a member. The other member shall be jointly appointed by the legislative leaders in the two houses of the major political party of which the speaker is not a member. The members shall not be members of the same political party. 1658  
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The members shall be appointed at the same time as the 1670  
members appointed under division (B) of this section and shall 1671  
serve until the thirty-first day of December of the following 1672  
year. 1673

(D) Three members appointed by the governor, with the advice 1674  
and consent of the senate, not more than two of whom shall be 1675  
members of the same political party, one of whom shall represent 1676  
the state and its employees; one of whom shall represent nonstate 1677  
governments and their employees; and one of whom shall represent 1678  
educational employers and their employees. Of these three members, 1679  
at least one shall be a person with investment expertise. Terms of 1680  
the existing members appointed by the governor shall not be 1681  
affected. Terms of office of members appointed by the governor 1682  
shall be for three years, commencing on the first day of July and 1683  
ending on the thirtieth day of June. Each member appointed by the 1684  
governor shall hold office from the date of appointment until the 1685  
end of the term for which the appointment was made. Any member 1686  
appointed by the governor to fill a vacancy occurring prior to the 1687  
expiration of the term for which the member's predecessor was 1688  
appointed shall hold office for the remainder of such term. ~~Any~~ 1689  
Each member appointed by the governor shall continue in office 1690  
~~subsequent to the expiration date of the member's term until the~~ 1691  
~~member's successor takes office, or until a period of sixty days~~ 1692  
~~has elapsed, whichever occurs first~~ until the member's successor 1693  
is appointed and qualified, notwithstanding the expiration of the 1694  
member's term of office. 1695

~~(D)~~(E) Five ex officio members as follows: the executive 1696  
director of the public employees retirement system, the executive 1697  
director of the state teachers retirement system, the executive 1698  
director of the school employees retirement system, the executive 1699  
secretary of the Ohio police and fire pension fund, and the 1700  
secretary of the state highway patrol retirement board, who shall 1701

be nonvoting members. 1702

A vacancy on the council shall be filled by the person 1703  
qualified to make the original appointment for the unexpired term, 1704  
in the same manner as the original appointment. 1705

The members of the council who are appointed from the 1706  
membership of the senate and the house of representatives shall 1707  
serve during their terms as members of the general assembly and 1708  
until their successors are appointed and qualified, 1709  
notwithstanding the adjournment of the general assembly of which 1710  
they are members or the expiration of their terms as members of 1711  
such general assembly. 1712

The members of the council who are former members of the 1713  
general assembly shall serve until their successors are appointed 1714  
and qualified, notwithstanding the adjournment of the general 1715  
assembly during which they were appointed or the expiration of 1716  
their terms as members of the council. 1717

**Sec. 171.02.** Meetings of the Ohio retirement study council 1718  
shall be called in such manner and at such times as prescribed by 1719  
rules adopted by the council. A majority of the council 1720  
constitutes a quorum and no action shall be taken by the council 1721  
unless approved by at least ~~five~~ six voting members. The council 1722  
shall organize by selecting a chairperson, vice-chairperson, and 1723  
such other officers as it deems necessary. The council shall adopt 1724  
rules for the conduct of its business and the election of its 1725  
officers, and shall establish an office in Columbus. Each member 1726  
of the council, before entering upon the member's official duties 1727  
shall take and subscribe to an oath of office, to uphold the 1728  
constitution and laws of the United States and this state and to 1729  
perform the duties of the office honestly, faithfully, and 1730  
impartially. Members of the council shall serve without 1731  
compensation but shall be reimbursed for actual and necessary 1732



expenses incurred in the performance of their duties.	1733
<b>Sec. 171.03.</b> The Ohio retirement study council may:	1734
(A) Appoint a director to manage and direct the duties of the staff of the council. The director shall be a person who has had training and experience in areas related to the duties of the council.	1735 1736 1737 1738
(B) Appoint such professional, technical, and clerical employees as are necessary, and employ or hire on a consulting basis such actuarial, legal, investment, or other technical services required for the performance of its duties;	1739 1740 1741 1742
(C) Fix the compensation of the director and all other employees of the council. The employees of the council shall be members of the public employees retirement system.	1743 1744 1745
(D) Require the public employees retirement board, the state teachers retirement board, the school employees retirement board, the state highway patrol retirement system, the Ohio police and fire pension fund, and any agency or official of this state or its political subdivisions to provide it with any information necessary to carry out its duties;	1746 1747 1748 1749 1750 1751
(E) Administer oaths and hold public hearings at such times and places within the state as may be necessary to accomplish the purposes and intent of Chapter 171. of the Revised Code;	1752 1753 1754
<u>(F) Establish a uniform format for any report that the boards of the state retirement systems are required to submit to the council and regular reporting requirements;</u>	1755 1756 1757
<u>(G) Request that the auditor of state perform or contract for the performance of a financial or special audit of a state retirement system.</u>	1758 1759 1760

**Sec. 171.04.** The Ohio retirement study council shall: 1761

(A) Make an impartial review from time to time of all laws 1762  
governing the administration and financing of the pension and 1763  
retirement funds under Chapters 145., 146., 742., 3307., 3309., 1764  
and 5505. of the Revised Code and recommend to the general 1765  
assembly any changes it may find desirable with respect to the 1766  
allowances and benefits, sound financing of the cost of benefits, 1767  
the prudent investment of funds, and the improvement of the 1768  
language, structure, and organization of the laws; 1769

(B) Make an annual report to the governor and to the general 1770  
assembly covering its evaluation and recommendations with respect 1771  
to the operations of the state retirement systems and their funds; 1772

(C) Study all changes in the retirement laws proposed to the 1773  
general assembly and report to the general assembly on their 1774  
probable costs, actuarial implications, and desirability as a 1775  
matter of public policy; 1776

(D) Review semiannually the policies, objectives, and 1777  
criteria adopted under sections 145.11, 742.11, 3307.15, 3309.15, 1778  
and 5505.06 of the Revised Code for the operation of the 1779  
investment programs of the state retirement systems, including a 1780  
review of asset allocation targets and ranges, risk factors, asset 1781  
class benchmarks, time horizons, total return objectives, relative 1782  
volatility, and performance evaluation guidelines. The council 1783  
shall, not later than thirty days after completing a review, 1784  
submit to the governor and the general assembly a report 1785  
summarizing its findings. 1786

(E) Have prepared by an independent actuary, at least once 1787  
every ten years, an actuarial review of the annual actuarial 1788  
valuations and quinquennial actuarial investigations prepared 1789  
under sections 145.22, 742.14, 3307.20, 3309.21, and 5505.12 of 1790

the Revised Code, including a review of the actuarial assumptions 1791  
and methods, the data underlying the valuations and 1792  
investigations, and the adequacy of each system's employee and 1793  
employer contribution rates to amortize its unfunded actuarial 1794  
pension liability, if any, and to support the payment of benefits 1795  
authorized by Chapter 145., 742., 3307., 3309., or 5505. of the 1796  
Revised Code. The council shall submit to the governor and the 1797  
general assembly a report summarizing the review. 1798

(F) Have conducted by an independent auditor at least once 1799  
every five years a fiduciary performance audit of each of the 1800  
state retirement systems. 1801

All costs associated with an audit conducted pursuant to 1802  
division (F) of this section shall be paid by the retirement 1803  
system audited. 1804

(G) Review all proposed rules submitted to the council 1805  
pursuant to sections 145.09, 742.10, 3307.04, 3309.04, and 5505.04 1806  
of the Revised Code and submit any recommendations to the joint 1807  
committee on agency rule review. 1808

Sec. 171.06. The attorney general is the legal adviser to the 1809  
Ohio retirement study council. 1810

Sec. 171.50. The boards of the state retirement systems shall 1811  
jointly develop a retirement board member education program and 1812  
submit the program to the Ohio retirement study council. 1813

The boards shall jointly pay all costs associated with 1814  
establishing and conducting the retirement board member education 1815  
program. 1816

The retirement board member education program shall consist 1817  
of an orientation component for newly elected and appointed 1818  
members and a continuing education component for board members who 1819  
have served for at least one year. The program shall incorporate 1820

into its curriculum each of the following topics: board member 1821  
duties and responsibilities, retirement system member benefits and 1822  
health care management, ethics, governance processes and 1823  
procedures, actuarial soundness, investments, and any other 1824  
subject matter the boards believe is reasonably related to the 1825  
duties of a board member. 1826

All program sessions, classes, and other events shall be held 1827  
in Ohio. 1828

**Sec. 742.03.** (A) As used in this section and in sections 1829  
742.04 and 742.05 of the Revised Code: 1830

(1) "Police officer" means a member of the fund who is or has 1831  
been an employee of a police department and is not a police 1832  
retirant. 1833

(2) "Firefighter" means a member of the fund who is or has 1834  
been an employee of a fire department and is not a firefighter 1835  
retirant. 1836

(3) "Firefighter retirant" means a member of the fund who is 1837  
receiving an age and service or disability benefit as a result of 1838  
service in a fire department or a surviving spouse of a deceased 1839  
member who is receiving a benefit as a result of the deceased 1840  
member's service in a fire department. "Firefighter retirant" does 1841  
not include a member of the fund who is participating in the 1842  
deferred retirement option plan established under section 742.43 1843  
of the Revised Code. 1844

(4) "Police retirant" means a member of the fund who is 1845  
receiving an age and service or disability benefit as a result of 1846  
service in a police department or a surviving spouse of a deceased 1847  
member who is receiving a benefit as a result of the deceased 1848  
member's service in a police department. "Police retirant" does 1849  
not include a member of the fund who is participating in the 1850

deferred retirement option plan established under section 742.43 1851  
of the Revised Code. 1852

(B) The administration, control, and management of the Ohio 1853  
police and fire pension fund, created under section 742.02 of the 1854  
Revised Code, is vested in a board of trustees of the Ohio police 1855  
and fire pension fund, which shall consist of ~~nine~~ the following 1856  
members ~~as follows~~: 1857

(1) The ~~attorney general~~ treasurer of state; 1858

(2) The auditor of state; 1859

(3) The fiscal officer of a municipal corporation who shall 1860  
be appointed by the governor. This member's term shall be for 1861  
three years, commencing on the fourth day of June and ending on 1862  
the third day of June. The fiscal officer member shall hold office 1863  
from the date of appointment until the end of the term for which 1864  
appointed. Any fiscal officer member appointed to fill a vacancy 1865  
occurring prior to the expiration of the term for which the fiscal 1866  
officer member's predecessor was appointed shall hold office for 1867  
the remainder of such term. Any fiscal officer member shall 1868  
continue in office subsequent to the expiration date of the fiscal 1869  
officer member's term until such member's successor takes office, 1870  
or until a period of sixty days has elapsed, whichever occurs 1871  
first. 1872

(4) Two members, known as the investment expert members, who 1873  
shall be appointed by the governor for four-year terms and who 1874  
shall have the following qualifications: 1875

(a) Each member shall be a resident of this state. 1876

(b) Within the three years immediately preceding the 1877  
appointment, each member shall not have been employed by the 1878  
public employees retirement system, police and fire pension fund, 1879  
state teachers retirement system, school employees retirement 1880  
system, or state highway patrol retirement system or by any 1881

person, partnership, or corporation that has provided to one of 1882  
those retirement systems services of a financial or investment 1883  
nature, including the management, analysis, supervision, or 1884  
investment of assets. 1885

(c) Each member shall have direct experience in the 1886  
management, analysis, supervision, or investment of assets. 1887

(5) Four members known as employee members. 1888

Two employee members shall be police officers elected by 1889  
police officers. Two employee members shall be firefighters 1890  
elected by firefighters. Employee members of the board shall be 1891  
elected for terms of four years as provided by section 742.04 of 1892  
the Revised Code. 1893

~~(5)~~(6) One member known as the firefighter retirant member, 1894  
who shall be a resident of this state elected by the firefighter 1895  
retirants. The firefighter retirant member shall be elected for a 1896  
term of four years as provided by section 742.04 of the Revised 1897  
Code. 1898

~~(6)~~(7) One member known as the police retirant member, who 1899  
shall be a resident of this state elected by the police retirants. 1900  
The police retirant member shall be elected for a term of four 1901  
years as provided by section 742.04 of the Revised Code. 1902

(C) No employee member of the board who retires while a 1903  
member of the board shall be eligible to become a retirant member 1904  
for three years after the date of the member's retirement. 1905

(D) The initial investment expert members shall be appointed 1906  
and take office not less than ninety days after the effective date 1907  
of this amendment. Any investment expert member appointed to fill 1908  
a vacancy occurring prior to the expiration of the term for which 1909  
the member's predecessor was appointed holds office until the end 1910  
of such term. The member continues in office subsequent to the 1911

expiration date of the member's term until the member's successor 1912  
takes office, or until a period of sixty days has elapsed, 1913  
whichever occurs first. 1914

Sec. 742.031. Each newly elected member of the board of 1915  
trustees of the Ohio police and fire pension fund and each 1916  
individual appointed to fill a vacancy on the board, shall, not 1917  
later than ninety days after commencing service as a board member, 1918  
complete the orientation program component of the retirement board 1919  
member education program established under section 171.50 of the 1920  
Revised Code. 1921

Each member of the board who has served a year or longer as a 1922  
board member shall, not less than twice each year, attend one or 1923  
more programs that are part of the continuing education component 1924  
of the retirement board member education program established under 1925  
section 171.50 of the Revised Code. 1926

Sec. 742.032. A person who served as an elected or appointed 1927  
member of the board of trustees of the Ohio police and fire 1928  
pension fund for one or more entire fiscal years in fiscal years 1929  
2000, 2001, or 2002 is ineligible for re-election or reappointment 1930  
to the board if the person has accepted reimbursements for travel 1931  
and travel-related expenses from the board that have an annual 1932  
average of more than ten thousand dollars for those fiscal years. 1933

Sec. 742.04. As used in this section, "county" means the 1934  
county of residence of an individual who signs a nominating 1935  
petition. 1936

Election of the employee members, firefighter retirant 1937  
member, and police retirant member of the board of trustees of the 1938  
Ohio police and fire pension fund shall be under the supervision 1939  
and direction of the board in accordance with rules adopted under 1940

section 111.30 of the Revised Code. 1941

Nominating petitions for candidates for an employee member of 1942  
the board elected by police officers shall be signed by at least 1943  
one hundred police officers, with at least twenty signers from 1944  
each of at least five counties of the state, and certified under 1945  
section 111.30 of the Revised Code. 1946

Nominating petitions for candidates for an employee member of 1947  
the board elected by firefighters shall be signed by at least one 1948  
hundred firefighters, with at least twenty signers from each of at 1949  
least five counties of the state, and certified under section 1950  
111.30 of the Revised Code. 1951

Nominating petitions for candidates for an employee member of 1952  
the board shall be filed in the office of the board not later than 1953  
four p.m. on the first Monday in April preceding the date of the 1954  
expiration of the term of the employee member of the board whose 1955  
successor is to be elected. 1956

~~The board shall determine the sufficiency of the nominating 1957  
petitions filed with it and the board's decision shall be final.~~ 1958

The board shall cause ballots to be prepared for the election 1959  
of employee members of the board which shall contain the names of 1960  
all candidates for whom ~~proper~~ certified nominating petitions have 1961  
been filed with the board. 1962

A police officer or firefighter is eligible to vote in an 1963  
election if the police officer or firefighter is a member of the 1964  
fund on the first Monday in March preceding the date of the 1965  
expiration of the term of the employee member of the board whose 1966  
successor is to be elected. The board shall determine whether a 1967  
member of the fund is eligible to vote at an election and its 1968  
decision shall be final. 1969

On or before the first Monday in May preceding the date of 1970  
the expiration of the term of the employee member of the board 1971



whose successor is to be elected, the board shall cause ballots to 1972  
be sent to each member of the fund who is eligible to vote at such 1973  
election to the address of such member as shown on the records of 1974  
the board. 1975

Ballots shall be returned to the board not later than the 1976  
third Tuesday in May following the date that the ballots were 1977  
mailed to the members of the fund eligible to vote at such 1978  
election. 1979

~~The board shall cause the ballots to be counted and shall~~ 1980  
~~declare~~ On certification of the election results under section 1981  
111.30 of the Revised Code, the person receiving the highest 1982  
number of votes shall be elected as an employee member of the 1983  
board for a term of four years beginning on the first Monday in 1984  
June following such election. 1985

Nominating petitions for candidates for the police retirant 1986  
member of the board shall be signed by at least fifty police 1987  
retirants, with at least ten signers from at least five counties 1988  
of the state, and certified under section 111.30 of the Revised 1989  
Code. 1990

Nominating petitions for candidates for the firefighter 1991  
retirant member of the board shall be signed by at least fifty 1992  
firefighter retirants, with at least ten signers from at least 1993  
five counties of the state, and certified under section 111.30 of 1994  
the Revised Code. 1995

Nominating petitions for candidates for the retirant members 1996  
of the board shall be filed in the office of the board not later 1997  
than four p.m. on the first Monday in April preceding the date of 1998  
the expiration of the term of the retirant member of the board 1999  
whose successor is to be elected. 2000

~~The board shall determine the sufficiency of the nominating~~ 2001  
~~petitions filed with it, and the board's decision shall be final.~~ 2002

The board shall cause ballots to be prepared for the election 2003  
of these board members which shall contain the names of all 2004  
candidates for whom ~~proper~~ certified nominating petitions have 2005  
been filed with the board. 2006

A retirant is eligible to vote in an election if the retirant 2007  
is a police retirant or firefighter retirant on the first Monday 2008  
in April preceding the date of the expiration of the term of the 2009  
retirant member of the board whose successor is to be elected. The 2010  
board shall determine whether a police retirant or firefighter 2011  
retirant is eligible to vote at an election and its decision shall 2012  
be final. 2013

On or before the first Monday in May preceding the date of 2014  
the expiration of the term of a retirant member of the board whose 2015  
successor is to be elected, the board shall cause ballots to be 2016  
sent to each person who is eligible to vote in the election to the 2017  
address of the person as shown on the records of the board. 2018

Ballots shall be returned to the board not later than the 2019  
third Tuesday in May following the date that the ballots were 2020  
mailed to the persons eligible to vote in the election. 2021

~~The board shall cause the ballots to be counted and shall~~ 2022  
~~declare~~ On certification of the election results under section 2023  
111.30 of the Revised Code, the person receiving the highest 2024  
number of votes shall be elected as the police retirant member or 2025  
the firefighter retirant member of the board for a term of four 2026  
years beginning on the first Monday in June following the 2027  
election. 2028

**Sec. 742.042.** (A) As used in this section: 2029

(1) "Campaign committee" means a candidate or a combination 2030  
of two or more persons authorized by a candidate to receive 2031  
contributions and in-kind contributions and make expenditures on 2032

behalf of the candidate. 2033

(2) "Candidate" means an individual who has been nominated 2034  
pursuant to section 742.04 of the Revised Code for election to the 2035  
board of trustees of the Ohio police and fire pension fund or who 2036  
is seeking to be elected to fill a vacancy on the board pursuant 2037  
to section 742.05 of the Revised Code. 2038

(3) "Contribution" means a loan, gift, deposit, forgiveness 2039  
of indebtedness, donation, advance, payment, transfer of funds or 2040  
transfer of anything of value including a transfer of funds from 2041  
an inter vivos or testamentary trust or decedent's estate, and the 2042  
payment by any person other than the person to whom the services 2043  
are rendered for the personal services of another person, which 2044  
contribution is made, received, or used for the purpose of 2045  
influencing the results of an election to the board of trustees of 2046  
the Ohio police and fire pension fund under section 742.04 of the 2047  
Revised Code or the results of an election to fill a vacancy on 2048  
the board pursuant to section 742.05 of the Revised Code. 2049

"Contribution" does not include: 2050

(a) Services provided without compensation by individuals 2051  
volunteering a portion or all of their time on behalf of a person; 2052

(b) Ordinary home hospitality; 2053

(c) The personal expenses of a volunteer paid for by that 2054  
volunteer campaign worker. 2055

(4) "Election day" means the following, as appropriate to the 2056  
situation: 2057

(a) The third Tuesday in May of a year for which section 2058  
742.04 of the Revised Code specifies that an election for a member 2059  
of the board of trustees of the Ohio police and fire pension fund 2060  
be held; 2061

(b) If, pursuant to section 742.041 of the Revised Code, no 2062

election is held, the third Tuesday in May of a year that the 2063  
election would have been held if not for section 742.041 of the 2064  
Revised Code. 2065

(5) "Expenditure" means the disbursement or use of a 2066  
contribution for the purpose of influencing the results of an 2067  
election to the board of trustees of the Ohio police and fire 2068  
pension fund under section 742.04 of the Revised Code or the 2069  
results of an election to fill a vacancy on the board pursuant to 2070  
section 742.05 of the Revised Code. 2071

(6) "Independent expenditure" means an expenditure by an 2072  
individual, partnership, or other entity advocating the election 2073  
or defeat of an identified candidate or candidates, that is not 2074  
made with the consent of, in coordination, cooperation, or 2075  
consultation with, or at the request or suggestion of any 2076  
candidate or candidates or of the campaign committee or agent of 2077  
the candidate or candidates. An independent expenditure shall not 2078  
be construed as being a contribution. As used in division (A)(6) 2079  
of this section: 2080

(a) "Advocating" means any communication containing a message 2081  
advocating election or defeat. 2082

(b) "Identified candidate" means that the name of the 2083  
candidate appears, a photograph or drawing of the candidate 2084  
appears, or the identity of the candidate is otherwise apparent by 2085  
unambiguous reference. 2086

(c) "Made in coordination, cooperation, or consultation with, 2087  
or at the request or suggestion of, any candidate or the campaign 2088  
committee or agent of the candidate" means made pursuant to any 2089  
arrangement, coordination, or direction by the candidate, the 2090  
candidate's campaign committee, or the candidate's agent prior to 2091  
the publication, distribution, display, or broadcast of the 2092  
communication. An expenditure is presumed to be so made when it is 2093

any of the following: 2094

(i) Based on information about the candidate's plans, 2095  
projects, or needs provided to the person making the expenditure 2096  
by the candidate, or by the candidate's campaign committee or 2097  
agent, with a view toward having an expenditure made; 2098

(ii) Made by or through any person who is, or has been, 2099  
authorized to raise or expend funds, who is, or has been, an 2100  
officer of the candidate's campaign committee, or who is, or has 2101  
been, receiving any form of compensation or reimbursement from the 2102  
candidate or the candidate's campaign committee or agent; 2103

(iii) Made by a political party in support of a candidate, 2104  
unless the expenditure is made by a political party to conduct 2105  
voter registration or voter education efforts. 2106

(d) "Agent" means any person who has actual oral or written 2107  
authority, either express or implied, to make or to authorize the 2108  
making of expenditures on behalf of a candidate, or means any 2109  
person who has been placed in a position with the candidate's 2110  
campaign committee or organization such that it would reasonably 2111  
appear that in the ordinary course of campaign-related activities 2112  
the person may authorize expenditures. 2113

(7) "In-kind contribution" means anything of value other than 2114  
money that is used to influence the results of an election to the 2115  
board of trustees of the Ohio police and fire pension fund under 2116  
section 742.04 of the Revised Code or the results of an election 2117  
to fill a vacancy on the board pursuant to section 742.05 of the 2118  
Revised Code or is transferred to or used in support of or in 2119  
opposition to a candidate and that is made with the consent of, in 2120  
coordination, cooperation, or consultation with, or at the request 2121  
or suggestion of the benefited candidate. The financing of the 2122  
dissemination, distribution, or republication, in whole or part, 2123  
of any broadcast or of any written, graphic, or other form of 2124

campaign materials prepared by the candidate, the candidate's 2125  
campaign committee, or their authorized agents is an in-kind 2126  
contribution to the candidate and an expenditure by the candidate. 2127

(8) "Personal expenses" includes ordinary expenses for 2128  
accommodations, clothing, food, personal motor vehicle or 2129  
airplane, and home telephone. 2130

(B) Except as otherwise provided in division (D) of this 2131  
section, each candidate who, or whose campaign committee, receives 2132  
a contribution or in-kind contribution or makes an expenditure in 2133  
connection with the candidate's efforts to be elected to the board 2134  
of trustees of the Ohio police and fire pension fund shall file 2135  
with the secretary of state two complete, accurate, and itemized 2136  
statements setting forth in detail the contributions, in-kind 2137  
contributions, and expenditures. The statements shall be filed 2138  
regardless of whether, pursuant to section 742.041 of the Revised 2139  
Code, no election is held. The statements shall be made on a form 2140  
prescribed under section 111.30 of the Revised Code. Every 2141  
expenditure shall be vouched for by a receipted bill, stating the 2142  
purpose of the expenditures, that shall be filed with the 2143  
statement; a canceled check with a notation of the purpose of the 2144  
expenditure is a receipted bill for purposes of this division. 2145

The first statement shall be filed not later than four p.m. 2146  
on the day that is twelve days before election day. The second 2147  
statement shall be filed not sooner than the day that is eight 2148  
days after election day and not later than thirty-eight days after 2149  
election day. The first statement shall reflect contributions and 2150  
in-kind contributions received and expenditures made to the close 2151  
of business on the twentieth day before election day. The second 2152  
statement shall reflect contributions and in-kind contributions 2153  
received and expenditures made during the period beginning on the 2154  
nineteenth day before election day and ending on the close of 2155  
business on the seventh day after election day. 2156

(C) Each individual, partnership, or other entity who makes 2157  
an independent expenditure in connection with the candidate's 2158  
efforts to be elected to the board of trustees of the police and 2159  
fire pension fund shall file with the secretary of state two 2160  
complete, accurate, and itemized statements setting forth in 2161  
detail the independent expenditures. The statements shall be filed 2162  
regardless of whether, pursuant to section 742.041 of the Revised 2163  
Code, no election is held. The statements shall be made on a form 2164  
prescribed under section 111.30 of the Revised Code. 2165

The first statement shall be filed not later than four p.m. 2166  
on the day that is twelve days before election day. The second 2167  
statement shall be filed not sooner than the day that is eight 2168  
days after election day and not later than thirty-eight days after 2169  
election day. The first statement shall reflect independent 2170  
expenditures made to the close of business on the twentieth day 2171  
before election day. The second statement shall reflect 2172  
independent expenditures made during the period beginning on the 2173  
nineteenth day before election day and ending on the close of 2174  
business on the seventh day after election day. 2175

(D) Each candidate who, or whose campaign committee, receives 2176  
a contribution or in-kind contribution or makes an expenditure in 2177  
connection with the candidate's efforts to be elected to fill a 2178  
vacancy in the board of trustees of the police and fire pension 2179  
fund pursuant to section 742.05 of the Revised Code shall file 2180  
with the secretary of state a complete, accurate, and itemized 2181  
statement setting forth in detail the contributions, in-kind 2182  
contributions, and expenditures. The statement shall be made on a 2183  
form prescribed under section 111.30 of the Revised Code. Every 2184  
expenditure shall be vouched for by a receipted bill, stating the 2185  
purpose of the expenditures, that shall be filed with the 2186  
statement; a canceled check with a notation of the purpose of the 2187  
expenditure is a receipted bill for purposes of this division. 2188

The statement shall be filed within thirty-eight days after 2189  
the day the candidate takes office. The statement shall reflect 2190  
contributions and in-kind contributions received and expenditures 2191  
made to the close of business on the seventh day after the day the 2192  
candidate takes office. 2193

**Sec. 742.043.** (A) No person shall knowingly fail to file a 2194  
complete and accurate campaign finance statement or independent 2195  
expenditure statement in accordance with section 742.042 of the 2196  
Revised Code. 2197

(B) No person, during the course of a person seeking 2198  
nomination for, and during any campaign for, election to the board 2199  
of trustees of the police and fire pension fund, shall knowingly 2200  
and with intent to affect the nomination or the outcome of the 2201  
campaign do any of the following by means of campaign materials, 2202  
an advertisement on radio or television or in a newspaper or 2203  
periodical, a public speech, press release, or otherwise: 2204

(1) With regard to a candidate, identify the candidate in a 2205  
manner that implies that the candidate is a member of the board or 2206  
use the term "re-elect" when the candidate is not currently a 2207  
member of the board; 2208

(2) Make a false statement concerning the formal schooling or 2209  
training completed or attempted by a candidate; a degree, diploma, 2210  
certificate, scholarship, grant, award, prize, or honor received, 2211  
earned, or held by a candidate; or the period of time during which 2212  
a candidate attended any school, college, community technical 2213  
school, or institution; 2214

(3) Make a false statement concerning the professional, 2215  
occupational, or vocational licenses held by a candidate, or 2216  
concerning any position the candidate held for which the candidate 2217  
received a salary or wages; 2218



(4) Make a false statement that a candidate or public official has been indicted or convicted of a theft offense, extortion, or other crime involving financial corruption or moral turpitude; 2219  
2220  
2221  
2222

(5) Make a statement that a candidate has been indicted for any crime or has been the subject of a finding by the Ohio elections commission without disclosing the outcome of any legal proceedings resulting from the indictment or finding; 2223  
2224  
2225  
2226

(6) Make a false statement that a candidate or official has a record of treatment or confinement for mental disorder; 2227  
2228

(7) Make a false statement that a candidate or official has been subjected to military discipline for criminal misconduct or dishonorably discharged from the armed services; 2229  
2230  
2231

(8) Falsely identify the source of a statement, issue statements under the name of another person without authorization, or falsely state the endorsement of or opposition to a candidate by a person or publication; 2232  
2233  
2234  
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(9) Make a false statement concerning the voting record of a candidate or public official; 2236  
2237

(10) Post, publish, circulate, distribute, or otherwise disseminate a false statement concerning a candidate, either knowing the same to be false or with reckless disregard of whether it was false or not, if the statement is designed to promote the election, nomination, or defeat of the candidate. 2238  
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**Sec. 742.044.** The secretary of state, or any person acting on personal knowledge and subject to the penalties of perjury, may file a complaint with the Ohio elections commission alleging a violation of section 742.043 of the Revised Code. The complaint shall be made on a form prescribed and provided by the commission. 2243  
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On receipt of a complaint under this section, the commission 2248

shall hold a hearing open to the public to determine whether the violation alleged in the complaint has occurred. The commission may administer oaths and issue subpoenas to any person in the state compelling the attendance of witnesses and the production of relevant papers, books, accounts, and reports. On the refusal of any person to obey a subpoena or to be sworn or to answer as a witness, the commission may apply to the court of common pleas of Franklin county under section 2705.03 of the Revised Code. The court shall hold contempt proceedings in accordance with Chapter 2705. of the Revised Code.

The commission shall provide the person accused of the violation at least seven days prior notice of the time, date, and place of the hearing. The accused may be represented by an attorney and shall have an opportunity to present evidence, call witnesses, and cross-examine witnesses.

At the hearing, the commission shall determine whether the violation alleged in the complaint has occurred. If the commission determines that a violation of division (A) of section 742.043 of the Revised Code has occurred, the commission shall either impose a fine under section 742.99 of the Revised Code or enter a finding that good cause has been shown not to impose the fine. If the commission determines that a violation of division (B) of section 742.043 of the Revised Code has occurred, the commission shall impose the fine described in section 742.99 of the Revised Code, refer the matter to the appropriate prosecutor, or enter a finding that good cause has been shown not to impose a fine or refer the matter to a prosecutor.

**Sec. 742.046.** An employee member, firefighter retirant member, or police retirant member of the board of trustees of the police and fire pension fund who is charged with committing a felony, a theft offense as defined in section 2913.01 of the

Revised Code, or a violation of section 102.02, 102.03, 102.04, 2280  
2921.02, 2921.11, 2921.13, 2921.31, 2921.41, 2921.42, 2921.43, or 2281  
2921.44 of the Revised Code shall be suspended from participation 2282  
on the board for the period during which the charges are pending. 2283  
If the charges are dismissed, the member is found not guilty, or 2284  
the charges are otherwise resolved in a manner not resulting in 2285  
the member being convicted of or pleading guilty to an offense of 2286  
that nature, the suspension shall end, and the member may 2287  
participate on the board. If the member pleads guilty to or is 2288  
convicted of the offense, the position of the member on the board 2289  
shall be deemed vacant. A person who has pleaded guilty to or been 2290  
convicted of an offense of that nature is ineligible for election 2291  
to the office of employee member, firefighter retirant member, or 2292  
police retirant member of the board of trustees of the police and 2293  
fire pension fund. 2294

**Sec. 742.05.** Any vacancy occurring in the term of a member of 2295  
the board of trustees of the Ohio police and fire pension fund who 2296  
is the fiscal officer of a municipal corporation shall be filled 2297  
by appointment by the governor for the unexpired term of such 2298  
member. 2299

~~Any~~ If a vacancy occurring occurs in the term of an employee 2300  
or retirant member of the board ~~shall be filled by, all the~~ 2301  
remaining ~~employee members and the retirant~~ members of the board 2302  
~~for the unexpired term of such~~ shall elect a successor employee or 2303  
retirant member. On certification of the election results under 2304  
section 111.30 of the Revised Code, the successor member shall 2305  
hold office until the next board election that occurs not less 2306  
than ninety days after the successor member's election. 2307

~~Any vacancy occurring in the term of a retirant member of the~~ 2308  
~~board shall be filled by the employee members and the remaining~~ 2309

<del>retirant member of the board for the unexpired term.</del>	2310
<u>Elections under this section to fill a vacancy on the board</u>	2311
<u>shall be conducted under the supervision of the secretary of state</u>	2312
<u>pursuant to section 111.30 of the Revised Code.</u>	2313
If a member of the board who is the fiscal officer of a	2314
municipal corporation ceases to be a fiscal officer of a municipal	2315
corporation, a vacancy shall exist.	2316
If an employee member of the board ceases to be a member of	2317
the fund, a vacancy shall exist.	2318
If as a result of changed circumstances a retirant member no	2319
longer qualifies for membership on the board as a retirant member,	2320
a vacancy shall exist.	2321
Any <del>employee or retirant</del> <u>elected or appointed</u> member of the	2322
<del>board or member of the board who is the fiscal officer of a</del>	2323
<del>municipal corporation</del> who fails to attend three consecutive	2324
meetings of the board, without valid excuse, shall be considered	2325
as having resigned from the board and the board shall declare the	2326
member's office vacated and as of the date of the adoption of a	2327
proper resolution a vacancy shall exist.	2328
<b>Sec. 742.10.</b> The board of trustees of the Ohio police and	2329
fire pension fund may sue and be sued, plead and be impleaded,	2330
contract and be contracted with, employ and fix the compensation	2331
of employees, and adopt rules for the proper administration and	2332
management of the fund.	2333
<u>Effective ninety days after the effective date of this</u>	2334
<u>amendment, the board of trustees may not employ a state retirement</u>	2335
<u>system investment officer, as defined in section 1707.01 of the</u>	2336
<u>Revised Code, who does not hold a valid state retirement system</u>	2337
<u>investment officer license issued by the division of securities in</u>	2338
<u>the department of commerce.</u>	2339

If the Ohio retirement study council establishes a uniform 2340  
format for any report the board is required to submit to the 2341  
council, the board shall submit the report in that format. 2342

The attorney general shall prescribe procedures for the 2343  
adoption of rules authorized under this chapter, consistent with 2344  
the provisions of section 111.15 of the Revised Code under which 2345  
all rules shall be filed in order to be effective. Such procedures 2346  
shall establish methods by which notice of proposed rules is given 2347  
to interested parties and rules adopted by the board published and 2348  
otherwise made available. When it files a rule with the joint 2349  
committee on agency rule review pursuant to section 111.15 of the 2350  
Revised Code, the board shall submit to the Ohio retirement study 2351  
council a copy of the full text of the rule, and if applicable, a 2352  
copy of the rule summary and fiscal analysis required by division 2353  
(B) of section 127.18 of the Revised Code. 2354

All rules adopted pursuant to this chapter, prior to August 2355  
20, 1976, shall be published and made available to interested 2356  
parties by January 1, 1977. 2357

Sec. 742.102. The board of trustees of the police and fire 2358  
pension fund shall do all of the following: 2359

(A) In consultation with the Ohio ethics commission, review 2360  
any existing policy regarding the travel and payment of travel 2361  
expenses of members of the board of trustees and employees of the 2362  
fund and adopt rules in accordance with section 742.10 of the 2363  
Revised Code establishing a new or revised policy regarding travel 2364  
and payment of travel expenses; 2365

(B) If the board intends to award a bonus to any employee of 2366  
the board, adopt rules in accordance with section 742.10 of the 2367  
Revised Code establishing a policy regarding employee bonuses; 2368

(C) Provide copies of the rules adopted under divisions (A) 2369

and (B) of this section to each member of the Ohio retirement study council; 2370  
2371

(D) Submit to the Ohio retirement study council a proposed operating budget, including an administrative budget for the board, for the next immediate fiscal year and adopt that budget not earlier than sixty days after it is submitted to the council; 2372  
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(E) Submit to the council a plan describing how the board will improve the dissemination of public information pertaining to the board. 2376  
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2378

**Sec. 742.103.** The board of trustees of the police and fire pension fund shall, in consultation with the Ohio ethics commission, develop an ethics policy. The board shall submit this policy to the Ohio retirement study council for approval. 2379  
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The council shall review the policy and, if the council determines, upon the advice of the Ohio ethics commission, that the policy is adequate, approve the policy. If the council determines that the policy is inadequate, it shall specify the revisions to be made and the board shall submit a revised policy. If the council approves the revised policy, the board shall adopt it. If not, the board shall make any further revisions required by the council and adopt the policy. 2383  
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The board periodically shall provide ethics training to members and employees of the board. The training shall include training regarding the requirements and prohibitions of Chapter 102. of the Revised Code and sections 2921.42 and 2921.43 of the Revised Code and any other training the board considers appropriate. 2391  
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The board shall establish a procedure to ensure that each employee of the board is informed of the procedure for filing a complaint alleging violation of Chapter 102. of the Revised Code 2397  
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or section 2921.42 or 2921.43 of the Revised Code with the Ohio 2400  
ethics commission or the appropriate prosecuting attorney. 2401

Sec. 742.104. (A) The board of trustees of the police and 2402  
fire pension fund shall designate a person who is a licensed state 2403  
retirement system investment officer to be the chief investment 2404  
officer for the police and fire pension fund. The board shall 2405  
notify the division of securities of the department of commerce in 2406  
writing of its designation and of any change in its designation 2407  
within ten calendar days of the designation or change. 2408

(B) The chief investment officer shall reasonably supervise 2409  
the licensed state retirement system investment officers and other 2410  
persons employed by the police and fire pension fund with a view 2411  
toward preventing violations of Chapter 1707. of the Revised Code, 2412  
the "Commodity Exchange Act," 42 Stat. 998, 7 U.S.C. and 2413  
following, the "Securities Act of 1933," 48 Stat. 74, 15 U.S.C. 2414  
and following, and the "Securities Exchange Act of 1934," 48 Stat. 2415  
881, 15 U.S.C. 78a, and following, and the rules and regulations 2416  
promulgated under those statutes. This duty of reasonable 2417  
supervision shall include the adoption, implementation, and 2418  
enforcement of written policies and procedures reasonably designed 2419  
to prevent persons employed by the police and fire pension fund 2420  
from misusing material, nonpublic information in violation of 2421  
those laws, rules, and regulations. 2422

For purposes of this division, no chief investment officer 2423  
shall be considered to have failed to satisfy the officer's duty 2424  
of reasonable supervision if the officer has done all of the 2425  
following: 2426

(1) Adopted and implemented written procedures, and a system 2427  
for applying the procedures, that would reasonably be expected to 2428  
prevent and detect, insofar as practicable, any violation by its 2429  
licensed investment officers and other persons employed by the 2430

<u>police and fire pension fund;</u>	2431
<u>(2) Reasonably discharged the duties and obligations</u>	2432
<u>incumbent on the chief investment officer by reason of the</u>	2433
<u>established procedures and the system for applying the procedures</u>	2434
<u>when the officer had no reasonable cause to believe that there was</u>	2435
<u>a failure to comply with the procedures and systems;</u>	2436
<u>(3) Reviewed, at least annually, the adequacy of the policies</u>	2437
<u>and procedures established pursuant to this section and the</u>	2438
<u>effectiveness of their implementation.</u>	2439
<u>(C) The chief investment officer shall ensure that securities</u>	2440
<u>transactions are executed in such a manner that the fund's total</u>	2441
<u>costs or proceeds in each transaction are the most favorable under</u>	2442
<u>the circumstances.</u>	2443
<u>For purposes of this division, no chief investment officer</u>	2444
<u>shall be considered to have failed to satisfy the officer's duty</u>	2445
<u>of best execution if the officer has done both of the following:</u>	2446
<u>(1) Adopted and implemented a written policy that outlines</u>	2447
<u>the criteria used to select broker-dealers that execute securities</u>	2448
<u>transactions on behalf of the police and fire pension fund, which</u>	2449
<u>criteria shall include all of the following:</u>	2450
<u>(a) Commissions charged by the broker-dealer, both in the</u>	2451
<u>aggregate and on a per share basis;</u>	2452
<u>(b) The execution speed and trade settlement capabilities of</u>	2453
<u>the broker-dealer;</u>	2454
<u>(c) The responsiveness, reliability, and integrity of the</u>	2455
<u>broker-dealer;</u>	2456
<u>(d) The nature and value of research provided by the</u>	2457
<u>broker-dealer;</u>	2458
<u>(e) Any special capabilities of the broker-dealer.</u>	2459



(2) Reviewed, at least annually, the performance of 2460  
broker-dealers that execute securities transactions on behalf of 2461  
the police and fire pension fund. 2462

**Sec. 742.38.** (A)(1) The board of trustees of the Ohio police 2463  
and fire pension fund shall adopt rules establishing minimum 2464  
medical testing and diagnostic standards or procedures to be 2465  
incorporated into physical examinations administered by physicians 2466  
to prospective members of the fund. The standards or procedures 2467  
shall include diagnosis and evaluation of the existence of any 2468  
heart disease, cardiovascular disease, or respiratory disease. The 2469  
rules shall specify the form of the physician's report and the 2470  
information to be included in it. 2471

The board shall notify all employers of the establishment of 2472  
the minimum standards or procedures and shall include with the 2473  
notice a copy of the standards or procedures. The board shall 2474  
notify all employers of any changes made to the standards or 2475  
procedures. Once the standards or procedures take effect, 2476  
employers shall cause each prospective member of the fund to 2477  
submit to a physical examination that incorporates the standards 2478  
or procedures. 2479

(2) Division (A)(2) of this section applies to an employee 2480  
who becomes a member of the fund on or after the date the minimum 2481  
standards or procedures described in division (A)(1) of this 2482  
section take effect. For each employee described in division 2483  
(A)(2) of this section, the employer shall forward to the board a 2484  
copy of the physician's report of a physical examination that 2485  
incorporates the standards or procedures described in division 2486  
(A)(1) of this section. If an employer fails to forward the report 2487  
in the form required by the board on or before the date that is 2488  
sixty days after the employee becomes a member of the fund, the 2489  
board shall assess against the employer a penalty determined under 2490

section 742.353 of the Revised Code. 2491

(B) Application for a disability benefit may be made by a 2492  
member of the fund or, if the member is incapacitated as defined 2493  
in rules adopted by the board, by a person acting on the member's 2494  
behalf. Not later than fourteen days after receiving an 2495  
application for a disability benefit from a member or a person 2496  
acting on behalf of a member, the board shall notify the member's 2497  
employer and the chief of police of the police department 2498  
employing the member or the chief of the fire department employing 2499  
the member, as applicable, that an application has been filed. The 2500  
notice shall state the name of the member who filed the 2501  
application or on whose behalf the application was filed and the 2502  
member's position or rank. The notice and the fact that the 2503  
application has been filed shall be confidential. Not later than 2504  
twenty-eight days after receiving the notice or filing an 2505  
application on behalf of a member, the employer shall forward to 2506  
the board a statement certifying the member's job description and 2507  
any other information required by the board to process the 2508  
application. 2509

If the member applying for a disability benefit becomes a 2510  
member of the fund prior to the date the minimum standards or 2511  
procedures described in division (A)(1) of this section take 2512  
effect, the board may request from the member's employer a copy of 2513  
the physician's report of the member's physical examination taken 2514  
on entry into the police or fire department or, if the employer 2515  
does not have a copy of the report, a written statement certifying 2516  
that the employer does not have a copy of the report. If an 2517  
employer fails to forward the report or statement in the form 2518  
required by the board on or before the date that is twenty-eight 2519  
days after the date of the request, the board shall assess against 2520  
the employer a penalty determined under section 742.353 of the 2521  
Revised Code. The board shall maintain the information submitted 2522

under this division and division (A)(2) of this section in the 2523  
member's file. 2524

(C) For purposes of determining under division (D) of this 2525  
section whether a member of the fund is disabled, the board shall 2526  
adopt rules establishing objective criteria under which the board 2527  
shall make the determination. The rules shall include standards 2528  
that provide for all of the following: 2529

(1) Evaluating a member's illness or injury on which an 2530  
application for disability benefits is based; 2531

(2) Defining the occupational duties of a police officer or 2532  
firefighter; 2533

(3) Providing for the board to assign competent and 2534  
disinterested physicians and vocational evaluators to conduct 2535  
examinations of a member; 2536

(4) Requiring a written report for each disability 2537  
application that includes a summary of findings, medical opinions, 2538  
including an opinion on whether the illness or injury upon which 2539  
the member's application for disability benefits is based was 2540  
caused or induced by the actual performance of the member's 2541  
official duties, and any recommendations or comments based on the 2542  
medical opinions; 2543

(5) Providing for the board to consider the member's 2544  
potential for retraining or reemployment. 2545

(D) This division does not apply to members of the fund who 2546  
have elected to receive benefits and pensions in accordance with 2547  
division (A) or (B) of section 742.37 of the Revised Code or from 2548  
a police relief and pension fund or a firemen's relief and pension 2549  
fund in accordance with the rules of that fund in force on April 2550  
1, 1947. 2551

(1) As used in division (D)(1) of this section: 2552

(a) "Totally disabled" means a member of the fund is unable 2553  
to perform the duties of any gainful occupation for which the 2554  
member is reasonably fitted by training, experience, and 2555  
accomplishments. Absolute helplessness is not a prerequisite of 2556  
being totally disabled. 2557

(b) "Permanently disabled" means a condition of disability 2558  
from which there is no present indication of recovery. 2559

A member of the fund who is permanently and totally disabled 2560  
as the result of the performance of the member's official duties 2561  
as a member of a police or fire department shall be paid annual 2562  
disability benefits in accordance with division (A) of section 2563  
742.39 of the Revised Code. In determining whether a member of the 2564  
fund is permanently and totally disabled, the board shall consider 2565  
standards adopted under division (C) of this section applicable to 2566  
the determination. 2567

(2) A member of the fund who is partially disabled as the 2568  
result of the performance of the member's official duties as a 2569  
member of a police or fire department shall, if the disability 2570  
prevents the member from performing those duties and impairs the 2571  
member's earning capacity, receive annual disability benefits in 2572  
accordance with division (B) of section 742.39 of the Revised 2573  
Code. In determining whether a member of the fund is partially 2574  
disabled, the board shall consider standards adopted under 2575  
division (C) of this section applicable to the determination. 2576

(3) A member of the fund who is disabled as a result of heart 2577  
disease or any cardiovascular or respiratory disease of a chronic 2578  
nature, which disease or any evidence of which disease was not 2579  
revealed by the physical examination passed by the member on entry 2580  
into the department, is presumed to have incurred the disease 2581  
while performing the member's official duties, unless the contrary 2582  
is shown by competent evidence. 2583

(4) A member of the fund who has completed five or more years 2584  
of active service in a police or fire department and has incurred 2585  
a disability not caused or induced by the actual performance of 2586  
the member's official duties as a member of the department, or by 2587  
the member's own negligence, shall if the disability prevents the 2588  
member from performing those duties and impairs the member's 2589  
earning capacity, receive annual disability benefits in accordance 2590  
with division (C) of section 742.39 of the Revised Code. In 2591  
determining whether a member of the fund is disabled, the board 2592  
shall consider standards adopted under division (C) of this 2593  
section applicable to the determination. 2594

(5) The board shall notify a member of its final action 2595  
awarding a disability benefit to the member within thirty days of 2596  
the final action. The notice shall be sent by certified mail, 2597  
return receipt requested. Not later than ninety days after receipt 2598  
of notice from the board, the member shall elect, on a form 2599  
provided by the board, either to accept or waive the disability 2600  
benefit award. If the member elects to waive the disability 2601  
benefit award or fails to make an election within the time period, 2602  
the award is rescinded. A member who later seeks a disability 2603  
benefit award shall be required to make a new application, which 2604  
shall be dealt with in accordance with the procedures used for 2605  
original disability benefit applications. 2606

A person is not eligible to apply for or receive disability 2607  
benefits under this division, section 742.39 of the Revised Code, 2608  
or division (C)(2), (3), (4), or (5) of former section 742.37 of 2609  
the Revised Code unless the person is a member of the fund on the 2610  
date on which the application for disability benefits is submitted 2611  
to the fund. 2612

With the exception of persons who may make application for 2613  
increased benefits as provided in division (D)(2) or (4) of this 2614  
section or division (C)(3) or (5) of former section 742.37 of the 2615

Revised Code on or after July 24, 1986, or persons who may make 2616  
application for benefits as provided in section 742.26 of the 2617  
Revised Code, no person receiving a pension or benefit under this 2618  
section or division (C) of former section 742.37 of the Revised 2619  
Code may apply for any new, changed, or different benefit. 2620

**Sec. 742.41.** (A) As used in this section: 2621

(1) "Other system retirant" has the same meaning as in 2622  
section 742.26 of the Revised Code. 2623

(2) "Personal history record" includes a member's, former 2624  
member's, or other system retirant's name, address, telephone 2625  
number, social security number, record of contributions, 2626  
correspondence with the Ohio police and fire pension fund, status 2627  
of any application for benefits, and any other information deemed 2628  
confidential by the trustees of the fund. 2629

(B) The treasurer of state shall furnish annually to the 2630  
board of trustees of the fund a sworn statement of the amount of 2631  
the funds in the treasurer of state's custody belonging to the 2632  
Ohio police and fire pension fund. The records of the fund shall 2633  
be open for public inspection except for the following, which 2634  
shall be excluded, except with the written authorization of the 2635  
individual concerned: 2636

(1) The individual's personal history record; 2637

(2) Any information identifying, by name and address, the 2638  
amount of a monthly allowance or benefit paid to the individual. 2639

(C) All medical reports and recommendations required are 2640  
privileged, except that copies of such medical reports or 2641  
recommendations shall be made available to the personal physician, 2642  
attorney, or authorized agent of the individual concerned upon 2643  
written release received from the individual or the individual's 2644  
agent or, when necessary for the proper administration of the 2645

fund, to the board-assigned physician. 2646

(D) Any person who is a member of the fund or an other system 2647  
retirant shall be furnished with a statement of the amount to the 2648  
credit of the person's individual account upon the person's 2649  
written request. The fund need not answer more than one such 2650  
request of a person in any one year. 2651

(E) Notwithstanding the exceptions to public inspection in 2652  
division (B) of this section, the fund may furnish the following 2653  
information: 2654

(1) If a member, former member, or other system retirant is 2655  
subject to an order issued under section 2907.15 of the Revised 2656  
Code or is convicted of or pleads guilty to a violation of section 2657  
2921.41 of the Revised Code, on written request of a prosecutor as 2658  
defined in section 2935.01 of the Revised Code, the fund shall 2659  
furnish to the prosecutor the information requested from the 2660  
individual's personal history record. 2661

(2) Pursuant to a court order issued pursuant to Chapter 2662  
3119., 3121., 3123., or 3125. of the Revised Code, the fund shall 2663  
furnish to a court or child support enforcement agency the 2664  
information required under that section. 2665

(3) At the request of any organization or association of 2666  
members of the fund, the fund shall provide a list of the names 2667  
and addresses of members of the fund and other system retirants. 2668  
The fund shall comply with the request of such organization or 2669  
association at least once a year and may impose a reasonable 2670  
charge for the list. 2671

(4) Within fourteen days after receiving from the director of 2672  
job and family services a list of the names and social security 2673  
numbers of recipients of public assistance pursuant to section 2674  
5101.181 of the Revised Code, the fund shall inform the auditor of 2675  
state of the name, current or most recent employer address, and 2676

social security number of each member or other system retirant 2677  
whose name and social security number are the same as that of a 2678  
person whose name or social security number was submitted by the 2679  
director. The fund and its employees shall, except for purposes of 2680  
furnishing the auditor of state with information required by this 2681  
section, preserve the confidentiality of recipients of public 2682  
assistance in compliance with division (A) of section 5101.181 of 2683  
the Revised Code. 2684

(5) The fund shall comply with orders issued under section 2685  
3105.87 of the Revised Code. 2686

On the written request of an alternate payee, as defined in 2687  
section 3105.80 of the Revised Code, the fund shall furnish to the 2688  
alternate payee information on the amount and status of any 2689  
amounts payable to the alternate payee under an order issued under 2690  
section 3105.171 or 3105.65 of the Revised Code. 2691

(6) At the request of any person, the fund shall make 2692  
available to the person copies of all documents, including 2693  
resumes, in the fund's possession regarding filling a vacancy of a 2694  
police officer employee member, firefighter employee member, 2695  
police retirant member, or firefighter retirant member of the 2696  
board of trustees. The person who made the request shall pay the 2697  
cost of compiling, copying, and mailing the documents. The 2698  
information described in this division is a public record. 2699

(7) The fund shall furnish those personal history records 2700  
kept by the fund to the secretary of state necessary for the 2701  
purposes of certifying an election pursuant to section 111.30 of 2702  
the Revised Code. The records provided pursuant to this division 2703  
shall remain confidential while in the possession of the secretary 2704  
of state. 2705

(F) A statement that contains information obtained from the 2706  
fund's records that is signed by the secretary of the board of 2707



trustees of the Ohio police and fire pension fund and to which the 2708  
board's official seal is affixed, or copies of the fund's records 2709  
to which the signature and seal are attached, shall be received as 2710  
true copies of the fund's records in any court or before any 2711  
officer of this state. 2712

Sec. 742.99. (A) Whoever violates section 742.043 of the 2713  
Revised Code shall be fined not more than one hundred dollars for 2714  
each day of the violation. 2715

(B) Whoever violates division (B) of section 742.043 of the 2716  
Revised Code shall be imprisoned for not more than six months or 2717  
fined not more than five thousand dollars, or both. 2718

(C) Fines imposed by the Ohio elections commission under this 2719  
section shall be paid into the Ohio elections commission fund 2720  
created under section 3513.10 of the Revised Code. 2721

**Sec. 1707.01.** As used in this chapter: 2722

(A) Whenever the context requires it, "division" or "division 2723  
of securities" may be read as "director of commerce" or as 2724  
"commissioner of securities." 2725

(B) "Security" means any certificate or instrument, or any 2726  
oral, written, or electronic agreement, understanding, or 2727  
opportunity, that represents title to or interest in, or is 2728  
secured by any lien or charge upon, the capital, assets, profits, 2729  
property, or credit of any person or of any public or governmental 2730  
body, subdivision, or agency. It includes shares of stock, 2731  
certificates for shares of stock, an uncertificated security, 2732  
membership interests in limited liability companies, voting-trust 2733  
certificates, warrants and options to purchase securities, 2734  
subscription rights, interim receipts, interim certificates, 2735  
promissory notes, all forms of commercial paper, evidences of 2736  
indebtedness, bonds, debentures, land trust certificates, fee 2737

certificates, leasehold certificates, syndicate certificates, 2738  
endowment certificates, interests in or under profit-sharing or 2739  
participation agreements, interests in or under oil, gas, or 2740  
mining leases, preorganization or reorganization subscriptions, 2741  
preorganization certificates, reorganization certificates, 2742  
interests in any trust or pretended trust, any investment 2743  
contract, any life settlement interest, any instrument evidencing 2744  
a promise or an agreement to pay money, warehouse receipts for 2745  
intoxicating liquor, and the currency of any government other than 2746  
those of the United States and Canada, but sections 1707.01 to 2747  
1707.45 of the Revised Code do not apply to the sale of real 2748  
estate. 2749

(C)(1) "Sale" has the full meaning of "sale" as applied by or 2750  
accepted in courts of law or equity, and includes every 2751  
disposition, or attempt to dispose, of a security or of an 2752  
interest in a security. "Sale" also includes a contract to sell, 2753  
an exchange, an attempt to sell, an option of sale, a solicitation 2754  
of a sale, a solicitation of an offer to buy, a subscription, or 2755  
an offer to sell, directly or indirectly, by agent, circular, 2756  
pamphlet, advertisement, or otherwise. 2757

(2) "Sell" means any act by which a sale is made. 2758

(3) The use of advertisements, circulars, or pamphlets in 2759  
connection with the sale of securities in this state exclusively 2760  
to the purchasers specified in division (D) of section 1707.03 of 2761  
the Revised Code is not a sale when the advertisements, circulars, 2762  
and pamphlets describing and offering those securities bear a 2763  
readily legible legend in substance as follows: "This offer is 2764  
made on behalf of dealers licensed under sections 1707.01 to 2765  
1707.45 of the Revised Code, and is confined in this state 2766  
exclusively to institutional investors and licensed dealers." 2767

(4) The offering of securities by any person in conjunction 2768  
with a licensed dealer by use of advertisement, circular, or 2769

pamphlet is not a sale if that person does not otherwise attempt 2770  
to sell securities in this state. 2771

(5) Any security given with, or as a bonus on account of, any 2772  
purchase of securities is conclusively presumed to constitute a 2773  
part of the subject of that purchase and has been "sold." 2774

(6) "Sale" by an owner, pledgee, or mortgagee, or by a person 2775  
acting in a representative capacity, includes sale on behalf of 2776  
such party by an agent, including a licensed dealer or 2777  
salesperson. 2778

(D) "Person," except as otherwise provided in this chapter, 2779  
means a natural person, firm, partnership, limited partnership, 2780  
partnership association, syndicate, joint-stock company, 2781  
unincorporated association, trust or trustee except where the 2782  
trust was created or the trustee designated by law or judicial 2783  
authority or by a will, and a corporation or limited liability 2784  
company organized under the laws of any state, any foreign 2785  
government, or any political subdivision of a state or foreign 2786  
government. 2787

(E)(1) "Dealer," except as otherwise provided in this 2788  
chapter, means every person, other than a salesperson, who engages 2789  
or professes to engage, in this state, for either all or part of 2790  
the person's time, directly or indirectly, either in the business 2791  
of the sale of securities for the person's own account, or in the 2792  
business of the purchase or sale of securities for the account of 2793  
others in the reasonable expectation of receiving a commission, 2794  
fee, or other remuneration as a result of engaging in the purchase 2795  
and sale of securities. "Dealer" does not mean any of the 2796  
following: 2797

(a) Any issuer, including any officer, director, employee, or 2798  
trustee of, or member or manager of, or partner in, or any general 2799  
partner of, any issuer, that sells, offers for sale, or does any 2800

act in furtherance of the sale of a security that represents an 2801  
economic interest in that issuer, provided no commission, fee, or 2802  
other similar remuneration is paid to or received by the issuer 2803  
for the sale; 2804

(b) Any licensed attorney, public accountant, or firm of such 2805  
attorneys or accountants, whose activities are incidental to the 2806  
practice of the attorney's, accountant's, or firm's profession; 2807

(c) Any person that, for the account of others, engages in 2808  
the purchase or sale of securities that are issued and outstanding 2809  
before such purchase and sale, if a majority or more of the equity 2810  
interest of an issuer is sold in that transaction, and if, in the 2811  
case of a corporation, the securities sold in that transaction 2812  
represent a majority or more of the voting power of the 2813  
corporation in the election of directors; 2814

(d) Any person that brings an issuer together with a 2815  
potential investor and whose compensation is not directly or 2816  
indirectly based on the sale of any securities by the issuer to 2817  
the investor; 2818

(e) Any bank; 2819

(f) Any person that the division of securities by rule 2820  
exempts from the definition of "dealer" under division (E)(1) of 2821  
this section. 2822

(2) "Licensed dealer" means a dealer licensed under this 2823  
chapter. 2824

(F)(1) "Salesman" or "salesperson" means every natural 2825  
person, other than a dealer, who is employed, authorized, or 2826  
appointed by a dealer to sell securities within this state. 2827

(2) The general partners of a partnership, and the executive 2828  
officers of a corporation or unincorporated association, licensed 2829  
as a dealer are not salespersons within the meaning of this 2830

definition, nor are such clerical or other employees of an issuer 2831  
or dealer as are employed for work to which the sale of securities 2832  
is secondary and incidental; but the division of securities may 2833  
require a license from any such partner, executive officer, or 2834  
employee if it determines that protection of the public 2835  
necessitates the licensing. 2836

(3) "Licensed salesperson" means a salesperson licensed under 2837  
this chapter. 2838

(G) "Issuer" means every person who has issued, proposes to 2839  
issue, or issues any security. 2840

(H) "Director" means each director or trustee of a 2841  
corporation, each trustee of a trust, each general partner of a 2842  
partnership, except a partnership association, each manager of a 2843  
partnership association, and any person vested with managerial or 2844  
directory power over an issuer not having a board of directors or 2845  
trustees. 2846

(I) "Incorporator" means any incorporator of a corporation 2847  
and any organizer of, or any person participating, other than in a 2848  
representative or professional capacity, in the organization of an 2849  
unincorporated issuer. 2850

(J) "Fraud," "fraudulent," "fraudulent acts," "fraudulent 2851  
practices," or "fraudulent transactions" means anything recognized 2852  
on or after July 22, 1929, as such in courts of law or equity; any 2853  
device, scheme, or artifice to defraud or to obtain money or 2854  
property by means of any false pretense, representation, or 2855  
promise; any fictitious or pretended purchase or sale of 2856  
securities; and any act, practice, transaction, or course of 2857  
business relating to the purchase or sale of securities that is 2858  
fraudulent or that has operated or would operate as a fraud upon 2859  
the seller or purchaser. 2860

(K) Except as otherwise specifically provided, whenever any 2861

classification or computation is based upon "par value," as 2862  
applied to securities without par value, the average of the 2863  
aggregate consideration received or to be received by the issuer 2864  
for each class of those securities shall be used as the basis for 2865  
that classification or computation. 2866

(L)(1) "Intangible property" means patents, copyrights, 2867  
secret processes, formulas, services, good will, promotion and 2868  
organization fees and expenses, trademarks, trade brands, trade 2869  
names, licenses, franchises, any other assets treated as 2870  
intangible according to generally accepted accounting principles, 2871  
and securities, accounts receivable, or contract rights having no 2872  
readily determinable value. 2873

(2) "Tangible property" means all property other than 2874  
intangible property and includes securities, accounts receivable, 2875  
and contract rights, when the securities, accounts receivable, or 2876  
contract rights have a readily determinable value. 2877

(M) "Public utilities" means those utilities defined in 2878  
sections 4905.02, 4905.03, 4907.02, and 4907.03 of the Revised 2879  
Code; in the case of a foreign corporation, it means those 2880  
utilities defined as public utilities by the laws of its domicile; 2881  
and in the case of any other foreign issuer, it means those 2882  
utilities defined as public utilities by the laws of the situs of 2883  
its principal place of business. The term always includes 2884  
railroads whether or not they are so defined as public utilities. 2885

(N) "State" means any state of the United States, any 2886  
territory or possession of the United States, the District of 2887  
Columbia, and any province of Canada. 2888

(O) "Bank" means any bank, trust company, savings and loan 2889  
association, savings bank, or credit union that is incorporated or 2890  
organized under the laws of the United States, any state of the 2891  
United States, Canada, or any province of Canada and that is 2892

subject to regulation or supervision by that country, state, or 2893  
province. 2894

(P) "Include," when used in a definition, does not exclude 2895  
other things or persons otherwise within the meaning of the term 2896  
defined. 2897

(Q)(1) "Registration by description" means that the 2898  
requirements of section 1707.08 of the Revised Code have been 2899  
complied with. 2900

(2) "Registration by qualification" means that the 2901  
requirements of sections 1707.09 and 1707.11 of the Revised Code 2902  
have been complied with. 2903

(3) "Registration by coordination" means that there has been 2904  
compliance with section 1707.091 of the Revised Code. Reference in 2905  
this chapter to registration by qualification also shall be deemed 2906  
to include registration by coordination unless the context 2907  
otherwise indicates. 2908

(R) "Intoxicating liquor" includes all liquids and compounds 2909  
that contain more than three and two-tenths per cent of alcohol by 2910  
weight and are fit for use for beverage purposes. 2911

(S) "Institutional investor" means any corporation, bank, 2912  
insurance company, pension fund or pension fund trust, employees' 2913  
profit-sharing fund or employees' profit-sharing trust, any 2914  
association engaged, as a substantial part of its business or 2915  
operations, in purchasing or holding securities, or any trust in 2916  
respect of which a bank is trustee or cotrustee. "Institutional 2917  
investor" does not include any business entity formed for the 2918  
primary purpose of evading sections 1707.01 to 1707.45 of the 2919  
Revised Code. 2920

(T) "Securities Act of 1933," 48 Stat. 74, 15 U.S.C. 77a, 2921  
"Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78a, 2922  
"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 1, 2923

"Investment Advisers Act of 1940," 54 Stat. 847, 15 U.S.C. 80b, 2924  
and "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C. 80a 2925  
mean the federal statutes of those names as amended before or 2926  
after March 18, 1999. 2927

(U) "Securities and exchange commission" means the securities 2928  
and exchange commission established by the Securities Exchange Act 2929  
of 1934. 2930

(V)(1) "Control bid" means the purchase of or offer to 2931  
purchase any equity security of a subject company from a resident 2932  
of this state if either of the following applies: 2933

(a) After the purchase of that security, the offeror would be 2934  
directly or indirectly the beneficial owner of more than ten per 2935  
cent of any class of the issued and outstanding equity securities 2936  
of the issuer. 2937

(b) The offeror is the subject company, there is a pending 2938  
control bid by a person other than the issuer, and the number of 2939  
the issued and outstanding shares of the subject company would be 2940  
reduced by more than ten per cent. 2941

(2) For purposes of division (V)(1) of this section, "control 2942  
bid" does not include any of the following: 2943

(a) A bid made by a dealer for the dealer's own account in 2944  
the ordinary course of business of buying and selling securities; 2945

(b) An offer to acquire any equity security solely in 2946  
exchange for any other security, or the acquisition of any equity 2947  
security pursuant to an offer, for the sole account of the 2948  
offeror, in good faith and not for the purpose of avoiding the 2949  
provisions of this chapter, and not involving any public offering 2950  
of the other security within the meaning of Section 4 of Title I 2951  
of the "Securities Act of 1933," 48 Stat. 77, 15 U.S.C.A. 77d(2), 2952  
as amended; 2953



(c) Any other offer to acquire any equity security, or the acquisition of any equity security pursuant to an offer, for the sole account of the offeror, from not more than fifty persons, in good faith and not for the purpose of avoiding the provisions of this chapter.

(W) "Offeror" means a person who makes, or in any way participates or aids in making, a control bid and includes persons acting jointly or in concert, or who intend to exercise jointly or in concert any voting rights attached to the securities for which the control bid is made and also includes any subject company making a control bid for its own securities.

(X)(1) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of regular business, issues or promulgates analyses or reports concerning securities.

(2) "Investment adviser" does not mean any of the following:

(a) Any attorney, accountant, engineer, or teacher, whose performance of investment advisory services described in division (X)(1) of this section is solely incidental to the practice of the attorney's, accountant's, engineer's, or teacher's profession;

(b) A publisher of any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation;

(c) A person who acts solely as an investment adviser representative;

(d) A bank holding company, as defined in the "Bank Holding Company Act of 1956," 70 Stat. 133, 12 U.S.C. 1841, that is not an

investment company;	2984
(e) A bank, or any receiver, conservator, or other liquidating agent of a bank;	2985 2986
(f) Any licensed dealer or licensed salesperson whose performance of investment advisory services described in division (X)(1) of this section is solely incidental to the conduct of the dealer's or salesperson's business as a licensed dealer or licensed salesperson and who receives no special compensation for the services;	2987 2988 2989 2990 2991 2992
(g) Any person, the advice, analyses, or reports of which do not relate to securities other than securities that are direct obligations of, or obligations guaranteed as to principal or interest by, the United States, or securities issued or guaranteed by corporations in which the United States has a direct or indirect interest, and that have been designated by the secretary of the treasury as exempt securities as defined in the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78c;	2993 2994 2995 2996 2997 2998 2999 3000
(h) Any person that is excluded from the definition of investment adviser pursuant to section 202(a)(11)(A) to (E) of the "Investment Advisers Act of 1940," 15 U.S.C. 80b-2(a)(11), or that has received an order from the securities and exchange commission under section 202(a)(11)(F) of the "Investment Advisers Act of 1940," 15 U.S.C. 80b-2(a)(11)(F), declaring that the person is not within the intent of section 202(a)(11) of the Investment Advisers Act of 1940.	3001 3002 3003 3004 3005 3006 3007 3008
(i) <u>A person who acts solely as a state retirement system investment officer;</u>	3009 3010
(j) Any other person that the division designates by rule, if the division finds that the designation is necessary or appropriate in the public interest or for the protection of investors or clients and consistent with the purposes fairly	3011 3012 3013 3014

intended by the policy and provisions of this chapter. 3015

(Y)(1) "Subject company" means an issuer that satisfies both 3016  
of the following: 3017

(a) Its principal place of business or its principal 3018  
executive office is located in this state, or it owns or controls 3019  
assets located within this state that have a fair market value of 3020  
at least one million dollars. 3021

(b) More than ten per cent of its beneficial or record equity 3022  
security holders are resident in this state, more than ten per 3023  
cent of its equity securities are owned beneficially or of record 3024  
by residents in this state, or more than one thousand of its 3025  
beneficial or record equity security holders are resident in this 3026  
state. 3027

(2) The division of securities may adopt rules to establish 3028  
more specific application of the provisions set forth in division 3029  
(Y)(1) of this section. Notwithstanding the provisions set forth 3030  
in division (Y)(1) of this section and any rules adopted under 3031  
this division, the division, by rule or in an adjudicatory 3032  
proceeding, may make a determination that an issuer does not 3033  
constitute a "subject company" under division (Y)(1) of this 3034  
section if appropriate review of control bids involving the issuer 3035  
is to be made by any regulatory authority of another jurisdiction. 3036

(Z) "Beneficial owner" includes any person who directly or 3037  
indirectly through any contract, arrangement, understanding, or 3038  
relationship has or shares, or otherwise has or shares, the power 3039  
to vote or direct the voting of a security or the power to dispose 3040  
of, or direct the disposition of, the security. "Beneficial 3041  
ownership" includes the right, exercisable within sixty days, to 3042  
acquire any security through the exercise of any option, warrant, 3043  
or right, the conversion of any convertible security, or 3044  
otherwise. Any security subject to any such option, warrant, 3045

right, or conversion privilege held by any person shall be deemed 3046  
to be outstanding for the purpose of computing the percentage of 3047  
outstanding securities of the class owned by that person, but 3048  
shall not be deemed to be outstanding for the purpose of computing 3049  
the percentage of the class owned by any other person. A person 3050  
shall be deemed the beneficial owner of any security beneficially 3051  
owned by any relative or spouse or relative of the spouse residing 3052  
in the home of that person, any trust or estate in which that 3053  
person owns ten per cent or more of the total beneficial interest 3054  
or serves as trustee or executor, any corporation or entity in 3055  
which that person owns ten per cent or more of the equity, and any 3056  
affiliate or associate of that person. 3057

(AA) "Offeree" means the beneficial or record owner of any 3058  
security that an offeror acquires or offers to acquire in 3059  
connection with a control bid. 3060

(BB) "Equity security" means any share or similar security, 3061  
or any security convertible into any such security, or carrying 3062  
any warrant or right to subscribe to or purchase any such 3063  
security, or any such warrant or right, or any other security 3064  
that, for the protection of security holders, is treated as an 3065  
equity security pursuant to rules of the division of securities. 3066

(CC)(1) "Investment adviser representative" means a 3067  
supervised person of an investment adviser, provided that the 3068  
supervised person has more than five clients who are natural 3069  
persons other than excepted persons defined in division (EE) of 3070  
this section, and that more than ten per cent of the supervised 3071  
person's clients are natural persons other than excepted persons 3072  
defined in division (EE) of this section. "Investment adviser 3073  
representative" does not mean any of the following: 3074

(a) A supervised person that does not on a regular basis 3075  
solicit, meet with, or otherwise communicate with clients of the 3076  
investment adviser; 3077

(b) A supervised person that provides only investment 3078  
advisory services described in division (X)(1) of this section by 3079  
means of written materials or oral statements that do not purport 3080  
to meet the objectives or needs of specific individuals or 3081  
accounts; 3082

(c) Any other person that the division designates by rule, if 3083  
the division finds that the designation is necessary or 3084  
appropriate in the public interest or for the protection of 3085  
investors or clients and is consistent with the provisions fairly 3086  
intended by the policy and provisions of this chapter. 3087

(2) For the purpose of the calculation of clients in division 3088  
(CC)(1) of this section, a natural person and the following 3089  
persons are deemed a single client: Any minor child of the natural 3090  
person; any relative, spouse, or relative of the spouse of the 3091  
natural person who has the same principal residence as the natural 3092  
person; all accounts of which the natural person or the persons 3093  
referred to in division (CC)(2) of this section are the only 3094  
primary beneficiaries; and all trusts of which the natural person 3095  
or persons referred to in division (CC)(2) of this section are the 3096  
only primary beneficiaries. Persons who are not residents of the 3097  
United States need not be included in the calculation of clients 3098  
under division (CC)(1) of this section. 3099

(3) If subsequent to March 18, 1999, amendments are enacted 3100  
or adopted defining "investment adviser representative" for 3101  
purposes of the Investment Advisers Act of 1940 or additional 3102  
rules or regulations are promulgated by the securities and 3103  
exchange commission regarding the definition of "investment 3104  
adviser representative" for purposes of the Investment Advisers 3105  
Act of 1940, the division of securities shall, by rule, adopt the 3106  
substance of the amendments, rules, or regulations, unless the 3107  
division finds that the amendments, rules, or regulations are not 3108  
necessary for the protection of investors or in the public 3109

interest.	3110
(DD) "Supervised person" means a natural person who is any of	3111
the following:	3112
(1) A partner, officer, or director of an investment adviser,	3113
or other person occupying a similar status or performing similar	3114
functions with respect to an investment adviser;	3115
(2) An employee of an investment adviser;	3116
(3) A person who provides investment advisory services	3117
described in division (X)(1) of this section on behalf of the	3118
investment adviser and is subject to the supervision and control	3119
of the investment adviser.	3120
(EE) "Excepted person" means a natural person to whom any of	3121
the following applies:	3122
(1) Immediately after entering into the investment advisory	3123
contract with the investment adviser, the person has at least	3124
seven hundred fifty thousand dollars under the management of the	3125
investment adviser.	3126
(2) The investment adviser reasonably believes either of the	3127
following at the time the investment advisory contract is entered	3128
into with the person:	3129
(a) The person has a net worth, together with assets held	3130
jointly with a spouse, of more than one million five hundred	3131
thousand dollars.	3132
(b) The person is a qualified purchaser as defined in	3133
division (FF) of this section.	3134
(3) Immediately prior to entering into an investment advisory	3135
contract with the investment adviser, the person is either of the	3136
following:	3137
(a) An executive officer, director, trustee, general partner,	3138
or person serving in a similar capacity, of the investment	3139

adviser; 3140

(b) An employee of the investment adviser, other than an 3141  
employee performing solely clerical, secretarial, or 3142  
administrative functions or duties for the investment adviser, 3143  
which employee, in connection with the employee's regular 3144  
functions or duties, participates in the investment activities of 3145  
the investment adviser, provided that, for at least twelve months, 3146  
the employee has been performing such nonclerical, nonsecretarial, 3147  
or nonadministrative functions or duties for or on behalf of the 3148  
investment adviser or performing substantially similar functions 3149  
or duties for or on behalf of another company. 3150

If subsequent to March 18, 1999, amendments are enacted or 3151  
adopted defining "excepted person" for purposes of the Investment 3152  
Advisers Act of 1940 or additional rules or regulations are 3153  
promulgated by the securities and exchange commission regarding 3154  
the definition of "excepted person" for purposes of the Investment 3155  
Advisers Act of 1940, the division of securities shall, by rule, 3156  
adopt the substance of the amendments, rules, or regulations, 3157  
unless the division finds that the amendments, rules, or 3158  
regulations are not necessary for the protection of investors or 3159  
in the public interest. 3160

(FF)(1) "Qualified purchaser" means either of the following: 3161

(a) A natural person who owns not less than five million 3162  
dollars in investments as defined by rule by the division of 3163  
securities; 3164

(b) A natural person, acting for the person's own account or 3165  
accounts of other qualified purchasers, who in the aggregate owns 3166  
and invests on a discretionary basis, not less than twenty-five 3167  
million dollars in investments as defined by rule by the division 3168  
of securities. 3169

(2) If subsequent to March 18, 1999, amendments are enacted 3170

or adopted defining "qualified purchaser" for purposes of the 3171  
Investment Advisers Act of 1940 or additional rules or regulations 3172  
are promulgated by the securities and exchange commission 3173  
regarding the definition of "qualified purchaser" for purposes of 3174  
the Investment Advisers Act of 1940, the division of securities 3175  
shall, by rule, adopt the amendments, rules, or regulations, 3176  
unless the division finds that the amendments, rules, or 3177  
regulations are not necessary for the protection of investors or 3178  
in the public interest. 3179

(GG)(1) "Purchase" has the full meaning of "purchase" as 3180  
applied by or accepted in courts of law or equity and includes 3181  
every acquisition of, or attempt to acquire, a security or an 3182  
interest in a security. "Purchase" also includes a contract to 3183  
purchase, an exchange, an attempt to purchase, an option to 3184  
purchase, a solicitation of a purchase, a solicitation of an offer 3185  
to sell, a subscription, or an offer to purchase, directly or 3186  
indirectly, by agent, circular, pamphlet, advertisement, or 3187  
otherwise. 3188

(2) "Purchase" means any act by which a purchase is made. 3189

(3) Any security given with, or as a bonus on account of, any 3190  
purchase of securities is conclusively presumed to constitute a 3191  
part of the subject of that purchase. 3192

(HH) "Life settlement interest" means the entire interest or 3193  
any fractional interest in an insurance policy or certificate of 3194  
insurance, or in an insurance benefit under such a policy or 3195  
certificate, that is the subject of a life settlement contract. 3196

For purposes of this division, "life settlement contract" 3197  
means an agreement for the purchase, sale, assignment, transfer, 3198  
devise, or bequest of any portion of the death benefit or 3199  
ownership of any life insurance policy or contract, in return for 3200  
consideration or any other thing of value that is less than the 3201



expected death benefit of the life insurance policy or contract.	3202
"Life settlement contract" includes a viatical settlement contract	3203
as defined in section 3916.01 of the Revised Code, but does not	3204
include any of the following:	3205
(1) A loan by an insurer under the terms of a life insurance	3206
policy, including, but not limited to, a loan secured by the cash	3207
value of the policy;	3208
(2) An agreement with a bank that takes an assignment of a	3209
life insurance policy as collateral for a loan;	3210
(3) The provision of accelerated benefits as defined in	3211
section 3915.21 of the Revised Code;	3212
(4) Any agreement between an insurer and a reinsurer;	3213
(5) An agreement by an individual to purchase an existing	3214
life insurance policy or contract from the original owner of the	3215
policy or contract, if the individual does not enter into more	3216
than one life settlement contract per calendar year;	3217
(6) The initial purchase of an insurance policy or	3218
certificate of insurance from its owner by a viatical settlement	3219
provider, as defined in section 3916.01 of the Revised Code, that	3220
is licensed under Chapter 3916. of the Revised Code.	3221
<u>(II) "State retirement system" means the public employees</u>	3222
<u>retirement system, Ohio police and fire pension fund, state</u>	3223
<u>teachers retirement system, school employees retirement system,</u>	3224
<u>and state highway patrol retirement system.</u>	3225
<u>(JJ) "State retirement system investment officer" means an</u>	3226
<u>individual employed by a state retirement system as a chief</u>	3227
<u>investment officer, assistant investment officer, or the person in</u>	3228
<u>charge of a class of assets or in a position that is substantially</u>	3229
<u>equivalent to chief investment officer, assistant investment</u>	3230
<u>officer, or person in charge of a class of assets.</u>	3231

Sec. 1707.03. (A) As used in this section, "exempt" means 3232  
that, except in the case of securities the right to buy, sell, or 3233  
deal in which has been suspended or revoked under an existing 3234  
order of the division of securities under section 1707.13 of the 3235  
Revised Code or under a cease and desist order under division 3236  
~~(H)~~(G) of section 1707.23 of the Revised Code, transactions in 3237  
securities may be carried on and completed without compliance with 3238  
sections 1707.08 to 1707.11 of the Revised Code. 3239

(B) A sale of securities made by or on behalf of a bona fide 3240  
owner, neither the issuer nor a dealer, is exempt if the sale is 3241  
made in good faith and not for the purpose of avoiding this 3242  
chapter and is not made in the course of repeated and successive 3243  
transactions of a similar character. Any sale of securities over a 3244  
stock exchange that is lawfully conducted in this state and 3245  
regularly open for public patronage and that has been established 3246  
and operated for a period of at least five years prior to the sale 3247  
at a commission not exceeding the commission regularly charged in 3248  
such transactions also is exempt. 3249

(C) The sale of securities by executors, administrators, 3250  
receivers, trustees, or anyone acting in a fiduciary capacity is 3251  
exempt, where such relationship was created by law, by a will, or 3252  
by judicial authority, and where such sales are subject to 3253  
approval by, or are made in pursuance to authority granted by, any 3254  
court of competent jurisdiction or are otherwise authorized and 3255  
lawfully made by such fiduciary. 3256

(D) A sale to the issuer, to a dealer, or to an institutional 3257  
investor is exempt. 3258

(E) A sale in good faith, and not for the purpose of avoiding 3259  
this chapter, by a pledgee of a security pledged for a bona fide 3260  
debt is exempt. 3261

(F) The sale at public auction by a corporation of shares of 3262  
its stock because of delinquency in payment for the shares is 3263  
exempt. 3264

(G)(1) The giving of any conversion right with, or on account 3265  
of the purchase of, any security that is exempt, is the subject 3266  
matter of an exempt transaction, has been registered by 3267  
description, by coordination, or by qualification, or is the 3268  
subject matter of a transaction that has been registered by 3269  
description is exempt. 3270

(2) The giving of any subscription right, warrant, or option 3271  
to purchase a security or right to receive a security upon 3272  
exchange, which security is exempt at the time the right, warrant, 3273  
or option to purchase or right to receive is given, is the subject 3274  
matter of an exempt transaction, is registered by description, by 3275  
coordination, or by qualification, or is the subject matter of a 3276  
transaction that has been registered by description is exempt. 3277

(3) The giving of any subscription right or any warrant or 3278  
option to purchase a security, which right, warrant, or option 3279  
expressly provides that it shall not be exercisable except for a 3280  
security that at the time of the exercise is exempt, is the 3281  
subject matter of an exempt transaction, is registered by 3282  
description, by coordination, or by qualification, or at such time 3283  
is the subject matter of a transaction that has been registered by 3284  
description is exempt. 3285

(H) The sale of notes, bonds, or other evidences of 3286  
indebtedness that are secured by a mortgage lien upon real estate, 3287  
leasehold estate other than oil, gas, or mining leasehold, or 3288  
tangible personal property, or which evidence of indebtedness is 3289  
due under or based upon a conditional-sale contract, if all such 3290  
notes, bonds, or other evidences of indebtedness are sold to a 3291  
single purchaser at a single sale, is exempt. 3292

(I) The delivery of securities by the issuer on the exercise 3293  
of conversion rights, the sale of securities by the issuer on 3294  
exercise of subscription rights or of warrants or options to 3295  
purchase securities, the delivery of voting-trust certificates for 3296  
securities deposited under a voting-trust agreement, the delivery 3297  
of deposited securities on surrender of voting-trust certificates, 3298  
and the delivery of final certificates on surrender of interim 3299  
certificates are exempt; but the sale of securities on exercise of 3300  
subscription rights, warrants, or options is not an exempt 3301  
transaction unless those rights, warrants, or options when granted 3302  
were the subject matter of an exempt transaction under division 3303  
(G) of this section or were registered by description, by 3304  
coordination, or by qualification. 3305

(J) The sale of securities by a bank, savings and loan 3306  
association, savings bank, or credit union organized under the 3307  
laws of the United States or of this state is exempt if at a 3308  
profit to that seller of not more than two per cent of the total 3309  
sale price of the securities. 3310

(K)(1) The distribution by a corporation of its securities to 3311  
its security holders as a share dividend or other distribution out 3312  
of earnings or surplus is exempt. 3313

(2) The exchange or distribution by the issuer of any of its 3314  
securities or of the securities of any of the issuer's wholly 3315  
owned subsidiaries exclusively with or to its existing security 3316  
holders, if no commission or other remuneration is given directly 3317  
or indirectly for soliciting the exchange, is exempt. 3318

(3) The sale of preorganization subscriptions for shares of 3319  
stock of a corporation prior to the incorporation of the 3320  
corporation is exempt, when the sale is evidenced by a written 3321  
agreement, no remuneration is given, or promised, directly or 3322  
indirectly, for or in connection with the sale of those 3323

securities, and no consideration is received, directly or 3324  
indirectly, by any person from the purchasers of those securities 3325  
until registration by qualification, by coordination, or by 3326  
description of those securities is made under this chapter. 3327

(L) The issuance of securities in exchange for one or more 3328  
bona fide outstanding securities, claims, or property interests, 3329  
not including securities sold for a consideration payable in whole 3330  
or in part in cash, under a plan of reorganization, 3331  
recapitalization, or refinancing approved by a court pursuant to 3332  
the Bankruptcy Act of the United States or to any other federal 3333  
act giving any federal court jurisdiction over such plan of 3334  
reorganization, or under a plan of reorganization approved by a 3335  
court of competent jurisdiction of any state of the United States 3336  
is exempt. As used in this division, "reorganization," 3337  
"recapitalization," and "refinancing" have the same meanings as in 3338  
section 1707.04 of the Revised Code. 3339

(M) A sale by a licensed dealer, acting either as principal 3340  
or as agent, of securities issued and outstanding before the sale 3341  
is exempt, unless the sale is of one or more of the following: 3342

(1) Securities constituting the whole or a part of an unsold 3343  
allotment to or subscription by a dealer as an underwriter or 3344  
other participant in the distribution of those securities by the 3345  
issuer, whether that distribution is direct or through an 3346  
underwriter, provided that, if the issuer is such by reason of 3347  
owning one-fourth or more of those securities, the dealer has 3348  
knowledge of this fact or reasonable cause to believe this fact; 3349

(2) Any class of shares issued by a corporation when the 3350  
number of beneficial owners of that class is less than 3351  
twenty-five, with the record owner of securities being deemed the 3352  
beneficial owner for this purpose, in the absence of actual 3353  
knowledge to the contrary; 3354

(3) Securities that within one year were purchased outside 3355  
this state or within one year were transported into this state, if 3356  
the dealer has knowledge or reasonable cause to believe, before 3357  
the sale of those securities, that within one year they were 3358  
purchased outside this state or within one year were transported 3359  
into this state; but such a sale of those securities is exempt if 3360  
any of the following occurs: 3361

(a) A recognized securities manual contains the names of the 3362  
issuer's officers and directors, a balance sheet of the issuer as 3363  
of a date within eighteen months, and a profit and loss statement 3364  
for either the fiscal year preceding that date or the most recent 3365  
year of operations; 3366

(b) Those securities, or securities of the same class, within 3367  
one year were registered or qualified under section 1707.09 or 3368  
1707.091 of the Revised Code, and that registration or 3369  
qualification is in full force and effect; 3370

(c) The sale is made by a licensed dealer on behalf of the 3371  
bona fide owner of those securities in accordance with division 3372  
(B) of this section; 3373

(d) Those securities were transported into Ohio in a 3374  
transaction of the type described in division (L), (K), or (I) of 3375  
this section, or in a transaction registered under division (A) of 3376  
section 1707.06 of the Revised Code. 3377

(N) For the purpose of this division and division (M) of this 3378  
section, "underwriter" means any person who has purchased from an 3379  
issuer with a view to, or sells for an issuer in connection with, 3380  
the distribution of any security, or who participates directly or 3381  
indirectly in any such undertaking or in the underwriting thereof, 3382  
but "underwriter" does not include a person whose interest is 3383  
limited to a discount, commission, or profit from the underwriter 3384  
or from a dealer that is not in excess of the customary 3385

distributors' or sellers' discount, commission, or profit; and 3386  
"issuer" includes any person or any group of persons acting in 3387  
concert in the sale of such securities, owning beneficially 3388  
one-fourth or more of the outstanding securities of the class 3389  
involved in the transactions in question, with the record owner of 3390  
securities being deemed the beneficial owner for this purpose, in 3391  
the absence of actual knowledge to the contrary. 3392

(O)(1) The sale of any equity security is exempt if all the 3393  
following conditions are satisfied: 3394

(a) The sale is by the issuer of the security. 3395

(b) The total number of purchasers in this state of all 3396  
securities issued or sold by the issuer in reliance upon this 3397  
exemption during the period of one year ending with the date of 3398  
the sale does not exceed ten. A sale of securities registered 3399  
under this chapter or sold pursuant to an exemption under this 3400  
chapter other than this exemption shall not be integrated with a 3401  
sale pursuant to this exemption in computing the number of 3402  
purchasers under this exemption. 3403

(c) No advertisement, article, notice, or other communication 3404  
published in any newspaper, magazine, or similar medium or 3405  
broadcast over television or radio is used in connection with the 3406  
sale, but the use of an offering circular or other communication 3407  
delivered by the issuer to selected individuals does not destroy 3408  
this exemption. 3409

(d) The issuer reasonably believes after reasonable 3410  
investigation that the purchaser is purchasing for investment. 3411

(e) The aggregate commission, discount, and other 3412  
remuneration, excluding legal, accounting, and printing fees, paid 3413  
or given directly or indirectly does not exceed ten per cent of 3414  
the initial offering price. 3415

(f) Any such commission, discount, or other remuneration for 3416

sales in this state is paid or given only to dealers or 3417  
salespersons registered pursuant to this chapter. 3418

(2) For the purposes of division (O)(1) of this section, each 3419  
of the following is deemed to be a single purchaser of a security: 3420  
husband and wife, a child and its parent or guardian when the 3421  
parent or guardian holds the security for the benefit of the 3422  
child, a corporation, a limited liability company, a partnership, 3423  
an association or other unincorporated entity, a joint-stock 3424  
company, or a trust, but only if the corporation, limited 3425  
liability company, partnership, association, entity, joint-stock 3426  
company, or trust was not formed for the purpose of purchasing the 3427  
security. 3428

(3) As used in division (O)(1) of this section, "equity 3429  
security" means any stock or similar security of a corporation or 3430  
any membership interest in a limited liability company; or any 3431  
security convertible, with or without consideration, into such a 3432  
security, or carrying any warrant or right to subscribe to or 3433  
purchase such a security; or any such warrant or right; or any 3434  
other security that the division considers necessary or 3435  
appropriate, by such rules as it may prescribe in the public 3436  
interest or for the protection of investors, to treat as an equity 3437  
security. 3438

(P) The sale of securities representing interests in or under 3439  
profit-sharing or participation agreements relating to oil or gas 3440  
wells located in this state, or representing interests in or under 3441  
oil or gas leases of real estate situated in this state, is exempt 3442  
if the securities are issued by an individual, partnership, 3443  
limited partnership, partnership association, syndicate, pool, 3444  
trust or trust fund, or other unincorporated association and if 3445  
each of the following conditions is complied with: 3446

(1) The beneficial owners of the securities do not, and will 3447  
not after the sale, exceed five natural persons; 3448



(2) The securities constitute or represent interests in not more than one oil or gas well;

(3) A certificate or other instrument in writing is furnished to each purchaser of the securities at or before the consummation of the sale, disclosing the maximum commission, compensation for services, cost of lease, and expenses with respect to the sale of such interests and with respect to the promotion, development, and management of the oil or gas well, and the total of that commission, compensation, costs, and expenses does not exceed twenty-five per cent of the aggregate interests in the oil or gas well, exclusive of any landowner's rental or royalty;

(4) The sale is made in good faith and not for the purpose of avoiding this chapter.

(Q) The sale of any security is exempt if all of the following conditions are satisfied:

(1) The provisions of section 5 of the Securities Act of 1933 do not apply to the sale by reason of an exemption under section 4 (2) of that act.

(2) The aggregate commission, discount, and other remuneration, excluding legal, accounting, and printing fees, paid or given directly or indirectly does not exceed ten per cent of the initial offering price.

(3) Any such commission, discount, or other remuneration for sales in this state is paid or given only to dealers or salespersons registered under this chapter.

(4) The issuer or dealer files with the division of securities, not later than sixty days after the sale, a report setting forth the name and address of the issuer, the total amount of the securities sold under this division, the number of persons to whom the securities were sold, the price at which the

securities were sold, and the commissions or discounts paid or 3479  
given. 3480

(5) The issuer pays a filing fee of one hundred dollars for 3481  
the first filing and fifty dollars for every subsequent filing 3482  
during each calendar year. 3483

(R) A sale of a money order, travelers' check, or other 3484  
instrument for the transmission of money by a person qualified to 3485  
engage in such business under section 1109.60 or Chapter 1315. of 3486  
the Revised Code is exempt. 3487

(S) A sale by a licensed dealer of securities that are in the 3488  
process of registration under the Securities Act of 1933, unless 3489  
exempt under that act, and that are in the process of 3490  
registration, if registration is required under this chapter, is 3491  
exempt, provided that no sale of that nature shall be consummated 3492  
prior to the registration by description or qualification of the 3493  
securities. 3494

(T) The execution by a licensed dealer of orders for the 3495  
purchase of any security is exempt, provided that the dealer acts 3496  
only as agent for the purchaser, has made no solicitation of the 3497  
order to purchase the security, has no interest in the 3498  
distribution of the security, and delivers to the purchaser 3499  
written confirmation of the transaction that clearly itemizes the 3500  
dealer's commission. "Solicitation," as used in this division, 3501  
means solicitation of the order for the specific security 3502  
purchased and does not include general solicitations or 3503  
advertisements of any kind. 3504

(U) The sale insofar as the security holders of a person are 3505  
concerned, where, pursuant to statutory provisions of the 3506  
jurisdiction under which that person is organized or pursuant to 3507  
provisions contained in its articles of incorporation, certificate 3508  
of incorporation, partnership agreement, declaration of trust, 3509

trust indenture, or similar controlling instrument, there is 3510  
submitted to the security holders, for their vote or consent, (1) 3511  
a plan or agreement for a reclassification of securities of that 3512  
person that involves the substitution of a security of that person 3513  
for another security of that person, (2) a plan or agreement of 3514  
merger or consolidation or a similar plan or agreement of 3515  
acquisition in which the securities of that person held by the 3516  
security holders will become or be exchanged for securities of any 3517  
other person, or (3) a plan or agreement for a combination as 3518  
defined in division (Q) of section 1701.01 of the Revised Code or 3519  
a similar plan or agreement for the transfer of assets of that 3520  
person to another person in consideration of the issuance of 3521  
securities of any person, is exempt if, with respect to any of the 3522  
foregoing transactions, either of the following conditions is 3523  
satisfied: 3524

(a) The securities to be issued to the security holders are 3525  
effectively registered under sections 6 to 8 of the Securities Act 3526  
of 1933 and offered and sold in compliance with section 5 of that 3527  
act; 3528

(b) At least twenty days prior to the date on which a meeting 3529  
of the security holders is held or the earliest date on which 3530  
corporate action may be taken when no meeting is held, there is 3531  
submitted to the security holders, by that person, or by the 3532  
person whose securities are to be issued in the transaction, 3533  
information substantially equivalent to the information that would 3534  
be required to be included in a proxy statement or information 3535  
statement prepared by or on behalf of the management of an issuer 3536  
subject to section 14(a) or 14(c) of the Securities Exchange Act 3537  
of 1934. 3538

(V) The sale of any security is exempt if the division by 3539  
rule finds that registration is not necessary or appropriate in 3540  
the public interest or for the protection of investors. 3541

(W) Any offer or sale of securities made in reliance on the 3542  
exemptions provided by Rule 505 of Regulation D made pursuant to 3543  
the Securities Act of 1933 and the conditions and definitions 3544  
provided by Rules 501 to 503 thereunder is exempt if the offer or 3545  
sale satisfies all of the following conditions: 3546

(1) No commission or other remuneration is given, directly or 3547  
indirectly, to any person for soliciting or selling to any person 3548  
in this state in reliance on the exemption under this division, 3549  
except to dealers licensed in this state. 3550

(2)(a) Unless the cause for disqualification is waived under 3551  
division (W)(2)(b) of this section, no exemption under this 3552  
section is available for the securities of an issuer unless the 3553  
issuer did not know and in the exercise of reasonable care could 3554  
not have known that any of the following applies to any of the 3555  
persons described in Rule 262(a) to (c) of Regulation A under the 3556  
Securities Act of 1933: 3557

(i) The person has filed an application for registration or 3558  
qualification that is the subject of an effective order entered 3559  
against the issuer, its officers, directors, general partners, 3560  
controlling persons or affiliates thereof, pursuant to the law of 3561  
any state within five years before the filing of a notice required 3562  
under division (W)(3) of this section denying effectiveness to, or 3563  
suspending or revoking the effectiveness of, the registration 3564  
statement. 3565

(ii) The person has been convicted of any offense in 3566  
connection with the offer, sale, or purchase of any security or 3567  
franchise, or any felony involving fraud or deceit, including, but 3568  
not limited to, forgery, embezzlement, fraud, theft, or conspiracy 3569  
to defraud. 3570

(iii) The person is subject to an effective administrative 3571  
order or judgment that was entered by a state securities 3572

administrator within five years before the filing of a notice 3573  
required under division (W)(3) of this section and that prohibits, 3574  
denies, or revokes the use of any exemption from securities 3575  
registration, prohibits the transaction of business by the person 3576  
as a dealer, or is based on fraud, deceit, an untrue statement of 3577  
a material fact, or an omission to state a material fact. 3578

(iv) The person is subject to any order, judgment, or decree 3579  
of any court entered within five years before the filing of a 3580  
notice required under division (W)(3) of this section, 3581  
temporarily, preliminarily, or permanently restraining or 3582  
enjoining the person from engaging in or continuing any conduct or 3583  
practice in connection with the offer, sale, or purchase of any 3584  
security, or the making of any false filing with any state. 3585

(b)(i) Any disqualification under this division involving a 3586  
dealer may be waived if the dealer is or continues to be licensed 3587  
in this state as a dealer after notifying the commissioner of the 3588  
act or event causing disqualification. 3589

(ii) The commissioner may waive any disqualification under 3590  
this paragraph upon a showing of good cause that it is not 3591  
necessary under the circumstances that use of the exemption be 3592  
denied. 3593

(3) Not later than five business days before the earlier of 3594  
the date on which the first use of an offering document or the 3595  
first sale is made in this state in reliance on the exemption 3596  
under this division, there is filed with the commissioner a notice 3597  
comprised of offering material in compliance with the requirements 3598  
of Rule 502 of Regulation D under the Securities Act of 1933 and a 3599  
fee of one hundred dollars. Material amendments to the offering 3600  
document shall be filed with the commissioner not later than the 3601  
date of their first use in this state. 3602

(4) The aggregate commission, discount, and other 3603

remuneration paid or given, directly or indirectly, does not 3604  
exceed twelve per cent of the initial offering price, excluding 3605  
legal, accounting, and printing fees. 3606

(X) Any offer or sale of securities made in reliance on the 3607  
exemption provided in Rule 506 of Regulation D under the 3608  
Securities Act of 1933, and in accordance with Rules 501 to 503 of 3609  
Regulation D under the Securities Act of 1933, is exempt provided 3610  
that all of the following apply: 3611

(1) The issuer makes a notice filing with the division on 3612  
form D of the securities and exchange commission within fifteen 3613  
days of the first sale in this state; 3614

(2) Any commission, discount, or other remuneration for sales 3615  
of securities in this state is paid or given only to dealers or 3616  
salespersons licensed under this chapter; 3617

(3) The issuer pays a filing fee of one hundred dollars to 3618  
the division; however, no filing fee shall be required to file 3619  
amendments to the form D of the securities and exchange 3620  
commission. 3621

(Y) The offer or sale of securities by an issuer is exempt 3622  
provided that all of the following apply: 3623

(1) The sale of securities is made only to persons who are, 3624  
or who the issuer reasonably believes are, accredited investors as 3625  
defined in Rule 501 of Regulation D under the Securities Act of 3626  
1933. 3627

(2) The issuer reasonably believes that all purchasers are 3628  
purchasing for investment and not with a view to or for sale in 3629  
connection with a distribution of the security. Any resale of a 3630  
security sold in reliance on this exemption within twelve months 3631  
of sale shall be presumed to be with a view to distribution and 3632  
not for investment, except a resale to which any of the following 3633  
applies: 3634

(a) The resale is pursuant to a registration statement	3635
effective under section 1707.09 or 1707.091 of the Revised Code.	3636
(b) The resale is to an accredited investor, as defined in	3637
Rule 501 of Regulation D under the Securities Act of 1933.	3638
(c) The resale is to an institutional investor pursuant to	3639
the exemptions under division (B) or (D) of this section.	3640
(3) The exemption under this division is not available to an	3641
issuer that is in the development stage and that either has no	3642
specific business plan or purpose or has indicated that its	3643
business plan is to engage in a merger or acquisition with an	3644
unidentified company or companies, or other entities or persons.	3645
(4) The exemption under this division is not available to an	3646
issuer, if the issuer, any of the issuer's predecessors, any	3647
affiliated issuer, any of the issuer's directors, officers,	3648
general partners, or beneficial owners of ten per cent or more of	3649
any class of its equity securities, any of the issuer's promoters	3650
presently connected with the issuer in any capacity, any	3651
underwriter of the securities to be offered, or any partner,	3652
director, or officer of such underwriter:	3653
(a) Within the past five years, has filed a registration	3654
statement that is the subject of a currently effective	3655
registration stop order entered by any state securities	3656
administrator or the securities and exchange commission;	3657
(b) Within the past five years, has been convicted of any	3658
criminal offense in connection with the offer, purchase, or sale	3659
of any security, or involving fraud or deceit;	3660
(c) Is currently subject to any state or federal	3661
administrative enforcement order or judgment, entered within the	3662
past five years, finding fraud or deceit in connection with the	3663
purchase or sale of any security;	3664

(d) Is currently subject to any order, judgment, or decree of any court of competent jurisdiction, entered within the past five years, that temporarily, preliminarily, or permanently restrains or enjoins the party from engaging in or continuing to engage in any conduct or practice involving fraud or deceit in connection with the purchase or sale of any security.

(5) Division (Y)(4) of this section is inapplicable if any of the following applies:

(a) The party subject to the disqualification is licensed or registered to conduct securities business in the state in which the order, judgment, or decree creating the disqualification was entered against the party described in division (Y)(4) of this section.

(b) Before the first offer is made under this exemption, the state securities administrator, or the court or regulatory authority that entered the order, judgment, or decree, waives the disqualification.

(c) The issuer did not know and, in the exercise of reasonable care based on reasonable investigation, could not have known that a disqualification from the exemption existed under division (Y)(4) of this section.

(6) A general announcement of the proposed offering may be made by any means; however, the general announcement shall include only the following information, unless additional information is specifically permitted by the division by rule:

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

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

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



(d) The type, number, and aggregate amount of securities being offered;	3695 3696
(e) The name, address, and telephone number of the person to contact for additional information; and	3697 3698
(f) A statement indicating all of the following:	3699
(i) Sales will only be made to accredited investors as defined in Rule 501 of Regulation D under the Securities Act of 1933;	3700 3701 3702
(ii) No money or other consideration is being solicited or will be accepted by way of this general announcement;	3703 3704
(iii) The securities have not been registered with or approved by any state securities administrator or the securities and exchange commission and are being offered and sold pursuant to an exemption from registration.	3705 3706 3707 3708
(7) The issuer, in connection with an offer, may provide information in addition to the general announcement described in division (Y)(6) of this section, provided that either of the following applies:	3709 3710 3711 3712
(a) The information is delivered through an electronic database that is restricted to persons that are accredited investors as defined in Rule 501 of Regulation D under the Securities Act of 1933.	3713 3714 3715 3716
(b) The information is delivered after the issuer reasonably believes that the prospective purchaser is an accredited investor as defined in Rule 501 of Regulation D under the Securities Act of 1933.	3717 3718 3719 3720
(8) No telephone solicitation shall be done, unless prior to placing the telephone call, the issuer reasonably believes that the prospective purchaser to be solicited is an accredited investor as defined in Rule 501 of Regulation D under the	3721 3722 3723 3724

Securities Act of 1933.	3725
(9) Dissemination of the general announcement described in division (Y)(6) of this section to persons that are not accredited investors, as defined in Rule 501 of Regulation D under the Securities Act of 1933, does not disqualify the issuer from claiming an exemption under this division.	3726 3727 3728 3729 3730
(10) The issuer shall file with the division notice of the offering of securities within fifteen days after notice of the offering is made or a general announcement is made in this state. The filing shall be on forms adopted by the division and shall include a copy of the general announcement, if one is made regarding the proposed offering, and copies of any offering materials, circulars, or prospectuses. A filing fee of one hundred dollars also shall be included.	3731 3732 3733 3734 3735 3736 3737 3738
<u>Sec. 1707.162. (A) No person shall act as a state retirement system investment officer unless the person is licensed as a state retirement system investment officer by the division of securities.</u>	3739 3740 3741 3742
<u>(B) No state retirement system investment officer shall act as a dealer, salesperson, investment advisor, or investment advisor representative.</u>	3743 3744 3745
<u>Sec. 1707.163. (A) Application for a state retirement system investment officer's license shall be made in accordance with this section by filing with the division of securities the information, materials, and forms specified in rules adopted by the division.</u>	3746 3747 3748 3749
<u>(B)(1) The division may investigate any applicant for a license and may require any additional information as it considers necessary to determine the applicant's business repute and qualifications to act as an investment officer.</u>	3750 3751 3752 3753
<u>(2) If the application for a state retirement system</u>	3754

investment officer's license involves investigation outside of 3755  
this state, the applicant may be required by the division to 3756  
advance sufficient funds to pay any of the actual expenses of the 3757  
investigation. The division shall furnish the applicant with an 3758  
itemized statement of the expenses the applicant is required to 3759  
pay. 3760

(C) The division shall by rule require an applicant for a 3761  
state retirement system investment officer's license to pass an 3762  
examination designated by the division or achieve a specified 3763  
professional designation unless the applicant meets both of the 3764  
following requirements: 3765

(1) Acts as a state retirement system investment officer on 3766  
the effective date of this section; 3767

(2) Has experience or equivalent education acceptable to the 3768  
division. 3769

(D) If the division finds that the applicant is of good 3770  
business repute, appears to be qualified to act as a state 3771  
retirement system investment officer, and has complied with this 3772  
chapter and rules adopted under this chapter by the division, the 3773  
division, on payment of the fees prescribed by division (B) of 3774  
section 1707.17 of the Revised Code, shall issue to the applicant 3775  
a license authorizing the applicant to act as a state retirement 3776  
system investment officer. 3777

**Sec. 1707.17.** (A)(1) The license of every dealer in and 3778  
salesperson of securities shall expire on the thirty-first day of 3779  
December of each year, and may be renewed upon the filing with the 3780  
division of securities of an application for renewal, and the 3781  
payment of the fee prescribed in this section. The division shall 3782  
give notice, without unreasonable delay, of its action on any 3783  
application for renewal of a dealer's or salesperson's license. 3784

(2) The license of every investment adviser and investment adviser representative licensed under section 1707.141 or 1707.161 of the Revised Code shall expire on the thirty-first day of December of each year. The licenses may be renewed upon the filing with the division of an application for renewal, and the payment of the fee prescribed in division (B) of this section. The division shall give notice, without unreasonable delay, of its action on any application for renewal.

(3) An investment adviser required to make a notice filing under division (B) of section 1707.141 of the Revised Code annually shall file with the division the notice filing and the fee prescribed in division (B) of this section, no later than the thirty-first day of December of each year.

(4) The license of every state retirement system investment officer licensed under section 1707.163 of the Revised Code shall expire on the thirtieth day of June of each year. The licenses may be renewed on the filing with the division of an application for renewal, and the payment of the fee prescribed in division (B) of this section. The division shall give notice, without unreasonable delay, of its action on any application for renewal.

(B)(1) The fee for each dealer's license, and for each annual renewal thereof, shall be one hundred dollars. ~~The fee for the examination of applicant dealers, when administered by the division, shall be seventy five dollars.~~

(2) The fee for each salesperson's license, and for each annual renewal thereof, shall be fifty dollars. ~~The fee for the examination of an applicant salesperson, when administered by the division, shall be fifty dollars.~~

(3) The fee for each investment adviser's license, and for each annual renewal thereof, shall be fifty dollars.

(4) The fee for each investment adviser notice filing

required by division (B) of section 1707.141 of the Revised Code 3816  
shall be fifty dollars. 3817

(5) The fee for each investment adviser representative's 3818  
license, and for each annual renewal thereof, shall be thirty-five 3819  
dollars. 3820

(6) The fee for each state retirement system investment 3821  
officer's license, and for each annual renewal thereof, shall be 3822  
fifty dollars. 3823

(C) A dealer's, salesperson's, investment adviser's, ~~or~~ 3824  
investment adviser representative's, or state retirement system 3825  
investment officer's license may be issued at any time for the 3826  
remainder of the calendar year. In that event, the annual fee 3827  
shall not be reduced. 3828

**Sec. 1707.19.** (A) An original license, or a renewal thereof, 3829  
applied for by a dealer or salesperson of securities, or by an 3830  
investment adviser ~~or an~~ investment adviser representative, or 3831  
state retirement system investment officer, may be refused, and 3832  
any such license granted may be suspended and, after notice and 3833  
hearing in accordance with Chapter 119. of the Revised Code, may 3834  
be revoked, by the division of securities, if the division 3835  
determines that the applicant or the licensed dealer, salesperson, 3836  
investment adviser, ~~or~~ investment adviser representative, or state 3837  
retirement system investment officer: 3838

(1) Is not of good business repute; 3839

(2) Is conducting an illegitimate or fraudulent business; 3840

(3) Is, in the case of a dealer or investment adviser, 3841  
insolvent; 3842

(4) Has knowingly violated any provision of sections 1707.01 3843  
to 1707.45 of the Revised Code, or any regulation or order made 3844  
thereunder; 3845

(5) Has knowingly made a false statement of a material fact	3846
or an omission of a material fact in an application for a license,	3847
in a description or application that has been filed, or in any	3848
statement made to the division under such sections;	3849
(6) Has refused to comply with any lawful order or	3850
requirement of the division under section 1707.23 of the Revised	3851
Code;	3852
(7) Has been guilty of any fraudulent act in connection with	3853
the sale of any securities or in connection with acting as an	3854
investment adviser <del>or</del> , investment adviser representative, <u>or state</u>	3855
<u>retirement system investment officer</u> ;	3856
(8) Conducts business in purchasing or selling securities at	3857
such variations from the existing market as in the light of all	3858
the circumstances are unconscionable;	3859
(9) Conducts business in violation of such rules and	3860
regulations as the division prescribes for the protection of	3861
investors, clients, or prospective clients;	3862
(10)(a) Has failed to furnish to the division any information	3863
with respect to the purchases or sales of securities within this	3864
state that may be reasonably requested by the division as	3865
pertinent to the protection of investors in this state.	3866
(b) Has failed to furnish to the division any information	3867
with respect to acting as an investment adviser <del>or an</del> , investment	3868
adviser representative, <u>or state retirement system investment</u>	3869
<u>officer</u> within this state that may be reasonably requested by the	3870
division.	3871
(B) For the protection of investors the division may	3872
prescribe reasonable rules defining fraudulent, evasive,	3873
deceptive, or grossly unfair practices or devices in the purchase	3874
or sale of securities.	3875

(C) For the protection of investors, clients, or prospective 3876  
clients, the division may prescribe reasonable rules regarding the 3877  
acts and practices of an investment adviser or an investment 3878  
adviser representative. 3879

(D) Pending any investigation or hearing provided for in 3880  
sections 1707.01 to 1707.45 of the Revised Code, the division may 3881  
order the suspension of any dealer's, salesperson's, investment 3882  
adviser's, ~~or~~ investment adviser representative's, or state 3883  
retirement system investment officer's license by notifying the 3884  
party concerned of such suspension and the cause for it. If it is 3885  
a salesperson whose license is suspended, the division shall also 3886  
notify the dealer employing the salesperson. If it is an 3887  
investment adviser representative whose license is suspended, the 3888  
division also shall notify the investment adviser with whom the 3889  
investment adviser representative is employed or associated. If it 3890  
is a state retirement system investment officer whose license is 3891  
suspended, the division shall also notify the state retirement 3892  
system with whom the state retirement system investment officer is 3893  
employed. 3894

(E)(1) The suspension or revocation of the dealer's license 3895  
suspends the licenses of all the dealer's salespersons. 3896

(2) The suspension or revocation of the investment adviser's 3897  
license suspends the licenses of all the investment adviser's 3898  
investment adviser representatives. The suspension or revocation 3899  
of an investment adviser's registration under section 203 of the 3900  
"Investment Advisers Act of 1940," 15 U.S.C. 80b-3, suspends the 3901  
licenses of all the investment adviser's investment adviser 3902  
representatives. 3903

(F) It is sufficient cause for refusal, revocation, or 3904  
suspension of the license in case of a partnership, partnership 3905  
association, corporation, or unincorporated association if any 3906

general partner of the partnership, manager of the partnership 3907  
association, or executive officer of the corporation or 3908  
unincorporated association is not of good business repute or has 3909  
been guilty of any act or omission which would be cause for 3910  
refusing or revoking the license of an individual dealer, 3911  
salesperson, investment adviser, or investment adviser 3912  
representative. 3913

**Sec. 1707.20.** (A) The division of securities may adopt, 3914  
amend, and rescind such rules, forms, and orders as are necessary 3915  
to carry out sections 1707.01 to 1707.45 of the Revised Code, 3916  
including rules and forms governing registration statements, 3917  
applications, and reports, and defining any terms, whether or not 3918  
used in sections 1707.01 to 1707.45 of the Revised Code, insofar 3919  
as the definitions are not inconsistent with these sections. For 3920  
the purpose of rules and forms, the division may classify 3921  
securities, persons, and matters within its jurisdiction, and 3922  
prescribe different requirements for different classes. 3923

(B) No rule, form, or order may be made, amended, or 3924  
rescinded unless the division finds that the action is necessary 3925  
or appropriate in the public interest or for the protection of 3926  
investors, clients, ~~or~~ prospective clients, or state retirement 3927  
systems and consistent with the purposes fairly intended by the 3928  
policy and provisions of sections 1707.01 to 1707.45 of the 3929  
Revised Code. In prescribing rules and forms and in otherwise 3930  
administering sections 1707.01 to 1707.45 of the Revised Code, the 3931  
division may cooperate with the securities administrators of the 3932  
other states and the securities and exchange commission with a 3933  
view of effectuating the policy of this section to achieve maximum 3934  
uniformity in the form and content of registration statements, 3935  
applications, reports, and overall securities regulation wherever 3936  
practicable. 3937



(C) The division may by rule or order prescribe:	3938
(1) The form and content of financial statements required under sections 1707.01 to 1707.45 of the Revised Code;	3939 3940
(2) The circumstances under which consolidated financial statements shall be filed;	3941 3942
(3) Whether any required financial statements shall be certified by independent or certified public accountants. All financial statements shall be prepared in accordance with generally accepted accounting practices.	3943 3944 3945 3946
(D) All rules and forms of the division shall be published; and in addition to fulfilling the requirements of Chapter 119. of the Revised Code, the division shall prescribe, and shall publish and make available its rules regarding the sale of securities, the administration of sections 1707.01 to 1707.45 of the Revised Code, and the procedure and practice before the division.	3947 3948 3949 3950 3951 3952
(E) No provision of sections 1707.01 to 1707.45 of the Revised Code imposing any liability applies to any act done or omitted in good faith in conformity with any rule, form, or order of the division of securities, notwithstanding that the rule, form, or order may later be amended or rescinded or be determined by judicial or other authority to be invalid for any reason, except that the issuance of an order granting effectiveness to a registration under section 1707.09 or 1707.091 of the Revised Code for the purposes of this division shall not be deemed an order other than as the establishment of the fact of registration.	3953 3954 3955 3956 3957 3958 3959 3960 3961 3962
<b>Sec. 1707.22.</b> Whenever a dealer's, salesperson's, investment adviser's, <del>or</del> investment adviser representative's, <u>or state retirement system investment officer's</u> license has been refused, suspended, or revoked, or a renewal thereof has been denied, by the division of securities, or whenever the division has refused	3963 3964 3965 3966 3967

to qualify securities or has suspended or revoked the registration 3968  
of any particular security by description or by qualification, or 3969  
the right to buy, sell, or deal in any particular security whether 3970  
it is registered or qualified or exempt, or whether the 3971  
transactions in it are registered or exempt, the aggrieved party 3972  
may appeal in accordance with Chapter 119. of the Revised Code. 3973

An order sustaining the refusal of the division to grant or 3974  
renew a dealer's, salesperson's, investment adviser's, ~~or~~ 3975  
investment adviser representative's, or state retirement system 3976  
investment officer's license or to grant qualification of 3977  
securities, or an order sustaining the division in suspending or 3978  
revoking a dealer's, salesperson's, investment adviser's, ~~or~~ 3979  
investment adviser representative's, or state retirement system 3980  
investment officer's license, the registration of any particular 3981  
security by description or by qualification, or the right to buy, 3982  
sell, or deal in any particular security, shall not bar, after ten 3983  
days from the order, a new registration by description, or a new 3984  
application of the plaintiff for such a license or qualification 3985  
or for a withdrawal of a revocation or suspension; nor shall an 3986  
order in favor of the plaintiff prevent the division, after proper 3987  
notice and hearing, from thereafter revoking or suspending such 3988  
license, registration, or right to buy, sell, or deal in a 3989  
particular security, for any proper cause which may, after the 3990  
order, accrue or be discovered. 3991

**Sec. 1707.23.** Whenever it appears to the division of 3992  
securities, from its files, upon complaint, or otherwise, that any 3993  
person has engaged in, is engaged in, or is about to engage in any 3994  
practice declared to be illegal or prohibited by this chapter or 3995  
rules adopted under this chapter by the division, or defined as 3996  
fraudulent in this chapter or rules adopted under this chapter by 3997  
the division, or any other deceptive scheme or practice in 3998

connection with the sale of securities, or acting as a dealer, a 3999  
salesperson, an investment adviser ~~or,~~ investment adviser 4000  
representative, or state retirement system investment officer or 4001  
when the division believes it to be in the best interests of the 4002  
public and necessary for the protection of investors, the division 4003  
may do any of the following: 4004

(A) Require any person to file with it, on such forms as it 4005  
prescribes, an original or additional statement or report in 4006  
writing, under oath or otherwise, as to any facts or circumstances 4007  
concerning the issuance, sale, or offer for sale of securities 4008  
within this state by the person, as to the person's acts or 4009  
practices as a dealer, a salesperson, an investment adviser ~~or,~~ 4010  
investment adviser representative, or state retirement system 4011  
investment officer within this state, and as to other information 4012  
as it deems material or relevant thereto; 4013

(B) Examine any investment adviser, investment adviser 4014  
representative, state retirement system investment officer, or any 4015  
seller, dealer, salesperson, or issuer of any securities, and any 4016  
of their agents, employees, partners, officers, directors, 4017  
members, or shareholders, wherever located, under oath; and 4018  
examine and produce records, books, documents, accounts, and 4019  
papers as the division deems material or relevant to the inquiry; 4020

(C) Require the attendance of witnesses, and the production 4021  
of books, records, and papers, as are required either by the 4022  
division or by any party to a hearing before the division, and for 4023  
that purpose issue a subpoena for any witness, or a subpoena duces 4024  
tecum to compel the production of any books, records, or papers. 4025  
The subpoena shall be served by personal service or by certified 4026  
mail, return receipt requested. If the subpoena is returned 4027  
because of inability to deliver, or if no return is received 4028  
within thirty days of the date of mailing, the subpoena may be 4029

served by ordinary mail. If no return of ordinary mail is received 4030  
within thirty days after the date of mailing, service shall be 4031  
deemed to have been made. If the subpoena is returned because of 4032  
inability to deliver, the division may designate a person or 4033  
persons to effect either personal or residence service upon the 4034  
witness. The person designated to effect personal or residence 4035  
service under this division may be the sheriff of the county in 4036  
which the witness resides or may be found or any other duly 4037  
designated person. The fees and mileage of the person serving the 4038  
subpoena shall be the same as those allowed by the courts of 4039  
common pleas in criminal cases, and shall be paid from the funds 4040  
of the division. Fees and mileage for the witness shall be the 4041  
same as those allowed for witnesses by the courts of common pleas 4042  
in criminal cases, and shall be paid from the funds of the 4043  
division upon request of the witness following the hearing. 4044

~~(D) Proceed under section 1707.19 of the Revised Code to 4045  
refuse a license applied for by a dealer, salesperson, investment 4046  
adviser, or investment adviser representative or to suspend the 4047  
license of any licensed dealer, licensed salesperson, licensed 4048  
investment adviser, or licensed investment adviser representative 4049  
and ultimately, if the division determines, revoke such license 4050  
under that section;~~ 4051

~~(E)~~ Initiate criminal proceedings under section 1707.042 or 4052  
1707.44 of the Revised Code or rules adopted under those sections 4053  
by the division by laying before the prosecuting attorney of the 4054  
proper county any evidence of criminality which comes to its 4055  
knowledge; and in the event of the neglect or refusal of the 4056  
prosecuting attorney to prosecute such violations, or at the 4057  
request of the prosecuting attorney, the division shall submit the 4058  
evidence to the attorney general, who may proceed in the 4059  
prosecution with all the rights, privileges, and powers conferred 4060  
by law on prosecuting attorneys, including the power to appear 4061

before grand juries and to interrogate witnesses before such grand 4062  
juries. 4063

~~(F)~~(E) Require any dealers immediately to furnish to the 4064  
division copies of prospectuses, circulars, or advertisements 4065  
respecting securities that they publish or generally distribute, 4066  
or require any investment advisers immediately to furnish to the 4067  
division copies of brochures, advertisements, publications, 4068  
analyses, reports, or other writings that they publish or 4069  
distribute; 4070

~~(G)~~(F) Require any dealers to mail to the division, prior to 4071  
sale, notices of intention to sell, in respect to all securities 4072  
which are not exempt under section 1707.02 of the Revised Code, or 4073  
which are sold in transactions not exempt under section 1707.03 or 4074  
1707.04 of the Revised Code; 4075

~~(H)~~(G) Issue and cause to be served by certified mail upon 4076  
all persons affected an order requiring the person or persons to 4077  
cease and desist from the acts or practices appearing to the 4078  
division to constitute violations of this chapter or rules adopted 4079  
under this chapter by the division. The order shall state 4080  
specifically the section or sections of this chapter or the rule 4081  
or rules adopted under this chapter by the division that appear to 4082  
the division to have been violated and the facts constituting the 4083  
violation. If after the issuance of the order it appears to the 4084  
division that any person or persons affected by the order have 4085  
engaged in any act or practice from which the person or persons 4086  
shall have been required, by the order, to cease and desist, the 4087  
director of commerce may apply to the court of common pleas of any 4088  
county for, and upon proof of the validity of the order of the 4089  
division, the delivery of the order to the person or persons 4090  
affected, and of the illegality and the continuation of the acts 4091  
or practices that are the subject of the order, the court may 4092  
grant an injunction implementing the order of the division. 4093

~~(I)~~(H) Issue and initiate contempt proceedings in this state 4094  
regarding subpoenas and subpoenas duces tecum at the request of 4095  
the securities administrator of another state, if it appears to 4096  
the division that the activities for which the information is 4097  
sought would violate this chapter if the activities had occurred 4098  
in this state. 4099

~~(J)~~(I) The remedies provided by this section are cumulative 4100  
and concurrent with any other remedy provided in this chapter, and 4101  
the exercise of one remedy does not preclude or require the 4102  
exercise of any other remedy. 4103

**Sec. 1707.25.** In case any person fails to file any statement 4104  
or report required by sections 1707.01 to 1707.45 of the Revised 4105  
Code, to obey any subpoena the issuance of which is provided for 4106  
in those sections, or to produce books, records, or papers, give 4107  
testimony, or answer questions, as required by those sections, the 4108  
director of commerce may apply to a court of common pleas of any 4109  
county for, and upon proof of such failure the court may grant, an 4110  
injunction restraining the acting as an investment adviser ~~or~~, 4111  
investment adviser representative, or state retirement system 4112  
investment officer, or the issuance, sale, or offer for sale of 4113  
any securities by the person or by its agents, employees, 4114  
partners, officers, directors, or shareholders, until such failure 4115  
has been remedied and other relief as the facts may warrant has 4116  
been had. Such injunctive relief is available in addition to the 4117  
other remedies provided for in sections 1707.01 to 1707.45 of the 4118  
Revised Code. 4119

Where the person refusing to comply with such order of court 4120  
is an issuer of securities, the court may enjoin the sale by any 4121  
dealer of any securities of the issuer, and the division of 4122  
securities may revoke the qualification of the securities of the 4123  
issuer, or suspend or revoke the sale of any securities of the 4124

issuer which have been registered by description, and such 4125  
securities shall not thereafter be sold by any dealer until the 4126  
order of the court or of the division is withdrawn. 4127

**Sec. 1707.261.** (A) If a court of common pleas grants an 4128  
injunction pursuant to section 1707.26 of the Revised Code, after 4129  
consultation with the attorney general the director of commerce 4130  
may request that court to order the defendant or defendants that 4131  
are subject to the injunction to make restitution or rescission to 4132  
any purchaser or holder of securities damaged by the defendant's 4133  
or defendants' violation of any provision of sections 1707.01 to 4134  
1707.45 of the Revised Code. 4135

(B) If the court of common pleas is satisfied with the 4136  
sufficiency of the director's request for restitution or 4137  
rescission under division (A) of this section and with the 4138  
sufficiency of the proof of a substantial violation of any 4139  
provision of sections 1707.01 to 1707.45 of the Revised Code, or 4140  
of the use of any act, practice, or transaction declared to be 4141  
illegal or prohibited or defined as fraudulent by those sections 4142  
or rules adopted under those sections by the division of 4143  
securities, to the material prejudice of a purchaser or holder of 4144  
securities, the court may order the defendant or defendants 4145  
subject to the injunction to make restitution or rescission to any 4146  
purchaser or holder of securities damaged by the defendant's or 4147  
defendants' violation of sections 1707.01 to 1707.45 of the 4148  
Revised Code. 4149

(C) A court order granting restitution or rescission based 4150  
upon a request made pursuant to division (A) of this section shall 4151  
meet the requirements of division (B) of this section and may not 4152  
be based solely upon a final order issued by the division of 4153  
securities pursuant to Chapter 119. of the Revised Code or upon an 4154  
action to enforce a final order issued by the division pursuant to 4155

that chapter. Notwithstanding the foregoing provision, a request 4156  
for restitution or rescission pursuant to division (A) of this 4157  
section may concern the same acts, practices, or transactions that 4158  
were, or may later be, the subject of a division of securities 4159  
action for a violation of any provision of sections 1707.01 to 4160  
1707.45 of the Revised Code. If a request for restitution or 4161  
rescission pursuant to division (A) of this section concerns the 4162  
same acts, practices, or transactions that were the subject of a 4163  
final order issued by the division of securities pursuant to 4164  
Chapter 119. of the Revised Code, the court shall review the 4165  
request in accordance with division (B) of this section, and the 4166  
standard of review in section 119.12 of the Revised Code shall not 4167  
apply to the request. 4168

(D) No purchaser or holder of securities who is entitled to 4169  
restitution or rescission under this section shall recover, 4170  
pursuant to this section or any other proceeding, a total amount 4171  
in excess of the person's purchase price for the securities sold 4172  
in violation of sections 1707.01 to 1707.45 of the Revised Code. 4173

(E)(1) If a court of common pleas grants an injunction 4174  
pursuant to section 1707.26 of the Revised Code against any state 4175  
retirement system investment officer, after consultation with the 4176  
attorney general, the director of commerce may request that court 4177  
to order the state retirement system investment officer or 4178  
officers that are subject to the injunction to make restitution to 4179  
the state retirement system damaged by the state retirement system 4180  
investment officer's or officers' violation of any provision of 4181  
sections 1707.01 to 1707.45 of the Revised Code. 4182

(2) If the court of common pleas is satisfied with the 4183  
sufficiency of the director's request for restitution under 4184  
division (E)(1) of this section and with the sufficiency of the 4185  
proof of a substantial violation of any provision of sections 4186  
1707.01 to 1707.45 of the Revised Code, or of the use of any act, 4187



practice, or transaction declared to be illegal or prohibited or 4188  
defined as fraudulent by those sections or rules adopted under 4189  
those sections by the division of securities, to the material 4190  
prejudice of a state retirement system, the court may order the 4191  
state retirement system investment officer or officers subject to 4192  
the injunction to make restitution to the state retirement system 4193  
damaged by the state retirement system investment officer's or 4194  
officers' violation of sections 1707.01 to 1707.45 of the Revised 4195  
Code. A request for restitution pursuant to division (E)(1) of 4196  
this section may concern the same acts, practices, or transactions 4197  
that were, or may later be, the subject of a division of 4198  
securities action for a violation of any provision of section 4199  
1707.01 to 1707.45 of the Revised Code. 4200

**Sec. 1707.39.** When any securities have been sold without 4201  
compliance with sections 1707.01 to 1707.45 of the Revised Code, 4202  
or any former law in force at the time of such sale, any 4203  
interested person may apply in writing to the division of 4204  
securities for the qualification of such securities under such 4205  
sections. If it appears to the division that no person has been 4206  
defrauded, prejudiced, or damaged by such noncompliance or sale 4207  
and that no person will be defrauded, prejudiced, or damaged by 4208  
such qualification, the division may permit such securities to be 4209  
so qualified upon the payment of a fee of one hundred dollars plus 4210  
a fee of one-fifth of one per cent of the aggregate price at which 4211  
the securities have been sold in this state, which fee shall in no 4212  
case be less than one hundred dollars nor more than two thousand 4213  
dollars. In addition, the division may require the applicant to 4214  
advance sufficient funds to pay the actual expenses of an 4215  
examination or investigation by the division, whether to be 4216  
conducted in this state or outside this state. An itemized 4217  
statement of such expenses shall be furnished to the applicant. 4218

Such qualification shall estop the division from proceeding 4219  
under division ~~(E)~~(D) of section 1707.23 of the Revised Code 4220  
against anyone who has violated division (C)(1) of section 1707.44 4221  
of the Revised Code for acts within the scope of the application, 4222  
or from proceeding with administrative action pursuant to section 4223  
1707.13 of the Revised Code. 4224

**Sec. 1707.431.** For purposes of this section, the following 4225  
persons shall not be deemed to have effected, participated in, or 4226  
aided the seller in any way in making, a sale or contract of sale 4227  
in violation of sections 1707.01 to 1707.45 of the Revised Code: 4228

(A) Any attorney, accountant, or engineer whose performance 4229  
is incidental to the practice of the person's profession; 4230

(B) Any person, other than an investment adviser ~~or an~~, 4231  
investment adviser representative, or state retirement system 4232  
investment officer, who brings any issuer together with any 4233  
potential investor, without receiving, directly or indirectly, a 4234  
commission, fee, or other remuneration based on the sale of any 4235  
securities by the issuer to the investor. Remuneration received by 4236  
the person solely for the purpose of offsetting the reasonable 4237  
out-of-pocket costs incurred by the person shall not be deemed a 4238  
commission, fee, or other remuneration. 4239

Any person claiming exemption under this division for a 4240  
publicly advertised meeting shall file a notice with the division 4241  
of securities indicating an intent to cause or hold such a meeting 4242  
at least twenty-one days prior to the meeting. The division may, 4243  
upon receipt of such notice, issue an order denying the 4244  
availability of an exemption under this division not more than 4245  
fourteen days after receipt of the notice based on a finding that 4246  
the applicant is not entitled to the exemption. Notwithstanding 4247  
the notice described in this section, a failure to file the notice 4248  
does not create a presumption that a person was participating in 4249

or aiding in the making of a sale or contract of sale in violation 4250  
of this chapter. 4251

(C) Any person whom the division exempts from this provision 4252  
by rule. 4253

**Sec. 1707.44.** (A)(1) No person shall engage in any act or 4254  
practice that violates division (A), (B), or (C) of section 4255  
1707.14 of the Revised Code, and no salesperson shall sell 4256  
securities in this state without being licensed pursuant to 4257  
section 1707.16 of the Revised Code. 4258

(2) No person shall engage in any act or practice that 4259  
violates division (A) of section 1707.141 or section 1707.161 of 4260  
the Revised Code. 4261

(3) No person shall engage in any act or practice that 4262  
violates section 1707.162 of the Revised Code. 4263

(B) No person shall knowingly make or cause to be made any 4264  
false representation concerning a material and relevant fact, in 4265  
any oral statement or in any prospectus, circular, description, 4266  
application, or written statement, for any of the following 4267  
purposes: 4268

(1) Registering securities or transactions, or exempting 4269  
securities or transactions from registration, under this chapter; 4270

(2) Securing the qualification of any securities under this 4271  
chapter; 4272

(3) Procuring the licensing of any dealer, salesperson, 4273  
investment adviser, ~~or~~ investment adviser representative, or state 4274  
retirement system investment officer under this chapter; 4275

(4) Selling any securities in this state; 4276

(5) Advising for compensation, as to the value of securities 4277  
or as to the advisability of investing in, purchasing, or selling 4278

securities;	4279
(6) Submitting a notice filing to the division under division	4280
(X) of section 1707.03 or section 1707.092 or 1707.141 of the	4281
Revised Code.	4282
(C) No person shall knowingly sell, cause to be sold, offer	4283
for sale, or cause to be offered for sale, any security which	4284
comes under any of the following descriptions:	4285
(1) Is not exempt under section 1707.02 of the Revised Code,	4286
nor the subject matter of one of the transactions exempted in	4287
section 1707.03, 1707.04, or 1707.34 of the Revised Code, has not	4288
been registered by coordination or qualification, and is not the	4289
subject matter of a transaction that has been registered by	4290
description;	4291
(2) The prescribed fees for registering by description, by	4292
coordination, or by qualification have not been paid in respect to	4293
such security;	4294
(3) The person has been notified by the division, or has	4295
knowledge of the notice, that the right to buy, sell, or deal in	4296
such security has been suspended or revoked, or that the	4297
registration by description, by coordination, or by qualification	4298
under which it may be sold has been suspended or revoked;	4299
(4) The offer or sale is accompanied by a statement that the	4300
security offered or sold has been or is to be in any manner	4301
indorsed by the division.	4302
(D) No person who is an officer, director, or trustee of, or	4303
a dealer for, any issuer, and who knows such issuer to be	4304
insolvent in that the liabilities of the issuer exceed its assets,	4305
shall sell any securities of or for any such issuer, without	4306
disclosing the fact of the insolvency to the purchaser.	4307
(E) No person with intent to aid in the sale of any	4308

securities on behalf of the issuer, shall knowingly make any 4309  
representation not authorized by such issuer or at material 4310  
variance with statements and documents filed with the division by 4311  
such issuer. 4312

(F) No person, with intent to deceive, shall sell, cause to 4313  
be sold, offer for sale, or cause to be offered for sale, any 4314  
securities of an insolvent issuer, with knowledge that such issuer 4315  
is insolvent in that the liabilities of the issuer exceed its 4316  
assets, taken at their fair market value. 4317

(G) No person in purchasing or selling securities shall 4318  
knowingly engage in any act or practice that is, in this chapter, 4319  
declared illegal, defined as fraudulent, or prohibited. 4320

(H) No licensed dealer shall refuse to buy from, sell to, or 4321  
trade with any person because the person appears on a blacklist 4322  
issued by, or is being boycotted by, any foreign corporate or 4323  
governmental entity, nor sell any securities of or for any issuer 4324  
who is known in relation to the issuance or sale of the securities 4325  
to have engaged in such practices. 4326

(I) No dealer in securities, knowing that the dealer's 4327  
liabilities exceed the reasonable value of the dealer's assets, 4328  
shall accept money or securities, except in payment of or as 4329  
security for an existing debt, from a customer who is ignorant of 4330  
the dealer's insolvency, and thereby cause the customer to lose 4331  
any part of the customer's securities or the value of those 4332  
securities, by doing either of the following without the 4333  
customer's consent: 4334

(1) Pledging, selling, or otherwise disposing of such 4335  
securities, when the dealer has no lien on or any special property 4336  
in such securities; 4337

(2) Pledging such securities for more than the amount due, or 4338  
otherwise disposing of such securities for the dealer's own 4339

benefit, when the dealer has a lien or indebtedness on such securities. 4340  
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It is an affirmative defense to a charge under this division that, at the time the securities involved were pledged, sold, or disposed of, the dealer had in the dealer's possession or control, and available for delivery, securities of the same kinds and in amounts sufficient to satisfy all customers entitled to the securities, upon demand and tender of any amount due on the securities. 4342  
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(J) No person, with purpose to deceive, shall make, issue, publish, or cause to be made, issued, or published any statement or advertisement as to the value of securities, or as to alleged facts affecting the value of securities, or as to the financial condition of any issuer of securities, when the person knows that such statement or advertisement is false in any material respect. 4349  
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(K) No person, with purpose to deceive, shall make, record, or publish or cause to be made, recorded, or published, a report of any transaction in securities which is false in any material respect. 4355  
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(L) No dealer shall engage in any act that violates the provisions of section 15(c) or 15(g) of the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C.A. 78o(c) or (g), or any rule or regulation promulgated by the securities and exchange commission thereunder. If, subsequent to October 11, 1994, additional amendments to section 15(c) or 15(g) are adopted, or additional rules or regulations are promulgated pursuant to such sections, the division of securities shall, by rule, adopt the amendments, rules, or regulations, unless the division finds that the amendments, rules, or regulations are not necessary for the protection of investors or in the public interest. 4359  
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(M)(1) No investment adviser or investment adviser 4370

representative shall do any of the following: 4371

(a) Employ any device, scheme, or artifice to defraud any 4372  
person; 4373

(b) Engage in any act, practice, or course of business that 4374  
operates or would operate as a fraud or deceit upon any person; 4375

(c) In acting as principal for the investment adviser's or 4376  
investment adviser representative's own account, knowingly sell 4377  
any security to or purchase any security from a client, or in 4378  
acting as salesperson for a person other than such client, 4379  
knowingly effect any sale or purchase of any security for the 4380  
account of such client, without disclosing to the client in 4381  
writing before the completion of the transaction the capacity in 4382  
which the investment adviser or investment adviser representative 4383  
is acting and obtaining the consent of the client to the 4384  
transaction. Division (M)(1)(c) of this section does not apply to 4385  
any investment adviser registered with the securities and exchange 4386  
commission under section 203 of the "Investment Advisers Act of 4387  
1940," 15 U.S.C. 80b-3, or to any transaction with a customer of a 4388  
licensed dealer or salesperson if the licensed dealer or 4389  
salesperson is not acting as an investment adviser or investment 4390  
adviser representative in relation to the transaction. 4391

(d) Engage in any act, practice, or course of business that 4392  
is fraudulent, deceptive, or manipulative. The division of 4393  
securities may adopt rules reasonably designed to prevent such 4394  
acts, practices, or courses of business that are fraudulent, 4395  
deceptive, or manipulative. 4396

(2) No investment adviser or investment adviser 4397  
representative licensed or required to be licensed under this 4398  
chapter shall take or have custody of any securities or funds of 4399  
any person, except as provided in rules adopted by the division. 4400

(3) In the solicitation of clients or prospective clients, no 4401

person shall make any untrue statement of a material fact or omit 4402  
to state a material fact necessary in order to make the statements 4403  
made not misleading in light of the circumstances under which the 4404  
statements were made. 4405

(N) No person knowingly shall influence, coerce, manipulate, 4406  
or mislead any person engaged in the preparation, compilation, 4407  
review, or audit of financial statements to be used in the 4408  
purchase or sale of securities for the purpose of rendering the 4409  
financial statements materially misleading. 4410

(O) No state retirement system investment officer shall do 4411  
any of the following: 4412

(1) Employ any device, scheme, or artifice to defraud any 4413  
state retirement system; 4414

(2) Engage in any act, practice, or course of business that 4415  
operates or would operate as a fraud or deceit on any state 4416  
retirement system; 4417

(3) Engage in any act, practice, or course of business that 4418  
is fraudulent, deceptive, or manipulative. The division of 4419  
securities may adopt rules reasonably designed to prevent such 4420  
acts, practices, or courses of business as are fraudulent, 4421  
deceptive, or manipulative; 4422

(4) Knowingly fail to comply with any policy adopted 4423  
regarding the officer established pursuant to section 145.094, 4424  
742.104, 3307.043, 3309.043, or 5505.066 of the Revised Code. 4425

**Sec. 1707.46.** The principal executive officer of the division 4426  
of securities shall be the commissioner of securities, who shall 4427  
be appointed by the director of commerce. The commissioner of 4428  
securities shall enforce all the laws and administrative rules 4429  
enacted or adopted to regulate the sale of bonds, stocks, and 4430  
other securities and to prevent fraud in such sales. The 4431



commissioner also shall enforce all the laws and administrative 4432  
rules enacted or adopted to regulate investment advisers and, 4433  
investment adviser representatives, and state retirement system 4434  
investment officers and to prevent fraud in their acts, practices, 4435  
and transactions. 4436

The commissioner shall be paid at a rate not less than pay 4437  
range 47 set out in schedule E-2 of section 124.152 of the Revised 4438  
Code, to be paid as other operating expenses of the division. 4439

**Sec. 3307.03.** A state teachers retirement system is hereby 4440  
established for the teachers of the public schools of the state 4441  
which includes the several funds created and placed under the 4442  
management of a state teachers retirement board for the payment of 4443  
retirement allowances and other benefits under Chapter 3307. of 4444  
the Revised Code. The board may sue and be sued, plead and be 4445  
impleaded, contract and be contracted with, and do all things 4446  
necessary to carry out such sections. All of its business shall be 4447  
transacted, and all of its funds invested, all warrants for money 4448  
drawn and payments made, and all of its cash, securities, and 4449  
other property shall be held in the name of the board or in the 4450  
name of its nominee, provided that nominees are authorized by 4451  
retirement board resolution for the purpose of facilitating the 4452  
ownership and transfer of investments and are restricted to 4453  
members of the board, the executive director, and designated 4454  
members of the staff, or a partnership or corporation composed of 4455  
any of the foregoing persons. 4456

If the Ohio retirement study council establishes a uniform 4457  
format for any report the board is required to submit to the 4458  
council, the board shall submit the report in that format. 4459

**Sec. 3307.041.** The state teachers retirement board shall do 4460  
all of the following: 4461

(A) In consultation with the Ohio ethics commission, review 4462  
any existing policy regarding the travel and payment of travel 4463  
expenses of members and employees of the state teachers retirement 4464  
board and adopt rules in accordance with section 3307.04 of the 4465  
Revised Code establishing a new or revised policy regarding travel 4466  
and payment of travel expenses; 4467

(B) If the board intends to award a bonus to any employee of 4468  
the board, adopt rules in accordance with section 3307.04 of the 4469  
Revised Code establishing a policy regarding employee bonuses; 4470

(C) Provide copies of the rules adopted under divisions (A) 4471  
and (B) of this section to each member of the Ohio retirement 4472  
study council; 4473

(D) Submit to the Ohio retirement study council a proposed 4474  
operating budget, including an administrative budget for the 4475  
board, for the next immediate fiscal year and adopt that budget 4476  
not earlier than sixty days after it is submitted to the council; 4477

(E) Submit to the council a plan describing how the board 4478  
will improve the dissemination of public information pertaining to 4479  
the board. 4480

**Sec. 3307.042.** The state teachers retirement board shall, in 4481  
consultation with the Ohio ethics commission, develop an ethics 4482  
policy. The board shall submit this policy to the Ohio retirement 4483  
study council for approval. 4484

The council shall review the policy and, if the council 4485  
determines, upon the advice of the Ohio ethics commission, that 4486  
the policy is adequate, approve the policy. If the council 4487  
determines that the policy is inadequate, it shall specify the 4488  
revisions to be made and the board shall submit a revised policy. 4489  
If the council approves the revised policy, the board shall adopt 4490  
it. If not, the board shall make any further revisions required by 4491

the council and adopt the policy. 4492

The board periodically shall provide ethics training to 4493  
members and employees of the board. The training shall include 4494  
training regarding the requirements and prohibitions of Chapter 4495  
102. of the Revised Code and sections 2921.42 and 2921.43 of the 4496  
Revised Code and any other training the board considers 4497  
appropriate. 4498

The board shall establish a procedure to ensure that each 4499  
employee of the board is informed of the procedure for filing a 4500  
complaint alleging violation of Chapter 102. of the Revised Code 4501  
or section 2921.42 or 2921.43 of the Revised Code with the Ohio 4502  
ethics commission or the appropriate prosecuting attorney. 4503

**Sec. 3307.043.** (A) The state teachers retirement board shall 4504  
designate a person who is a licensed state retirement system 4505  
investment officer to be the chief investment officer for the 4506  
state teachers retirement system. The board shall notify the 4507  
division of securities of the department of commerce in writing of 4508  
its designation and of any change in its designation within ten 4509  
calendar days of the designation or change. 4510

(B) The chief investment officer shall reasonably supervise 4511  
the licensed state retirement system investment officers and other 4512  
persons employed by the state teachers retirement system with a 4513  
view toward preventing violations of Chapter 1707. of the Revised 4514  
Code, the "Commodity Exchange Act," 42 Stat. 998, 7 U.S.C. and 4515  
following, the "Securities Act of 1933," 48 Stat. 74, 15 U.S.C. 4516  
and following, and the "Securities Exchange Act of 1934," 48 Stat. 4517  
881, 15 U.S.C. 78a, and following, and the rules and regulations 4518  
promulgated under those statutes. This duty of reasonable 4519  
supervision shall include the adoption, implementation, and 4520  
enforcement of written policies and procedures reasonably designed 4521  
to prevent persons employed by the state teachers retirement 4522

system from misusing material, nonpublic information in violation 4523  
of those laws, rules, and regulations. 4524

For purposes of this division, no chief investment officer 4525  
shall be considered to have failed to satisfy the officer's duty 4526  
of reasonable supervision if the officer has done all of the 4527  
following: 4528

(1) Adopted and implemented written procedures, and a system 4529  
for applying the procedures, that would reasonably be expected to 4530  
prevent and detect, insofar as practicable, any violation by its 4531  
licensed investment officers and other persons employed by the 4532  
state teachers retirement system; 4533

(2) Reasonably discharged the duties and obligations 4534  
incumbent on the chief investment officer by reason of the 4535  
established procedures and the system for applying the procedures 4536  
when the officer had no reasonable cause to believe that there was 4537  
a failure to comply with the procedures and systems; 4538

(3) Reviewed, at least annually, the adequacy of the policies 4539  
and procedures established pursuant to this section and the 4540  
effectiveness of their implementation. 4541

(C) The chief investment officer shall ensure that securities 4542  
transactions are executed in such a manner that the state teachers 4543  
retirement system's total costs or proceeds in each transaction 4544  
are the most favorable under the circumstances. 4545

For purposes of this division, no chief investment officer 4546  
shall be considered to have failed to satisfy the officer's duty 4547  
of best execution if the officer has done both of the following: 4548

(1) Adopted and implemented a written policy that outlines 4549  
the criteria used to select broker-dealers that execute securities 4550  
transactions on behalf of the state teachers retirement system, 4551  
which criteria shall include all of the following: 4552

<u>(a) Commissions charged by the broker-dealer, both in the aggregate and on a per share basis;</u>	4553 4554
<u>(b) The execution speed and trade settlement capabilities of the broker-dealer;</u>	4555 4556
<u>(c) The responsiveness, reliability, and integrity of the broker-dealer;</u>	4557 4558
<u>(d) The nature and value of research provided by the broker-dealer;</u>	4559 4560
<u>(e) Any special capabilities of the broker-dealer.</u>	4561
<u>(2) Reviewed, at least annually, the performance of broker-dealers that execute securities transactions on behalf of the state teachers retirement system.</u>	4562 4563 4564
<b>Sec. 3307.05.</b> The state teachers retirement board shall consist of the following <del>nine</del> members:	4565 4566
(A) <u>The superintendent of public instruction; or a designee of the superintendent who has the following qualifications:</u>	4567 4568
<u>(1) The designee is a resident of this state.</u>	4569
<u>(2) Within the three years immediately preceding the appointment, the designee has not been employed by the public employees retirement system, police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system or by any person, partnership, or corporation that has provided to one of those retirement systems services of a financial or investment nature, including the management, analysis, supervision, or investment of assets.</u>	4570 4571 4572 4573 4574 4575 4576 4577 4578
<u>(3) The designee has direct experience in the management, analysis, supervision, or investment of assets.</u>	4579 4580
(B) The auditor of state;	4581

(C) The <del>attorney general</del> <u>treasurer of state;</u>	4582
(D) Five members, known as teacher members, who shall be members of the state teachers retirement system;	4583 4584
(E) <del>A Two</del> <u>Two former member members</u> of the system, known as the retired teacher <del>member members</del> , who shall be a <del>superannuate and superannuates</del> who <del>is</del> <u>are</u> not otherwise employed in a <del>position positions</del> requiring the <del>retired teacher member</del> <u>them</u> to make contributions to the system;	4585 4586 4587 4588 4589
(F) <u>One member, known as the school board member, appointed by the governor, who shall be a member of a city, local, exempted village, or joint vocational school board district board of education or a member of an educational service center governing board, but need not be a member of the retirement system.</u>	4590 4591 4592 4593 4594
<u>Sec. 3307.051. Each newly elected member of the state teachers retirement board and each individual appointed to fill a vacancy on the board, shall, not later than ninety days after commencing service as a board member, complete the orientation program component of the retirement board member education program established under section 171.50 of the Revised Code.</u>	4595 4596 4597 4598 4599 4600
<u>Each member of the board who has served a year or longer as a board member shall, not less than twice each year, attend one or more programs that are part of the continuing education component of the retirement board member education program established under section 171.50 of the Revised Code.</u>	4601 4602 4603 4604 4605
<u>Sec. 3307.052. A person who served as an elected or appointed member of the state teachers retirement board for one or more entire fiscal years in fiscal years 2000, 2001, or 2002 is ineligible for re-election or reappointment to the board if the person has accepted reimbursements for travel and travel-related expenses from the board that have an annual average of more than</u>	4606 4607 4608 4609 4610 4611

ten thousand dollars for those fiscal years.

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**Sec. 3307.06.** (A) Annually on the first Monday of May, one teacher member, as defined in division (D) of section 3307.05 of the Revised Code, shall be elected by ballot to the state teachers retirement board, except that, beginning with the annual election for teacher members in May, 1978, and in the annual election of each fourth year thereafter, two teacher members shall be elected to the board. Elected teacher members shall begin their respective terms of office on the first day of September following their election and shall serve for a term of four years.

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(B) The retired teacher ~~member~~ members of the board, as defined in division (E) of section 3307.05 of the Revised Code, shall be elected for a term of four years, ~~except that the initial retired teacher member shall be elected for a term of three years.~~ The retired teacher ~~member~~ members shall be elected to the board at the annual election for teacher members of the board, as provided in division (A) of this section, in the year in which the term of the current retired teacher ~~member~~ members would expire. The retired teacher ~~member~~ members shall begin ~~his term~~ their respective terms of office on the first day of September following ~~his~~ their election.

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No teacher member of the board who retires while a member of the board shall be eligible to become a retired teacher member of the board for three years after the date of the member's retirement.

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(C) If a vacancy occurs during the term of office of any elected member of the board, the remaining members of the board shall elect a successor member ~~who~~. On certification of the election results under section 111.30 of the Revised Code the successor member shall hold office ~~for the remainder of his~~

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predecessor's term until the next board election that occurs not 4642  
less than ninety days after the successor member's election. The 4643  
successor member shall qualify for board membership under the same 4644  
division of section 3307.05 of the Revised Code as ~~his~~ the 4645  
member's predecessor in office. Elections under this division 4646  
shall be conducted under the supervision of the secretary of state 4647  
pursuant to section 111.30 of the Revised Code. 4648

(D) If as a result of changed circumstances an elected member 4649  
of the board would no longer qualify for board membership under 4650  
that division of section 3307.05 of the Revised Code on the basis 4651  
of which ~~he~~ the member was elected, or if such a member fails to 4652  
attend the meetings of the board for four months or longer, 4653  
without being excused, ~~his~~ the member's position on the board 4654  
shall be considered vacant, and a successor member shall be ~~chosen~~ 4655  
elected, under division (C) of this section, for the remainder of 4656  
~~his~~ the unexpired term. 4657

**Sec. 3307.061.** A teacher member or retired teacher member of 4658  
the state teachers retirement board who is charged with committing 4659  
a felony, a theft offense as defined in section 2913.01 of the 4660  
Revised Code, or a violation of section 102.02, 102.03, 102.04, 4661  
2921.02, 2921.11, 2921.13, 2921.31, 2921.41, 2921.42, 2921.43, or 4662  
2921.44 of the Revised Code shall be suspended from participation 4663  
on the board for the period during which the charges are pending. 4664  
If the charges are dismissed, the member is found not guilty, or 4665  
the charges are otherwise resolved in a manner not resulting in 4666  
the member being convicted of or pleading guilty to an offense of 4667  
that nature, the suspension shall end, and the member may 4668  
participate on the board. If the member pleads guilty to or is 4669  
convicted of the offense, the position of the member on the board 4670  
shall be deemed vacant. A person who has pleaded guilty to or been 4671  
convicted of an offense of that nature is ineligible for election 4672  
to the office of teacher or retired teacher member of the state 4673



teachers retirement board.

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**Sec. 3307.07.** All elections of members of the state teachers retirement board shall be held under the direction of the board in accordance with rules adopted under section 111.30 of the Revised Code. Any member of the state teachers retirement system, who has been nominated by a petition that is signed by five hundred or more members of the system and certified under section 111.30 of the Revised Code, shall be eligible for election as a teacher member of the board. The petition shall contain the signatures of twenty or more members of the system from each of at least ten counties wherein members of the system are employed.

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Any retired teacher who is a superannuate and a resident of Ohio is eligible for election as ~~the~~ a retired teacher member of the board, if such retired teacher has been nominated by a petition that is signed by five hundred or more retired teachers, who are also superannuates, and certified under section 111.30 of the Revised Code. The petition shall contain the signatures of twenty or more retired teachers from each of at least ten counties wherein superannuates under the system reside.

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The board shall place the name of any eligible candidate upon the appropriate ballot as a regular candidate. At any election, qualified voters, as defined in this section, may vote for the regular candidates or for other eligible candidates, in which case the names of such persons shall be written upon the appropriate ballots, except that members of the system and former members of the system who are superannuates shall vote respectively for teacher members and ~~the~~ retired teacher ~~member~~ members of the board. The candidate who receives the highest number of votes for any term of office shall be elected to the board on certification of the election results under section 111.30 of the Revised Code.

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If, at any election, teacher members or retired teacher members 4704  
are to be elected for concurrent terms, eligible candidates shall 4705  
be placed on the ballot, and the candidates who receive the 4706  
highest numbers of votes shall be elected to the board on 4707  
certification of the election results under section 111.30 of the 4708  
Revised Code. 4709

Elected members of the board shall be elected on the basis of 4710  
the total number of ballots cast by qualified voters, who shall 4711  
consist of members of the system and former members of the system 4712  
who are superannuates. 4713

**Sec. 3307.072.** (A) As used in this section: 4714

(1) "Campaign committee" means a candidate or a combination 4715  
of two or more persons authorized by a candidate to receive 4716  
contributions and in-kind contributions and make expenditures on 4717  
behalf of the candidate. 4718

(2) "Candidate" means an individual who has been nominated 4719  
pursuant to section 3307.07 of the Revised Code for election to 4720  
the state teachers retirement board or who is seeking to be 4721  
elected to fill a vacancy on the board pursuant to division (D) of 4722  
section 3307.06 of the Revised Code. 4723

(3) "Contribution" means a loan, gift, deposit, forgiveness 4724  
of indebtedness, donation, advance, payment, transfer of funds or 4725  
transfer of anything of value including a transfer of funds from 4726  
an inter vivos or testamentary trust or decedent's estate, and the 4727  
payment by any person other than the person to whom the services 4728  
are rendered for the personal services of another person, which 4729  
contribution is made, received, or used for the purpose of 4730  
influencing the results of an election to the state teachers 4731  
retirement board under section 3307.07 of the Revised Code or the 4732  
results of an election to fill a vacancy on the board pursuant to 4733  
division (D) of section 3307.06 of the Revised Code. 4734

<u>"Contribution" does not include:</u>	4735
<u>(a) Services provided without compensation by individuals</u>	4736
<u>volunteering a portion or all of their time on behalf of a person;</u>	4737
<u>(b) Ordinary home hospitality;</u>	4738
<u>(c) The personal expenses of a volunteer paid for by that</u>	4739
<u>volunteer campaign worker.</u>	4740
<u>(4) "Election day" means the following, as appropriate to the</u>	4741
<u>situation:</u>	4742
<u>(a) The first Monday in May of a year for which section</u>	4743
<u>3307.06 of the Revised Code specifies that an election for a</u>	4744
<u>member of the state teachers retirement board be held;</u>	4745
<u>(b) If, pursuant to section 3307.071 of the Revised Code, no</u>	4746
<u>election is held, the first Monday in May of a year that the</u>	4747
<u>election would have been held if not for section 3307.071 of the</u>	4748
<u>Revised Code.</u>	4749
<u>(5) "Expenditure" means the disbursement or use of a</u>	4750
<u>contribution for the purpose of influencing the results of an</u>	4751
<u>election to the state teachers retirement board under section</u>	4752
<u>3307.07 of the Revised Code or the results of an election to fill</u>	4753
<u>a vacancy on the board pursuant to division (D) of section 3307.06</u>	4754
<u>of the Revised Code.</u>	4755
<u>(6) "Independent expenditure" means an expenditure by an</u>	4756
<u>individual, partnership, or other entity advocating the election</u>	4757
<u>or defeat of an identified candidate or candidates, that is not</u>	4758
<u>made with the consent of, in coordination, cooperation, or</u>	4759
<u>consultation with, or at the request or suggestion of any</u>	4760
<u>candidate or candidates or of the campaign committee or agent of</u>	4761
<u>the candidate or candidates. An independent expenditure shall not</u>	4762
<u>be construed as being a contribution. As used in division (A)(6)</u>	4763
<u>of this section:</u>	4764

(a) "Advocating" means any communication containing a message 4765  
advocating election or defeat. 4766

(b) "Identified candidate" means that the name of the 4767  
candidate appears, a photograph or drawing of the candidate 4768  
appears, or the identity of the candidate is otherwise apparent by 4769  
unambiguous reference. 4770

(c) "Made in coordination, cooperation, or consultation with, 4771  
or at the request or suggestion of, any candidate or the campaign 4772  
committee or agent of the candidate" means made pursuant to any 4773  
arrangement, coordination, or direction by the candidate, the 4774  
candidate's campaign committee, or the candidate's agent prior to 4775  
the publication, distribution, display, or broadcast of the 4776  
communication. An expenditure is presumed to be so made when it is 4777  
any of the following: 4778

(i) Based on information about the candidate's plans, 4779  
projects, or needs provided to the person making the expenditure 4780  
by the candidate, or by the candidate's campaign committee or 4781  
agent, with a view toward having an expenditure made; 4782

(ii) Made by or through any person who is, or has been, 4783  
authorized to raise or expend funds, who is, or has been, an 4784  
officer of the candidate's campaign committee, or who is, or has 4785  
been, receiving any form of compensation or reimbursement from the 4786  
candidate or the candidate's campaign committee or agent; 4787

(iii) Made by a political party in support of a candidate, 4788  
unless the expenditure is made by a political party to conduct 4789  
voter registration or voter education efforts. 4790

(d) "Agent" means any person who has actual oral or written 4791  
authority, either express or implied, to make or to authorize the 4792  
making of expenditures on behalf of a candidate, or means any 4793  
person who has been placed in a position with the candidate's 4794  
campaign committee or organization such that it would reasonably 4795

appear that in the ordinary course of campaign-related activities 4796  
the person may authorize expenditures. 4797

(7) "In-kind contribution" means anything of value other than 4798  
money that is used to influence the results of an election to the 4799  
state teachers retirement board under section 3307.07 of the 4800  
Revised Code or the results of an election to fill a vacancy on 4801  
the board pursuant to division (D) of section 3307.06 of the 4802  
Revised Code or is transferred to or used in support of or in 4803  
opposition to a candidate and that is made with the consent of, in 4804  
coordination, cooperation, or consultation with, or at the request 4805  
or suggestion of the benefited candidate. The financing of the 4806  
dissemination, distribution, or republication, in whole or part, 4807  
of any broadcast or of any written, graphic, or other form of 4808  
campaign materials prepared by the candidate, the candidate's 4809  
campaign committee, or their authorized agents is an in-kind 4810  
contribution to the candidate and an expenditure by the candidate. 4811

(8) "Personal expenses" includes ordinary expenses for 4812  
accommodations, clothing, food, personal motor vehicle or 4813  
airplane, and home telephone. 4814

(B) Except as otherwise provided in division (D) of this 4815  
section, each candidate who, or whose campaign committee, receives 4816  
a contribution or in-kind contribution or makes an expenditure in 4817  
connection with the candidate's efforts to be elected to the state 4818  
teachers retirement board shall file with the secretary of state 4819  
two complete, accurate, and itemized statements setting forth in 4820  
detail the contributions, in-kind contributions, and expenditures. 4821  
The statements shall be filed regardless of whether, pursuant to 4822  
section 3307.071 of the Revised Code, no election is held. The 4823  
statements shall be made on a form prescribed under section 111.30 4824  
of the Revised Code. Every expenditure shall be vouched for by a 4825  
receipted bill, stating the purpose of the expenditures, that 4826  
shall be filed with the statement; a canceled check with a 4827

notation of the purpose of the expenditure is a receipted bill for purposes of this division.

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The first statement shall be filed not later than four p.m. on the day that is twelve days before election day. The second statement shall be filed not sooner than the day that is eight days after election day and not later than thirty-eight days after election day. The first statement shall reflect contributions and in-kind contributions received and expenditures made to the close of business on the twentieth day before election day. The second statement shall reflect contributions and in-kind contributions received and expenditures made during the period beginning on the nineteenth day before election day and ending on the close of business on the seventh day after election day.

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(C) Each individual, partnership, or other entity who makes an independent expenditure in connection with the candidate's efforts to be elected to the state teachers retirement board shall file with the secretary of state two complete, accurate, and itemized statements setting forth in detail the independent expenditures. The statements shall be filed regardless of whether, pursuant to section 3307.071 of the Revised Code, no election is held. The statements shall be made on a form prescribed under section 111.30 of the Revised Code.

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The first statement shall be filed not later than four p.m. on the day that is twelve days before election day. The second statement shall be filed not sooner than the day that is eight days after election day and not later than thirty-eight days after election day. The first statement shall reflect independent expenditures made to the close of business on the twentieth day before election day. The second statement shall reflect independent expenditures made during the period beginning on the nineteenth day before election day and ending on the close of business on the seventh day after election day.

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(D) Each candidate who, or whose campaign committee, receives 4860  
a contribution or in-kind contribution or makes an expenditure in 4861  
connection with the candidate's efforts to be elected to fill a 4862  
vacancy in the public employees retirement board pursuant to 4863  
division (D) of section 3307.06 of the Revised Code shall file 4864  
with the secretary of state a complete, accurate, and itemized 4865  
statement setting forth in detail the contributions, in-kind 4866  
contributions, and expenditures. The statement shall be made on a 4867  
form prescribed under section 111.30 of the Revised Code. Every 4868  
expenditure shall be vouched for by a receipted bill, stating the 4869  
purpose of the expenditures, that shall be filed with the 4870  
statement; a canceled check with a notation of the purpose of the 4871  
expenditure is a receipted bill for purposes of this division. 4872

The statement shall be filed within thirty-eight days after 4873  
the day the candidate takes office. The statement shall reflect 4874  
contributions and in-kind contributions received and expenditures 4875  
made to the close of business on the seventh day after the day the 4876  
candidate takes office. 4877

**Sec. 3307.073.** (A) No person shall knowingly fail to file a 4878  
complete and accurate campaign finance statement or independent 4879  
expenditure statement in accordance with section 3307.072 of the 4880  
Revised Code. 4881

(B) No person, during the course of a person seeking 4882  
nomination for, and during any campaign for, election to the state 4883  
teachers retirement board, shall knowingly and with intent to 4884  
affect the nomination or the outcome of the campaign do any of the 4885  
following by means of campaign materials, an advertisement on 4886  
radio or television or in a newspaper or periodical, a public 4887  
speech, press release, or otherwise: 4888

(1) With regard to a candidate, identify the candidate in a 4889  
manner that implies that the candidate is a member of the board or 4890

- use the term "re-elect" when the candidate is not currently a 4891  
member of the board; 4892
- (2) Make a false statement concerning the formal schooling or 4893  
training completed or attempted by a candidate; a degree, diploma, 4894  
certificate, scholarship, grant, award, prize, or honor received, 4895  
earned, or held by a candidate; or the period of time during which 4896  
a candidate attended any school, college, community technical 4897  
school, or institution; 4898
- (3) Make a false statement concerning the professional, 4899  
occupational, or vocational licenses held by a candidate, or 4900  
concerning any position the candidate held for which the candidate 4901  
received a salary or wages; 4902
- (4) Make a false statement that a candidate or public 4903  
official has been indicted or convicted of a theft offense, 4904  
extortion, or other crime involving financial corruption or moral 4905  
turpitude; 4906
- (5) Make a statement that a candidate has been indicted for 4907  
any crime or has been the subject of a finding by the Ohio 4908  
elections commission without disclosing the outcome of any legal 4909  
proceedings resulting from the indictment or finding; 4910
- (6) Make a false statement that a candidate or official has a 4911  
record of treatment or confinement for mental disorder; 4912
- (7) Make a false statement that a candidate or official has 4913  
been subjected to military discipline for criminal misconduct or 4914  
dishonorably discharged from the armed services; 4915
- (8) Falsely identify the source of a statement, issue 4916  
statements under the name of another person without authorization, 4917  
or falsely state the endorsement of or opposition to a candidate 4918  
by a person or publication; 4919
- (9) Make a false statement concerning the voting record of a 4920



candidate or public official; 4921

(10) Post, publish, circulate, distribute, or otherwise 4922  
disseminate a false statement concerning a candidate, either 4923  
knowing the same to be false or with reckless disregard of whether 4924  
it was false or not, if the statement is designed to promote the 4925  
election, nomination, or defeat of the candidate. 4926

Sec. 3307.074. The secretary of state, or any person acting 4927  
on personal knowledge and subject to the penalties of perjury, may 4928  
file a complaint with the Ohio elections commission alleging a 4929  
violation of section 3307.073 of the Revised Code. The complaint 4930  
shall be made on a form prescribed and provided by the commission. 4931

On receipt of a complaint under this section, the commission 4932  
shall hold a hearing open to the public to determine whether the 4933  
violation alleged in the complaint has occurred. The commission 4934  
may administer oaths and issue subpoenas to any person in the 4935  
state compelling the attendance of witnesses and the production of 4936  
relevant papers, books, accounts, and reports. On the refusal of 4937  
any person to obey a subpoena or to be sworn or to answer as a 4938  
witness, the commission may apply to the court of common pleas of 4939  
Franklin county under section 2705.03 of the Revised Code. The 4940  
court shall hold contempt proceedings in accordance with Chapter 4941  
2705. of the Revised Code. 4942

The commission shall provide the person accused of the 4943  
violation at least seven days prior notice of the time, date, and 4944  
place of the hearing. The accused may be represented by an 4945  
attorney and shall have an opportunity to present evidence, call 4946  
witnesses, and cross-examine witnesses. 4947

At the hearing, the commission shall determine whether the 4948  
violation alleged in the complaint has occurred. If the commission 4949  
determines that a violation of division (A) of section 3307.073 of 4950

the Revised Code has occurred, the commission shall either impose 4951  
a fine under section 3307.99 of the Revised Code or enter a 4952  
finding that good cause has been shown not to impose the fine. If 4953  
the commission determines that a violation of division (B) of 4954  
section 3307.073 of the Revised Code has occurred, the commission 4955  
shall impose the fine described in section 3307.99 of the Revised 4956  
Code, refer the matter to the appropriate prosecutor, or enter a 4957  
finding that good cause has been shown not to impose a fine or 4958  
refer the matter to a prosecutor. 4959

4960

**Sec. 3307.11.** The state teachers retirement board shall elect 4961  
from its membership, a chairperson and a vice-chairperson. The 4962  
board shall employ an executive director who shall serve as 4963  
secretary, and shall employ other persons necessary to operate the 4964  
system and to fulfill the board's duties and responsibilities 4965  
under Chapter 3307. of the Revised Code. ~~The~~ 4966

Effective ninety days after the effective date of this 4967  
amendment, the board may not employ a state retirement system 4968  
investment officer, as defined in section 1707.01 of the Revised 4969  
Code, who does not hold a valid state retirement system investment 4970  
officer license issued by the division of securities in the 4971  
department of commerce. 4972

The compensation of all employees and all other expenses of 4973  
the board necessary for the proper operation of the system shall 4974  
be paid in such amounts as the board approves. 4975

Every expense voucher of an employee, officer, or board 4976  
member of the state teachers retirement system shall itemize all 4977  
purchases and expenditures. 4978

The board shall receive all applications for retirement under 4979  
the plans described in section 3307.031 of the Revised Code, shall 4980

provide for the payment of all retirement allowances and other 4981  
benefits payable under this chapter, and shall make other 4982  
expenditures authorized by this chapter. 4983

**Sec. 3307.20.** (A) As used in this section: 4984

(1) "Personal history record" means information maintained by 4985  
the state teachers retirement board on an individual who is a 4986  
member, former member, contributor, former contributor, retirant, 4987  
or beneficiary that includes the address, telephone number, social 4988  
security number, record of contributions, correspondence with the 4989  
state teachers retirement system, or other information the board 4990  
determines to be confidential. 4991

(2) "Retirant" has the same meaning as in section 3307.50 of 4992  
the Revised Code. 4993

(B) The records of the board shall be open to public 4994  
inspection, except for the following, which shall be excluded, 4995  
except with the written authorization of the individual concerned: 4996

(1) The individual's personal records provided for in section 4997  
3307.23 of the Revised Code; 4998

(2) The individual's personal history record; 4999

(3) Any information identifying, by name and address, the 5000  
amount of a monthly allowance or benefit paid to the individual. 5001

(C) All medical reports and recommendations under sections 5002  
3307.62, 3307.64, and 3307.66 of the Revised Code are privileged, 5003  
except that copies of such medical reports or recommendations 5004  
shall be made available to the personal physician, attorney, or 5005  
authorized agent of the individual concerned upon written release 5006  
received from the individual or the individual's agent, or, when 5007  
necessary for the proper administration of the fund, to the board 5008  
assigned physician. 5009

(D) Any person who is a member or contributor of the system 5010

shall be furnished, on written request, with a statement of the amount to the credit of the person's account. The board need not answer more than one request of a person in any one year.

(E) Notwithstanding the exceptions to public inspection in division (B) of this section, the board may furnish the following information:

(1) If a member, former member, retirant, contributor, or former contributor is subject to an order issued under section 2907.15 of the Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Revised Code, on written request of a prosecutor as defined in section 2935.01 of the Revised Code, the board shall furnish to the prosecutor the information requested from the individual's personal history record.

(2) Pursuant to a court or administrative order issued under section 3119.80, 3119.81, 3121.02, 3121.03, or 3123.06 of the Revised Code, the board shall furnish to a court or child support enforcement agency the information required under that section.

(3) At the written request of any person, the board shall provide to the person a list of the names and addresses of members, former members, retirants, contributors, former contributors, or beneficiaries. The costs of compiling, copying, and mailing the list shall be paid by such person.

(4) Within fourteen days after receiving from the director of job and family services a list of the names and social security numbers of recipients of public assistance pursuant to section 5101.181 of the Revised Code, the board shall inform the auditor of state of the name, current or most recent employer address, and social security number of each member whose name and social security number are the same as that of a person whose name or social security number was submitted by the director. The board

and its employees shall, except for purposes of furnishing the 5042  
auditor of state with information required by this section, 5043  
preserve the confidentiality of recipients of public assistance in 5044  
compliance with division (A) of section 5101.181 of the Revised 5045  
Code. 5046

(5) The system shall comply with orders issued under section 5047  
3105.87 of the Revised Code. 5048

On the written request of an alternate payee, as defined in 5049  
section 3105.80 of the Revised Code, the system shall furnish to 5050  
the alternate payee information on the amount and status of any 5051  
amounts payable to the alternate payee under an order issued under 5052  
section 3105.171 or 3105.65 of the Revised Code. 5053

(6) At the request of any person, the board shall make 5054  
available to the person copies of all documents, including 5055  
resumes, in the board's possession regarding filling a vacancy of 5056  
a teacher member or retired teacher member of the board. The 5057  
person who made the request shall pay the cost of compiling, 5058  
copying, and mailing the documents. The information described in 5059  
this division is a public record. 5060

(7) The board shall furnish those personal history records 5061  
kept by the board to the secretary of state necessary for the 5062  
purposes of certifying an election pursuant to section 111.30 of 5063  
the Revised Code. The records provided pursuant to this division 5064  
shall remain confidential while in the possession of the secretary 5065  
of state. 5066

(F) A statement that contains information obtained from the 5067  
system's records that is signed by an officer of the retirement 5068  
system and to which the system's official seal is affixed, or 5069  
copies of the system's records to which the signature and seal are 5070  
attached, shall be received as true copies of the system's records 5071  
in any court or before any officer of this state. 5072

Sec. 3307.99. (A) Whoever violates division (A) of section 3307.073 of the Revised Code shall be fined not more than one hundred dollars for each day of the violation. 5073  
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(B) Whoever violates division (B) of section 3307.073 of the Revised Code shall be imprisoned for not more than six months or fined not more than five thousand dollars, or both. 5076  
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(C) Fines imposed by the Ohio elections commission under this section shall be paid into the Ohio elections commission fund created under section 3513.10 of the Revised Code. 5079  
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**Sec. 3309.03.** A school employees retirement system is hereby 5082  
established for the employees as defined in section 3309.01 of the 5083  
Revised Code, which shall include the several funds created and 5084  
placed under the management of the school employees retirement 5085  
board for the payment of retirement allowances and other benefits 5086  
provided in Chapter 3309. of the Revised Code. The board may sue 5087  
and be sued, plead and be impleaded, contract and be contracted 5088  
with, and do all things necessary to carry out Chapter 3309. of 5089  
the Revised Code. All of its business shall be transacted, all of 5090  
its funds invested, all warrants for money drawn and payments 5091  
made, and all of its cash, securities, and other property shall be 5092  
held in the name of the board, or in the name of its nominee, 5093  
provided that nominees are authorized by retirement board 5094  
resolution for such purposes. The board may take all appropriate 5095  
action to avoid payment by the system or its members of federal or 5096  
state income taxes on contributions to the system or amounts 5097  
earned on those contributions. 5098

If the Ohio retirement study council establishes a uniform 5099  
format for any report the board is required to submit to the 5100  
council, the board shall submit the report in that format. 5101

Sec. 3309.041. The school employees retirement board shall do 5102  
all of the following: 5103

(A) In consultation with the Ohio ethics commission, review 5104  
any existing policy regarding the travel and payment of travel 5105  
expenses of members and employees of the school employees 5106  
retirement board and adopt rules in accordance with section 5107  
3309.04 of the Revised Code establishing a new or revised policy 5108  
regarding travel and payment of travel expenses; 5109

(B) If the board intends to award a bonus to any employee of 5110  
the board, adopt rules in accordance with section 3309.04 of the 5111  
Revised Code establishing a policy regarding employee bonuses; 5112

(C) Provide copies of the rules adopted under divisions (A) 5113  
and (B) of this section to each member of the Ohio retirement 5114  
study council; 5115

(D) Submit to the Ohio retirement study council a proposed 5116  
operating budget, including an administrative budget for the 5117  
board, for the next immediate fiscal year and adopt that budget 5118  
not earlier than sixty days after it is submitted to the council; 5119

(E) Submit to the council a plan describing how the board 5120  
will improve the dissemination of public information pertaining to 5121  
the board. 5122

Sec. 3309.042. The school employees retirement board shall, 5123  
in consultation with the Ohio ethics commission, develop an ethics 5124  
policy. The board shall submit this policy to the Ohio retirement 5125  
study council for approval. 5126

The council shall review the policy and, if the council 5127  
determines, upon the advice of the Ohio ethics commission, that 5128  
the policy is adequate, approve the policy. If the council 5129  
determines that the policy is inadequate, it shall specify the 5130

revisions to be made and the board shall submit a revised policy. 5131  
If the council approves the revised policy, the board shall adopt 5132  
it. If not, the board shall make any further revisions required by 5133  
the council and adopt the policy. 5134

The board periodically shall provide ethics training to 5135  
members and employees of the board. The training shall include 5136  
training regarding the requirements and prohibitions of Chapter 5137  
102. of the Revised Code and sections 2921.42 and 2921.43 of the 5138  
Revised Code and any other training the board considers 5139  
appropriate. 5140

The board shall establish a procedure to ensure that each 5141  
employee of the board is informed of the procedure for filing a 5142  
complaint alleging violation of Chapter 102. of the Revised Code 5143  
or section 2921.42 or 2921.43 of the Revised Code with the Ohio 5144  
ethics commission or the appropriate prosecuting attorney. 5145

**Sec. 3309.043.** (A) The school employees retirement board 5146  
shall designate a person who is a licensed state retirement system 5147  
investment officer to be the chief investment officer for the 5148  
school employees retirement system. The board shall notify the 5149  
division of securities of the department of commerce in writing of 5150  
its designation and of any change in its designation within ten 5151  
calendar days of the designation or change. 5152

(B) The chief investment officer shall reasonably supervise 5153  
the licensed state retirement system investment officers and other 5154  
persons employed by the school employees retirement system with a 5155  
view toward preventing violations of Chapter 1707. of the Revised 5156  
Code, the "Commodity Exchange Act," 42 Stat. 998, 7 U.S.C. and 5157  
following, the "Securities Act of 1933," 48 Stat. 74, 15 U.S.C. 5158  
and following, and the "Securities Exchange Act of 1934," 48 Stat. 5159  
881, 15 U.S.C. 78a, and following, and the rules and regulations 5160  
promulgated under those statutes. This duty of reasonable 5161



supervision shall include the adoption, implementation, and 5162  
enforcement of written policies and procedures reasonably designed 5163  
to prevent persons employed by the school employees retirement 5164  
system from misusing material, nonpublic information in violation 5165  
of those laws, rules, and regulations. 5166

For purposes of this division, no chief investment officer 5167  
shall be considered to have failed to satisfy the officer's duty 5168  
of reasonable supervision if the officer has done all of the 5169  
following: 5170

(1) Adopted and implemented written procedures, and a system 5171  
for applying the procedures, that would reasonably be expected to 5172  
prevent and detect, insofar as practicable, any violation by its 5173  
licensed investment officers and other persons employed by the 5174  
school employees retirement system; 5175

(2) Reasonably discharged the duties and obligations 5176  
incumbent on the chief investment officer by reason of the 5177  
established procedures and the system for applying the procedures 5178  
when the officer had no reasonable cause to believe that there was 5179  
a failure to comply with the procedures and systems; 5180

(3) Reviewed, at least annually, the adequacy of the policies 5181  
and procedures established pursuant to this section and the 5182  
effectiveness of their implementation. 5183

(C) The chief investment officer shall ensure that securities 5184  
transactions are executed in such a manner that the school 5185  
employees retirement system's total costs or proceeds in each 5186  
transaction are the most favorable under the circumstances. 5187

For purposes of this division, no chief investment officer 5188  
shall be considered to have failed to satisfy the officer's duty 5189  
of best execution if the officer has done both of the following: 5190

(1) Adopted and implemented a written policy that outlines 5191

<u>the criteria used to select broker-dealers that execute securities</u>	5192
<u>transactions on behalf of the school employees retirement system,</u>	5193
<u>which criteria shall include all of the following:</u>	5194
<u>(a) Commissions charged by the broker-dealer, both in the</u>	5195
<u>aggregate and on a per share basis;</u>	5196
<u>(b) The execution speed and trade settlement capabilities of</u>	5197
<u>the broker-dealer;</u>	5198
<u>(c) The responsiveness, reliability, and integrity of the</u>	5199
<u>broker-dealer;</u>	5200
<u>(d) The nature and value of research provided by the</u>	5201
<u>broker-dealer;</u>	5202
<u>(e) Any special capabilities of the broker-dealer.</u>	5203
<u>(2) Reviewed, at least annually, the performance of</u>	5204
<u>broker-dealers that execute securities transactions on behalf of</u>	5205
<u>the school employees retirement system.</u>	5206
<b>Sec. 3309.05.</b> The school employees retirement board shall	5207
consist of the following seven members:	5208
(A) The auditor of state;	5209
(B) The <del>attorney general</del> <u>treasurer of state;</u>	5210
(C) Four members, known as employee members, who shall be	5211
members of the school employees retirement system, and who shall	5212
be elected by ballot by the members of the system;	5213
(D) One member, known as the retirant member, who shall be a	5214
former member of the retirement system who is a resident of this	5215
state and currently receiving an age and service retirement	5216
benefit, a disability benefit, or benefits under a plan	5217
established under section 3309.81 of the Revised Code. The	5218
retirant member shall be elected by ballot by former members of	5219
the system who are currently receiving an age and service	5220

retirement benefit, a disability benefit, or benefits under a plan 5221  
established under section 3309.81 of the Revised Code; 5222

(E) One member, known as the school board member, appointed 5223  
by the governor, who shall be a member of a city, local, exempted 5224  
village, or joint vocational school board district board of 5225  
education or a member of an educational service center governing 5226  
board, but need not be a member of the retirement system; 5227

(F)(1) One member, known as the investment expert member, who 5228  
shall be appointed by the governor and who shall have the 5229  
following qualifications: 5230

(a) The member is a resident of this state; 5231

(b) Within the three years immediately preceding the 5232  
appointment, the member has not been employed by the public 5233  
employees state retirement system, police and fire pension fund, 5234  
state teachers retirement system, school employees retirement 5235  
system, or state highway patrol retirement system or by any 5236  
person, partnership, or corporation that has provided to one of 5237  
those retirement systems services of a financial or investment 5238  
nature, including the management, analysis, supervision, or 5239  
investment of assets; 5240

(c) The member has direct experience in the management, 5241  
analysis, supervision, or investment of assets. 5242

(2) The initial investment expert member shall be appointed 5243  
and take office not less than ninety days after the effective date 5244  
of this amendment. Any investment expert member appointed to fill 5245  
a vacancy occurring prior to the expiration of the term for which 5246  
the member's predecessor was appointed holds office until the end 5247  
of such term. The member continues in office subsequent to the 5248  
expiration date of the member's term until the member's successor 5249  
takes office, or until a period of sixty days has elapsed, 5250  
whichever occurs first. 5251

Sec. 3309.051. Each newly elected member of the school employees retirement board and each individual appointed to fill a vacancy on the board shall, not later than ninety days after commencing service as a board member, complete the orientation program component of the retirement board member education program established under section 171.50 of the Revised Code. 5252  
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Each member of the board who has served a year or longer as a board member shall, not less than twice each year, attend one or more programs that are part of the continuing education component of the retirement board member education program established under section 171.50 of the Revised Code. 5258  
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Sec. 3309.052. A person who served as an elected or appointed member of the school employees retirement board for one or more entire fiscal years in fiscal years 2000, 2001, or 2002 is ineligible for re-election or reappointment to the board if the person has accepted reimbursements for travel and travel-related expenses from the board that have an annual average of more than ten thousand dollars for those fiscal years. 5263  
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Sec. 3309.06. (A) Elections for employee and retirant members of the school employees retirement board shall be held on the first Monday of March. Terms of office of the employee members and the retirant member of the board shall be for four years each, commencing on the first day of July following the election and ending on the thirtieth day of June. The initial terms of the retirant member and the new employee member shall commence on July 1, 1984, and end on June 30, 1988. ~~Vacancies occurring in~~ 5270  
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(B) If a vacancy occurs during the ~~terms~~ term of employee members or the retirant ~~an elected~~ member of the board ~~shall be filled by~~, the remaining members of the board ~~for the unexpired terms~~ shall elect a successor member. ~~Employee~~ On certification of 5278  
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the election results under section 111.30 of the Revised Code, the 5282  
successor member shall hold office until the next board election 5283  
that occurs not less than ninety days after the successor member's 5284  
election. The successor member shall qualify for board membership 5285  
under the same division of section 3309.05 of the Revised Code as 5286  
the member's predecessor in office. Elections under this division 5287  
shall be conducted under the supervision of the secretary of state 5288  
pursuant to section 111.30 of the Revised Code. 5289

(C) Employee members or the retirant member of the board who 5290  
fail to attend the meetings of the board for four months or 5291  
longer, without being excused, shall be considered as having 5292  
resigned and successors shall be elected for their unexpired terms 5293  
pursuant to division (B) of this section. If as a result of 5294  
changed circumstances the retirant member would no longer qualify 5295  
for membership on the board as the retirant member, the office 5296  
shall be considered vacant, and a successor retirant member shall 5297  
be elected pursuant to division (B) of this section. 5298

Sec. 3309.061. An employee member or retirant member of the 5299  
school employees retirement board who is charged with committing a 5300  
felony, a theft offense as defined in section 2913.01 of the 5301  
Revised Code, or a violation of section 102.02, 102.03, 102.04, 5302  
2921.02, 2921.11, 2921.13, 2921.31, 2921.41, 2921.42, 2921.43, or 5303  
2921.44 of the Revised Code shall be suspended from participation 5304  
on the board for the period during which the charges are pending. 5305  
If the charges are dismissed, the member is found not guilty, or 5306  
the charges are otherwise resolved in a manner not resulting in 5307  
the member being convicted of or pleading guilty to an offense of 5308  
that nature, the suspension shall end, and the member may 5309  
participate on the board. If the member pleads guilty to or is 5310  
convicted of the offense, the position of the member on the board 5311  
shall be deemed vacant. A person who has pleaded guilty to or been 5312  
convicted of an offense of that nature is ineligible for election 5313

to the office of employee or retirant member of the school 5314  
employees retirement board. 5315

**Sec. 3309.07.** (A) All elections for employee or retirant 5316  
members of the school employees retirement board shall be held 5317  
under the direction of the board in accordance with rules adopted 5318  
under section 111.30 of the Revised Code. 5319

(B) Any member of the school employees retirement system, 5320  
other than a disability benefit recipient, shall be eligible to be 5321  
nominated for election as an employee member of the board who has 5322  
been nominated by a petition that is signed by at least five 5323  
hundred members, ~~provided that there shall be~~ and certified under 5324  
section 111.30 of the Revised Code. The petition shall contain the 5325  
signatures of not less than twenty ~~signers~~ members each from at 5326  
least ten counties wherein such members are employed. The petition 5327  
shall specify the term of office and position. The name of any 5328  
member so nominated shall be placed upon the ballot by the board 5329  
as a regular candidate. Other names of eligible candidates may at 5330  
any election be substituted for the regular candidates by writing 5331  
such names upon the ballot. The candidate receiving the highest 5332  
number of votes for any term as member of the board shall be 5333  
elected for such term on certification of the election results 5334  
under section 111.30 of the Revised Code. In any year in which two 5335  
employee member positions must be filled, the candidates who 5336  
receive the highest and second highest number of votes shall be 5337  
elected to the offices on certification of the election results 5338  
under section 111.30 of the Revised Code. 5339

(C) Any former member of the school employees retirement 5340  
system described in division (D) of section 3309.05 of the Revised 5341  
Code is eligible for election as the retirant member of the board 5342  
to represent former members currently receiving an age and service 5343

retirement benefit, a disability benefit, or benefits under a plan 5344  
established under section 3309.81 of the Revised Code, provided 5345  
that such person has been nominated by a petition that is 5346  
certified under section 111.30 of the Revised Code and signed by 5347  
at least one hundred fifty former members of the system who are 5348  
currently receiving an age and service retirement benefit, a 5349  
disability benefit, or benefits under a plan established under 5350  
section 3309.81 of the Revised Code. The petition shall contain 5351  
the signatures of at least ten such recipients from each of at 5352  
least five counties wherein recipients of benefits from this 5353  
system reside. The petition shall specify the term of office and 5354  
position. The name of any person so nominated shall be placed upon 5355  
the ballot by the board as a regular candidate. Other names of 5356  
eligible candidates may at any election be substituted for the 5357  
regular candidates by writing such names upon the ballot. The 5358  
candidate receiving the highest number of votes for any term as 5359  
member of the board shall be elected for such term on 5360  
certification of the election results under section 111.30 of the 5361  
Revised Code. 5362

No employee member of the board who retires while a member of 5363  
the board shall be eligible to become a retirant member of the 5364  
board for three years after the date of the member's retirement. 5365

**Sec. ~~3309.061~~ 3309.071.** Notwithstanding sections 3309.05, 5366  
3309.06, and 3309.07 of the Revised Code, the school employees 5367  
retirement board is not required to hold an election for a 5368  
position on the board as an employee member or retirant member if 5369  
only one candidate has been nominated for the position by petition 5370  
in accordance with section 3309.07 of the Revised Code. The 5371  
candidate shall take office as if elected. The term of office 5372  
shall be four years beginning on the first day of July following 5373  
the date the candidate was nominated. 5374

<u>Sec. 3309.072. (A) As used in this section:</u>	5375
<u>(1) "Campaign committee" means a candidate or a combination of two or more persons authorized by a candidate to receive contributions and in-kind contributions and make expenditures on behalf of the candidate.</u>	5376 5377 5378 5379
<u>(2) "Candidate" means an individual who has been nominated pursuant to section 3309.07 of the Revised Code for election to the school employees retirement board or who is seeking to be elected to fill a vacancy on the board pursuant to division (C) of section 3309.06 of the Revised Code.</u>	5380 5381 5382 5383 5384
<u>(3) "Contribution" means a loan, gift, deposit, forgiveness of indebtedness, donation, advance, payment, transfer of funds or transfer of anything of value including a transfer of funds from an inter vivos or testamentary trust or decedent's estate, and the payment by any person other than the person to whom the services are rendered for the personal services of another person, which contribution is made, received, or used for the purpose of influencing the results of an election to the school employees retirement board under section 3309.07 of the Revised Code or the results of an election to fill a vacancy on the board pursuant to division (C) of section 3309.06 of the Revised Code.</u>	5385 5386 5387 5388 5389 5390 5391 5392 5393 5394 5395
<u>"Contribution" does not include:</u>	5396
<u>(a) Services provided without compensation by individuals volunteering a portion or all of their time on behalf of a person;</u>	5397 5398
<u>(b) Ordinary home hospitality;</u>	5399
<u>(c) The personal expenses of a volunteer paid for by that volunteer campaign worker.</u>	5400 5401
<u>(4) "Election day" means the following, as appropriate to the situation:</u>	5402 5403
<u>(a) The first Monday in March of a year for which section</u>	5404



3309.06 of the Revised Code specifies that an election for a 5405  
member of the school employees retirement board be held; 5406

(b) If, pursuant to section 3309.071 of the Revised Code, no 5407  
election is held, the first Monday in March of a year that the 5408  
election would have been held if not for section 3309.071 of the 5409  
Revised Code. 5410

(5) "Expenditure" means the disbursement or use of a 5411  
contribution for the purpose of influencing the results of an 5412  
election to the school employees retirement board under section 5413  
3309.07 of the Revised Code or the results of an election to fill 5414  
a vacancy on the board pursuant to division (C) of section 3309.06 5415  
of the Revised Code. 5416

(6) "Independent expenditure" means an expenditure by an 5417  
individual, partnership, or other entity advocating the election 5418  
or defeat of an identified candidate or candidates, that is not 5419  
made with the consent of, in coordination, cooperation, or 5420  
consultation with, or at the request or suggestion of any 5421  
candidate or candidates or of the campaign committee or agent of 5422  
the candidate or candidates. An independent expenditure shall not 5423  
be construed as being a contribution. As used in division (A)(6) 5424  
of this section: 5425

(a) "Advocating" means any communication containing a message 5426  
advocating election or defeat. 5427

(b) "Identified candidate" means that the name of the 5428  
candidate appears, a photograph or drawing of the candidate 5429  
appears, or the identity of the candidate is otherwise apparent by 5430  
unambiguous reference. 5431

(c) "Made in coordination, cooperation, or consultation with, 5432  
or at the request or suggestion of, any candidate or the campaign 5433  
committee or agent of the candidate" means made pursuant to any 5434  
arrangement, coordination, or direction by the candidate, the 5435

candidate's campaign committee, or the candidate's agent prior to 5436  
the publication, distribution, display, or broadcast of the 5437  
communication. An expenditure is presumed to be so made when it is 5438  
any of the following: 5439

(i) Based on information about the candidate's plans, 5440  
projects, or needs provided to the person making the expenditure 5441  
by the candidate, or by the candidate's campaign committee or 5442  
agent, with a view toward having an expenditure made; 5443

(ii) Made by or through any person who is, or has been, 5444  
authorized to raise or expend funds, who is, or has been, an 5445  
officer of the candidate's campaign committee, or who is, or has 5446  
been, receiving any form of compensation or reimbursement from the 5447  
candidate or the candidate's campaign committee or agent; 5448

(iii) Made by a political party in support of a candidate, 5449  
unless the expenditure is made by a political party to conduct 5450  
voter registration or voter education efforts. 5451

(d) "Agent" means any person who has actual oral or written 5452  
authority, either express or implied, to make or to authorize the 5453  
making of expenditures on behalf of a candidate, or means any 5454  
person who has been placed in a position with the candidate's 5455  
campaign committee or organization such that it would reasonably 5456  
appear that in the ordinary course of campaign-related activities 5457  
the person may authorize expenditures. 5458

(7) "In-kind contribution" means anything of value other than 5459  
money that is used to influence the results of an election to the 5460  
school employees retirement board under section 3309.07 of the 5461  
Revised Code or the results of an election to fill a vacancy on 5462  
the board pursuant to division (C) of section 3309.06 of the 5463  
Revised Code or is transferred to or used in support of or in 5464  
opposition to a candidate and that is made with the consent of, in 5465  
coordination, cooperation, or consultation with, or at the request 5466

or suggestion of the benefited candidate. The financing of the 5467  
dissemination, distribution, or republication, in whole or part, 5468  
of any broadcast or of any written, graphic, or other form of 5469  
campaign materials prepared by the candidate, the candidate's 5470  
campaign committee, or their authorized agents is an in-kind 5471  
contribution to the candidate and an expenditure by the candidate. 5472

(8) "Personal expenses" includes ordinary expenses for 5473  
accommodations, clothing, food, personal motor vehicle or 5474  
airplane, and home telephone. 5475

(B) Except as otherwise provided in division (D) of this 5476  
section, each candidate who, or whose campaign committee, receives 5477  
a contribution or in-kind contribution or makes an expenditure in 5478  
connection with the candidate's efforts to be elected to the 5479  
school employees retirement board shall file with the secretary of 5480  
state two complete, accurate, and itemized statements setting 5481  
forth in detail the contributions, in-kind contributions, and 5482  
expenditures. The statements shall be filed regardless of whether, 5483  
pursuant to section 3309.071 of the Revised Code, no election is 5484  
held. The statements shall be made on a form prescribed under 5485  
section 111.30 of the Revised Code. Every expenditure shall be 5486  
vouched for by a receipted bill, stating the purpose of the 5487  
expenditures, that shall be filed with the statement; a canceled 5488  
check with a notation of the purpose of the expenditure is a 5489  
receipted bill for purposes of this division. 5490

The first statement shall be filed not later than four p.m. 5491  
on the day that is twelve days before election day. The second 5492  
statement shall be filed not sooner than the day that is eight 5493  
days after election day and not later than thirty-eight days after 5494  
election day. The first statement shall reflect contributions and 5495  
in-kind contributions received and expenditures made to the close 5496  
of business on the twentieth day before election day. The second 5497  
statement shall reflect contributions and in-kind contributions 5498

received and expenditures made during the period beginning on the 5499  
nineteenth day before election day and ending on the close of 5500  
business on the seventh day after election day. 5501

(C) Each individual, partnership, or other entity who makes 5502  
an independent expenditure in connection with the candidate's 5503  
efforts to be elected to the school employees retirement board 5504  
shall file with the secretary of state two complete, accurate, and 5505  
itemized statements setting forth in detail the independent 5506  
expenditures. The statements shall be filed regardless of whether, 5507  
pursuant to section 3309.071 of the Revised Code, no election is 5508  
held. The statements shall be made on a form prescribed under 5509  
section 111.30 of the Revised Code. 5510

The first statement shall be filed not later than four p.m. 5511  
on the day that is twelve days before election day. The second 5512  
statement shall be filed not sooner than the day that is eight 5513  
days after election day and not later than thirty-eight days after 5514  
election day. The first statement shall reflect independent 5515  
expenditures made to the close of business on the twentieth day 5516  
before election day. The second statement shall reflect 5517  
independent expenditures made during the period beginning on the 5518  
nineteenth day before election day and ending on the close of 5519  
business on the seventh day after election day. 5520

(D) Each candidate who, or whose campaign committee, receives 5521  
a contribution or in-kind contribution or makes an expenditure in 5522  
connection with the candidate's efforts to be elected to fill a 5523  
vacancy in the public employees retirement board pursuant to 5524  
division (C) of section 3309.06 of the Revised Code shall file 5525  
with the secretary of state a complete, accurate, and itemized 5526  
statement setting forth in detail the contributions, in-kind 5527  
contributions, and expenditures. The statement shall be made on a 5528  
form prescribed under section 111.30 of the Revised Code. Every 5529  
expenditure shall be vouched for by a receipted bill, stating the 5530

purpose of the expenditures, that shall be filed with the 5531  
statement; a canceled check with a notation of the purpose of the 5532  
expenditure is a receipted bill for purposes of this division. 5533

The statement shall be filed within thirty-eight days after 5534  
the day the candidate takes office. The statement shall reflect 5535  
contributions and in-kind contributions received and expenditures 5536  
made to the close of business on the seventh day after the day the 5537  
candidate takes office. 5538

**Sec. 3309.073.** (A) No person shall knowingly fail to file a 5539  
complete and accurate campaign finance statement or independent 5540  
expenditure statement in accordance with section 3309.072 of the 5541  
Revised Code. 5542

(B) No person, during the course of a person seeking 5543  
nomination for, and during any campaign for, election to the 5544  
school employees retirement board, shall knowingly and with intent 5545  
to affect the nomination or the outcome of the campaign do any of 5546  
the following by means of campaign materials, an advertisement on 5547  
radio or television or in a newspaper or periodical, a public 5548  
speech, press release, or otherwise: 5549

(1) With regard to a candidate, identify the candidate in a 5550  
manner that implies that the candidate is a member of the board or 5551  
use the term "re-elect" when the candidate is not currently a 5552  
member of the board; 5553

(2) Make a false statement concerning the formal schooling or 5554  
training completed or attempted by a candidate; a degree, diploma, 5555  
certificate, scholarship, grant, award, prize, or honor received, 5556  
earned, or held by a candidate; or the period of time during which 5557  
a candidate attended any school, college, community technical 5558  
school, or institution; 5559

(3) Make a false statement concerning the professional, 5560

<u>occupational, or vocational licenses held by a candidate, or</u>	5561
<u>concerning any position the candidate held for which the candidate</u>	5562
<u>received a salary or wages;</u>	5563
<u>(4) Make a false statement that a candidate or public</u>	5564
<u>official has been indicted or convicted of a theft offense,</u>	5565
<u>extortion, or other crime involving financial corruption or moral</u>	5566
<u>turpitude;</u>	5567
<u>(5) Make a statement that a candidate has been indicted for</u>	5568
<u>any crime or has been the subject of a finding by the Ohio</u>	5569
<u>elections commission without disclosing the outcome of any legal</u>	5570
<u>proceedings resulting from the indictment or finding;</u>	5571
<u>(6) Make a false statement that a candidate or official has a</u>	5572
<u>record of treatment or confinement for mental disorder;</u>	5573
<u>(7) Make a false statement that a candidate or official has</u>	5574
<u>been subjected to military discipline for criminal misconduct or</u>	5575
<u>dishonorably discharged from the armed services;</u>	5576
<u>(8) Falsely identify the source of a statement, issue</u>	5577
<u>statements under the name of another person without authorization,</u>	5578
<u>or falsely state the endorsement of or opposition to a candidate</u>	5579
<u>by a person or publication;</u>	5580
<u>(9) Make a false statement concerning the voting record of a</u>	5581
<u>candidate or public official;</u>	5582
<u>(10) Post, publish, circulate, distribute, or otherwise</u>	5583
<u>disseminate a false statement concerning a candidate, either</u>	5584
<u>knowing the same to be false or with reckless disregard of whether</u>	5585
<u>it was false or not, if the statement is designed to promote the</u>	5586
<u>election, nomination, or defeat of the candidate.</u>	5587
<u>Sec. 3309.074. The secretary of state, or any person acting</u>	5588
<u>on personal knowledge and subject to the penalties of perjury, may</u>	5589
<u>file a complaint with the Ohio elections commission alleging a</u>	5590

violation of section 3309.073 of the Revised Code. The complaint shall be made on a form prescribed and provided by the commission. 5591  
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On receipt of a complaint under this section, the commission shall hold a hearing open to the public to determine whether the violation alleged in the complaint has occurred. The commission may administer oaths and issue subpoenas to any person in the state compelling the attendance of witnesses and the production of relevant papers, books, accounts, and reports. On the refusal of any person to obey a subpoena or to be sworn or to answer as a witness, the commission may apply to the court of common pleas of Franklin county under section 2705.03 of the Revised Code. The court shall hold contempt proceedings in accordance with Chapter 2705. of the Revised Code. 5593  
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The commission shall provide the person accused of the violation at least seven days prior notice of the time, date, and place of the hearing. The accused may be represented by an attorney and shall have an opportunity to present evidence, call witnesses, and cross-examine witnesses. 5604  
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At the hearing, the commission shall determine whether the violation alleged in the complaint has occurred. If the commission determines that a violation of division (A) of section 3309.073 of the Revised Code has occurred, the commission shall either impose a fine under section 3309.99 of the Revised Code or enter a finding that good cause has been shown not to impose the fine. If the commission determines that a violation of division (B) of section 3309.073 of the Revised Code has occurred, the commission shall impose the fine described in section 3309.99 of the Revised Code, refer the matter to the appropriate prosecutor, or enter a finding that good cause has been shown to not impose a fine or refer the matter to the appropriate prosecutor. 5609  
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**Sec. 3309.09.** ~~Four~~ A majority of the members of the school 5621  
employees retirement board constitutes a quorum for the 5622  
transaction of any business. Any action taken by the board shall 5623  
be approved by ~~four or more~~ a majority of its the members of the 5624  
board. All meetings of the board shall be open to the public 5625  
except executive sessions as set forth in division (G) of section 5626  
121.22 of the Revised Code, and any portions of any sessions 5627  
discussing medical records or the degree of disability of a member 5628  
excluded from public inspection by section 3309.22 of the Revised 5629  
Code. 5630

**Sec. 3309.14.** The school employees retirement board shall 5631  
secure the service of such technical and administrative employees 5632  
as are necessary for the transaction of the business of the school 5633  
employees retirement system. ~~The~~ 5634

Effective ninety days after the effective date of this 5635  
amendment, the board may not employ a state retirement system 5636  
investment officer, as defined in section 1707.01 of the Revised 5637  
Code, who does not hold a valid state retirement system investment 5638  
officer license issued by the division of securities in the 5639  
department of commerce. 5640

The compensation of all persons engaged by the board and all 5641  
other expenses of the board necessary for the proper operation of 5642  
the system shall be paid at such rates and in such amounts as the 5643  
board approves. Every expense voucher of an employee, officer, or 5644  
board member of the school employees retirement system shall 5645  
itemize all purchases and expenditures. 5646

The board shall receive and act upon all applications for 5647  
retirement under Chapter 3309. of the Revised Code, and shall 5648  
provide for the payment of all retirement allowances and other 5649  
benefits and shall make other expenditures required or authorized 5650



by this chapter. 5651

**Sec. 3309.22.** (A)(1) As used in this division, "personal 5652  
history record" means information maintained by the board on an 5653  
individual who is a member, former member, contributor, former 5654  
contributor, retirant, or beneficiary that includes the address, 5655  
telephone number, social security number, record of contributions, 5656  
correspondence with the system, and other information the board 5657  
determines to be confidential. 5658

(2) The records of the board shall be open to public 5659  
inspection, except for the following, which shall be excluded, 5660  
except with the written authorization of the individual concerned: 5661

(a) The individual's statement of previous service and other 5662  
information as provided for in section 3309.28 of the Revised 5663  
Code; 5664

(b) Any information identifying by name and address the 5665  
amount of a monthly allowance or benefit paid to the individual; 5666

(c) The individual's personal history record. 5667

(B) All medical reports and recommendations required by the 5668  
system are privileged except that copies of such medical reports 5669  
or recommendations shall be made available to the personal 5670  
physician, attorney, or authorized agent of the individual 5671  
concerned upon written release received from the individual or the 5672  
individual's agent, or when necessary for the proper 5673  
administration of the fund, to the board assigned physician. 5674

(C) Any person who is a contributor of the system shall be 5675  
furnished, on written request, with a statement of the amount to 5676  
the credit of the person's account. The board need not answer more 5677  
than one such request of a person in any one year. 5678

(D) Notwithstanding the exceptions to public inspection in 5679  
division (A)(2) of this section, the board may furnish the 5680

following information: 5681

(1) If a member, former member, contributor, former 5682  
contributor, or retirant is subject to an order issued under 5683  
section 2907.15 of the Revised Code or is convicted of or pleads 5684  
guilty to a violation of section 2921.41 of the Revised Code, on 5685  
written request of a prosecutor as defined in section 2935.01 of 5686  
the Revised Code, the board shall furnish to the prosecutor the 5687  
information requested from the individual's personal history 5688  
record. 5689

(2) Pursuant to a court or administrative order issued under 5690  
section 3119.80, 3119.81, 3121.02, 3121.03, or 3123.06 of the 5691  
Revised Code, the board shall furnish to a court or child support 5692  
enforcement agency the information required under that section. 5693

(3) At the written request of any person, the board shall 5694  
provide to the person a list of the names and addresses of 5695  
members, former members, retirants, contributors, former 5696  
contributors, or beneficiaries. The costs of compiling, copying, 5697  
and mailing the list shall be paid by such person. 5698

(4) Within fourteen days after receiving from the director of 5699  
job and family services a list of the names and social security 5700  
numbers of recipients of public assistance pursuant to section 5701  
5101.181 of the Revised Code, the board shall inform the auditor 5702  
of state of the name, current or most recent employer address, and 5703  
social security number of each contributor whose name and social 5704  
security number are the same as that of a person whose name or 5705  
social security number was submitted by the director. The board 5706  
and its employees shall, except for purposes of furnishing the 5707  
auditor of state with information required by this section, 5708  
preserve the confidentiality of recipients of public assistance in 5709  
compliance with division (A) of section 5101.181 of the Revised 5710  
Code. 5711

(5) The system shall comply with orders issued under section 5712  
3105.87 of the Revised Code. 5713

On the written request of an alternate payee, as defined in 5714  
section 3105.80 of the Revised Code, the system shall furnish to 5715  
the alternate payee information on the amount and status of any 5716  
amounts payable to the alternate payee under an order issued under 5717  
section 3105.171 or 3105.65 of the Revised Code. 5718

(6) At the request of any person, the board shall make 5719  
available to the person copies of all documents, including 5720  
resumes, in the board's possession regarding filling a vacancy of 5721  
an employee member or retirant member of the board. The person who 5722  
made the request shall pay the cost of compiling, copying, and 5723  
mailing the documents. The information described in this division 5724  
is a public record. 5725

(7) The board shall furnish those personal history records 5726  
kept by the board to the secretary of state necessary for the 5727  
purposes of certifying an election pursuant to section 111.30 of 5728  
the Revised Code. The records provided pursuant to this division 5729  
shall remain confidential while in the possession of the secretary 5730  
of state. 5731

(E) A statement that contains information obtained from the 5732  
system's records that is signed by an officer of the retirement 5733  
system and to which the system's official seal is affixed, or 5734  
copies of the system's records to which the signature and seal are 5735  
attached, shall be received as true copies of the system's records 5736  
in any court or before any officer of this state. 5737

Sec. 3309.99. (A) Whoever violates division (A) of section 5738  
3309.073 of the Revised Code shall be fined not more than one 5739  
hundred dollars for each day of the violation. 5740

(B) Whoever violates division (B) of section 3309.073 of the 5741

Revised Code shall be imprisoned for not more than six months or 5742  
fined not more than five thousand dollars, or both. 5743

(C) Fines imposed by the Ohio elections commission under this 5744  
section shall be paid into the Ohio elections commission fund 5745  
created under section 3513.10 of the Revised Code. 5746

**Sec. 5505.04.** (A)(1) The general administration and 5747  
management of the state highway patrol retirement system and the 5748  
making effective of this chapter are hereby vested in the state 5749  
highway patrol retirement board. The board may sue and be sued, 5750  
plead and be impleaded, contract and be contracted with, and do 5751  
all things necessary to carry out this chapter. 5752

The board shall consist of the auditor of state, the director 5753  
of public safety, the treasurer of state, the superintendent of 5754  
the state highway patrol, a ~~retirant member~~ retirant member who is 5755  
a resident of this state, ~~and four employee members~~ employee 5756  
members, and two investment expert members, who shall be appointed 5757  
by the governor and who shall have the following qualifications: 5758

(a) Each investment expert member shall be a resident of this 5759  
state. 5760

(b) Within the three years immediately preceding the 5761  
appointment, each investment expert member shall not have been 5762  
employed by the public employees retirement system, police and 5763  
fire pension fund, state teachers retirement system, school 5764  
employees retirement system, or state highway patrol retirement 5765  
system or by any person, partnership, or corporation that has 5766  
provided to one of those retirement systems services of a 5767  
financial or investment nature, including the management, 5768  
analysis, supervision, or investment of assets. 5769

(c) Each investment expert member shall have direct 5770  
experience in the management, analysis, supervision, or investment 5771

of assets. 5772

(2) The board shall annually elect a chairperson and 5773  
vice-chairperson from among its members. The vice-chairperson 5774  
shall act as chairperson in the absence of the chairperson. A 5775  
majority of the members of the board shall constitute a quorum and 5776  
any action taken shall be approved by ~~four or more~~ a majority of 5777  
the members of the board. The board shall meet not less than once 5778  
each year, upon sufficient notice to the members. All meetings of 5779  
the board shall be open to the public except executive sessions as 5780  
set forth in division (G) of section 121.22 of the Revised Code, 5781  
and any portions of any sessions discussing medical records or the 5782  
degree of disability of a member excluded from public inspection 5783  
by this section. 5784

(3) The initial investment expert member shall be appointed 5785  
and take office not less than ninety days after the effective date 5786  
of this amendment. Any investment expert member appointed to fill 5787  
a vacancy occurring prior to the expiration of the term for which 5788  
the member's predecessor was appointed holds office until the end 5789  
of such term. The member continues in office subsequent to the 5790  
expiration date of the member's term until the member's successor 5791  
takes office, or until a period of sixty days has elapsed, 5792  
whichever occurs first. 5793

(B) The attorney general shall prescribe procedures for the 5794  
adoption of rules authorized under this chapter, consistent with 5795  
the provision of section 111.15 of the Revised Code under which 5796  
all rules shall be filed in order to be effective. Such procedures 5797  
shall establish methods by which notice of proposed rules are 5798  
given to interested parties and rules adopted by the board 5799  
published and otherwise made available. When it files a rule with 5800  
the joint committee on agency rule review pursuant to section 5801  
111.15 of the Revised Code, the board shall submit to the Ohio 5802  
retirement study council a copy of the full text of the rule, and 5803

if applicable, a copy of the rule summary and fiscal analysis 5804  
required by division (B) of section 127.18 of the Revised Code. 5805

~~(C)(1) Except as provided in division (C)(4) of this section, 5806  
the retirant member of the board shall be elected for a four year 5807  
term by a general election of service and disability retirants 5808  
conducted in a manner approved by the board. The term of the 5809  
initial retirant member shall commence in August 1990. A person 5810  
who at the time of retirement is an employee member of the board 5811  
is not eligible to become a retirant member until three years 5812  
after such person's retirement date. 5813~~

~~(2) Except as provided in division (C)(4) of this section, 5814  
employee members of the board shall be elected for terms of four 5815  
years by a general election of contributing members conducted in a 5816  
manner approved by the board. The term of office of each 5817  
employee member shall commence in August of the year in which such 5818  
member is elected. 5819~~

~~(3) Except as provided in division (C)(4) of this section, 5820  
any vacancy occurring in the term of the retirant member or any 5821  
employee member of the board shall be filled by an election 5822  
conducted in the same manner as other retirant member and 5823  
employee member elections. The retirant member or employee member 5824  
elected shall fill the unexpired term. 5825~~

~~(4) The state highway patrol retirement board is not required 5826  
to hold an election for a position on the board as a 5827  
retirant member, employee member, or vacancy for a retirant member 5828  
or employee member if only one candidate has been nominated for 5829  
the position or vacancy in the manner approved by the board. The 5830  
candidate shall take office as if elected. In the case of a 5831  
retirant member or employee member, the term of office shall be 5832  
four years beginning in August of the year the candidate was 5833  
nominated. In the case of a vacancy, the candidate shall fill the 5834  
unexpired term. 5835~~

~~(D)~~(1) As used in this division, "personal history record" 5836  
means information maintained by the board on an individual who is 5837  
a member, former member, retirant, or beneficiary that includes 5838  
the address, telephone number, social security number, record of 5839  
contributions, correspondence with the system, and other 5840  
information the board determines to be confidential. 5841

(2) The records of the board shall be open to public 5842  
inspection, except for the following which shall be excluded: the 5843  
member's, former member's, retirant's, or beneficiary's personal 5844  
history record and the amount of a monthly allowance or benefit 5845  
paid to a retirant, beneficiary, or survivor, except with the 5846  
written authorization of the individual concerned. All medical 5847  
reports and recommendations are privileged except that copies of 5848  
such medical reports or recommendations shall be made available to 5849  
the individual's personal physician, attorney, or authorized agent 5850  
upon written release received from such individual or such 5851  
individual's agent, or when necessary for the proper 5852  
administration of the fund to the board-assigned physician. 5853

~~(E)~~(D) Notwithstanding the exceptions to public inspection in 5854  
division ~~(D)~~(C)(2) of this section, the board may furnish the 5855  
following information: 5856

(1) If a member, former member, or retirant is subject to an 5857  
order issued under section 2907.15 of the Revised Code or is 5858  
convicted of or pleads guilty to a violation of section 2921.41 of 5859  
the Revised Code, on written request of a prosecutor as defined in 5860  
section 2935.01 of the Revised Code, the board shall furnish to 5861  
the prosecutor the information requested from the individual's 5862  
personal history record. 5863

(2) Pursuant to a court order issued under Chapters 3119., 5864  
3121., and 3123. of the Revised Code, the board shall furnish to a 5865  
court or child support enforcement agency the information required 5866

under those chapters. 5867

(3) At the written request of any nonprofit organization or 5868  
association providing services to retirement system members, 5869  
retirants, or beneficiaries, the board shall provide to the 5870  
organization or association a list of the names and addresses of 5871  
members, former members, retirants, or beneficiaries if the 5872  
organization or association agrees to use such information solely 5873  
in accordance with its stated purpose of providing services to 5874  
such individuals and not for the benefit of other persons, 5875  
organizations, or associations. The costs of compiling, copying, 5876  
and mailing the list shall be paid by such entity. 5877

(4) Within fourteen days after receiving from the director of 5878  
job and family services a list of the names and social security 5879  
numbers of recipients of public assistance pursuant to section 5880  
5101.181 of the Revised Code, the board shall inform the auditor 5881  
of state of the name, current or most recent employer address, and 5882  
social security number of each member whose name and social 5883  
security number are the same as those of a person whose name or 5884  
social security number was submitted by the director. The board 5885  
and its employees, except for purposes of furnishing the auditor 5886  
of state with information required by this section, shall preserve 5887  
the confidentiality of recipients of public assistance in 5888  
compliance with division (A) of section 5101.181 of the Revised 5889  
Code. 5890

(5) The system shall comply with orders issued under section 5891  
3105.87 of the Revised Code. 5892

On the written request of an alternate payee, as defined in 5893  
section 3105.80 of the Revised Code, the system shall furnish to 5894  
the alternate payee information on the amount and status of any 5895  
amounts payable to the alternate payee under an order issued under 5896  
section 3105.171 or 3105.65 of the Revised Code. 5897



(6) At the request of any person, the board shall make 5898  
available to the person copies of all documents, including 5899  
resumes, in the board's possession regarding filling a vacancy of 5900  
an employee member or retirant member of the board. The person who 5901  
made the request shall pay the cost of compiling, copying, and 5902  
mailing the documents. The information described in this division 5903  
is a public record. 5904

(7) The board shall furnish those personal history records 5905  
kept by the board to the secretary of state necessary for the 5906  
purposes of certifying an election pursuant to section 111.30 of 5907  
the Revised Code. The records provided pursuant to this division 5908  
shall remain confidential while in the possession of the secretary 5909  
of state. 5910

~~(F)~~(E) A statement that contains information obtained from 5911  
the system's records that is certified and signed by an officer of 5912  
the retirement system and to which the system's official seal is 5913  
affixed, or copies of the system's records to which the signature 5914  
and seal are attached, shall be received as true copies of the 5915  
system's records in any court or before any officer of this state. 5916

**Sec. 5505.041.** All elections for retirant member and employee 5917  
members of the state highway patrol retirement board shall be held 5918  
under the direction of the board in accordance with rules adopted 5919  
under section 111.30 of the Revised Code. A person who at the time 5920  
of retirement is an employee member of the board is not eligible 5921  
to become a retirant member of the board until three years after 5922  
the person's retirement date. Service and disability retirants may 5923  
vote in elections for the retirant member of the board. 5924  
Contributing members may vote in elections for the employee member 5925  
of the board. 5926

On certification of the election results under section 111.30 5927  
of the Revised Code, the person elected as the retirant member of 5928

the board or an employee member of the board shall serve a 5929  
four-year term beginning on the first day of August following the 5930  
election. 5931

Sec. 5505.042. Except as provided in section 5505.043 of the 5932  
Revised Code, any vacancy occurring in the term of the retirant 5933  
member of the state highway patrol retirement board or an employee 5934  
member of the board shall be filled by an election conducted in 5935  
the same manner as other retirant member and employee member 5936  
elections under section 5505.041 of the Revised Code. On 5937  
certification of the election results under section 111.30 of the 5938  
Revised Code, the retirant member or employee member elected shall 5939  
hold office until the next board election that occurs not less 5940  
than ninety days after the member's election. 5941

Sec. 5505.043. The state highway patrol retirement board is 5942  
not required to hold an election for a position on the board as a 5943  
retirant member, employee member, or vacancy for a retirant member 5944  
or employee member if only one candidate has been nominated for 5945  
the position or vacancy in accordance with rules governing the 5946  
election adopted under section 111.30 of the Revised Code. The 5947  
candidate shall take office as if elected. In the case of a 5948  
retirant member or employee member, the term of office shall be 5949  
four years beginning in August of the year the candidate was 5950  
nominated. In the case of a vacancy, the candidate shall fill the 5951  
unexpired term. 5952

Sec. 5505.044. (A) As used in this section: 5953

(1) "Campaign committee" means a candidate or a combination 5954  
of two or more persons authorized by a candidate to receive 5955  
contributions and in-kind contributions and make expenditures on 5956  
behalf of the candidate. 5957

(2) "Candidate" means an individual who has been nominated in accordance with rules adopted under section 111.30 of the Revised Code for election to the state highway patrol retirement board or who is seeking to be elected to fill a vacancy on the board pursuant to section 5505.042 of the Revised Code. 5958  
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(3) "Contribution" means a loan, gift, deposit, forgiveness of indebtedness, donation, advance, payment, transfer of funds or transfer of anything of value including a transfer of funds from an inter vivos or testamentary trust or decedent's estate, and the payment by any person other than the person to whom the services are rendered for the personal services of another person, which contribution is made, received, or used for the purpose of influencing the results of an election to the state highway patrol retirement board under section 5505.041 or 5505.042 of the Revised Code or the results of an election to fill a vacancy on the board pursuant to section 5505.042 of the Revised Code. "Contribution" does not include: 5963  
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(a) Services provided without compensation by individuals volunteering a portion or all of their time on behalf of a person; 5975  
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(b) Ordinary home hospitality; 5977

(c) The personal expenses of a volunteer paid for by that volunteer campaign worker. 5978  
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(4) "Election day" means the following, as appropriate to the situation: 5980  
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(a) The last day that ballots for an election to the state highway patrol retirement board under section 5505.041 or 5505.042 of the Revised Code may be returned in order for the ballot to be counted; 5982  
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(b) If, pursuant to section 5505.043 of the Revised Code, no election is held, the last day that ballots would have been 5986  
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required to be returned in order to be counted if an election was 5988  
to be held under section 5505.041 or 5505.042 of the Revised Code. 5989

(5) "Expenditure" means the disbursement or use of a 5990  
contribution for the purpose of influencing the results of an 5991  
election to the state highway patrol retirement board under 5992  
section 5505.041 or 5505.042 of the Revised Code or the results of 5993  
an election to fill a vacancy on the board pursuant to section 5994  
5505.042 of the Revised Code. 5995

(6) "Independent expenditure" means an expenditure by an 5996  
individual, partnership, or other entity advocating the election 5997  
or defeat of an identified candidate or candidates, that is not 5998  
made with the consent of, in coordination, cooperation, or 5999  
consultation with, or at the request or suggestion of any 6000  
candidate or candidates or of the campaign committee or agent of 6001  
the candidate or candidates. An independent expenditure shall not 6002  
be construed as being a contribution. As used in division (A)(6) 6003  
of this section: 6004

(a) "Advocating" means any communication containing a message 6005  
advocating election or defeat. 6006

(b) "Identified candidate" means that the name of the 6007  
candidate appears, a photograph or drawing of the candidate 6008  
appears, or the identity of the candidate is otherwise apparent by 6009  
unambiguous reference. 6010

(c) "Made in coordination, cooperation, or consultation with, 6011  
or at the request or suggestion of, any candidate or the campaign 6012  
committee or agent of the candidate" means made pursuant to any 6013  
arrangement, coordination, or direction by the candidate, the 6014  
candidate's campaign committee, or the candidate's agent prior to 6015  
the publication, distribution, display, or broadcast of the 6016  
communication. An expenditure is presumed to be so made when it is 6017  
any of the following: 6018

(i) Based on information about the candidate's plans, projects, or needs provided to the person making the expenditure by the candidate, or by the candidate's campaign committee or agent, with a view toward having an expenditure made; 6019  
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(ii) Made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of the candidate's campaign committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate or the candidate's campaign committee or agent; 6023  
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(iii) Made by a political party in support of a candidate, unless the expenditure is made by a political party to conduct voter registration or voter education efforts. 6028  
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(d) "Agent" means any person who has actual oral or written authority, either express or implied, to make or to authorize the making of expenditures on behalf of a candidate, or means any person who has been placed in a position with the candidate's campaign committee or organization such that it would reasonably appear that in the ordinary course of campaign-related activities the person may authorize expenditures. 6031  
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(7) "In-kind contribution" means anything of value other than money that is used to influence the results of an election to the state highway patrol retirement board under section 5505.041 or 5505.042 of the Revised Code or the results of an election to fill a vacancy on the board pursuant to section 5505.042 of the Revised Code or is transferred to or used in support of or in opposition to a candidate and that is made with the consent of, in coordination, cooperation, or consultation with, or at the request or suggestion of the benefited candidate. The financing of the dissemination, distribution, or republication, in whole or in part, of any broadcast or of any written, graphic, or other form of campaign materials prepared by the candidate, the candidate's 6038  
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campaign committee, or their authorized agents is an in-kind  
contribution to the candidate and an expenditure by the candidate.

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(8) "Personal expenses" includes ordinary expenses for  
accommodations, clothing, food, personal motor vehicle or  
airplane, and home telephone.

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(B) Except as otherwise provided in division (D) of this  
section, each candidate who, or whose campaign committee, receives  
a contribution or in-kind contribution or makes an expenditure in  
connection with the candidate's efforts to be elected to the state  
highway patrol retirement board shall file with the secretary of  
state two complete, accurate, and itemized statements setting  
forth in detail the contributions, in-kind contributions, and  
expenditures. The statements shall be filed regardless of whether  
an election is held or, pursuant to section 5505.043 of the  
Revised Code, an election is not held. The statements shall be  
made on a form prescribed under section 111.30 of the Revised  
Code. Every expenditure shall be vouched for by a receipted bill,  
stating the purpose of the expenditures, that shall be filed with  
the statement; a canceled check with a notation of the purpose of  
the expenditure is a receipted bill for purposes of this division.

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The first statement shall be filed not later than four p.m.  
on the day that is twelve days before election day. The second  
statement shall be filed not sooner than the day that is eight  
days after election day and not later than thirty-eight days after  
election day. The first statement shall reflect contributions and  
in-kind contributions received and expenditures made to the close  
of business on the twentieth day before election day. The second  
statement shall reflect contributions and in-kind contributions  
received and expenditures made during the period beginning on the  
nineteenth day before election day and ending on the close of  
business on the seventh day after election day.

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(C) Each individual, partnership, or other entity who makes 6081  
an independent expenditure in connection with the candidate's 6082  
efforts to be elected to the state highway patrol retirement board 6083  
shall file with the secretary of state two complete, accurate, and 6084  
itemized statements setting forth in detail the independent 6085  
expenditures. The statements shall be filed regardless of whether 6086  
an election is held or, pursuant to section 5505.043 of the 6087  
Revised Code, an election is not held. The statements shall be 6088  
made on a form prescribed under section 111.30 of the Revised 6089  
Code. 6090

The first statement shall be filed not later than four p.m. 6091  
on the day that is twelve days before election day. The second 6092  
statement shall be filed not sooner than the day that is eight 6093  
days after election day and not later than thirty-eight days after 6094  
election day. The first statement shall reflect independent 6095  
expenditures made to the close of business on the twentieth day 6096  
before election day. The second statement shall reflect 6097  
independent expenditures made during the period beginning on the 6098  
nineteenth day before election day and ending on the close of 6099  
business on the seventh day after election day. 6100

(D) Each candidate who, or whose campaign committee, receives 6101  
a contribution or in-kind contribution or makes an expenditure in 6102  
connection with the candidate's efforts to be elected to fill a 6103  
vacancy in the public employees retirement board pursuant to 6104  
section 5505.042 of the Revised Code shall file with the secretary 6105  
of state a complete, accurate, and itemized statement setting 6106  
forth in detail the contributions, in-kind contributions, and 6107  
expenditures. The statement shall be made on a form prescribed 6108  
under section 111.30 of the Revised Code. Every expenditure shall 6109  
be vouched for by a receipted bill, stating the purpose of the 6110  
expenditures, that shall be filed with the statement; a canceled 6111  
check with a notation of the purpose of the expenditure is a 6112

receipted bill for purposes of this division. 6113

The statement shall be filed within thirty-eight days after 6114  
the day the candidate takes office. The statement shall reflect 6115  
contributions and in-kind contributions received and expenditures 6116  
made to the close of business on the seventh day after the day the 6117  
candidate takes office. 6118

**Sec. 5505.045.** (A) No person shall knowingly fail to file a 6119  
complete and accurate campaign finance statement or independent 6120  
expenditure statement in accordance with section 5505.044 of the 6121  
Revised Code. 6122

(B) No person, during the course of a person seeking 6123  
nomination for, and during any campaign for, election to the state 6124  
highway patrol retirement board, shall knowingly and with intent 6125  
to affect the nomination or the outcome of the campaign do any of 6126  
the following by means of campaign materials, an advertisement on 6127  
radio or television or in a newspaper or periodical, a public 6128  
speech, press release, or otherwise: 6129

(1) With regard to a candidate, identify the candidate in a 6130  
manner that implies that the candidate is a member of the board or 6131  
use the term "re-elect" when the candidate is not currently a 6132  
member of the board; 6133

(2) Make a false statement concerning the formal schooling or 6134  
training completed or attempted by a candidate; a degree, diploma, 6135  
certificate, scholarship, grant, award, prize, or honor received, 6136  
earned, or held by a candidate; or the period of time during which 6137  
a candidate attended any school, college, community technical 6138  
school, or institution; 6139

(3) Make a false statement concerning the professional, 6140  
occupational, or vocational licenses held by a candidate, or 6141  
concerning any position the candidate held for which the candidate 6142



<u>received a salary or wages;</u>	6143
<u>(4) Make a false statement that a candidate or public official has been indicted or convicted of a theft offense, extortion, or other crime involving financial corruption or moral turpitude;</u>	6144
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<u>(5) Make a statement that a candidate has been indicted for any crime or has been the subject of a finding by the Ohio elections commission without disclosing the outcome of any legal proceedings resulting from the indictment or finding;</u>	6148
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<u>(6) Make a false statement that a candidate or official has a record of treatment or confinement for mental disorder;</u>	6152
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<u>(7) Make a false statement that a candidate or official has been subjected to military discipline for criminal misconduct or dishonorably discharged from the armed services;</u>	6154
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<u>(8) Falsely identify the source of a statement, issue statements under the name of another person without authorization, or falsely state the endorsement of or opposition to a candidate by a person or publication;</u>	6157
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<u>(9) Make a false statement concerning the voting record of a candidate or public official;</u>	6161
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<u>(10) Post, publish, circulate, distribute, or otherwise disseminate a false statement concerning a candidate, either knowing the same to be false or with reckless disregard of whether it was false or not, if the statement is designed to promote the election, nomination, or defeat of the candidate.</u>	6163
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<u>Sec. 5505.046. The secretary of state, or any person acting on personal knowledge and subject to the penalties of perjury, may file a complaint with the Ohio elections commission alleging a violation of section 5505.045 of the Revised Code. The complaint shall be made on a form prescribed and provided by the commission.</u>	6168
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On receipt of a complaint under this section, the commission shall hold a hearing open to the public to determine whether the violation alleged in the complaint has occurred. The commission may administer oaths and issue subpoenas to any person in the state compelling the attendance of witnesses and the production of relevant papers, books, accounts, and reports. On the refusal of any person to obey a subpoena or to be sworn or to answer as a witness, the commission may apply to the court of common pleas of Franklin county under section 2705.03 of the Revised Code. The court shall hold contempt proceedings in accordance with Chapter 2705. of the Revised Code.

The commission shall provide the person accused of the violation at least seven days prior notice of the time, date, and place of the hearing. The accused may be represented by an attorney and shall have an opportunity to present evidence, call witnesses, and cross-examine witnesses.

At the hearing, the commission shall determine whether the violation alleged in the complaint has occurred. If the commission determines that a violation of division (A) of section 5505.045 of the Revised Code has occurred, the commission shall either impose a fine under section 5505.99 of the Revised Code or enter a finding that good cause has been shown not to impose the fine. If the commission determines that a violation of division (B) of section 5505.045 of the Revised Code has occurred, the commission shall impose the fine described in section 5505.99 of the Revised Code, refer the matter to the appropriate prosecutor, or enter a finding that good cause has been shown to not impose a fine or refer the matter to the appropriate prosecutor.

**Sec. 5505.048.** An employee member or retirant member of the state highway patrol retirement board who is charged with committing a felony, a theft offense as defined in section 2913.01

of the Revised Code, or a violation of section 102.02, 102.03, 6204  
102.04, 2921.02, 2921.11, 2921.13, 2921.31, 2921.41, 2921.42, 6205  
2921.43, or 2921.44 of the Revised Code shall be suspended from 6206  
participation on the board for the period during which the charges 6207  
are pending. If the charges are dismissed, the member is found not 6208  
guilty, or the charges are otherwise resolved in a manner not 6209  
resulting in the member being convicted of or pleading guilty to 6210  
an offense of that nature, the suspension shall end, and the 6211  
member may participate on the board. If the member pleads guilty 6212  
to or is convicted of the offense, the position of the member on 6213  
the board shall be deemed vacant. A person who has pleaded guilty 6214  
to or been convicted of an offense of that nature is ineligible 6215  
for election to the office of employee member or retirant member 6216  
of the state highway patrol retirement board. 6217

Sec. 5505.049. A person who served as an elected or appointed 6218  
member of the state highway patrol retirement board for one or 6219  
more entire fiscal years in fiscal years 2000, 2001, or 2002 is 6220  
ineligible for re-election or reappointment to the board if the 6221  
person has accepted reimbursements for travel and travel-related 6222  
expenses from the board that have an annual average of more than 6223  
ten thousand dollars for those fiscal years. 6224

Sec. 5505.062. The state highway patrol retirement board 6225  
shall do all of the following: 6226

(A) In consultation with the Ohio ethics commission, review 6227  
any existing policy regarding the travel and payment of travel 6228  
expenses of members and employees of the state highway patrol 6229  
retirement board and adopt rules in accordance with section 6230  
5505.04 of the Revised Code establishing a new or revised policy 6231  
regarding travel and payment of travel expenses; 6232

(B) If the board intends to award a bonus to any employee of 6233

the board, adopt rules in accordance with section 5505.04 of the 6234  
Revised Code establishing a policy regarding employee bonuses; 6235

(C) Provide copies of the rules adopted under divisions (A) 6236  
and (B) of this section to each member of the Ohio retirement 6237  
study council; 6238

(D) Submit to the Ohio retirement study council a proposed 6239  
operating budget, including an administrative budget for the 6240  
board, for the next immediate fiscal year and adopt that budget 6241  
not earlier than sixty days after it is submitted to the council; 6242

(E) Submit to the council a plan describing how the board 6243  
will improve the dissemination of public information pertaining to 6244  
the board. 6245

**Sec. 5505.063.** The state highway patrol retirement board 6246  
shall, in consultation with the Ohio ethics commission, develop an 6247  
ethics policy. The board shall submit this policy to the Ohio 6248  
retirement study council for approval. 6249

The council shall review the policy and, if the council 6250  
determines, upon the advice of the Ohio ethics commission, that 6251  
the policy is adequate, approve the policy. If the council 6252  
determines that the policy is inadequate, it shall specify the 6253  
revisions to be made and the board shall submit a revised policy. 6254  
If the council approves the revised policy, the board shall adopt 6255  
it. If not, the board shall make any further revisions required by 6256  
the council and adopt the policy. 6257

The board periodically shall provide ethics training to 6258  
members and employees of the board. The training shall include 6259  
training regarding the requirements and prohibitions of Chapter 6260  
102. of the Revised Code and sections 2921.42 and 2921.43 of the 6261  
Revised Code and any other training the board considers 6262  
appropriate. 6263

The board shall establish a procedure to ensure that each employee of the board is informed of the procedure for filing a complaint alleging violation of Chapter 102. of the Revised Code or section 2921.42 or 2921.43 of the Revised Code with the Ohio ethics commission or the appropriate prosecuting attorney.

Sec. 5505.064. Each newly elected member of the state highway patrol retirement board and each individual appointed to fill a vacancy on the board, shall, not later than ninety days after commencing service as a board member, complete the orientation program component of the retirement board member education program established under section 171.50 of the Revised Code.

Each member of the board who has served a year or longer as a board member shall, not less than twice each year, attend one or more programs that are part of the continuing education component of the retirement board member education program established under section 171.50 of the Revised Code.

Sec. 5505.065. (A) The state highway patrol retirement board shall designate a person who is a licensed state retirement system investment officer to be the chief investment officer for the state highway patrol retirement system. The board shall notify the division of securities of the department of commerce in writing of its designation and of any change in its designation within ten calendar days of the designation or change.

(B) The chief investment officer shall reasonably supervise the licensed state retirement system investment officers and other persons employed by the state highway patrol retirement system with a view toward preventing violations of Chapter 1707. of the Revised Code, the "Commodity Exchange Act," 42 Stat. 998, 7 U.S.C. and following, the "Securities Act of 1933," 48 Stat. 74, 15

U.S.C. and following, and the "Securities Exchange Act of 1934," 6294  
48 Stat. 881, 15 U.S.C. 78a, and following, and the rules and 6295  
regulations promulgated under those statutes. This duty of 6296  
reasonable supervision shall include the adoption, implementation, 6297  
and enforcement of written policies and procedures reasonably 6298  
designed to prevent persons employed by the state highway patrol 6299  
retirement system from misusing material, nonpublic information in 6300  
violation of those laws, rules, and regulations. 6301

For purposes of this division, no chief investment officer 6302  
shall be considered to have failed to satisfy the officer's duty 6303  
of reasonable supervision if the officer has done all of the 6304  
following: 6305

(1) Adopted and implemented written procedures, and a system 6306  
for applying the procedures, that would reasonably be expected to 6307  
prevent and detect, insofar as practicable, any violation by its 6308  
licensed investment officers and other persons employed by the 6309  
state highway patrol retirement system; 6310

(2) Reasonably discharged the duties and obligations 6311  
incumbent on the chief investment officer by reason of the 6312  
established procedures and the system for applying the procedures 6313  
when the officer had no reasonable cause to believe that there was 6314  
a failure to comply with the procedures and systems; 6315

(3) Reviewed, at least annually, the adequacy of the policies 6316  
and procedures established pursuant to this section and the 6317  
effectiveness of their implementation. 6318

(C) The chief investment officer shall ensure that securities 6319  
transactions are executed in such a manner that the state highway 6320  
patrol retirement system's total costs or proceeds in each 6321  
transaction are the most favorable under the circumstances. 6322

For purposes of this division, no chief investment officer 6323  
shall be considered to have failed to satisfy the officer's duty 6324

of best execution if the officer has done both of the following: 6325

(1) Adopted and implemented a written policy that outlines 6326  
the criteria used to select broker-dealers that execute securities 6327  
transactions on behalf of the state highway patrol retirement 6328  
system, which criteria shall include all of the following: 6329

(a) Commissions charged by the broker-dealer, both in the 6330  
aggregate and on a per share basis; 6331

(b) The execution speed and trade settlement capabilities of 6332  
the broker-dealer; 6333

(c) The responsiveness, reliability, and integrity of the 6334  
broker-dealer; 6335

(d) The nature and value of research provided by the 6336  
broker-dealer; 6337

(e) Any special capabilities of the broker-dealer. 6338

(2) Reviewed, at least annually, the performance of 6339  
broker-dealers that execute securities transactions on behalf of 6340  
the state highway patrol retirement system. 6341

**Sec. 5505.07.** (A) The state highway patrol retirement board 6342  
may employ a secretary and secure the services of employees for 6343  
the transaction of business of the state highway patrol retirement 6344  
system. ~~The~~ 6345

Effective ninety days after the effective date of this 6346  
amendment, the board may not employ a state retirement system 6347  
investment officer, as defined in section 1707.01 of the Revised 6348  
Code, who does not hold a valid state retirement system investment 6349  
officer license issued by the division of securities in the 6350  
department of commerce. 6351

The compensation of all persons engaged by the board and all 6352  
other expenses of the board necessary for the proper operation of 6353

the pension fund shall be paid at such rates and in such amounts 6354  
as the board approves. Every expense voucher of an employee, 6355  
officer, or board member of the state highway patrol retirement 6356  
system shall itemize all purchases and expenditures. 6357

(B) The clerical procedures required in the operation of the 6358  
retirement system shall be performed by the staff of the secretary 6359  
appointed by the board. The cost of such clerical procedures and 6360  
the services performed by the secretary of the retirement system 6361  
shall be paid by the retirement system. 6362

(C) The board shall appoint an actuary who shall be its 6363  
technical advisor. 6364

(D) The board shall from time to time adopt such mortality 6365  
and other tables of experience, and such rate or rates of 6366  
interest, as are required in the proper operation of the 6367  
retirement system. 6368

(E) The board shall determine by appropriate rules the 6369  
service to be credited any member in any calendar year. 6370

The board shall perform other functions and adopt rules as 6371  
required for the proper execution of Chapter 5505. of the Revised 6372  
Code. 6373

Sec. 5505.122. If the Ohio retirement study council 6374  
establishes a uniform format for any report the state highway 6375  
patrol retirement board is required to submit to the council, the 6376  
board shall submit the report in that format. 6377

Sec. 5505.99. (A) Whoever violates division (A) of section 6378  
5505.045 of the Revised Code shall be fined not more than one 6379  
hundred dollars for each day of the violation. 6380

(B) Whoever violates division (B) of section 5505.045 of the 6381  
Revised Code shall be imprisoned for not more than six months or 6382



<u>fined not more than five thousand dollars, or both.</u>	6383
<u>(C) Fines imposed by the Ohio elections commission under this</u>	6384
<u>section shall be paid into the Ohio elections commission fund</u>	6385
<u>created under section 3513.10 of the Revised Code.</u>	6386
<b>Section 2.</b> That existing sections 102.02, 102.03, 102.06,	6387
117.10, 145.04, 145.05, 145.051, 145.06, 145.09, 145.27, 171.01,	6388
171.02, 171.03, 171.04, 742.03, 742.04, 742.05, 742.10, 742.38,	6389
742.41, 1707.01, 1707.03, 1707.17, 1707.19, 1707.20, 1707.22,	6390
1707.23, 1707.25, 1707.261, 1707.39, 1707.431, 1707.44, 1707.46,	6391
3307.03, 3307.05, 3307.06, 3309.061, 3307.07, 3307.11, 3307.20,	6392
3309.03, 3309.05, 3309.06, 3309.07, 3309.09, 3309.14, 3309.22,	6393
5505.04, and 5505.07 of the Revised Code are hereby repealed.	6394
<b>Section 3.</b> Section 1707.162 of the Revised Code, as enacted	6395
by this act, shall take effect ninety days after the effective	6396
date of this section.	6397
<b>Section 4.</b> The amendment to sections 3307.05, 3307.06, and	6398
3307.07 of the Revised Code in this act shall not affect the term	6399
of any elected member of the State Teachers Retirement Board	6400
serving on the effective date of this section. Within ninety days	6401
after the effective date of this act, the governor shall appoint	6402
the initial additional retired teacher member position created by	6403
this act. The teacher member shall hold office until the next	6404
board election that occurs not less than ninety days after the	6405
appointment.	6406
<b>Section 5.</b> Nothing in this act shall be construed to be a	6407
limitation of the Ohio Ethics Commission's authority,	6408
responsibility, and powers under Chapter 102. of the Revised Code	6409
as it existed immediately prior to the effective date of this act	6410
as applied to members and employees of the state retirement	6411

boards. Any authority, power, or responsibilities of the Ohio 6412  
Ethics Commission expressly created by this act are in addition to 6413  
any authority, power, or responsibilities of the Commission in 6414  
effect immediately prior to the effective date of this act. 6415

**Section 6.** A member of a state retirement board who, pursuant 6416  
to this act, is replaced on that board by an elected or appointed 6417  
member shall remain in office until the replacement member is 6418  
appointed or elected. 6419

**Section 7.** Section 742.41 of the Revised Code is presented in 6420  
this act as a composite of the section as amended by both Sub. 6421  
H.B. 535 and Am. Sub. S.B. 180 of the 123rd General Assembly. 6422  
Section 3307.20 of the Revised Code is presented in this act as a 6423  
composite of the section as amended by both Sub. H.B. 535 and Am. 6424  
Sub. S.B. 180 of the 123rd General Assembly. Section 3309.22 of 6425  
the Revised Code is presented in this act as a composite of the 6426  
section as amended by Sub. H.B. 535, Sub. S.B. 270, and Am. Sub. 6427  
S.B. 180 all of the 123rd General Assembly. Section 5505.04 of the 6428  
Revised Code is presented in this act as a composite of the 6429  
section as amended by both Sub. H.B. 535 and Am. Sub. S.B. 180 of 6430  
the 123rd General Assembly. The General Assembly, applying the 6431  
principle stated in division (B) of section 1.52 of the Revised 6432  
Code that amendments are to be harmonized if reasonably capable of 6433  
simultaneous operation, finds that the composites are the 6434  
resulting versions of the sections in effect prior to the 6435  
effective dates of the sections as presented in this act. 6436